

General Conditions of Contract Between Owner and Design-Builder: Amended and Restated

McCarron's Water Treatment Process
Improvements
St. Paul, MN

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Article 1 – General

1.1 Basis of General Conditions of Contract

1.1.1 These General Conditions of Contract are based upon standard DBIA (Design-Build Institute of America) contract documents. While DBIA's standard contract document has been used as the basis for compiling the contents of these General Conditions of Contract, all parties are advised that modifications to the standard contract document have been made. As such, all parties are advised to carefully review the specific text of this General Conditions of Contract document in recognition of the fact that it is not an exact match with DBIA's standard forms.

1.2 Mutual Obligations

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

1.3 Basic Definitions

Acceptance Test and *Acceptance Testing* refers to testing procedures required to prove that the applicable performance standards are met in full as described in Exhibit Q2 (Acceptance Test Plan Annotated Outline).

Acceptance Test Plan refers to the plans and procedures for the performance of Acceptance Testing to be prepared by the Design-Builder and approved by the Owner in accordance with Exhibit Q2 (Acceptance Test Plan Annotated Outline).

Agreement refers to the executed contract between Owner and Design-Builder under DBIA Document No. 545, *Progressive Design-Build Agreement for Water and Wastewater Projects: Amended and Restated*.

Amended and Restated Contract refers to the documents entitled *General Conditions of Contract Between Owner and Design-Builder: Amended and Restated* (this document) and *Progressive Design-Build Agreement: Amended and Restated* in addition to all exhibits attached to said documents. The Amended and Restated Contract shall be executed following the Owner's acceptance of the GP Proposal and will establish the Guaranteed Price for Phase 2 of the Project.

Application for Payment is a request for payment issued by the Design-Builder to the Owner as described in Section 6.3.

Baseline Drawings and Specifications are the documents prepared and assembled in Exhibit L7 by the Design-Builder during Phase 1 of the Project addressing Owner comments from the previous interim review necessary to define the baseline design for the Amended and Restated Contract and the Phase 2 scope of work.

Basis of Design Documents are as follows: these General Conditions of Contract, the Agreement, any amendments or revisions to the General Conditions of Contract or the Agreement made in accordance with Article 9 of these General Conditions of Contract, and all Exhibits to the Agreement. Basis of Design Documents may also include engineering reports, pilot testing data, and other such information which serves to inform design and is compiled by the Design-Builder during Phase 1 of the Project.

Certificate of Substantial Completion of Treatment Facilities is a certificate issued to the Design-Builder by the Owner certifying that the Treatment Facilities portion of the project has reached Substantial Completion of the Treatment Facilities as described in Section 2.7.6.

Certificate of Substantial Completion of the Project is a certificate issued to the Design-Builder by the Owner certifying that the project has reached Substantial Completion of the Project as described in Section 2.7.7.

Change Order is a written instrument issued after execution of the Agreement signed by Owner and Design-Builder which adjusts the scope of Work, Contract Price, and/or Contract Time. Change Orders are further defined in Section 9.1.

Construction Documents are the drawings and specifications described in Section 2.3 to be prepared and assembled by the Design-Builder that have been advanced and finalized to be sufficiently complete for Design-Build construction.

Construction Work is comprised of all construction, materials staging and transportation, construction inspection, facilities testing, demolition, and other services performed during Phase 2 of the project. In general, Construction Work is equivalent to Phase 2 work.

Contract Documents are the documents which shall govern project work. The specific documents considered to be Contract Documents are listed in Article 3 of the Agreement.

Contract Price refers to the price which the Owner agrees to pay the Design-Builder in exchange for the performance of the work. The Contract Price for Phase 1 will take the form of a not-to-exceed value. The Contract Price for Phase 2 may either take the form of a Lump Sum value or a Guaranteed Maximum Price depending upon the Owner's selected implementation method.

Contract Time refers the amount of time allowed for Work on the project. Contract Time is established in the Agreement and may be revised as necessary throughout the project.

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

Design-Builder refers to the team selected to perform the Work through the Project Procurement Activities. The Design-Builder is a signatory to the General Conditions of Contract and the Agreement.

Design-Builder's Fee refers to the fee which provides for the Design-Builder's overhead and profit on the Work.

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

Exhibits to the Agreement are documents which have been attached to these General Conditions of Contract and the Agreement. Such Exhibits to Contract Documents shall be considered as a fully enforceable and binding part of the Agreement.

Final Completion is the date on which all Work is complete in accordance with the Contract Documents, including but not limited to, any items identified in the Punch List and the submission of all documents set forth in Section 6.7.2.

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

General Conditions of Contract refer to this DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder: Amended and Restated*.

Guaranteed Maximum Price refers to a potential means of implementing the Guaranteed Price for the project. Establishment of a Guaranteed Maximum Price generally means that the Design-Builder will be compensated on the basis of verifiable project costs with the addition of approved markups for overhead and profit. Under this delivery method, the Design-Builder is responsible for any cost-overruns, and any cost-underruns may be subject to a Shared Savings Provision.

Guaranteed Price means the price which is established in the Guaranteed Price Proposal and agreed to by the Owner. The Guaranteed Price may take the form of a Lump Sum or a Guaranteed Maximum Price at the Owner's discretion. The Guaranteed Price may be amended through change orders during Phase 2 work.

Guaranteed Price (GP) Proposal means that proposal developed by Design-Builder in accordance with Section 2.3 of the Agreement.

Hazardous Conditions are any materials, wastes, substances and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements. Hazardous Conditions may also refer to any substance which, if exposed to raw or treated drinking water, could compromise the safety of the water supply.

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

Lump Sum refers to a potential means of implementing the Guaranteed Price for the project. Establishment of a Lump Sum price generally means that the Design-Builder will be compensated on the basis of completed project milestones in accordance with a pre-defined schedule of values. Compensation shall include a fixed markup for overhead and profit.

Notice to Proceed refers to a written order given by the Owner to the Design-Builder which directs the Design-Builder to proceed with a specified portion of the Work.

Owner refers to the Board of Water Commissioners doing business as Saint Paul Regional Water Services.

Owner's Permit List refers to an attachment to these Contract Documents which lists permits required for the project and associated responsibilities.

Owner's Project Criteria refers to a Phase 1 reference document which described the Owner's preliminary program requirements and objectives for the Project, including use, space, price, time, site and expandability requirements, as well as submittal requirements, water quality requirements, and other requirements governing Design-Builder's performance of the Work. Owner's Project Criteria were revised during Phase 1 through mutual collaboration between the Owner and the Design-Builder as described in Agreement Section 2.2.1.1.

Performance Standards refers to the Design-Builder's guarantees for the systems, subsystems, and process of the Project, which are described in Exhibit Q 2 (Acceptance Test Plan Annotated Outline).

Phase 1 includes all work performed by the Design-Builder prior to the signing of the Amended and Restated Contract as well as all design work performed on the project, regardless of timing.

Phase 2 includes all work accomplished after the establishment of the Amended and Restated Contract with the exception of any outstanding design work.

Principal in Charge refers to the individuals specified as such in Article 10 of the Agreement.

Project is used interchangeably with Work. The Project is comprised of all Design-Builder's design, construction and other services required by the Contract Documents, including procuring and furnishing all materials, equipment, services and labor reasonably inferable from the Contract Documents.

Project Manager refers to the individuals specified as such in Article 10 of the Agreement.

Project Procurement Activities refer to formal procurement efforts undertaken by Saint Paul Regional Water Services and the City of Saint Paul in order to select the best-value Design-Builder. The Request for Qualifications and the Request for Proposal issued by the City of Saint Paul and responses submitted by the Design-Builder are part of the Project Procurement Activities

Prudent Industry Practice refers to the practices, methods, and techniques generally followed by water plant operations and maintenance professionals in the United States regularly involved in similar projects or services.

Public Facilities Authority (PFA) is the agency which administers Minnesota's Drinking Water Revolving Fund program, which is intended as the funding source for this project.

Punch List refers to a formal accounting of all outstanding work which remains to be completed before Final Completion. Punch List work will be identified at the time that a Certificate of Substantial Completion is issued for the applicable portion of Work. The Punch List is generated by the Design-Builder during the course of Phase 2 work. During Phase 2 and prior to Substantial Completion, the Design-Builder will periodically review the Punch List with the Owner to ensure that both parties are in agreement with regards to the items included on the Punch List. The Punch List is subject to the mutual agreement of the Owner and the Design-Builder.

Request for Proposals refers to the document issued by the Owner to solicit proposals during the Project Procurement Activities. Responses to this RFP (proposals) served as the basis for selecting the Design-Builder offering the best value to the Owner.

Self-Performed Work means any work which is performed by the Design-Builder or any affiliate specified on the submitted Statement of Qualifications during Project Procurement Activities.

Shared Savings Provision refers to a provision under which the Owner and Design-Builder agree to share the cost savings associated with any underrun of Project expenses under the Guaranteed Maximum Price delivery model.

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

Statement of Qualifications refers to the document submitted by the Design-Builder in response to SPRWS's Request for Qualification during the Project Procurement Activities.

Subcontracted Work is any work which is not performed by the Design-Builder or any affiliate specified on the submitted Statement of Qualifications during Project Procurement Activities

Subcontractor is any person or entity retained by Design-Builder (or by another Subcontractor) as

an independent contractor to perform a portion of the Construction Work and shall include materialmen and suppliers.

Substantial Completion of the Treatment Facilities means that the Treatment Facilities as defined in Section 2.7.6.1 (other than the Punch List) have been sufficiently completed and has passed all Acceptance Testing. A Certificate of Substantial Completion will be issued upon achievement of Substantial Completion of the Treatment Facilities.

Substantial Completion of the Project means that the entire Work as defined in Section 2.7.7.1 (other than the Punch List) has been sufficiently completed. A Certificate of Substantial Completion will be issued upon achievement of Substantial Completion of the Project.

Termination for Convenience refers to the Owner's decision to release the Design-Builder from work in accordance with Article 9 of the Agreement.

Treatment Facilities refers to the Project components necessary for treatment of the process flows and successful performance of the Acceptance Test as defined in Section 2.7.6.1.

Work is comprised of all Design-Builder's design, construction and other services required by the Contract Documents, including procuring and furnishing all materials, equipment, services and labor reasonably inferable from the Contract Documents.

Article 2 – Design-Builder's Services and Responsibilities

2.1 General Services.

2.1.1 Design-Builder's Project Manager (as defined in Section 10.1 of the Agreement) shall be reasonably available to Owner and shall have the necessary expertise and experience required to supervise the Work. Design-Builder's Project Manager shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder. Design-Builder's Project Manager may be replaced only with the mutual agreement of Owner and Design-Builder.

2.1.2 Key Personnel identified in Exhibit F to the Agreement shall not be replaced without the mutual agreement of the Owner and the Design-Builder.

2.1.3 During Phase 1, Design-Builder shall provide Owner with a written monthly status report as described in the Phase 1 Scope of Services.

2.1.4 During Phase 2, Design-Builder shall provide Owner with a written monthly status report detailing the progress of the Construction Work, including (i) whether the Work is proceeding according to schedule, (ii) whether discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution, (iii) whether health and safety issues exist in connection with the Construction Work; (iv) status of the contingency account to the extent provided for in the Agreement; and (v) other items that require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the Contract Price and within the Contract Time(s).

2.1.5 During Phase 1, the Design-Builder shall coordinate bi-weekly progress meetings with the Owner's Project Manager. During Phase 2, the Design-Builder shall coordinate weekly progress meetings with the Owner's Project Manager. Such weekly meetings shall include verbal updates on the progress of the Construction Work, including each of the topics discussed in Section 2.1.4 above.

2.1.6 The parties will meet within seven (7) days after execution of the Amended and Restated

Contract to discuss issues affecting the administration of the Construction Work and to implement the necessary procedures, including those relating to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

2.1.7 Owner shall provide documents as described in Section 3.2 of these General Conditions of Contract. In the event that such documents are found insufficient for project needs, the Design-Builder shall be responsible for collecting additional information. The Owner and Design-Builder shall work together to determine the appropriate scope and compensation for additional surveying, geotechnical exploration, utility potholing, etc.

2.2 Design Professional Services.

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

2.3 Design Development Services.

2.3.1 Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that Owner may wish to review, which interim design submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements. Interim design submissions shall be consistent with the Basis of Design Documents. On or about the time of the scheduled submissions, Design-Builder and Owner shall meet and confer about the submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any changes to the Basis of Design Documents, or, if applicable, previously submitted design submissions. Changes to the Basis of Design Documents, including those that are deemed minor changes under Section 9.3.1, shall be processed in accordance with Article 9. Minutes of the meetings, including a full listing of all changes, will be maintained by Design-Builder and provided to all attendees for review. Following the design review meeting, Owner shall review the interim design submissions and meeting minutes in a time that is consistent with the turnaround times set forth in Section 3.1.2. Following Owner's review of design submissions, Design-Builder shall promptly revise and modify the submittals so as to fully address all Owner comments and shall deliver to Owner revised submittals for review.

2.3.2 Design-Builder shall submit to Owner Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim design submissions, as such submissions may have been modified in a design review meeting and recorded in the meeting minutes. The parties shall have a design review meeting to discuss, and Owner shall review, the Construction Documents in accordance with the procedures set forth in Section 2.3.1 above. Design-Builder shall proceed with construction in accordance with the Construction Documents and shall submit one set of approved Construction Documents to Owner prior to commencement of construction.

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

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

2.4 Legal Requirements and Funding Conditions.

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

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

2.4.3 Design-Builder shall cooperate with the requirements of Owner's lenders or other financial sources. Design-Builder shall be responsible for meeting any adjustments to the requirements of the Owner's lenders or other financial sources made after the execution of the Agreement. In the event that funding requirements change during the course of the Project and meaningfully alter the obligations and responsibilities of the Design-Builder, a Change Order may be utilized to ensure that Design-Builder is appropriately compensated for such adjustments.

2.5 Government Approvals and Permits.

2.5.1 Except as identified in an Owner's Permit List attached as an exhibit to the Agreement, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project.

2.5.1.1 Any new permit requirements or revisions to permit fees enacted after the date of the Agreement shall be considered a change in Legal Requirements as described in Section 3.7.1 of these General Conditions.

2.5.1.2 In the event that the Design-Builder fails to identify any permit requirements or permit fees which were in effect at the time of the Agreement or any pending changes to permit requirements which were publicly published at the time of the Agreement, such requirements shall not be considered a change in Legal Requirements. The Design-Builder shall not be entitled to a change in Contract Price or Contract Time in such an instance.

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

2.6 Design-Builder's Phase 2 Services.

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

2.6.2 Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-

Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction. All means, methods, sequences, and techniques of construction, however, shall be consistent with Owner-accepted plans for maintenance of plant operations (refer to Exhibit Q4).

2.6.3 Design-Builder shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Owner may reasonably object to Design-Builder's selection of any Subcontractor, provided that the Contract Price and/or Contract Time(s) shall be adjusted to the extent that Owner's decision impacts Design-Builder's cost and/or time of performance. All subcontracted work shall comply with PFA (MN Public Facilities Authority) requirements associated with project funding and any other commitments related to the inclusion of Disadvantaged Business Enterprise (DBE) firms specified by the Design-Builder during Project Procurement Activities.

In the event that any funding requirements change during the course of the construction phase, the Owner shall compensate the Design-Builder for any demonstrable expenses resulting from the change in funding requirements.

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

2.6.5 Design-Builder shall coordinate the activities of all Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner's control, Design-Builder agrees to cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

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

2.7 Design-Builder's Responsibilities for Substantial Completion, Facility Testing, and Training Procedures

2.7.1 Facility Testing Procedures. During Phase 1, the Design-Builder and Owner shall collaborate to develop preliminary testing plans for the facility. The preliminary testing plans are incorporated in Exhibits Q1 and Q2 (Preliminary Draft Startup and Commissioning Plan and Acceptance Test Plan Annotated Outline). The preliminary testing plans have been developed to establish a mutual understanding of minimum standards and guidelines for all forms of testing on the Project. Such testing requirements include, but may not be limited to, Startup and Commissioning Testing, Functional Testing, Milestone Testing, and Acceptance Testing. The Design-Builder shall be contractually obligated to meet the minimum requirements for each phase of facility testing which are described in Exhibit Q1 (Preliminary Draft Startup and Commissioning Plan) and Exhibit Q2 (Acceptance Test Plan Annotated Outline) document.

2.7.2 Functional Testing. The Design-Builder shall be responsible for demonstrating that facilities have been properly designed, constructed, and powered in accordance with the Startup and Commissioning Plan. The Design-Builder shall be responsible for demonstrating that facilities operate in the intended manner and that no operational flaws are evident in accordance with the

Preliminary Draft Startup and Commissioning Plan. Certificates of Proper Installation, including signatures from the manufacturer, shall be provided at the time of facility startup.

2.7.3 Milestone Testing. For any Project components which are constructed and operated prior to completion of the entire facility, the Design-Builder will be required to demonstrate that the individual Project components are capable of satisfactorily meeting pertinent water quality regulations in accordance with the Preliminary Draft Startup and Commissioning Plan (Exhibit Q1). Milestone Testing may be bypassed, and the Design-Builder may proceed directly to Acceptance Testing in the event that all Project components are put into operation concurrently.

If the Design-Builder's project phasing plans require that pre-existing water treatment infrastructure be demolished prior to Acceptance Testing of the facility, the Design-Builder shall demonstrate (by means of successfully Milestone Testing the newly installed, analogous infrastructure) that the pre-existing infrastructure is no longer necessary to provide acceptable water quality and water volumes.

2.7.4 Acceptance Testing. Following the successful Startup, Functional Testing, and (if applicable) Milestone Testing for all Project components, the Design-Builder shall be required to demonstrate that the Treatment Facilities meet all requirements defined in the Acceptance Test Plan Annotated Outline (Exhibit Q2), including all Performance Standards, in accordance with the Owner-approved final Acceptance Testing Plan.

2.7.4.1 Design Professional Services and Acceptance Testing. The design professional services shall be performed to achieve all requirements as defined in the Performance Standards.

2.7.4.2 Acceptance Testing Timeline. The Owner and Design-Builder understand some lab results requisite for determining whether the Acceptance Test has been passed may take several weeks to obtain. Therefore, upon apparent completion of the physical Acceptance Testing process, the Owner will assume full control of the Treatment Facilities, provided that: (i) all readily available test results indicate that the facility appears to have passed the Acceptance Test, (ii) all processes established in the Acceptance Testing Plan have been followed correctly, and (iii) the Owner's staff has been fully trained to operate the facility.

The Owner's assumption of control of the facility shall not be construed as indicating that the Acceptance Test has been officially passed. All requisite lab results must be obtained and approved in order for the facility to pass Acceptance Testing.

2.7.5 Training. The Design-Builder shall be required to train Owner's staff in the operation and maintenance of the Project as defined in Exhibit Q3 (Draft Operations and Maintenance Staff Training Plan).

2.7.6 Substantial Completion of the Treatment Facilities.

2.7.6.1 Definition of Treatment Facilities. The Treatment Facilities are the Project components necessary for treatment of the process flows and successful passage of the Acceptance Test. The Treatment Facilities are inclusive of civil (permanent or temporary required to safely access the facilities and accept chemical deliveries), architectural, structural, mechanical, electrical, and I&C for (1) 100 – Existing Raw Water Terminal (excluding East RW tie-in), (2) 200 - Lime Building, (3) 300 – Solids Contact Clarifiers, including tie-ins to existing sludge lines, (4) 400 – Recarbonation – Ozonation Building, (5) 650 – Connector, (6) 950 – Phase 1 Demolition (Settling Basins, Clarifier 1), (7) Yard Piping (excluding West Raw Water Pipeline and South OZW Pipeline), and (8) Modifications to existing Fluoride Metering System. The Treatment Facilities will be operated remotely via

the temporary controls trailer.

2.7.6.2 Conditions of Substantial Completion Date of Treatment Facilities. Substantial Completion of the Treatment Facilities shall be achieved when all portions of the Treatment Facilities have been completed in accordance with the Construction Documents (other than the Punch List as agreed to by both parties); are capable of operating safely in accordance with all Applicable Laws, Permits, and Prudent Industry Practice; and have successfully passed the Acceptance Test.

2.7.6.3 Substantial Completion Date of the Treatment Facilities. Following successful Acceptance Testing (including the receipt of all water quality analysis), Substantial Completion of the Treatment Facilities shall be deemed complete, and the Owner shall prepare and issue a Certificate of Substantial Completion for the Treatment Facilities that will set forth (i) the date of Substantial Completion of the Treatment Facilities, (ii) the remaining items of Work related to the Treatment Facilities that have to be completed before final payment, (iii) provisions (to the extent not already provided in the Contract Documents) establishing Owner's and Design-Builder's responsibility for the Treatment Facilities' security, maintenance, utilities and insurance pending final payment, and (iv) an acknowledgment that warranties for the Treatment Facilities commence to run on the date of Substantial Completion of the Treatment Facilities, except as may otherwise be noted in the Certificate of Substantial Completion for the Treatment Facilities. The Certificate of Substantial Completion for the Treatment Facilities shall be issued by the Owner within 14 days after all conditions specified in 2.7.6.2 have been met.

2.7.7 Substantial Completion of the Project.

The remaining Project components are not integral to the operations of the Treatment Facilities, and it is the expectation of the parties that the Work associated with the remaining Project components will occur subsequent to the Substantial Completion Date of the Treatment Facilities.

2.7.7.1 Definition of Remaining Project Components. Remaining Project components are any Work not included in the Treatment Facilities. This includes, but may not be limited to, (1) 600 – Laboratory Office Building, (2) 052 – Landscape, (3) 950 – Phase 2 Demolition (Flocculation Basin 3, Clarifiers 2 through 5), (4) Final Site Civil, (5) West Raw Water Pipeline, (6) South OZW Pipeline, and (7) site-wide lighting and miscellaneous electrical systems (e.g., CCTV and card readers).

2.7.7.2 Conditions of Substantial Completion Date of Project. Substantial Completion of the Project shall be deemed to have occurred only when the Design-Builder has reached Substantial Completion of the Treatment Facilities, completed the physical Work of the remaining Project components, and submitted a certification that the entire Work is physically complete (other than the Punch List).

2.7.7.3 Substantial Completion Date of Project. Within 14 days of receipt of the certification from the Design-Builder, Substantial Completion of the Project shall be deemed complete, and the Owner shall prepare and issue a Certificate of Substantial Completion of the Project that will set forth (i) the date of Substantial Completion of the Project, (ii) the remaining items of Work related to the Project that have to be completed before final payment, (iii) provisions (to the extent not already provided in the Contract Documents) establishing Owner's and Design-Builder's responsibility for the Project's security, maintenance, utilities and insurance pending final payment, and (iv) an acknowledgment that warranties not included in the Treatment Facilities commence to run on the date of Substantial Completion of the Project, except as may otherwise be noted in the Certificate of Substantial Completion of the Project.

2.8 Design-Builder's Responsibility for Project Safety.

2.8.1 Design-Builder recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) all other property at the Site or adjacent thereto. Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing construction, designate a safety representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Builder's safety representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The safety representative shall make documented daily inspections of the Site and shall hold documented weekly safety meetings with Design-Builder's personnel, Subcontractors and others as applicable.

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

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

2.9 Design-Builder's Responsibility for Project Security.

2.9.1 Design-Builder recognizes that the Site is deemed to be of critical importance to public health, and, as such, recognizes the importance of maintaining Site security throughout the project. Design-Builder shall limit site access to individuals authorized to be on-Site in accordance to the Site Security Exhibit attached to the Agreement.

2.10 Design-Builder's Warranty.

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

2.11 Correction of Defective Work.

2.11.1 Except as modified by any other performance or latent defects requirements herein, Design-Builder agrees to correct any Work that is found to not be in conformance with the Contract

Documents within a period of one year from the date of substantial completion of the applicable portion of Work, or within such longer period to the extent required by any specific warranty included in the Contract Documents.

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

2.11.3 The one-year period referenced in Section 2.11.1 above applies only to Design-Builder's obligation to correct nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies Owner may have regarding Design-Builder's other obligations under the Contract Documents.

2.11.4 Prior to Substantial Completion of the Treatment Facilities, the Design-Builder and the Owner will collaborate to develop a mutually agreeable plan to govern the one-year warranty period referenced in this section.

Article 3 – Owner's Services and Responsibilities

3.1 Duty to Cooperate.

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

3.1.2 Owner shall provide timely reviews of interim design submissions and Construction Documents. For submittal milestones (i.e., 30% design, 60% design, GP Proposal, and significant alterations to design concepts), Owner shall review and provide comment on such submittals within twenty-one (21) days after receipt of the submissions. For intermediate submittals, Owner shall review and provide comment within fourteen (14) days after the receipt of the submissions. Such review timelines may be adjusted for time-sensitive critical path submittals provided that both Owner and Design Builder agree to the revised review period in advance.

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

3.2 Furnishing of Services and Information.

3.2.1 Owner shall furnish the Design-Builder with various types of information during Phase 1 services. The types of the information that the Owner will be required to provide and the extent to which the Design-Builder may rely upon that information is described below:

3.2.1.1 To the extent available, surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines. Design-Builder may rely upon surveys for determining general locations of buried pipelines and utilities but shall be responsible for potholing during Phase 1 activities to determine precise locations of utilities.

3.2.1.2 To the extent available, geotechnical studies describing subsurface conditions, and other surveys describing other latent or concealed physical conditions at the Site. Where provided, geotechnical borings and data may be relied upon. Design-Builder shall be responsible for developing its own conclusions and engineering analysis based upon the geotechnical data provided.

3.2.1.3 To the extent available, record drawings of any existing structures at the Site. The information contained in such drawings shall be verified by the Design-Builder through inspection of the site. All information derived from provided record drawings shall be field-verified by the Design-Builder except in instances in which field-verification would require actual demolitions or damage to the facility.

3.2.1.4 To the extent available, historical studies of the property which may have a bearing on the scope of the Work or the conditions of funding. The results of such historical studies may be relied upon when interpreted in conjunction with the Owner and the Minnesota State Historic Preservation Office.

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

3.3 Financial Information.

3.3.1 At Design-Builder's request, Owner shall promptly furnish reasonable evidence satisfactory to Design-Builder that Owner has adequate funds available and committed to fulfill all of Owner's contractual obligations under the Contract Documents. If Owner fails to furnish such financial information in a timely manner, Design-Builder may stop Work under Section 11.3 hereof or exercise any other right permitted under the Contract Documents.

3.4 Owner's Project Manager.

3.4.1 Owner's Project Manager (as identified in Section 10.1 of the Agreement) shall be responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents. Owner's Project Manager shall also provide Design-Builder with notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions or defects in the performance of the Work. Owner's failure to provide notice shall not relieve Design-Builder of its responsibility to perform work in accordance with the Contract Documents. Owner's Project Manager shall communicate regularly with Design-Builder and shall be vested with the authority to act on behalf of Owner with respect to routine project management.

3.5 Government Approvals and Permits.

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

3.5.2 Owner shall provide reasonable assistance to Design-Builder in obtaining those permits,

approvals and licenses that are Design-Builder's responsibility.

3.6 Owner's Separate Contractors.

3.6.1 Owner is responsible for all work performed on the Project or at the Site by separate contractors under Owner's control. Owner shall require its separate contractors to coordinate their activities so as not to interfere with, Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents.

3.7 Legal Requirements.

3.7.1 The Contract Price and/or Contract Time(s) will be adjusted to compensate the Owner for the effects of any changes in Legal Requirements enacted after the date of the Agreement which demonstrably and meaningfully impact the performance of the Work, or if the Amended and Restated Contract is established after the date of the Agreement, the date the parties agree upon the Guaranteed Price. Such effects may include, without limitation, revisions to existing laws, tariffs, and other regulatory requirements that allow for faster and/or less-costly design and construction of the facility.

Article 4 – Hazardous Conditions and Differing Site Conditions

4.1 Hazardous Conditions.

4.1.1 Unless otherwise expressly provided in the Contract Documents to be part of the Work, Design-Builder is not responsible for any Hazardous Conditions encountered at the Site. Upon encountering any Hazardous Conditions, Design-Builder will stop Work immediately in the affected area and duly notify Owner and, if required by Legal Requirements, all government or quasi-government entities with jurisdiction over the Project or Site. Design-Builder may resume work or a specified portion of the work if both Owner and Design-Builder mutually agree that such work can be safely resumed.

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

4.1.3 In lieu of the Owner retaining a qualified independent expert, the Owner and Design-Builder may mutually agree that the Design-Builder will self-perform assessment and mitigation work. Alternatively, the Owner and Design-Builder may mutually agree that the Design-Builder will be responsible for obtaining a subcontract with an independent expert. In either instance, the Design-Builder would be fairly compensated for their work in accordance with the rates specified for self-performed work or subcontracted work.

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

4.1.5 To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them, and their officers, directors, employees and agents, from and against any and all claims,

losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from the presence, removal or remediation of Hazardous Conditions at the Site.

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

4.1.7 Owner acknowledges that, except to the extent included in the Work or resulting from the Design-Builder's negligence, Design-Builder has had no role in generating, treating, storing or disposing of Hazardous Conditions which may be present at the Project Site and Design-Builder has not benefited from the processes that produced such Hazardous Conditions. No Hazardous Conditions encountered by Design-Builder in performing, or associated with, the Work shall at any time be or become the property of Design-Builder. Any arrangements made by Design-Builder for the treatment, storage, transport or disposal of any Hazardous Conditions are made solely and exclusively for the benefit of Owner using Owner's EPA generator identification number(s) when required and shall not result in any liability of Design-Builder under this Agreement or with respect to the Hazardous Condition. Owner shall handle all Hazardous Conditions in compliance with applicable Laws and Regulations and shall sign manifests and obtain generator identification numbers when required by Laws and Regulations. If required by the Contract Documents, Design-Builder shall furnish the names of facilities currently licensed to accept Hazardous Waste, but it shall be Owner's sole responsibility to select those to be engaged. Nothing contained in this Agreement shall confer on Design-Builder the status of (a) a generator, storer, disposer or treater of Hazardous Conditions, (b) the party who arranged for the disposal of Hazardous Conditions, or (c) a Hazardous Condition disposal facility, as provided in any Law or Regulation.

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

Likewise, Owner is not responsible for any Hazardous Conditions resulting from the negligence of the Design-Builder, Subcontractors or anyone for whose acts they may be liable. To the fullest extent permitted by law, Design-Builder shall indemnify, defend and hold harmless Owner and Owner's officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from negligence by the Design-Builder, Subcontractors or anyone for whose acts they may be liable.

4.2 Differing Site Conditions.

4.2.1 Concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated in the Contract Documents, (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work, or (iii) materially different from the geotechnical data presented in the Preliminary Design Report (see Exhibit L8) are collectively referred to herein as "Differing Site Conditions." If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance are adversely impacted by the Differing Site Condition.

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

Article 5 – Insurance and Bonds

5.1 Design-Builder's Insurance Requirements.

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

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

5.1.3 Prior to commencing design work, Design-Builder shall procure and maintain the following insurance coverages: General Liability, Auto Liability, Professional Liability (Including Errors and Omissions), Worker's Compensation, and Property Insurance. The limit of the Property Insurance policy must be commensurate with the value of any property owned by the Design-Builder and kept on the Site during the Design phase of the project. The limits of all other policies shall be as specified in the Insurance Exhibit to the Agreement.

5.1.4 Prior to commencing any construction services hereunder, and annually thereafter, Design-Builder shall provide Owner with certificates documenting any exclusions and evidencing that (i) all insurance coverages listed in the Insurance Exhibit to the Agreement have been fulfilled as required by the Contract Documents and are in full force and in effect and will remain in effect for the duration required by the Contract Documents and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Owner. If any of the foregoing insurance coverages are required to remain in force after final payment are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the Design-Builder with reasonable promptness according to the Design-Builder's information and belief.

5.2 Owner's Liability Insurance.

5.2.1 The City is self-insured for all claims arising from its operation as a political subdivision of the State of Minnesota for which it is legally liable by Minnesota Statute 466.04.

5.3 Owner's Property Insurance.

5.3.1 Owner agrees to carry and maintain property insurance, including boiler and machinery coverage, against all risk of physical loss or damage to the existing facilities at the site with a carrier licensed to do business in the state of Minnesota.

5.3.2 Prior to Design-Builder commencing any Work, Owner shall provide Design-Builder with certificates evidencing that (i) all Owner's insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect until Design-Builder has completed all of the Work and has received final payment from Owner and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Design-Builder. Owner shall provide Design-Builder with the necessary endorsements from the insurance company prior to occupying a portion of the Work.

5.3.3 Owner and Design-Builder waive against each other and Owner's separate contractors, Design Consultants, Subcontractors, agents and employees of each and all of them, all damages

covered by property insurance provided herein, except such rights as they may have to the proceeds of such insurance. Design-Builder and Owner shall, where appropriate, require similar waivers of subrogation from Owner's separate contractors, Design Consultants and Subcontractors and shall require each of them to include similar waivers in their contracts. These waivers of subrogation shall not contain any restriction or limitation that will impair the full and complete extent of its applicability to any person or entity unless agreed to in writing prior to the execution of this Agreement.

5.4 Bonds and Other Performance Security.

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

5.4.2 All bonds furnished by Design-Builder shall be in a form satisfactory to Owner. The surety shall be a company qualified and registered to conduct business in Minnesota.

Article 6 – Payment

6.1 Phase 1 Payments

6.1.1 All Phase 1 Work will be compensated in accordance with Section 7.1 of the Agreement.

6.2 Phase 2 Payments

6.2.1 All Phase 2 Work will be compensated in accordance with the applicable portions of Article 7 of the Agreement.

6.3 Monthly Progress Payments.

6.3.1 On or before the date established in the Agreement, Design-Builder shall submit for Owner's review and approval its Application for Payment requesting payment for all Work performed as of the date of the Application for Payment. The Application for Payment shall be accompanied by all supporting documentation required by the Contract Documents and/or established at the meeting required by Section 2.1.5 hereof.

6.3.2 The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that (i) Owner is satisfied that the equipment and materials are suitably stored at either the Site or another acceptable location, (ii) the equipment and materials are protected by suitable insurance, and (iii) Owner will receive the equipment and materials free and clear of all liens and encumbrances at the appropriate time.

6.3.3 The Application for Payment shall constitute Design-Builder's representation that the Work described herein has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all Work will pass to Owner free and clear of all claims, liens, encumbrances, and security interests upon substantial completion of the applicable portion of Work.

6.4 Withholding of Payments.

6.4.1 On or before the date established in the Agreement, Owner shall pay Design-Builder all

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

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

6.5 Right to Stop Work and Interest.

6.5.1 If Owner fails to pay Design-Builder any amount that becomes due, Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop Work pursuant to Section 11.3 hereof. All payments due and unpaid shall bear interest at the rate set forth in the Agreement.

6.6 Design-Builder's Payment Obligations.

6.6.1 Design-Builder will pay Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Owner against any claims for payment and mechanic's liens as set forth in Section 7.3 hereof.

6.7 Final Payment.

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

6.7.2 At or before the time of submission of its final Application for Payment, Design-Builder shall provide all deliverables required by the Agreement in addition to the following:

6.7.2.1 An affidavit that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect Owner's interests;

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

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

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

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

6.7.2.6 All documentation demonstrating that Punch List items have been fully completed.

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

6.7.4 Deficiencies in the Work discovered after substantial completion of the applicable portion of Work, whether or not such deficiencies would have been included on the Punch List (as defined in the Certificate of Substantial Completion) if discovered earlier, shall be deemed warranty Work. Such deficiencies shall be corrected by Design-Builder in accordance with Sections 2.9 and 2.10 herein, and shall not be a reason to withhold final payment from Design-Builder, provided, however, that Owner shall be entitled to withhold from the final payment 200 percent of the reasonable value (as mutually agreed upon by the Owner and the Design-Builder) of completion of such deficient work until such work is completed.

Article 7 – Indemnification

7.1 Patent and Copyright Infringement.

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

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

7.1.3 Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process or product of a particular manufacturer specified by Owner and not offered or recommended by Design-Builder to Owner or (ii) arising from modifications to the Work by Owner or its agents after completion of the Work. If the suit, claim or proceeding is based upon events set forth in sub. (ii) of the preceding sentence, Owner shall defend, indemnify and hold harmless Design-Builder to the same extent Design-Builder is obligated to defend, indemnify and hold harmless Owner in Section 7.1.1 above.

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

7.2 Tax Claim Indemnification.

7.2.1 If, in accordance with Owner's direction, an exemption for all or part of the Work is claimed

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

7.3 Payment Claim Indemnification.

7.3.1 Design-Builder shall indemnify, defend and hold harmless Owner from any claims or mechanic's liens brought against Owner or against the Project as a result of the failure of Design-Builder, or those for whose acts it is responsible, to pay for any services, materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) days of receiving written notice from Owner that such a claim or mechanic's lien has been filed, Design-Builder shall commence to take the steps necessary to discharge said claim or lien, including, if necessary, the furnishing of a mechanic's lien bond. If Design-Builder fails to do so, Owner will have the right to discharge the claim or lien and hold Design-Builder liable for costs and expenses incurred, including attorneys' fees.

7.4 Design-Builder's General Indemnification.

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

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

7.5 Owner's General Indemnification.

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

Article 8 – Time

8.1 Obligation to Achieve the Contract Times.

8.1.1 Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 6 of the Agreement.

8.2 Delays to the Work.

8.2.1 If Design-Builder is delayed in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for

whom Design-Builder is responsible, the Contract Time(s) for performance shall be reasonably extended by Change Order. By way of example, events that will entitle Design-Builder to an extension of the Contract Time(s) include acts or omissions of Owner or anyone under Owner's control (including separate contractors), changes in the Work, Differing Site Conditions (as defined in Section 4.2), Hazardous Conditions, and Force Majeure Events.

8.2.2 In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 above, Design-Builder may also be entitled to an appropriate adjustment of the Contract Price provided, however, that the Contract Price shall not be adjusted for Force Majeure Events unless such events meet the criteria defined in Section 8.2.3 below. Design-Builder shall demonstrate that delays in the Work directly caused additional and meaningful costs to the Design-Builder in order to obtain an adjustment to contract price.

8.2.3 For Force Majeure Events, Design-Builder shall be entitled to an increase in the Contract Price providing that: (i) said events must exceed forty-five (45) cumulative days before Design-Builder is entitled to additional compensation; and (ii) said additional compensation shall be limited to the direct costs and expenses Design-Builder can demonstrate it has reasonably actually incurred as a result of such event.

Article 9 – Changes to the Contract Price and Time

9.1 Change Orders.

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

9.1.1.1 The scope of the change in the Work;

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

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

9.1.2 All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes.

9.1.3 If Owner requests a proposal for a change in the Work from Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services, design services and services involved in the preparation of proposed revisions to the Contract Documents. Prior to commencing the estimating, design, and other such services, Design-Builder and Owner must agree (in writing) that the work will be compensated by Change Order upon culmination.

In order to limit the number and frequency of such Change Orders, the Design-Builder shall maintain a running total of the value of all such incurred costs. The Owner shall issue Change Orders to reimburse the Design-Builder for such costs under the following circumstances:

9.1.3.1 When the value of costs incurred in the manner described above exceeds \$15,000 or

9.1.3.2 Every six months (as needed) in order to reimburse Design-Builder for costs incurred in the manner described above or

9.1.3.3 At the time of the Final Payment.

The Design-Builder shall provide the Owner with written notice prior to the commencement of the work, indicating (i) that a Change Order may be necessary to compensate the Design-Builder for the compilation of the proposal, and (ii) the estimated value of the work associated with completing the requested proposal.

9.2 Work Change Directives.

9.2.1 A Work Change Directive is a written order prepared and signed by Owner directing a change in the Work prior to agreement on an adjustment in the Contract Price and/or the Contract Time(s).

9.2.2 Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for the Work Change Directive. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the agreement.

9.3 Minor Changes in the Work.

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

9.4 Contract Price Adjustments.

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

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

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

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

9.4.1.4 If an increase or decrease cannot be agreed to as set forth in items 9.4.1.1 through 9.4.1.3 above and Owner issues a Work Change Directive, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including overhead and profit, as set forth in the Agreement.

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

9.4.3 If Owner and Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Owner and Design-Builder shall resolve the disagreement pursuant to Article 10 hereof. As part of the negotiation process, Design-Builder shall furnish Owner

with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations. If the parties are unable to agree and Owner expects Design-Builder to perform the services in accordance with Owner's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Owner issuing a written order to Design-Builder (i) directing Design-Builder to proceed and (ii) specifying Owner's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to fifty percent (50%) of its reasonable estimated direct cost to perform the services, and Owner agrees to pay such amounts, with the express understanding that (i) such payment by Owner does not prejudice Owner's right to argue that it has no responsibility to pay for such services and (ii) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services if Owner's order is deemed to be a change to the Work.

9.5 Emergencies.

9.5.1 In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 9.

Article 10 – Contract Adjustments and Disputes

10.1 Requests for Contract Adjustments and Relief.

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

10.2 Dispute Avoidance and Resolution.

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

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

10.2.3 If a dispute or disagreement cannot be resolved through Design-Builder's Project Manager and Owner's Project Manager, Design-Builder's Principal in Charge and Owner's Principal in Charge, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or

disagreement. Five (5) days prior to any meetings between the Principals in Charge, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement.

10.2.4 If after meeting the Principals in Charge determine that the dispute or disagreement cannot be resolved on terms satisfactory to both parties, the parties shall submit within thirty (30) days of the conclusion of the meeting of Principals in Charge the dispute or disagreement to non-binding mediation. The mediation shall be conducted by a mutually agreeable impartial mediator, or if the parties cannot so agree, a mediator designated by the American Arbitration Association (“AAA”) pursuant to its Construction Industry Mediation Rules. The mediation will be governed by and conducted pursuant to a mediation agreement negotiated by the parties or, if the parties cannot so agree, by procedures established by the mediator. Unless otherwise mutually agreed by the Owner and Design-Builder and consistent with the mediator’s schedule, the mediation shall commence within ninety (90) days of the submission of the dispute to mediation.

10.3 Interpretation and Venue.

10.3.1 This Agreement will be interpreted and construed according to the laws of the State of Minnesota. All litigation related to this Agreement must be resolved in the District Court of the County of Ramsey, Second Judicial District, State of Minnesota.

10.4 Duty to Continue Performance.

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

10.5 Consequential Damages.

10.5.1 Notwithstanding anything herein to the contrary (except as set forth in Section 10.5.2 below), neither Design-Builder nor Owner shall be liable to the other for any consequential damages, whether arising in contract, warranty, tort (excluding gross negligence), strict liability, or otherwise, including but not limited to losses of use, profits, business, reputation, or financing.

10.5.2 The consequential damages limitation set forth in Section 10.5.1 above is not intended to affect the payment of liquidated damages or lost early completion bonus, if any, set forth in Article 6 of the Agreement, which both parties recognize has been established, in part, to reimburse Owner or reward Design-Builder for some damages that might otherwise be deemed to be consequential.

Article 11 – Stop Work and Termination for Cause

11.1 Owner’s Right to Stop Work.

11.1.1 Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed ninety (90) consecutive days or aggregate more than one hundred eighty (180) days during the duration of the Project.

11.1.2 Design-Builder is entitled to seek an adjustment of the Contract Price and/or Contract Time(s) if its cost or time to perform the Work has been adversely impacted by any suspension or stoppage of the Work by Owner.

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

11.2.1 If Design-Builder persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Design Consultants or Subcontractors, (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections 11.2.2 and 11.2.3 below.

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

11.2.3 Upon declaring the Agreement terminated pursuant to Section 11.2.2 above, Owner may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Owner for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. If the Agreement establishes a Guaranteed Price, Design-Builder will only be entitled to be paid for Work performed prior to its default. If Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by Owner in connection with the procurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 10.5 hereof.

11.2.4 If Owner improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Article 9 of the Agreement. In such instance, the Owner and Design-Builder may mutually agree to amend the provisions of Article 9 of the agreement to reach a mutually agreeable resolution.

11.3 Design-Builder's Right to Stop Work.

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

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

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

11.3.2 Should any of the events set forth in Section 11.3.1 above occur, Design-Builder has the right to provide Owner with written notice that Design-Builder will stop the Work unless said event is cured within fourteen (14) days from Owner's receipt of Design-Builder's notice. If Owner does not cure the problem within such fourteen (14) day period, Design-Builder may stop the Work. In such case, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and Contract Time(s) to the extent it has been adversely impacted by such stoppage.

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

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

11.4.1.1 The Work has been stopped for ninety (90) consecutive days, or more than one hundred eighty (180) days during the duration of the Project, because of orders by Owner under Section 11.1.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder or anyone for whose acts Design-Builder may be responsible.

11.4.1.2 Owner's failure to provide Design-Builder with any information, permits or approvals that are Owner's responsibility under the Contract Documents which result in the Work being stopped for ninety (90) consecutive days, or more than one hundred eighty (180) days during the duration of the Project, even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 hereof.

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

11.4.2 Upon the occurrence of an event set forth in Section 11.4.1 above, Design-Builder may provide written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Owner's receipt of such notice. If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) day period. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Article 9 of the Agreement.

11.5 Bankruptcy of Owner or Design-Builder.

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

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

11.5.1.2 The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be

entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated and pursue any other recourse available to the non-Bankrupt Party under this Article 11.

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

Article 12 – Electronic Data

12.1 Electronic Data.

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

12.2 Transmission of Electronic Data.

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

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

12.2.3 By transmitting Work in electronic form, the transmitting party does not transfer or assign its rights in the Work. The rights in the Electronic Data shall be as set forth in Article 5 of the Agreement. Under no circumstances shall the transfer of ownership of Electronic Data be deemed to be a sale by the transmitting party of tangible goods.

12.3 Electronic Data Protocol.

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

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

12.3.3 The Electronic Data represents the information at a particular point in time and is subject

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

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

Article 13 -- Miscellaneous

13.1 Confidential Information.

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

13.2 Assignment.

13.2.1 Neither Design-Builder nor Owner shall, without the written consent of the other assign, transfer or sublet any portion or part of the Work or the obligations required by the Contract Documents.

13.3 Successorship.

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

13.4 Governing Law.

13.4.1 The Agreement and all Contract Documents shall be governed by applicable Federal law and by applicable laws of the state of Minnesota.

13.5 Severability.

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

13.6 No Waiver.

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

13.7 Headings.

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

13.8 Notice.

13.8.1 Whenever the Contract Documents require that notice be provided to the other party, notice will be deemed to have been validly given (i) if delivered in person to the individual intended to receive such notice, (ii) four (4) days after being sent by registered or certified mail, postage prepaid to the address indicated in the Agreement, or (iii) if transmitted via email to the proper receiving party and subsequently confirmed as received by the receiving party. Any notice provided via email shall be considered valid only when the receiving party has confirmed the receipt of the notice via return email. If no return email confirmation is provided, the transmitting party shall communicate with the receiving party to determine if the transmittal was unsuccessful. Upon confirmation of the receipt, the notice shall be considered to have been validly given at the time that the email was sent.

13.9 Amendments.

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

Progressive Design-Build Agreement: Amended and Restated

McCarron's Water Treatment Process
Improvements
St. Paul, MN 2020

*This Progressive Design-Build Agreement has been developed in conjunction with
and endorsed by the Water Design-Build Council.*



WATER DESIGN-BUILD COUNCIL
AN ASSOCIATION OF LEADING DESIGN BUILDERS

Document No. 545

First Edition, 2016 with Project-Specific Edits

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Washington, D.C.





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Progressive Design-Build Agreement for Water and Wastewater Projects

*This document has important legal consequences. Consultation with
an attorney is recommended with respect to its completion or modification.*

This **AGREEMENT** is made as of the 7th day of June in the year of 2022 by and between the following parties, for services in connection with the Project identified below:

OWNER:

Board of Water Commissioners
(doing business as Saint Paul Regional Water Services)
1900 Rice Street,
Saint Paul, MN, 55113

DESIGN-BUILDER:

CH2M Hill Engineers Inc.
1295 Northland Dr. #200
Mendota Heights, MN 55120

PROJECT:

Project Name: McCarron's Treatment Process Improvements
(Also referred to as McCarron's Treatment Plant Improvements)
Project Location: 1900 Rice Street, Saint Paul, MN 55106

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

Article 1 – General

1.1 Basis of the Document.

1.1.1 This Agreement is based upon standard DBIA (Design Build Institute of America) contract documents. While DBIA's standard contract document has been used as the basis for compiling the contents of this Agreement, all parties are advised that modifications to the standard contract document have been made. As such, all parties are advised to carefully review the specific text of this Agreement in recognition of the fact that it is not an exact match with DBIA's standard forms.

1.2 Duty to Cooperate.

1.2.1 Owner and Design-Builder commit at all times to cooperate fully with each other and proceed on the basis of trust and good faith to permit each party to realize the benefits afforded under this Agreement.

1.3 Definitions.

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

1.4 Design Services.

1.4.1 Design-Builder shall, consistent with applicable state licensing laws, provide design services, including architectural, engineering, and other design professional services required by this Agreement. Such design services shall be provided through qualified, licensed design professionals who are either (i) employed by Design-Builder, or (ii) procured by Design-Builder from independent sources. Nothing in this Agreement is intended to create any legal or contractual relationship between Owner and any independent design professional.

Article 2 – Design-Builder's Services and Responsibilities

2.1 General Services.

2.1.1 During the Project Procurement Activities, Owner shall provide Design-Builder with draft Owner's Project Criteria describing Owner's program requirements and objectives for the Project as set forth in Exhibit A. (Note: The Owner's Project Criteria have been satisfied by incorporation into other contract Exhibits. See Section 2.2.1.1 for details.) Owner's Project Criteria shall include Owner's use, space, price, time, site, performance, and expandability requirements. Owner's Project Criteria may include conceptual documents, design specifications, design performance specifications, and other technical materials and requirements prepared by or for Owner.

2.1.2 During Phase 1, Design-Builder will assist Owner in fully developing Owner's Project Criteria. The work involved in progressing from draft Owner's Project Criteria to final Owner's Project Criteria shall be compensated as part of the Design-Builder's Phase 1 services.

2.2 Phased Services.

2.2.1 Phase 1 Services (Design and Preconstruction) - Design-Builder shall perform the services of design, pricing, piloting, site inspection, and other services for the Project based on Owner's Project Criteria, as may be revised in accordance with Section 2.1 hereof, as set forth in Exhibit B, Scope of Services. Design-Builder shall perform such services to the level of completion required for Design-Builder and Owner to establish the Amended and Restated Contract for Phase 2, as set forth in Section 2.3 below. Design work following the establishment of the Amended and Restated Contract shall also be considered Phase 1 work. Further, if the Design-Builder's Guaranteed Price Proposal is rejected in accordance with Section 2.3.2.3 (iii) below, any design work required to complete the design shall be considered Phase 1 work. The Amended and Restated Contract shall be developed during Phase 1 on an "open-book" basis. Design-Builder's compensation for Phase 1 services is set forth in Article 7 herein.

2.2.1.1 The parties acknowledge that the Owner's Project Criteria were fully developed as part of the Phase 1 services and that the final Owner's Project Criteria have been satisfied by incorporation into the various Exhibits provided as part of the Amended and Restated Contract.

2.2.2 Phase 2 (Construction) Services - Design-Builder's Phase 2 services shall consist of the procurement of all materials and equipment for the Project; the performance of construction services for the Project; the start-up, testing, commissioning, and Acceptance Testing of the Project; training of Owner's staff; the provision of warranty services; and all other such work as described in the Amended and Restated Contract.

2.3 Guaranteed Price Proposal.

2.3.1 At the time specified in Section 7.2.1, Design-Builder shall submit a proposal to Owner (the "Guaranteed Price Proposal") for the construction of the Project for a Guaranteed Price (GP). Owner shall have the sole authority to determine whether to proceed with converting the Guaranteed Price into a Lump Sum or a Guaranteed Maximum Price implementation. The Guaranteed Price Proposal shall include the following unless the parties mutually agree otherwise:

2.3.1.1 The estimated Cost of the Work, inclusive of any Design-Builder's Contingency and all other costs defined in Article 7 hereof. The Cost of Work estimate shall be consistent with the format and detail of the Owner-Approved Cost Model.

2.3.1.2 Details associated with Guaranteed Maximum Price implementation of the contract. Such details should include the Shared Savings Provision, the Design-Builder's Fee, descriptions of how costs will be tracked and reported to Owner, descriptions of which costs will be subject to the Design Builder's Fee, and other such details as necessary for Guaranteed Maximum Price implementation of the Guaranteed Price.

2.3.1.3 Details associated with Lump Sum implementation of the contract. Such details should include a Lump Sum discount (if applicable), a listing of project milestones, details regarding how invoicing for Work will correspond to those project milestones, and other such details as necessary for Lump Sum implementation of the Guaranteed Price.

2.3.1.4 The Baseline Drawings and Specifications which serve as a basis for the Guaranteed Price Proposal.

2.3.1.5 A list of the assumptions and clarifications made by Design-Builder in the preparation of the Guaranteed Price Proposal, which list is intended to supplement the information contained in the drawings and specifications.

2.3.1.6 The Scheduled Substantial Completion Date of the Treatment Facilities and the Scheduled Substantial Completion Date of the Project upon which the Guaranteed Price Proposal is based, to the extent said dates have not already been established under Section 6.2.1 hereof, and a schedule upon which the Scheduled Substantial Completion Date of the Treatment Facilities and the Scheduled Substantial Completion Date of the Project is based.

2.3.1.7 A preliminary schedule and schedule of values for the execution of the construction work. The schedule shall indicate the dates for the start and completion of the various stages of Construction Work, including the dates when Owner information and approvals are required to enable Design-Builder to achieve the Contract Time(s). The schedule shall be revised monthly or as required by conditions and progress of the Construction Work, but such revisions shall not relieve Design-Builder of its obligations to complete the Construction Work within the Contract Time(s), as such dates may be adjusted in accordance with the Contract Documents. Owner's review of, and response to, the schedule shall not be construed as relieving Design-Builder of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

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

2.3.1.9 If applicable, a schedule of alternate prices;

2.3.1.10 If applicable, a schedule of unit prices;

2.3.1.11 If applicable, a statement of additional services which may be performed but which are not included in the Guaranteed Price Proposal, and which, if performed, shall be the basis for an increase in the Contract Price and/or Contract Time(s);

2.3.1.12 If applicable, Performance Incentives;

2.3.1.13 The time limit (of no less than 60 days) for acceptance of the Guaranteed Price Proposal;

2.3.1.14 An Owner's Permit List, a list detailing the permits and governmental approvals that Owner will bear responsibility to obtain; and

2.3.2 Review and Adjustment to Guaranteed Price Proposal.

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

2.3.2.2 Acceptance of Guaranteed Price Proposal - If Owner accepts the Guaranteed Price Proposal, as may be amended in accordance with Section 2.3.2.1, the Contract Price and its basis shall be set forth in the Amended and Restated Contract. Once the parties have agreed upon the Contract Price and Owner has issued a Notice to Proceed with

Phase 2, Design-Builder shall perform the Phase 2 services, all as further described in the Amended and Restated Contract.

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

- i. Owner may suggest modifications to the GP Proposal, whereupon, if such modifications are accepted in writing by Design-Builder, the GP Proposal shall be deemed accepted and the parties shall proceed in accordance with Section 2.3.2.3 above;
- ii. Owner may determine that the design is not yet sufficiently complete for acceptance or rejection of the GP Proposal. As such, Owner may direct Design-Builder to continue to proceed with the Phase 1 work and further advance the design before submitting a revised GP Proposal.
- iii. Owner may determine that it does not intend to proceed with Phase 2 services with the Design-Builder. In such a case, the Owner may authorize the Design-Builder to proceed until the completion of Phase 1 work, at which time, Owner may elect to publicly bid the Phase 2 work.
- iv. Owner may terminate this Agreement for convenience in accordance with Article 9 hereof; provided, however, in this event, Design-Builder shall not be entitled to the payment provided for in Section 9.2 hereof.

If Owner fails to exercise any of the above options, Design-Builder shall have the right to (a) continue with the Work as if Owner had elected to proceed in accordance with Item 2.3.2.3 ii. above, and be paid by Owner accordingly, unless and until Owner notifies it in writing to stop the Work, (b) suspend performance of Work in accordance with Section 11.3 of the General Conditions of Contract, provided, however, that in such event Design-Builder shall not be entitled to the payment provided for in Section 9.2 hereof, or (c) may give written notice to Owner that it considers this Agreement completed. If Owner fails to exercise any of the options under Section 2.3.2.3 within thirty (30) days of receipt of Design-Builder's notice, then this Agreement shall be deemed completed. If Owner terminates the relationship with Design-Builder under Section 2.3.2.3(iv), or if this Agreement is deemed completed under this paragraph, then Design-Builder shall have no further liability or obligations to Owner under this Agreement.

Article 3 – Contract Documents

3.1 The Contract Documents are comprised of the following:

3.1.1 All written modifications, amendments, minor changes, and Change Orders to the Amended and Restated Contract issued in accordance with DBIA Document No. 535, *Standard Form of General Conditions of Contract Agreement Between Owner and Design-Builder: Amended and Restated* ("General Conditions of Contract");

3.1.2 The Amended and Restated Contract, including the Guaranteed Price Proposal accepted by Owner in accordance with Section 2.3 herein and all attachments to such documents.

Article 4 – Interpretation and Intent

4.1 Design-Builder and Owner, at the time of acceptance of the Guaranteed Price Proposal by Owner in accordance with Section 2.3 hereof, shall carefully review all the Contract Documents for any conflicts or ambiguities. Design-Builder and Owner will discuss and resolve any identified conflicts or ambiguities prior to execution of the Agreement, or if applicable, prior to Owner's acceptance of the Guaranteed Price Proposal.

4.2 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event inconsistencies, conflicts, or ambiguities between or among the Contract Documents are discovered after Owner's acceptance of the Guaranteed Price Proposal, Design-Builder and Owner shall attempt to resolve any ambiguity, conflict, or inconsistency informally, recognizing that the Contract Documents shall take precedence in the order in which they are listed in Section 3.1 hereof.

4.3 Terms, words, and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract unless otherwise defined herein.

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

Article 5 – Ownership of Work Product

5.1 Work Product. All drawings, specifications and other documents and electronic data, including such documents identified in the General Conditions of Contract, furnished by Design-Builder to Owner under this Agreement ("Work Product") are deemed to be instruments of service and Design-Builder shall retain the ownership and property interests therein, including but not limited to any intellectual property rights, copyrights, and/or patents, subject to the provisions set forth in Sections 5.2 through 5.5 below.

5.2 Owner's Limited License upon Project Completion and Payment in Full to Design-Builder. Upon Substantial Completion for any portion of Work, Design-Builder shall grant Owner a limited license to use that portion of Work in connection with Owner's occupancy of the Project, conditioned on Owner's express understanding that any reuse beyond the intended purpose of said Work Product and/or its alteration of the Work Product without the involvement of Design-Builder is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier.

5.3 Owner's Limited License upon Owner's Termination for Convenience or Design-Builder's Election to Terminate. If Owner terminates this Agreement for its convenience as set forth in Article 9 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under the Contract Documents, grant Owner a limited license to use the Work Product to complete the Project and subsequently occupy the Project, and Owner shall thereafter have the same rights as set forth in Section 5.2 above, conditioned on the following:

5.3.1 Termination Via "Off-Ramp" Scenario. The Owner's decision to reject the Guaranteed Price Proposal and proceed as set forth in Section 2.3.2.3 (iii) shall not be considered Termination for Convenience. Under such circumstances, the Design-Builder shall complete a bid-ready design

of the facility suitable for construction. In such instance, the Design-Builder shall be subject to the Standard of Care for all design professional services performed to execute the Work. Standard of Care shall be the care and skill ordinarily used by members of the design profession practicing under similar conditions at the same time and locality of the Project.

5.3.2 The Design-Builder shall be subject to the Standard of Care for all design professional services performed to execute the Work. Standard of Care shall be the care and skill ordinarily used by members of the design profession practicing under similar conditions at the same time and locality of the Project.

5.4 Owner's Limited License upon Design-Builder's Default. If this Agreement is terminated due to Design-Builder's default pursuant to Section 11.2 of the General Conditions of Contract, then Design-Builder grants Owner a limited license to use the Work Product to complete the Project and subsequently occupy the Project, and Owner shall thereafter have the same rights and obligations as set forth in Section 5.2 above.

5.5 Owner's Use of Work Product Following Early Termination. Owner recognizes that in the event of an early termination of the Work, whether for convenience or for cause, Design-Builder will not have the opportunity to finish or to finalize its Work Product.

5.5.1 Owner's Use of Completed Work Product Following Early Termination. Any Work Product which has been completed and accepted by the Owner prior to the termination of the Work shall be subject to the Standard of Care for all design professional services performed to execute the Work. Standard of Care shall be the care and skill ordinarily used by members of the design profession practicing under similar conditions at the same time and locality of the Project.

5.5.2 Owner's Use of Uncompleted Work Product Following Early Termination. The Design-Builder shall not be responsible for meeting Standard of Care for any Work Product which has not been fully completed and accepted by the Owner prior to the termination of the Work. Owner acknowledges that the Owner will bear any and all risks associated with the use of any uncompleted Work Product.

5.6 Owner's Modification of Work Product. The Design-Builder shall not be responsible for any impacts which directly result from the Owner's modification of the Work Product.

Article 6 – Contract Time

6.1 Date of Commencement.

6.1.1 The Phase 1 services shall commence within five (5) days of Design-Builder's receipt of Owner's Notice to Proceed for Phase 1 unless the parties mutually agree otherwise in writing.

6.2 Substantial Completion and Final Completion.

6.2.1 Substantial Completion of the Treatment Facilities shall be achieved no later than one thousand two hundred fifty-two (1,252) calendar days after the Notice to Proceed for Balance of Plant Package (GP4) ("Scheduled Substantial Completion Date of the Treatment Facilities").

6.2.2 Substantial Completion of the Project shall be achieved no later than one thousand five hundred fourteen (1,514) calendar days after the Notice to Proceed for Balance of Plant Package (GP4) ("Scheduled Substantial Completion Date of the Project").

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

6.2.4 All of the dates set forth in this Article 6 ("Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract.

6.3 Time is of the Essence.

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

6.4 Liquidated Damages

6.4.1 Liquidated Damages for Substantial Completion.

6.4.1.1 Liquidated Damages for Substantial Completion of the Treatment Facilities. Design-Builder understands that if Substantial Completion of the Treatment Facilities is not attained by the Scheduled Substantial Completion Date of the Treatment Facilities, Owner will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if Substantial Completion of the Treatment Facilities is not attained by thirty (30) days after the Scheduled Substantial Completion Date of the Treatment Facilities (the "Treatment-LD Date"), Design-Builder shall pay Owner four thousand five hundred Dollars (\$4,500) as liquidated damages for each day that Substantial Completion of the Treatment Facilities extends beyond the Treatment-LD Date.

6.4.1.2 Liquidated Damages for Substantial Completion of the Project. Design-Builder understands that if Substantial Completion of the Treatment Facilities is not attained by the Scheduled Substantial Completion Date of the Project, Owner will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if Substantial Completion of the Project is not attained by thirty (30) days after the Scheduled Substantial Completion Date of Project (the "Project-LD Date"), Design-Builder shall pay Owner two thousand Dollars (\$2,000) as liquidated damages for each day that Substantial Completion of the Project extends beyond the Project-LD Date.

6.4.2 Liquidated Damages for Final Completion. Design-Builder understands that if Final Completion is not achieved within one hundred twenty (120) days of Substantial Completion Date of the Project, Owner will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if Final Completion is not achieved within one hundred twenty (120) days of Substantial Completion of the Project, Design-Builder shall pay to Owner two thousand Dollars (\$2,000), as liquidated damages for each calendar day that Final Completion is delayed beyond the above-referenced number of days.

6.4.3 Any liquidated damages assessed pursuant to this Agreement shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties, and any other damages, whether special or consequential, and of whatsoever nature, incurred by Owner which are occasioned by any delay in achieving Substantial Completion or Final Completion.

6.4.4 Owner and Design-Builder agree that the maximum aggregate liability Design-Builder has for any liquidated damages that may be assessed under this Agreement shall be five hundred thousand Dollars (\$500,000).

Article 7 – Contract Price

7.1 Phase 1 Price

7.1.1 Maximum Price. Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract an amount not to exceed Fourteen Million Three Hundred Thirty-Six Thousand Three Hundred Two Dollars (\$14,336,302.00) for the Phase 1 Services, subject to adjustments made in accordance with the General Conditions of Contract. Unless otherwise provided in the Contract Documents, the Phase 1 Services compensation is deemed to include all sales, use, consumer and other taxes mandated by applicable Legal Requirements.

7.1.1.1 The original value of the Phase 1 Services was Thirteen Million Six Hundred Sixty-Six Thousand Four Hundred Twenty-Seven Dollars (\$13,666,427.00). And additional Six Hundred Sixty-Nine Thousand Eight Hundred Seventy-Five Dollars (\$669,875.00) has been added by virtue of a Change Order, as described in Exhibit L3.

7.1.2 Basis of Compensation. Design-Builder's compensation for Phase 1 work will be provided on the basis of actual hours of work performed and hourly rates agreed upon by Owner and Design-Builder.

7.1.3 Phase 1 Schedule of Values. Prior to the first Application for Payment for Phase 1 Work, the Design-Builder shall submit a schedule of values to the Owner which allocates the entire Phase 1 Contract Price to the various portions of the Phase 1 work. This schedule of values shall be used as a basis for providing authorization to proceed for various portions of the Phase 1 Work and for subsequently reviewing applications for payment for such work. The Owner's payments to the Design-Builder shall not surpass the values set in the schedule of values.

7.2 Guaranteed Price

7.2.1 Timing of Guaranteed Price. During Phase 1 work, the Design-Builder shall provide the Owner with regular updates to the cost estimate. When design has been advanced to a degree that the Owner deems sufficient, the Owner will direct the Design-Builder to develop a Guaranteed Price Proposal in accordance with Section 2.3. Upon acceptance of the Guaranteed Price Proposal, the price proposed therein shall be considered the Guaranteed Price for the Work.

7.2.2 Basis of Guaranteed Price. As required by the Contract Documents, the Design-Builder shall supply the Owner with regular Cost of Work estimates throughout Phase 1 which are developed in an open-book, transparent manner. All assumptions, accounting measures, and estimates which support Guaranteed Price development shall be available for Owner's review. The Guaranteed Price shall be based upon the estimated Cost of Work, the Design-Builder's proposed fees, pass-through costs, and any contingency values.

7.2.3 Implementation of Guaranteed Price. The Guaranteed Price for the Project may be implemented as either a Guaranteed Maximum Price or a Lump Sum at the sole discretion of the Owner. In the event that the Guaranteed Price is implemented as a Guaranteed Maximum Price, the requirements of Section 7.3 will govern payment for the Work. In the event that the Guaranteed price is implemented as a Lump Sum, the requirements of Section 7.4 will govern payment for the Work. The Owner and Design-Builder hereby agree that the Guaranteed Price will be implemented via the following (select the appropriate option):

_____ Guaranteed Maximum Price

X Lump Sum

7.2.4 Guaranteed Price Assurance. Design-Builder guarantees that it shall not exceed the Guaranteed Price (GP) of **Two Hundred Twenty Four Million Eight Hundred Ninety Thousand dollars (\$224,890,000.00)** to be compensated in accordance with section 7.4.1 . Documents used as basis for the GP are identified in the Amended and Restated Contract. Design-Builder does not guarantee any specific line item provided as part of the GP. Design-Builder agrees that it will be responsible for paying the applicable general conditions costs in excess of the General Conditions Cap, as well as be responsible for all costs of completing the Work which exceed the GP, as said general conditions line item and the GMP may be adjusted in accordance with the Contract Documents.

7.2b Early Work Packages

7.2b.1 The Owner and the Design-Builder have mutually agreed that certain portions of the scope of work should be completed prior to the establishment of a Guaranteed Price for the full scope of Phase 2 work. The work included in each of these early work packages has been described in the following Exhibits, each of which is a binding contractual document.

7.2b.1.1 First Early Work Package. The first early work package is described in “Exhibit L1: First Early Work Package”. By signing this contract amendment, the Owner and the Design-Builder hereby agree to the terms described therein. All work included in the First Early Work Package is also subject to the terms and conditions of the project described in the Agreement and in the General Conditions of Contract.

7.2b.1.2 Second Early Work Package. The second Early Work Package is described in “Exhibit L2: Second Early Work Package.” By signing this contract amendment, the Owner and the Design-Builder hereby agree to the terms described therein. All work included in the Second Early Work Package is also subject to the terms and conditions of the project described in the Agreement and in the General Conditions of Contract.

7.2b.1.3 Third Early Work Package. The Third Early Work Package is described in “Exhibit L4: Third Early Work Package.” By signing this contract amendment, the Owner and the Design-Builder hereby agree to the terms described therein. All work included in the Third Early Work Package is also subject to the terms and conditions of the project described in the Agreement and in the General Conditions of Contract.

7.3 Guaranteed Maximum Price (GMP) implementation of the Guaranteed Price.

7.3.1 Design Builder’s Fee. If the Owner elects to implement a Guaranteed Maximum Price the following fees shall be applied to Costs of Work:

Design-Builder’s Fee on Self-Performed Work:	9.5 %
Design-Builder’s Fee on Subcontracted Work:	5 %

At the time of the Amended and Restated Contract, a maximum Design-Builder’s Fee will be established based upon the estimated Cost of Work, the Design-Builder’s Fees specified above, and the anticipated work allocation between the Design-Builder and subcontractors.

Payment of the Design-Builder’s fee will be made based upon the actual Cost of Work associated with the project.

The Design-Builder's fee will be applied only to the Costs of Work as described in Section 7.5.

7.3.2 Change Orders and Design Builder's Fee.

7.3.2.1 Additive Change Orders. Additive Change Orders which increase the Cost of Work for the project shall be subject to the applicable Design-Builder's fee as specified in Section 7.3.1.

7.3.2.2 Deductive Change Orders. The Design-Builder's fee shall apply only to Work actually performed on the Project. As such, any deductive change order which results in a reduction to the Cost of Work shall result in a reduction to the total Design-Builder's fee for the Work.

7.3.3 Shared Savings Provision. If the sum of the actual Cost of the Work and Design-Builder's Fee is less than the GMP, as such GMP may have been adjusted over the course of the Project, the difference ("Savings") shall be shared as follows:

Percentage Allocation to Design-Builder:	25%
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<u>Percentage Allocation to Owner:</u>	<u>75%</u>
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Total Percentage of Savings Shared:	100%
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7.3.3.1 Savings shall be calculated and paid as part of final payment under Section 8.4 hereof, with the understanding that to the extent Design-Builder incurs costs after Final Completion which would have been payable to Design-Builder as a Cost of the Work, the parties shall recalculate the Savings in light of the costs so incurred, and Design-Builder shall be paid by Owner accordingly.

7.3.4 Schedule of Values. Prior to the first Application for Payment, the Design-Builder shall submit a schedule of values to the Owner which allocates the entire Guaranteed Maximum Price to the various portions of the work. The schedule of values will be subject to Owner review and approval. This schedule of values shall be used as a basis for reviewing applications for payment. The Owner's payments to the Design-Builder shall not surpass the values set in the schedule of values.

7.3.5 Ongoing Monitoring. If the Guaranteed Price is implemented as a Guaranteed Maximum Price, the Design-Builder shall maintain open books for the Owner's review of all project costs throughout the construction process.

7.3.6 Guaranteed Price Scope Contingency. The Guaranteed Price includes a Contingency in the amount of _____ dollars (\$_____) which is available to the Design-Builder upon approval by the Owner for unanticipated costs it has incurred that are not the basis for a Change Order under the Contract Documents. Contingency shall be developed as part on the Guaranteed Price based on identified risks opportunities related specific Work scope that cannot be accurately estimated at the time of Guaranteed Price development. By way of example, and not as a limitation, such costs may include: (a) trade buy-out differentials; (b) overtime or acceleration; (c) escalation of materials; (d) correction of defective, damaged or nonconforming Work, design errors or omissions, however caused; (e) Subcontractor defaults; or (f) those events under Section 8.2.2 of the General Conditions of Contract that result in an extension of the Contract Time but do not result in an increase in the Contract Price.

7.3.6.1 Cap on Rework Contingency. Notwithstanding the above, the Design-Builder guarantees that the contingency for the correction of defective, damaged, or nonconforming work shall not exceed 40% of the total contingency.

7.4 Lump Sum (LS) implementation of the Guaranteed Price.

7.4.1 If Owner elects to implement a Lump Sum approach to the Guaranteed Price, the Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract the values specified in Exhibits L1 through L6 ("Contract Price") for the Work for Phase 2 Services, subject to adjustments made in accordance with the General Conditions of Contract. Unless otherwise provided in the Contract Documents, the Contract Price is deemed to include all sales, use, consumer and other taxes mandated by applicable Legal Requirements.

7.4.2 Design-Builder's Fee. If the Owner elects to implement a Lump Sum delivery, the Owner shall pay the Design-Builder's Fee values specified in Exhibits L1 through L6. The Design-Builder's Fee is fixed and shall only be modified in accordance with the procedures for Change Orders specified below.

7.4.2.1 Development of Lump Sum Fees. For purposes of developing the Lump Sum price, the Design-Builder shall use the Lump Sum fees submitted with at the time of the proposal. Design-Builder markups in the Lump Sum price development shall equal:

Fee for Self-Performed Scope: 8.9%

Fee for Subcontracted Scope: 5%

7.4.2.2 Design-Builder's Fee on Contingency Funds. The Design-Builder's fee shall be applied to the full value of the contingency upon which the Owner and the Design-Builder have agreed at the time of the Amended and Restated Contractor at the time of other contract amendments. The Design-Builder will be entitled to collect this fee regardless of whether the contingency funds are spent or not.

The Design-Builder's fee is applied to the contingency funds and guaranteed at the time of the Amended and Restated Contractor at the time of other contract amendments. The fee will not be re-applied in the event that contingency work is performed. Any contingency work performed will be billed to the owner with no additional Design-Builder's Fee.

7.4.2.2.1 Value of Design-Builder's Fee on Contingency Funds. While the Design-Builder's Fee established in Section 7.4.2.1 applies to all other components of the work, the Design-Builder's fee for contingency funds will be handled separately. The Design-Builder's Fee applied to contingency will be equal to nine and a half percent (9.5%).

7.4.2.2.2 First Early Work Package Exempt. As described in Section 7.4.5.1, the First Early Work Package was negotiated and agreed to prior to the establishment of the Section 7.4.2.2. As such, this Section 7.4.2.2 does not apply to the contingency agreement for the First Early Work Package. Refer to section 7.4.5.1 and to Exhibit L1 to find the terms which govern contingency payments for the First Early Work Package.

7.4.3 Change Orders and Guaranteed Price.

7.4.3.1 Additive Change Orders. Additive Change Orders which increase the Cost of Work for the project shall result in increases to the Lump Sum value of the Guaranteed Price. The addition to the Guaranteed Price shall be equivalent to the total addition to the Cost of Work plus the corresponding Design-Builder's Fee as specified in Section 7.4.2.1.

7.4.3.2 Deductive Change Orders. For deductive Change Orders, which decrease the Cost of Work, the Guaranteed Price shall be correspondingly reduced. The reduction in the

Guaranteed Price shall be the equivalent to the total reduction in the Cost of Work and the reduction in the corresponding Design Builder's Fee.

7.4.4 Design-Builder's Obligations Related to Funding Requirements. As described herein, the Design-Builder's compensation for the Project shall not be dependent on open-book, verified Project costs if the Owner elects to implement a Lump Sum delivery.

7.4.5 Contingency Funds in Lump Sum Delivery

7.4.5.1 First Early Work Package Exempt. The First Early Work Package, which is valued at \$22,239,688 and was approved by the Board of Water Commissioners at their January 11th, 2022 meeting, is exempt from all the text of this Section 7.4.5. The First Early Work Package was negotiated prior to the addition of the terms in this section. As described in Exhibit L1, the Design-Builder has been guaranteed the \$1,089,782 of contingency funds which were established at the time of the negotiations for the First Early Work Package. The Design-Builder is not obliged to track the contingency spending for the First Early Work Package. The Owner is not entitled to any unspent contingency funds from the First Early Work Package.

7.4.5.2 Purpose of Contingency. Contingency shall be developed as part of the Guaranteed Price Amendment or at the time of other contract amendments based on identified risks or opportunities related to specific Work scope that cannot be accurately estimated at the time of Guaranteed Price development or at the time of other contract amendments. By way of example, and not as a limitation, such costs may include: (a) trade buy-out differentials; (b) overtime or acceleration; (c) escalation of materials; (d) correction of defective, damaged or nonconforming Work, design errors or omissions, however caused; (e) Subcontractor defaults; or (f) those events under Section 8.2.2 of the General Conditions of Contract that result in an extension of the Contract Time but do not result in an increase in the Contract Price.

7.4.5.3 Cap on Value of Contingency Spending. The Design-Builder agrees that the contingency value set in the Amended and Restated Contractor at the time of other contract amendments is a maximum value. Any overruns of the contingency value are the responsibility of the Design-Builder. The Owner's payments for contingency work shall not exceed the maximum value set in the Amended and Restated Contractor at the time of other contract amendments.

7.4.5.4 Spending from Contingency Funds. The value of the contingency set in the Amended and Restated Contract at the time of other contract amendments is not treated as a Lump Sum value.

Contingency will be available to the Design-Builder upon approval by the Owner for unanticipated costs it has incurred that are not the basis for a Change Order under the Contract Documents. Without Owner approval, the Design-Builder is not authorized to spend any of the contingency.

7.4.5.5 Cost Tracking for Contingency Spending

If the Design-Builder identifies an area in which contingency spending is required, then they will develop a price proposal for the work associated, including cost buildups consistent with a Guaranteed Price Proposal. Upon mutual agreement between the Owner and the Design-Builder on the price, the value will be treated as a lump sum and guaranteed to the Design-Builder. The Design-Builder will not be responsible for providing receipts, invoices, cost tracking, etc. to validate costs.

Owner recognizes that in some cases, when a risk materializes, the associated costs will begin to accumulate immediately, before the Design-Builder is able to develop a price proposal for the contingency spending. In such events, the Design-Builder will develop a price proposal for the Owner as quickly as possible. Also, the Owner agrees to recognize and compensate the Design-Builder for any costs incurred prior to the price proposal submittal, provided that the Design-Builder can clearly demonstrate that the costs resulted from the associated risk event.

7.4.5.6 Cap on Rework Contingency. Notwithstanding the above, the Design-Builder guarantees that the contingency for the correction of defective, damaged, or nonconforming work shall not exceed 40% of the total contingency.

7.5 Cost of the Work.

7.5.1 Cost Model and Design Builder's Fee. The Owner has provided the Design-Builder with a cost model for the Work. This Cost Model, provided as Exhibit J to the Agreement, defines the Cost of Work for the Project and clearly outlines which work is subject to the Design-Builder's Fee and which work is not subject to the Design-Builder's Fee. During Phase 1, the Owner and Design-Builder modified and agreed to the Cost Model, provided as Exhibit J.

The Design-Builder's Fee shall be applied only to those portions of work which are designated as Costs of Work in the Cost Model.

7.6 Allowance Items and Allowance Values.

7.6.1 Any and all Allowance Items, as well as their corresponding Allowance Values, are set forth in the Amended and Restated Contractor the Guaranteed Price Proposal.

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

7.6.3 No work shall be performed on any Allowance Item without Design-Builder first obtaining in writing advanced authorization to proceed from Owner. Owner agrees that if Design-Builder is not provided written authorization to proceed by the date set forth in the Project schedule, due to no fault of Design-Builder, Design-Builder may be entitled to an adjustment of the Contract Time(s) and Contract Price.

7.6.4 The Allowance Value includes all costs (including all additional general conditions, bonds, insurance, and Design-Builder's Fee) associated with the applicable Allowance Item.

7.6.5 Whenever the actual costs for an Allowance Item is more than or less than the stated Allowance Value, the Contract Price shall be adjusted accordingly by Change Order. The Design-Builder shall be responsible for informing the Owner of any potential exceedances of Allowance Values prior to incurring such expenses, and Owner approval of such additional expenses shall be required prior to performing the work.

Article 8 – Procedure for Payment

8.1 Payment for Phase 1 Services.

8.1.1 Design-Builder and Owner agree upon the following method for partial and final payment to Design-Builder for the services hereunder:

Monthly invoices based upon actual time and staff rates, plus costs of site exploration, piloting equipment, etc. consistent with Section 7.1.

8.2 Contract Price Payments.

8.2.1 Design-Builder shall submit to Owner on the first (1st) day of each month, beginning with the first month after the Date of Commencement (as defined in Article 6), Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract.

8.2.2 Owner shall make payment within thirty-five (35) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.4 of the General Conditions of Contract.

8.2.3 If Design-Builder's Fee under Section 7.4 hereof is a fixed amount, the amount of Design-Builder's Fee to be included in Design-Builder's monthly Application for Payment and paid by Owner shall be proportional to the percentage of the Work completed, less payments previously made on account of Design-Builder's Fee. Otherwise, Design-Builder's Fee shall be billed on the basis of the applicable Cost of Work.

8.2.4 The value of any Application for Payment submitted by the Design-Builder shall not exceed the value appropriate for the actual percentage of Work completed.

8.3 Retainage on Progress Payments.

8.3.1 Owner will retain two and a half percent (2.5%) of each Application for Payment for all Phase 2 Work.

8.3.2 Within thirty-five (35) days after Substantial Completion of the entire Work or, if applicable, any portion of the Work, pursuant to Section 6.7 of the General Conditions of Contract, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to: (a) the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion; and (b) all other amounts Owner is entitled to withhold pursuant to Section 6.4 of the General Conditions of Contract.

8.3.2.1 Upon Substantial Completion of the Treatment Facilities, Owner will release the retained funds associated with the construction of the Treatment Facilities. At this time, the Owner will continue to retain funds associated with other Project Work.

8.3.2.2 Upon Substantial Completion of the Project, Owner will release the remaining retained funds.

8.4 Final Payment.

8.4.1 Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment (less any amount the parties may have agreed to set aside for warranty work) within thirty-five (35) days after Owner's receipt of the Final Application for Payment, provided that: (a) Design-Builder has satisfied the requirements for final payment set forth in Section 6.7 of the General Conditions of Contract.

8.4.2 Design-Builder shall be able to draw on Project Contingency after Final Payment and during the warranty period following Substantial Completion of the Project in accordance with Article 7.4.5.

8.4.2.1 While developing the warranty plan described in Section 2.11.4 of the General Conditions of Contract, the Owner and Design-Builder will collaborate to determine the proper amount of contingency funds to retain to cover warranty work.

8.5 Interest.

8.5.1 Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest commencing five (5) days after payment is due at the rate of one and a half percent (1.5%) per month until paid.

8.6 Record Keeping and Finance Controls.

8.6.1 Design-Builder acknowledges that this Agreement is to be administered on an "open book" arrangement relative to Costs of the Work. Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Owner and Owner's accountants shall be afforded access to, and the right to audit from time to time, upon reasonable notice, Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda, and other data relating to the Work, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment. Such inspection shall take place at Design-Builder's offices during normal business hours unless another location and time is agreed to by the parties. Any multipliers or markups agreed to by the Owner and Design-Builder as part of this Agreement are only subject to audit to confirm that such multiplier or markup has been charged in accordance with this Agreement, but the composition of such multiplier or markup is not subject to audit. Any lump sum agreed to by the Owner and Design-Builder as part of this Agreement is not subject to audit.

Article 9 – Termination for Convenience

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

9.1.1 All services performed and Work executed and for proven loss, cost, or expense in connection with the services and Work;

9.1.2 The reasonable costs and expenses attributable to such termination, including demobilization and amounts due in settlement of terminated contracts with subcontractors and design consultants; and

9.1.3 Overhead and profit in the amount of nine and a half percent (9.5%) on the sum of items 9.1.1 and 9.1.2 above.

9.2 If Owner terminates this Agreement pursuant to Section 9.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 5.3 hereof. Such rights may not be transferred or assigned to others without Design-Builder's express written consent and such third parties' agreement to the terms of Article 5.

9.3 Design Stage "Off Ramp". The Owner's decision to terminate the agreement in accordance with Section 2.3.2.3(iii) shall not be deemed termination for convenience.

Article 10 – Officers of the Parties

10.1 Owner's Officers.

10.1.1 Owner designates the individual listed below as its Principal in Charge, which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2 of the General Conditions of Contract:

Patrick Shea
General Manager, Saint Paul Regional Water Services
patrick.shea@ci.stpaul.mn.us 651-266-8943

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

Will Menkhaus
Project Manager, Saint Paul Regional Water Services
william.menkhaus@ci.stpaul.mn.us
(651)266-6269

10.2 Design-Builder's Officers.

10.2.1 Design-Builder designates the individual listed below as its Principal in Charge, which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2 of the General Conditions of Contract:

Greg Fischer
Vice President, CH2M Design Build Delivery
Greg.Fischer2@jacobs.com
(480)377-6230

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

Steve Patterson
Steve.Patterson@jacobs.com
(303)898-5089

Article 11 – Bonds and Insurance

11.1 Insurance.

11.1.1 Design-Builder and Owner shall procure the insurance coverages set forth in the Insurance Exhibit (Exhibit H) attached hereto and in accordance with Article 5 of the General Conditions of Contract.

11.2 Bonds and Other Performance Security.

11.2.1 Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security:

Performance Bond. (100% of the value of all Phase 2 Work)

Payment Bond. (100% of the value of all Phase 2 Work)

Parent Guarantee (100% of the Amended and Restated Contract Value)

Article 12 – Other Provisions

12.1 Other provisions, if any, are as follows:

12.2 Listing of Exhibits and documents incorporated herein:

Exhibit A – Retired: Owner's Project Criteria

Upon initiation of the design phase for the project, the Owner's Project Criteria were included as Exhibit A. Both parties agree that all requirements of the Owner's Project Criteria have been met and incorporated into other contract documents. As such, the Owner's Project Criteria has been superseded not included herein.

Exhibit B – Preliminary Scope of Phase 1 Services

Exhibit C – Permitting and Regulatory Approvals Responsibilities

Exhibit D –MN PFA Contract Packet (Project Funding Requirements)

Exhibit E – Labor Standards

Exhibit F – Key Firms and Key Personnel

Exhibit G – Phase 1 Milestone Schedule

Exhibit H – Insurance Requirements

Exhibit I – Billing Rates, Phase 1 Costs, and Phase 2 Markups

Exhibit J – Cost Model

Exhibit K – Parent Guaranty Agreement

Exhibit L – Scope Basis

Exhibit L1 – First Early Work Package

Exhibit L2 – Second Early Work Package

Exhibit L3 – Design Change Order (Lime and Chemical Building)

Exhibit L4 – Third Early Work Package

Exhibit L5 – Balance of Plant Package

Exhibit L6 – Laboratory and Associated Facilities Package (placeholder, not included)

Note: This is an anticipated future work package. Scope has not been finalized for this work package at this point, and this exhibit will be updated when/if an agreement on this scope and pricing is reached.

Exhibit L7 – Baseline Drawings and Specifications

L7-1 – First Early Work Package

L7-2 – Second Early Work Package

L7-3 – Not Used

L7-4 – Third Early Work Package

L7-5 – Balance of Plant Package

L7-6 – Laboratory and Associated Facilities Package (not included)

Exhibit L8 Preliminary Design Report

Exhibit L9 Design-Build Schedule

Exhibit M – Site Security Requirements

Exhibit N – Not Used

Exhibit O – Index of Reference Documents

Exhibit P – Service Manuals, Standard Operating Procedures, Operations Manual and Maintenance Procedures

Exhibit Q – Project Plans

Exhibit Q1 Preliminary Draft Startup and Commissioning Plan

Exhibit Q2 Acceptance Test Plan Annotated Outline

Exhibit Q3 Draft Operations and Maintenance Staff Training Plan

Exhibit Q4 Maintenance of Plant Operations Plan

Exhibit R – Project Labor Agreement

Article 13 – Limitation of Liability

13.1 Limitation. To the fullest extent permitted by law, and notwithstanding any other provision of this Agreement, the total liability, in the aggregate, of Design-Builder, its Design Consultants, and Subcontractors, surety (if any) and their respective officers, directors, employees, and agents, and any of them, to Owner and anyone claiming by, through or under Owner, for any and all claims, losses, liabilities, costs, or damages whatsoever arising out of, resulting from, or in any way related to, the Project or this Agreement from any cause, including but not limited to the negligence, indemnity, professional errors or omissions, strict liability, breach of contract, or warranty (express or implied) shall not exceed one hundred twenty percent (120%) of the Contract Price. The parties agree that specific consideration has been given by the Design-Builder for this limitation and that it is deemed adequate.

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

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on
the dates listed below.

Approved as to form:

**BOARD OF WATER COMMISSIONERS
OF THE CITY OF SAINT PAUL**

By: _____
Patrick Shea, General Manager
Saint Paul Regional Water Services

By: _____
Mara Humphrey, President

Date: _____

Date: _____

By: _____
Lisa Veith
Assistant City Attorney

By: _____
Mollie Gagnelius
Secretary

Date: _____

Date: _____

By: _____
John McCarthy
Director, Office of Financial Services

Date: _____

CH2M HILL ENGINEERS, INC.

By: _____
Printed Name
Title

Date: _____

Exhibit C: Permitting and Regulatory Approvals Responsibilities

McCarron's Water Treatment Plant Improvements

Exhibit C. Permitting and Regulatory Approvals Responsibilities

The Design-Builder and the Owner will collaborate during Phase 1 of the Project to make sure that a full understanding of the permitting requirements of the project is developed. Permitting responsibilities may be added to this list and/or responsibility may be reallocated through mutual agreement by the Owner and the Design-Builder. A revision to this document is expected at the time of the Contract Price Amendment.

Name of Government Approval/Submittal	Issuing Entity	Permittee/ Approval Holder	Application Manager	Information Supply Responsibility	Fee Payment Responsibility
Stormwater Management Permit	Capital Region Watershed District (CRWD)	Design-Builder	Design-Builder	Design-Builder	Design-Builder to pay all permitting fees and be reimbursed by SPRWS
Erosion and Sediment Control Permit	CRWD	Design-Builder	Design-Builder	Design-Builder	
Illicit Discharge and Connection Permit	CRWD	Design-Builder	Design-Builder	Design-Builder	
Water and Sewerage Construction Permit	City of Maplewood	Design-Builder	Design-Builder	Design-Builder	
Fire Alarm, Sprinkler, and Suppression Permits	City of Maplewood	Design-Builder	Design-Builder	Design-Builder	
Electrical Permit	City of Maplewood	Design-Builder	Design-Builder	Design-Builder	
Building Permit	City of Maplewood	Design-Builder	Design-Builder	Design-Builder	
Grading Permit	City of Maplewood	Design-Builder	Design-Builder	Design-Builder	
Mechanical Permit	City of Maplewood	Design-Builder	Design-Builder	Design-Builder	
MDH Environmental Review Requirements	Minnesota Department of Health (MDH)	SPRWS	Design-Builder	SPRWS	
Water Treatment Plant Plan Review for Community Water Systems	MDH	SPRWS	Design-Builder	SPRWS	
Construction Stormwater Permit	Minnesota Pollution Control Agency	Design-Builder	Design-Builder	Design-Builder	
Plumbing Permit	Minnesota Department of Labor and Industry	Design-Builder	Design-Builder	Design-Builder	

Permit Name	Issuing Entity	Applicant	Permittee/Approval Holder	Application Manager	Information Supply Responsibility	Fee Payment Responsibility
GP2 - Enabling Works Package						
Building Permit - Grading for Tree Removals	City of Maplewood	YTS	Design-Build	Design-Build	Design-Build	
Stormwater Connection Permit	City of Maplewood	Magney	Design-Build	Design-Build	Design-Build	
Building Permit - Sanitary Sewer for Trailer Area (permanent connection)	City of Maplewood	Magney	Design-Build	Design-Build	Design-Build	
Building Permit - Electrical for Trailer Area	City of Maplewood	Premier Electric	Design-Build	Design-Build	Design-Build	
Building Permit - Temp Storm Sewer	City of Maplewood	Magney	Design-Build	Design-Build	Design-Build	
Temp Structure Building Permit - Electrical Permit for Temp CO2	City of Maplewood	Premier Electric	Design-Build	Design-Build	Design-Build	
Temp Structure Building Permit - Electrical Permit for Sub "A"	City of Maplewood	Premier Electric	Design-Build	Design-Build	Design-Build	
Temporary Structure Building Permit - Trailers (plumbing, electrical, sanitary)	City of Maplewood	Jacobs	Design-Build	Design-Build	Design-Build	
Building Permit - CO2 Tank Demo	City of Maplewood	Magney	Design-Build	Design-Build	Design-Build	
Building Permit - SSB Build Back Part 1 (Gate Isolations)	City of Maplewood	Magney	Design-Build	Design-Build	Design-Build	
Building Permit - SSB Excavation Pipe Relocation	City of Maplewood	Magney	Design-Build	Design-Build	Design-Build	
GP3 - Demo/Site Work						
Water Appropriation Permit (Dewatering)	MNDNR Minnesota	Jacobs	Design-Build	Design-Build	Design-Build	
Building Permit - Clarifier 1 Build Back	City of Maplewood	Magney	Design-Build	Design-Build	Design-Build	
Building Permit - Grading for Temporary Construction	City of Maplewood	Rachel	Design-Build	Design-Build	Design-Build	
Building Permit - Phase 1 Demo (SSB, Clarifier 1)	City of Maplewood	Rachel	Design-Build	Design-Build	Design-Build	
Building Permit - Phase 2 Demo (Recarb, Floc 3, Clarifiers 2-5)	City of Maplewood	Rachel	Design-Build	Design-Build	Design-Build	
Building Permit - SSB Build Back Part 2 (Skip Walls)	City of Maplewood	PCL	Design-Build	Design-Build	Design-Build	
Ramsey County Pre-Demolition Inspection	Ramsey County	Rachel	Design-Build	Design-Build	Design-Build	
MPCA Notification of Intent to perform Demolition	MPCA	Rachel	Design-Build	Design-Build	Design-Build	
Temporary Construction Dewatering Permit	MNDNR Minnesota	Jacobs	Design-Build	Design-Build	Design-Build	
GP4 - Balance of Plant						
Building Permit - Full Job	City of Maplewood	Jacobs	Design-Build	Design-Build	Design-Build	
Building Permit - Grading	City of Maplewood	Rachel	Design-Build	Design-Build	Design-Build	
Mechanical Permit	City of Maplewood	TBD	Design-Build	Design-Build	Design-Build	
Plumbing Permit	City of Maplewood	TBD	Design-Build	Design-Build	Design-Build	
Electrical Permit	City of Maplewood	TBD	Design-Build	Design-Build	Design-Build	
Fire Alarm System Submittal Requirements	City of Maplewood Fire Marshal	TBD	Design-Build	Design-Build	Design-Build	
Fire Sprinkler System Submittal Requirements	City of Maplewood Fire Marshal	TBD	Design-Build	Design-Build	Design-Build	

Design-Build to pay all permitting fees and be reimbursed by SPRWS

Exhibit H: Insurance Requirements

McCarron's Water Treatment Plant Improvements

Exhibit H - Insurance Requirements

Note: The insurance limits set below have been developed through a good faith effort to anticipate project scope and associated insurance needs. As the project scope is further developed, adjustments to these anticipated insurance requirements may become necessary. Insurance requirements may be updated, as necessary, at the Contract Price Amendment.

Type of Coverage	Recommended Limits	Carried By
Builder's Risk	Amount of project	Main Contractor OR City
General Liability	\$2M/\$5M or higher	Design-Builder
Auto Liability	\$1M combined single limit	Design-Builder
Professional Liability (Includes Errors & Omissions)	\$5M aggregate coverage	Design-Builder
Worker's Compensation	Per statute	Design-Builder All Sub-Contractors
Property Insurance	Value of DB firm's property on site	Design-Builder
Umbrella or Excess Policy (to go over General Liability)	\$10M (due to proximity to existing treatment plant)	Design-Builder
Pollution Liability	\$5M aggregate coverage	Design-Builder

Note: All Certificates of Insurance must contain the following language in the "Description of Operations" section:

City of Saint Paul, its officials, employees, agents and representatives and the Board of Water Commissioners of the City of Saint Paul, its officials, employees, agents and representatives are additional insured in the commercial general liability, automobile liability, umbrella/excess, and contractor's pollution liability insurance policies.

Exhibit I: Billing Rates, Phase 1 Costs, and Phase 2 Markups

McCarron's Water Treatment Plant Improvements

Exhibit I - Phase 1 Billing Rate Schedules

Engineering	
Staff Categories	Billing Rate
Senior Technical Consultant Project Director	\$ 290
Senior Project Manager 2 Senior Engineer	\$ 250
Senior Project Manager 1 Engineer 5	\$ 225
Project Manager Engineer 4	\$ 200
Engineer 3 Technician 5	\$ 160
Engineer 2 Technician 4	\$ 135
Engineer 1 Technician 3	\$ 120
Support 4 Technician 2	\$ 110
Support 3 Technician 1	\$ 100
Support 2	\$ 95
Support 1	\$ 90

Jacobs Preconstruction	
Staff Categories	Billing Rate
Senior Construction Project Director	\$ 220
Senior Construction Project Manager Senior Estimator	\$ 170
Construction Project Manager	\$ 150
Construction Professional 3	\$ 140
Construction Professional 2	\$ 125
Construction Professional 1	\$ 110

PCL Preconstruction	
Staff Categories	Billing Rate
Senior Project Manager	\$ 140
Superintendent	\$ 135
Estimator	\$ 120

Magney Construction Preconstruction	
Staff Categories	Billing Rate
Project Manager	\$ 130
Project Engineer/Superintendent	\$ 110
Estimator	\$ 100

Exhibit I - Phase 2 Billing Rate Schedules, Effective June 2022 (Contract Award)

Engineering	
Staff Categories	Billing Rate
Senior Technical Consultant Project Director	\$ 302
Senior Project Manager 2 Senior Engineer	\$ 260
Senior Project Manager 1 Engineer 5	\$ 234
Project Manager Engineer 4	\$ 208
Engineer 3 Technician 5	\$ 166
Engineer 2 Technician 4	\$ 140
Engineer 1 Technician 3	\$ 125
Support 4 Technician 2	\$ 114
Support 3 Technician 1	\$ 104
Support 2	\$ 99
Support 1	\$ 94

Jacobs Construction	
Staff Categories	Billing Rate
Senior Construction Project Director	\$ 229
Senior Construction Project Manager Senior Estimator	\$ 177
Construction Project Manager	\$ 156
Construction Professional 3	\$ 146
Construction Professional 2	\$ 130
Construction Professional 1	\$ 114

PCL Construction	
Staff Categories	Billing Rate
Senior Project Manager	\$ 146
Superintendent	\$ 140
Estimator	\$ 125

Magney Construction Construction	
Staff Categories	Billing Rate
Project Manager	\$ 135
Project Engineer/Superintendent	\$ 114
Estimator	\$ 104

NOTES:

Rates shown above are good for 2022.

Rates will be escalated at 4% / YR over the life of the contract.

Rates escalate January 1 of each year.

The rates used in the Exhibit L5 do not match the rates presented in these tables. Exhibit L5 utilizes average rates to account for the multi-year duration of the project.

Exhibit I. Phase 1 Costs

Design and Pre-Construction Phase Price	
Total Not-to-Exceed Price for Design and Preconstruction Phase	\$ 13,666,427.00
<i>Sum of Preconstruction Services Price + Design Price</i>	
Preconstruction Services Price (for all non-design related scope prior to Guaranteed Price Amendment)	\$ 1,564,162.00
<i>Evaluated: Not to exceed preconstruction services price (sum of items below)</i>	
Task 101. Mobilization and Project Setup	\$ 115,577.00
Task 102. Preconstruction Management and Administration for Design and Preconstruction Phase	\$ 86,127.00
Task 103. Constructability Reviews, Construction Planning, and all Required Deliverables	\$ 57,007.00
Task 104. Cost Modeling and Estimates	\$ 867,028.00
Task 105. Scheduling	\$ 190,403.00
Task 106. Design and Construction Phasing Plan	\$ 102,734.00
Task 107. Subcontract and Equipment Procurement	\$ 50,017.00
Task 108. Project Labor Agreement (PLA) Negotiation	\$ 43,271.00
Task 109. Preconstruction Contingency to Accommodate Iterative Design-Build Process	\$ 51,998.00
Design Price	\$ 12,102,265.00
<i>Evaluated: Not to exceed design price (sum of items below)</i>	
Task 201: Phase 1 Project Management	\$ 696,838.00
Task 202. Meetings and Workshops	\$ 376,677.00
Task 203. Background Document and Record Drawing Review and Validation	\$ 108,645.00
Task 204. Geotechnical investigations and analysis	\$ 158,482.00
Task 205. Surveying, Mapping and Site Investigations	\$ 170,200.00
Task 206. Permitting and Approvals	\$ 169,788.00
Task 207. Stakeholder and Public Outreach Planning and Support (Budget Allowance)	\$ 50,000.00 ¹
Task 208. Engineering Studies	\$ 227,710.00
Task 209. Preliminary Design Report and 30 Percent Design Package	\$ 1,296,143.00
Task 210. 60 Percent Design Package	\$ 2,144,590.00
Task 211. Phase 2 Guaranteed Price Submittal(s) and Phase 2 Amendment	\$ 928,843.00
Task 212. Final Design (Ready for Design-Build Construction)	\$ 2,528,007.00
Task 213. 100 Percent Design (Bid Documents in Case of Off-Ramp, at SPRWS's Option)	\$ 686,961.00
Task 214. Design contingency to accommodate iterative design-build process	\$ 290,000.00
Task 215. Design of Ammonia and Chlorine Warning System (at SPRWS's Option)	\$ 180,000.00
Task 300. Pilot Testing	\$ 1,839,881.00
Task 300. Pilot Testing (Allowances to be utilized at SPRWS's option)	\$ 39,500.00
Task 300. Pilot Testing Contingencies (To account for possible further definitions of scope/equipment)	\$ 210,000.00

Notes:

1. Pre-defined budget allotment for all Respondents.

Exhibit I. Phase 2 Cost Basis

Construction Phase Fees			
Guaranteed Maximum Price Option			
1.	Fee for Self-Performed Scope. A total Percent (%) markup for combined overhead and profit on work to be self-performed by the as-qualified Design-Build Team (i.e. Key Firms) applied to approved Construction Phase Work in the Contract Price Amendment (see Note 1 below)	9.50	%
2.	Fee for Subcontracted Scope and Purchases. A total Percent (%) markup for all other Work not included in item 1, anticipated to be subcontracted or directly purchased by a member of the Design-Build Team, based on a purchase order or subcontract amount, as applied to approved Cost of Work in the Contract Price Amendment.	5.00	%
3.	Shared savings ratio, representing the disbursement of any unspent costs at the end of the project below the Guaranteed Maximum Price. Combined Percentages must equal 100%. The minimum percentage for either party shall be 25%.		
	SPRWS	75.00	%
	Design-Builder	25.00	%
Lump Sum Price Option			
<i>Evaluated: Adjusted fee to be applied to estimated construction cost should SPRWS elect to exercise the Guaranteed Price on a Lump Sum basis.</i>			
1a.	Self-Performed Scope. Percent (%) discount on listed Guaranteed Maximum Price fee (listed in Item 1 above) should SPRWS elect to exercise the Guaranteed Price on a Lump Sum basis:		
	Discount on Fee for Self-Performed Scope	0.60	%
1b.	Math check:		
	GMP Fee (from GMP option Item 1 above)	9.50	%
	minus		
	Lump Sum discount	0.60	%
	Equals	8.90	%
2a.	Subcontracted Scope and Purchases. Percent (%) discount on listed Guaranteed Maximum Price fee (listed in Item 2 above) should SPRWS elect to exercise the Guaranteed Price on a Lump Sum basis:		
	Discount on Fee for Subcontracted Scope and Purchases	0.00	%
2b.	Math check:		
	GMP Fee (from GMP option Item 2 above)	5.00	%
	minus		
	Lump Sum discount	0.00	%
	Equals	5.00	%

Exhibit I. Phase 2 Cost Basis

Fee Detail. Provide a breakout of overhead, as a component of the above percent markup.

Not evaluated: Note that this fee detail may be required to support funding agreement disclosure requirements. Respondents are advised that funding requirements may require additional disclosure and documentation for overhead rates.

1. Percent (%) markup allocated for overhead, as included in both the Self-Performed Scope fee and the Subcontracted Scope and Purchases Fee, to be applied to approved construction costs:	Self-Perform: 4.70 Subcontracted: 2.00	%
2. Math check: Provide the non-overhead component of the above percent markups (e.g. profit or other)		
GMP Price Option		
(The percentage for the Self-Performed Scope option plus the overhead percentage should equal the total fee indicated above for the Self-Performed Scope GMP option, and vice-versa for the Subcontracted Scope and Purchases option)		
– Self-Performed Scope	4.80	%
– Subcontracted Scope and Purchases	3.00	%
Lump Sum Price Option		
(The percentage for the Self-Performed Scope option plus the overhead percentage should equal the total fee indicated above for the Self-Performed Scope LS option, and vice-versa for the Subcontracted Scope and Purchases option)		
– Self-Performed Scope	4.20	%
– Subcontracted Scope and Purchases	3.00	%

Labor Cost Multipliers

Not evaluated: Provide a breakdown for on-site and off-site salaried staff (for all staff not subject to prevailing wage rates)

1. Proposed labor cost multipliers	
On-site salaried staff multiplier	Construction Staff: 1.60 Engineering Staff: 3.10
Off-site salaried staff multiplier	Construction Staff: 2.00 Engineering Staff: 3.10

Instructions for How Design-Builder's Fees may be Applied to the Actual, Verifiable Costs of Phase 2 Construction Work

Based on as-proposed fee included on Form 2 Progressive Design-Builder Price Proposal.

- As-proposed Design-Builder's fee may be applied to the actual, verifiable cost of Phase 2 Construction Work, which include the following:
 - Construction and professional services subcontracts procured with entities outside of the Design-Build Team
 - Equipment and materials purchases made directly by any member of the Design-Build Team.
 - Rental contracts made directly by any member of the Design-Build Team
 - All other services with verifiable contracts and invoices
 - All Design-Build Team members' labor costs (as defined in contract documents), inclusive of project management and self-performed construction work
- Based on the above, the Design-Builder's fee shall be calculated by multiplying the actual, verifiable cost of Phase 2 Construction Work by the Design-Builder's as-proposed fees. The results of this calculation will be added as a fixed dollar amount to the Design-Builder's Phase 2 (Construction) cost model, to result in the GP.
 - As delineated in the attached Owner Approved Cost Model, certain cost items (e.g., insurance and bonds, among others) are designated as pass-through costs and will not be subject to application of fee.
 - This fixed dollar amount represents the maximum total fee available for Phase 2 (Construction) to the members of the Design-Build Team, and shall be billed proportionally to the cost of work being billed.
 - Other than the approved fees designated for Self-Performed Scope or Subcontracted Scope and Purchases, no additional markup or fees are to be included on Phase 2 Construction Work incurred for any member of the Design-Build Team.
 - Each Design-Builder is responsible for allocating available Phase 2 (Construction) fee to its Design-Build Team members.

Exhibit I. Phase 2 Cost Basis

Instructions for How Design-Builder's Fees may be Applied to the Actual, Verifiable Costs of Phase 2 Construction Work

- Design-Build Team members are considered pre-selected for self-performed scope may not otherwise compete for subcontracted scope in Phase 2 (Construction).
- For the development of all iterations of the draft Contract Price Amendment, all members of the Design-Build Team are required to document costs in open-book format.

Therefore, such Design-Build Team members providing subcontracted scope and purchases are not eligible to apply their own mark-up or fee to their scope's cost of work in addition to the as-proposed Design-Builder's fee on cost - e.g., there is no double-mark up allowed for Respondent's Key Firm(s).

— Owner Approved Cost Model Template

- The selected Design-Builder will be required to develop its GP estimate, and all subsequent GP iterations in accordance with the level of detail set forth in the Owner Approved Cost Model Template (provided in Attachment L).
- The markup for the Design-Builder's Construction Phase fee (overhead and profit) shall be applied to the actual, verifiable cost of Phase 2 Construction Work, including self-performed and sub-contracted work as shown in the Owner Approved Cost Model Template.
- Variations of how the Design-Builder's fee is applied to costs, from the Owner Approved Cost Model Template, will not be allowed without express written approval by SPRWS.
- Modifications to the Owner Approved Cost Model Template that do not affect how fee is applied (e.g. specific line items and organization of construction scope) will be allowed, and will be developed collaboratively with SPRWS, upon selection.

Exhibit K: Parent Guaranty Agreement

McCarron's Water Treatment Plant Improvements

GUARANTY AGREEMENT

This Guaranty Agreement (“**Guaranty**”) is entered into as of January 13, 2021 between Jacobs Engineering Group Inc., a corporation organized and existing under the laws of Delaware (together with any permitted successors and assigns hereunder, “**Guarantor**”), and the Board of Water Commissioners (doing business as: Saint Paul Regional Water Services) (“**Owner**”).

RECITALS

The Owner and CH2M HILL Engineers, Inc. (“**Company**”) have entered into that certain Design-Build Agreement dated January 13, 2021 (“**Agreement**”) for the design and construction of the McCarron’s Treatment Plant Improvements (“**Project**”), whereby the Company has agreed to design, obtain governmental approvals, construct, start up, acceptance test, warranty and perform other related and ancillary responsibilities, as more particularly described in the Agreement.

The Company is affiliated with the Guarantor.

The Owner will enter into the Agreement only if the Guarantor guarantees the performance by the Company of all of the Company’s responsibilities and obligations under the Agreement as set forth in this Guaranty. For purposes of this Guaranty, “responsibilities and obligations” means the amounts payable by, and the covenants and agreements of, the Company pursuant to the terms of the Agreement.

In order to induce the execution and delivery of the Agreement by the Owner and in consideration thereof, the Guarantor agrees as follows:

ARTICLE I

Definitions and Interpretation

Section 1.1 Capitalized Terms. For the purposes of this Guaranty, any capitalized word or term used but not defined herein is used as defined in the Agreement.

Section 1.2. Interpretation. In this Guaranty, unless the context otherwise requires:

- (A) References to the terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms refer to this Guaranty, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution and delivery of this Guaranty.
- (B) Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.
- (C) References to persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.
- (D) Any heading preceding the text of the Articles, Sections, and subsections of this Guaranty shall be solely for convenience of reference and shall not constitute a part of this Guaranty, nor shall they affect its meaning, construction or effect.

(E) This Guaranty constitutes the entire agreement between the parties hereto with respect to the transactions contemplated by this Guaranty. Nothing in this Guaranty is intended to confer on any person other than the Guarantor, the Owner and their permitted successors and assigns hereunder any rights or remedies under or by reason of the Guaranty.

(F) This Guaranty may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Guaranty.

(G) This Guaranty shall be governed by and construed in accordance with the laws of the state of Minnesota.

(H) If any clause, provision, subsection, Section or Article of this Guaranty shall be ruled invalid by any court of competent jurisdiction, the invalidity of any such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Guaranty shall be construed and enforced as if such invalid portion did not exist provided that such construction and enforcement shall not increase the Guarantor's liability beyond that expressly set forth herein.

(I) All approvals, consents and acceptances required to be given or made by any party hereto shall be at the sole discretion of the party whose approval, consent or acceptance is required

(J) All payments required to be made by the Guarantor hereunder shall be made in lawful money of the United States of America.

ARTICLE II

Representations and Warranties of the Guarantor

Section 2.1. *Representations and Warranties of the Guarantor.* The Guarantor hereby represents and warrants that:

(A) The Guarantor is duly organized and validly existing as a corporation under the laws of Delaware with full legal right, power and authority to enter into and perform its obligations under this Guaranty.

(B) The Guarantor has duly authorized the execution and delivery of this Guaranty, and this Guaranty has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms except insofar as such enforcement may be affected by bankruptcy, insolvency, or moratorium or by general equity principles of reorganization and other similar laws affecting creditors' rights generally and general principals of equity.

(C) Neither the execution or delivery by the Guarantor of this Guaranty nor the performance by the Guarantor of its obligations hereunder (a) to the Guarantor's knowledge conflict with, violate or result in a breach of any law or governmental regulation applicable to the Guarantor, (b) conflict with, violate or result in a material breach of any term or condition of the Guarantor's corporate charter or by-laws or any judgement, decree, agreement or instrument to which the Guarantor is a party or by which the Guarantor or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument, or (c) will result in the creation or imposition of any material encumbrance of any nature whatsoever upon any of the properties or assets of the Guarantor except as permitted hereby or by the Agreement.

(D) No approval, authorization, order or consent of, or declaration, registration or filing with, any governmental authority is required of the Guarantor for the valid execution and delivery by the Guarantor of this Guaranty, except such as shall have been duly obtained or made.

(E) Except as disclosed in the Guarantor's filings with the Securities and Exchange Commission pursuant to the requirements of the Securities Exchange Act of 1934, as amended, there is no action, suit or other proceeding, at law or in equity, before or by any court or governmental authority, pending or threatened against the Guarantor which has a likelihood of an unfavorable decision, ruling or finding that would materially and adversely affect the validity or enforceability of this Guaranty.

(F) The Guarantor has no knowledge of any Legal Requirement in effect on the date this Guaranty is executed by it which would prohibit the performance by the Guarantor of this Guaranty and the transactions contemplated by this Guaranty.

(G) The Guarantor is fully aware of the terms and conditions of the Agreement.

(H) This Guaranty is made in furtherance of the purposes for which the Guarantor has been organized, and the assumption by the Guarantor of its obligations hereunder will result in a material benefit to the Guarantor.

ARTICLE III

Guaranty Covenants

Section 3.1. *Guaranty to the Owner.* The Guarantor hereby absolutely, presently, irrevocably and unconditionally guarantees to the Owner for the benefit of the Owner (1) the full and prompt payment when due of each and all of the payments required to be credited or made by the Company under the Agreement (including all amendments and supplements thereto) to, or for the account of, the Owner, when the same shall become due and payable pursuant to the Agreement, and (2) the full and prompt performance and observance of each and all of the responsibilities and obligations. Notwithstanding the unconditional nature of the Guarantor's obligations as set forth herein, the Guarantor shall have the right to (1) assert the defenses provided in Section 3.4 hereof against claims made under this Guaranty, and (2) utilize properly licensed and registered corporate affiliates to effectuate the obligations set forth herein.

Section 3.2. *Right of Owner to Proceed Against Guarantor.* This Guaranty shall constitute a guaranty of payment and of performance and not of collection, and the Guarantor specifically agrees that in the event of a failure by the Company to pay or perform any responsibility and obligation guaranteed hereunder, the Owner shall have the right to proceed first and directly

against the Guarantor under this Guaranty and without proceeding against the Company or exhausting any other remedies against the Company which the Owner may have. Without limiting the foregoing, the Guarantor agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, as a condition of enforcing the liability of the Guarantor hereunder, that the Owner (1) file suit or proceed to obtain a judgment against the Company or any other person that may be liable for the responsibilities and obligations or any party of the responsibilities and obligations, (2) make any other effort to obtain payment or performance of the responsibilities and obligations from the Company other than providing the Company with any notice of such payment or performance as may be required by the terms of the Agreement, (3) foreclose against or seek to realize upon any security for the responsibilities and obligations, or (4) exercise any other right or remedy to which the Owner is or may be entitled in connection with the responsibilities and obligations or any security therefor or any other guarantee thereof, except to the extent that any such exercise of such other right or remedy may be condition to the responsibilities and obligations of the Company or to the enforcement of remedies under the Agreement. Upon any unexcused failure by the Company in the payment or performance of any responsibility and obligation and the giving of such notice or demand, if any, to the Company or Guarantor as may be required in connection with such responsibility and obligation or this Guaranty, the liability of the Guarantor shall be effective and shall immediately be paid or performed. Notwithstanding the Owner's right to proceed directly against the Guarantor, the Owner (or any successor) shall not be entitled to more than a single full performance of the responsibilities and obligations in regard to any breach or non-performance thereof.

Section 3.3. *Guaranty Absolute and Unconditional.* The responsibilities and obligations of the Guarantor hereunder are absolute, present, irrevocable and unconditional and shall remain in full force and effect until the Company shall have fully discharged the responsibilities and obligations in accordance with their respective terms, and except as provided in Section 3.4 hereof, shall not be subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, such responsibilities and obligations) based on any claim that the Guarantor may have against the Company, the Owner or any other person. Without limiting the foregoing, the responsibilities and obligations of the Guarantor hereunder shall not be released, discharged or in any way modified by reason of any of the following (whether with or without notice to or knowledge by or further consent of the Guarantor):

- (A) any exercise or failure, omission or delay by the Owner in the exercise of any right, power or remedy conferred on the Owner with respect to this Guaranty or the Agreement except to the extent such failure, omission or delay gives rise to an applicable statute of limitations defense with respect to a specific claim;
- (B) any permitted transfer or assignment of rights or obligations under the Agreement by any party thereto, or any permitted assignment, conveyance or other transfer of any of their respective interests in the Project;
- (C) any permitted assignment for the purpose of creating a security interest or mortgage of all or any part of the respective interests of the Owner or any other person in the Agreement or in the Project;
- (D) any renewal, amendment, change or modification in respect of any of the responsibilities and obligations or terms or conditions of the Agreement; in the Project;
- (E) any failure of title with respect to all or any part of the respective interests of any person

(F) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium, arrangement, composition with creditors or readjustment of or other similar proceeding against, the Company or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty or the Agreement in any such proceeding (it is specifically understood, consented and agreed to that, to the extent permitted by law, this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification had occurred as a result thereof it being the intent and purpose of this Guaranty that the Guarantor shall and does hereby waive all rights and benefits which might accrue to it by reason of any such proceeding);

(G) except as permitted by Sections 4.1 or 4.2 hereof, any sale or other transfer by the Guarantor of any of the capital stock or other interest of the Guarantor in the Company now or hereafter owned, directly or indirectly, by the Guarantor, or any change in composition of the interests in the Company;

(H) any failure on the part of the Company for any reason to perform or comply with any agreement with the Guarantor;

(I) the failure on the part of the Owner to provide any notice to the Guarantor which is not required to be given to the Guarantor pursuant to this Guaranty and to the Company as a condition to the enforcement of responsibilities and obligations pursuant to the Agreement;

(J) any failure of any party to the Agreement to mitigate damages resulting from any default by the Company;

(K) the merger or consolidation of any party with any other person, or any sale, lease, transfer, abandonment or other disposition of any or all of the property of any party to any person;

(L) any legal disability or incapacity of any party; or

(M) the fact that entering into any agreement by the Company or the Guarantor was invalid or in excess of the powers of such party.

Should any money due or owing under this Guaranty not be recoverable from the Guarantor due to any of the matters specified in subparagraphs (A) through (M) of this Section 3.3, then, in any such case, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal obligor in place of the Company pursuant to the terms of the Agreement and not merely a guarantor and shall be paid by the Guarantor forthwith subject to the terms of this Guaranty. Notwithstanding anything to the contrary expressed in this Guaranty, nothing in this Guaranty shall be deemed to amend, modify, clarify, expand or reduce the Company's rights, benefits, duties or obligations under the Agreement. To the extent that any of the matters specified in subparagraphs

(A) through (E) and (G) through (M) would provide any defense to, release, discharge or otherwise affect the Company's responsibilities and obligations, the Guarantor's responsibilities and obligation under this Guaranty shall be treated the same.

Section 3.4. Defenses, Set-Offs and Counterclaims. The Guarantor shall be entitled to exercise or assert to any and all legal or equitable rights, defenses, indemnities, or limits of liability which the Company may have under the Agreement (other than bankruptcy or insolvency of the Company and other than any defense which the Company has expressly waived in the Agreement or the Guarantor has expressly waived in Section 3.5 hereof or elsewhere hereunder). The obligations of the Guarantor hereunder are subject to such counterclaims, set-offs or deduction which the Company is permitted to assert pursuant to the Agreement, if any waives:

Section 3.5. Waivers by the Guarantor. The Guarantor hereby unconditionally and irrevocably waives:

- (A) notice of any of the events referred to in Section 3.3 hereof except to the extent that notice is required to be given as a condition to the enforcement of the responsibilities and obligations;
- (B) to the fullest extent lawfully possible, all notices which may be required by statute, rule of law or otherwise to preserve intact any rights against the Guarantor, except any notice to the Company required pursuant to the Agreement as a condition to the performance of a responsibility and obligation;
- (C) to the fullest extent lawfully possible, any statute of limitation defense based on a statute of limitations period which may be applicable to Guarantor (or parties in similar relationships) which would be shorter than the applicable statute of limitation period for the underlying claim;
- (D) any right to require a proceeding first against the Company;
- (E) any right to require a proceeding first against any person or the security provided by or under any other agreement except to the extent such agreement specifically requires proceeding first against any person (except the Company) or security;
- (F) any requirement that the Company be joined as a party to any proceeding for the enforcement of any term of the Agreement or this Guaranty;
- (G) the requirement of, or the notice of, the filing of claims by the Owner in the event of the receivership or bankruptcy of the Company; and
- (H) all demands upon the Company or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this Section 3.5 by rule of law or otherwise, constitute grounds for reliving or discharging the Guarantor in whole or in part from its absolute, preset, irrevocable, unconditional and continuing obligation hereunder.

Section 3.6. Payment of Costs and Expenses. The Guarantor agrees to pay the Owner on demand all reasonable costs and expenses, legal or otherwise (including counsel fees), incurred by or on behalf of the Owner in successfully enforcing the observance of the covenants, agreements and obligations contained in this Guaranty against the Guarantor, other than the costs and expenses that the Owner incurs in performing any of its own obligations under the Agreement, where such obligations are a condition to performance by the Company of its responsibilities and obligations.

Section 3.7. Subordination of Rights. The Guarantor agrees that any right of subrogation or contribution which it may have against the Company as a result of any payment or performance hereunder is hereby fully subordinated to the rights of the Owner hereunder and under the Agreement and that the Guarantor shall not recover or seek to recover any payment made by it hereunder from the Company until the Company and the Guarantor shall have fully and satisfactorily paid or performed and discharged the responsibilities and obligations giving rise to a claim under this Guaranty.

Section 3.8. Separate Obligations; Reinstatement. The responsibilities and obligations of the Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall (1) constitute separate independent responsibilities and obligations of the Guarantor from its other obligations under this Guaranty, (2) give rise to separate and independent causes of action against the Guarantor and (3) apply irrespective of any indulgence granted from time to time by the Owner. The Guarantor agrees that this Guaranty shall be automatically reinstated if and to the extent that for any reason any payment or performance by or on behalf of the Company is rescinded or must be otherwise restored by the Owner, whether as a result of any proceedings in bankruptcy, reorganization or similar proceeding, unless such rescission or restoration is pursuant to the terms of the Agreement.

Section 3.9. Term. This Guaranty shall remain in full force and effect from the date of execution and delivery hereof until all of the responsibilities and obligations of the Company have been fully paid and performed.

ARTICLE IV

General Covenants

Section 4.1. Maintenance of Corporate Existence.

(A) **Consolidation, Merger, Sale or Transfer.** The Guarantor covenants that during the term of this Guaranty it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it unless the successor is the Guarantor; provided, however, that the Guarantor may consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve if the successor entity (if other than the Guarantor) (a) obtains the written consent of the Owner, which consent shall not be unreasonable withheld, (b) assumes in writing all the obligations of the Guarantor hereunder and, if required by law, is duly qualified to do business in the state of Minnesota, and (c) delivers to the Owner an opinion of counsel to the effect that its obligations under this Guaranty are legal, valid, binding and enforceable subject to applicable bankruptcy and similar insolvency or moratorium laws, in the courts of the State.

(B) **Continuance of Obligations.** If a consolidation, merger or sale or other transfer is made as permitted by this Section 4.1, the provisions of this Section 4.1 shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made except in compliance with the provisions of the Section 4.1. No such consolidation, merger or sale or other transfer shall have the effect of releasing the initial Guarantor from its liability hereunder unless a successor entity has assumed responsibility for this Guaranty as provided in the Section 4.1.

Section 4.2. Assignment. Without the prior written consent of the Owner, this Guaranty may not be assigned by the Guarantor, except pursuant to Section 4.1 hereof.

Section 4.3. Qualification in Minnesota. The Guarantor agrees that, so long as this Guaranty is in effect, if required by law, the Guarantor will be duly qualified to do business in the state of Minnesota.

Section 4.4. Consent to Jurisdiction. All litigation related to this Guaranty must be venued in the District Court of the County of Ramsey, Second Judicial District, State of Minnesota.

Section 4.5. Binding Effect. This Guaranty shall inure to the benefit of the Owner and its permitted successors and assigns and shall be binding upon the Guarantor and its successors and assigns.

Section 4.6. Amendments, Changes and Modifications. This Guaranty may not be amended, changed or modified or terminated and none of its provisions may be waived, except with the prior written consent of the Owner and Guarantor.

Section 4.7. Notices. All notices, requests, demands, and other communications (collectively, "Notices") hereunder shall be in writing and delivered to the party hereto by (a) email, (b) established express delivery service that maintains delivery records, or (c) certified or registered U.S. mail, postage prepaid, return receipt requested at the following addresses, or at such other address as the parties hereto may designate pursuant to this Section. Any notice provided via email shall be considered valid only when the receiving party has confirmed the receipt of the notice via return email. If no return email confirmation is provided, the transmitting party shall communicate with the receiving party to determine if the transmittal was unsuccessful. Upon confirmation of the receipt, the notice shall be considered to have been validly given at the time that the email was sent.

Owner:	Board of Water Commissioners (DBA: Saint Paul Regional Water Services) Attn: Will Menkhaus 1900 Rice Street Saint Paul, MN 55113 Email: William.Menkhaus@ci.stpaul.mn.us
Guarantor:	Jacobs Engineering Group Attn: Jason Adkisson 9191 S. Jamaica Street Englewood, CO 80112 Email: Jason.Adkisson@jacobs.com

In WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed in its name and on its behalf by its duly authorized officer as of the date first above written.

Approved as to form:

**BOARD OF WATER COMMISSIONERS OF THE
CITY OF SAINT PAUL**

By: _____
Stephen P. Schneider, General Manager
Saint Paul Regional Water Services

By: _____
Mara Humphrey, President

Date: _____

Date: _____

By: _____
Lisa Veith
Assistant City Attorney

By: _____
Mollie Gagnelius
Secretary


Date: _____

Date: _____

By: _____
John McCarthy
Director, Office of Financial Services

Date: _____

JACOBS ENGINEERING GROUP

By:  _____
Printed Name: Kevin Berryman

Title: President & Chief Financial Officer

Date: February 2, 2021

Exhibit L: Scope Basis

McCarron's Water Treatment Plant Improvements

Exhibit L - Scope Basis Table		
Scope Element	Scope Basis	Notes/Comments
Raw Water	Rehab of existing terminal structure Installation of new RW pipelines to SCCs	2 - 60" CL steel lines. Approximately 1000 LF each.
Softening Clarifiers	Four 28-mgd SCCs Prestressed concrete circular basins with dome covers, connected with enclosed walkways Flexibility for parallel or series operation Minimal HVAC under dome	See attached Proposal Exhibits.
Recarbonation	Three 42-mgd trains 10-minute detention time (to be verified in pilot tests) Larger carbon dioxide storage tanks for more reliability (two 60-ton horizontal tanks) Fine bubble or pressurized solution feed to be selected after pilot testing	CO2 tank replacement pending results of study.
Ozone	Three 42-mgd trains 10-minute detention time (to be verified in pilot tests) Three ozone generation systems LOX storage and feed Sidestream injection or fine bubble diffusion	
Lime System	Replacement of existing lime slakers New slurry tanks and pumping system New grit removal system New lime feed building for new slurry tanks and pumps. Capability for future new lime building expansion to accommodate a full batch type slaking system (RDP). New pneumatic lime unloading facility	Pneumatic unloading pending results of study.
Site Plan	A compact site layout that integrates with existing facilities - similar to proposal concept Provides the ability to switch between new and existing treatment processes during startup and commissioning Based on the facility scope elements described in this table.	See attached Proposal Exhibits.
Demolition	Per Owner's Project criteria, excluding the facilities that depend on Phase 1 evaluations (solids thickeners, lime building, rapid mix structure)	
Laboratory/Control Space	Renovation of the Flocculation 2 building and make connections to existing and new facilities. Sized per the requirements listed in the Owner's Project Criteria.	See attached Proposal Exhibits.
Chemical Systems & Rapid Mix	(Alum, Ferric, Fluoride) Storage and feed modifications/additions within existing chemical facilities. Removal of existing rapid mix equipment. Does not include rapid mix structure demolition.	
Electrical	A new Substation A that will feed the sludge thickeners at 2.4 kV and the lime building and new Water Treatment Plant Improvements loads at 480 volts from this substation, which avoids the placement of a new 2.4kV substation in the area south of the east end of the ozone contactor.	
Instrumentation and Control	I&C systems design for new facilities to operate and be integrated into the existing plant control system. Does not include modifications or improvements to existing panels, systems, hardware not associated with the new facilities or replacement of significant portions of the existing system hardware or configuration to accommodate the new facilities.	
Foundations	Deep (pile) foundations will not be required for the new facilities.	

Exhibit L - Scope Exhibits Excerpted from the Design-Builder's Proposal

Site Plan Proposal Exhibits

Proposal Exhibit 1.5-5

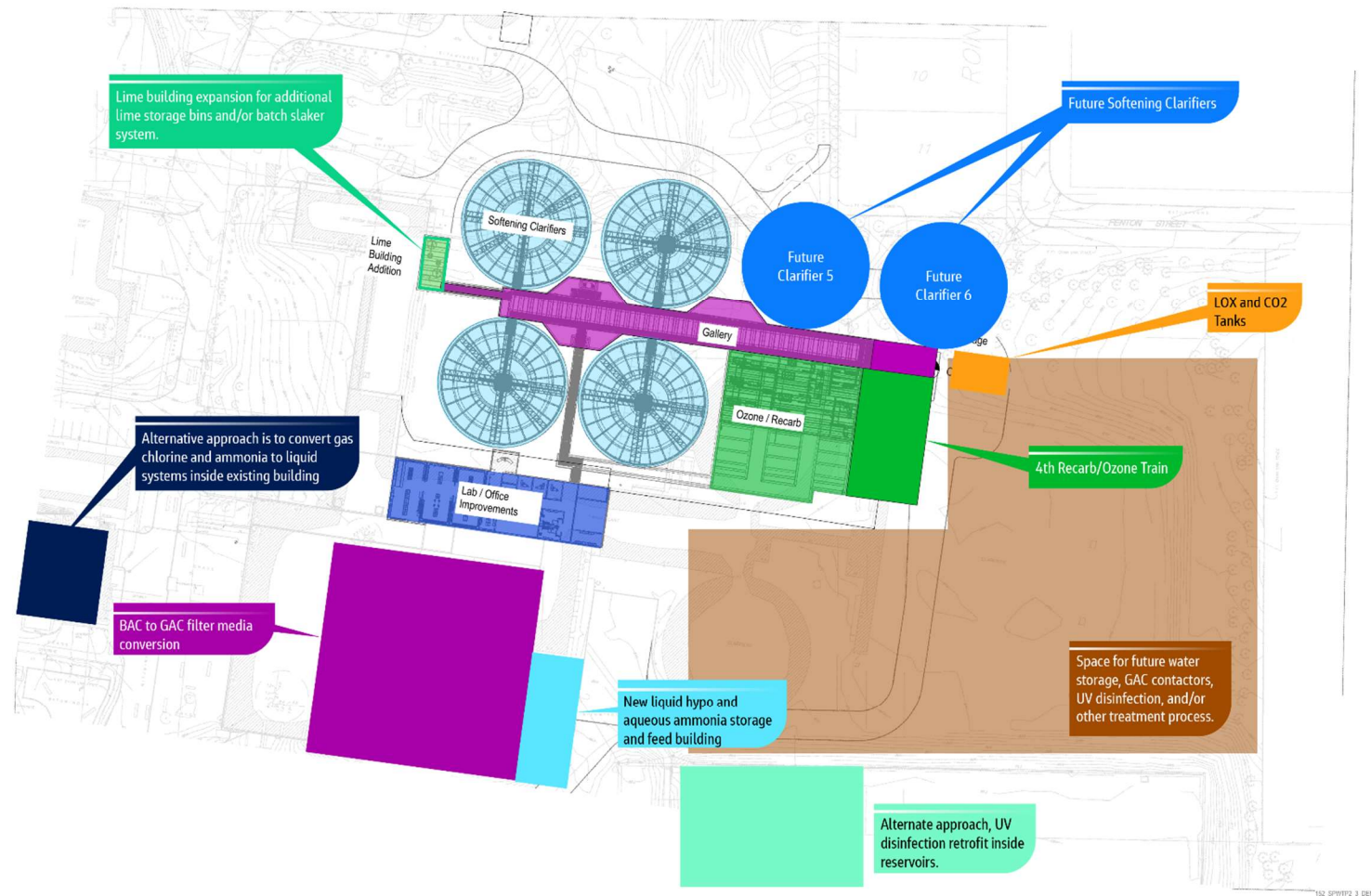


Exhibit L - Scope Exhibits Excerpted from the Design-Builders' Proposal

Proposal Exhibit 2.1-1

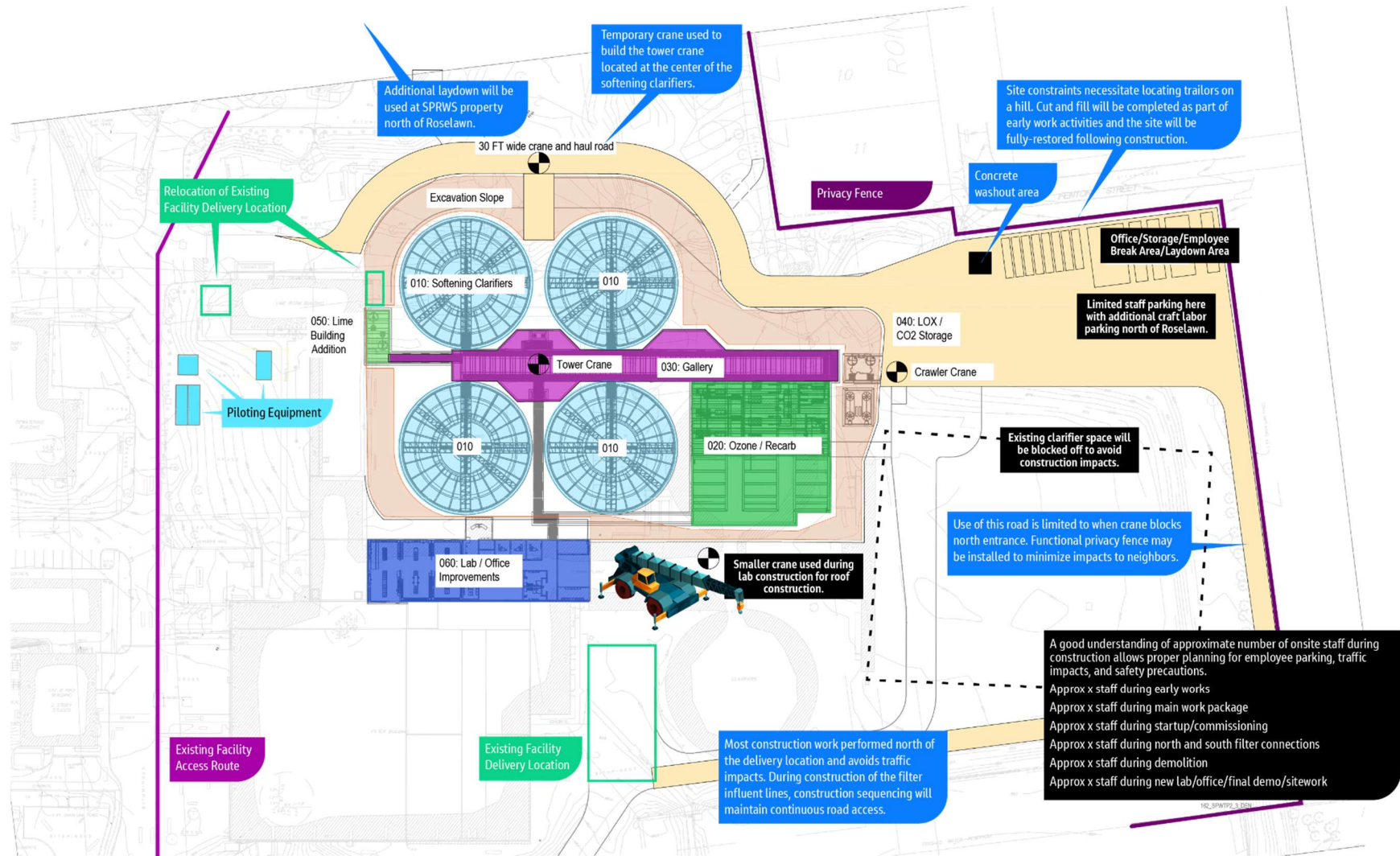


Exhibit L - Scope Exhibits Excerpted from the Design-Builder's Proposal

Proposal Exhibit- Used on the front page of proposal and video rendering for interview.



Lab/Admin Space

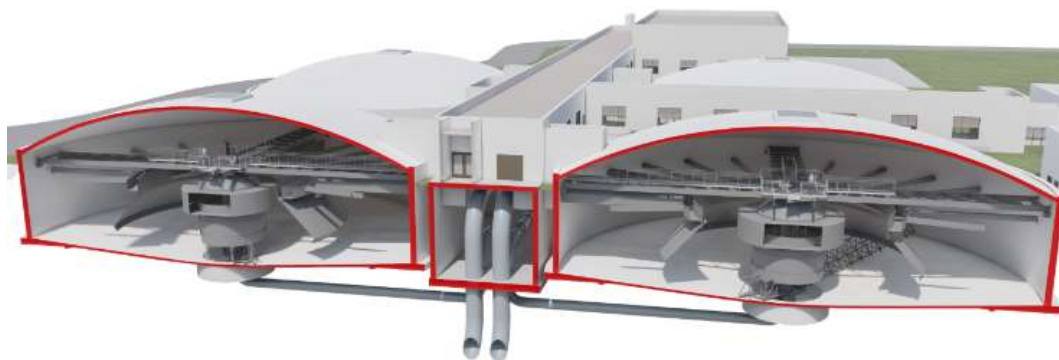
Inset in ES 2-3



Exhibit L - Scope Exhibits Excerpted from the Design-Builder's Proposal

Softening Clarifier and Gallery Approach

Exhibit 1.2-2, Part of an overall exhibit



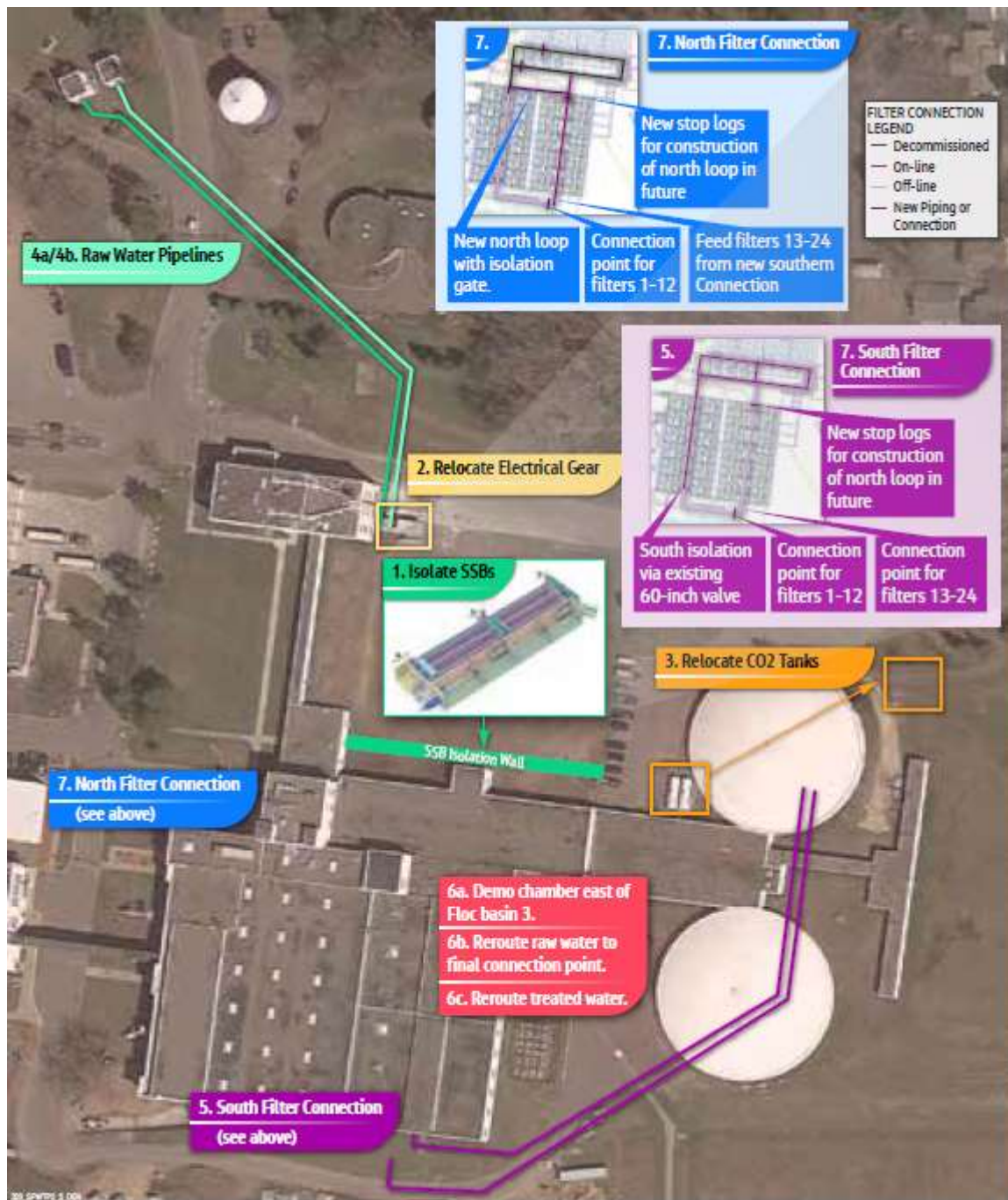


Exhibit L1: First Early Work Package

McCarron's Water Treatment Plant Improvements

Scope of Work

The scope of work for this first work package consists of:

- Procurement of the (3) major equipment packages for the project including the Softening Clarifier Equipment, Lime Storage and Dosing Equipment, as well as the Ozone Treatment Equipment.
- Procurement of a temporary carbon dioxide storage system needed early in the project including mobilization of that equipment and (41) months of rental.
- Preparation, final negotiation, and approvals for the purchase order agreements noted previously. This consists of procurement labor hours to complete this work.
- Review of submittals and requests for information / clarification from the equipment vendors by the engineering team.
- Contingency for design evolution, design changes, and risk events identified for the eventual scope of supply for the above purchase order contracts.
- Escalation allowance for the Lime Storage and Dosing Equipment purchase agreement.
- Bonds, insurance, and sales taxes due on the above.

Cost of Work

The Owner hereby agrees to pay the Design-Builder a Lump Sum Amount of \$22,239,688 for the equipment and services described above.

Timeline of Work

The Design-Builder will proceed with the work included in the first early work package after the signing of Amendment No. 1 to the Progressive Design-Build Agreement dated January 11, 2022.

Document Precedence

Both the Owner and the Design-Builder understand that there are currently three sources of information relating to specifications for the equipment included in this work package:

- The Owner's Project Criteria, which has not been revised since the signing of the original contract
- The Specifications compiled by the Design-Builder
- Vendor interpretations of and responses to the Specifications compiled by the Design-Builder

The Owner understands that equipment specifications may ultimately differ somewhat from the criteria defined in the Owner's Project Criteria. The Owner will not withhold approval of deviations from the Owner's Project Criteria, provided that the deviations will not negatively impact the performance of the equipment, the longevity of the equipment, or the maintainability of the equipment.

As such, the Owner's Project Criteria maintains precedence but primarily as a document which defines the Owner's intent for performance of the equipment. The finalized specifications for each piece of equipment are expected to deviate from the Owner's Project Criteria but shall not meaningfully reduce performance, longevity, or maintainability unless specifically approved by the Owner in writing.

Substantial Completion

Substantial Completion Date

The Owner and the Design-Builder acknowledge their mutual intent to revise the contract language concerning Substantial Completion. At the time of the signing of Amendment No. 1 to the Progressive Design-Build Agreement dated January 11, 2022, that language has not yet been revised.

The Owner has directed the Design-Builder to work under the assumption that the relevant treatment facilities will be considered substantially complete upon the completion of Acceptance Testing for the project. As such, the Owner has indicated that they intend to agree to revisions of the current Substantial Completion language which draw a line between the Substantial Completion of the treatment facilities and the remainder of the project (demolition work, lab facility, etc.)

Should the Owner fail to agree to such a revision, the Owner understands that additional costs will be incurred by the Design-Builder, especially costs related to providing a warranty on the equipment. The Owner will be responsible to compensate the Design-Builder for such expenses incurred.

The language for Substantial Completion will be revised at the time of the final Guaranteed Price ("GP") acceptance or earlier.

Warranty Timeline

As noted above, the Design-Builder is carrying the cost of warranties for one year from the passage of Acceptance Testing. The Design-Builder is responsible for correctly estimating the timeline for Acceptance Testing. If Acceptance Testing occurs later than expected in the Design-Builder's proposal, the Design-Builder will be responsible for the costs of extending the warranty.

Sales Tax

The Owner and the Design-Builder are currently investigating opportunities to designate the Design-Builder as a Purchasing Agent for the project. It remains uncertain whether this will be legally possible.

As such, sales taxes have been included as an Allowance item in this Guaranteed Price submittal. If SPRWS is able to designate the Design-Builder as a Purchasing Agent, the Design-Builder will not be responsible for paying sales taxes on the process equipment permanently installed in the facility. As such, the funds set aside in the allowance item will be returned to the Owner.

In the event that the Design-Builder cannot be designated as a Purchasing Agent, the Design-Builder will be responsible for paying any sales taxes. As such, the funds set aside in the allowance item will be used to reimburse the Design-Builder for sales tax expenses incurred.

The Owner is separately pursuing a state sales tax exemption that may be more favorable. Should the State approve that exemption request, the Owner will be eligible to receive reimbursement for sales taxes paid on the project. In this event, the allowance item may be utilized to pay sales taxes on all goods, and the Owner will be responsible for seeking reimbursement from the State.

In either case, it is likely that Use Tax will be due on the installed process equipment. That amount due (currently estimated at 0.5% of the purchase value for Ramsey County) will be paid out of the Allowance.

Cost Breakdown

Costs have been itemized in the full GP workbook submittal (Final Proposal submitted by CH2M HILL on December 28, 2021 via email to Will Menkhaus). For more detailed information, please consult that submittal.

The following table summarizes the costs for this work package:

Description	Cost
Design-Builder General Conditions	21,320
Design-Builder Engineering Services During Construction	68,924
Design-Builder Procurement Costs	
Softening Clarifiers	8,182,142
Lime Equipment	4,523,100
Ozone Equipment	4,255,205
Temporary CO2 Equipment	391,250
Equipment Warranty Correction Costs	86,758
Contingency	1,089,782
Allowances	1,660,838
Design-Builder Fee	1,560,054
Bonds, Insurance, and Taxes on Above	400,314
Total Cost	22,239,688

Terms of Payment

The Design-Builder will develop a complete schedule of values and payment schedule within 30 days of the signing of Amendment No. 1 to the Progressive Design-Build Agreement dated January 11, 2022. The schedule of values and payment schedule is subject to review and approval by SPRWS. In general, unless otherwise specified, costs will not be passed on to the Owner until they have been incurred by the Design-Builder.

Upon agreement between the Owner and the Design-Builder, the schedule of values will be used to govern payments for the work covered in this package.

A preliminary equipment schedule of values has been developed and included below.

Each piece of equipment will be treated separately with regard to milestones (which are defined in the table below). For example, the commencement of fabrication of the batch slaking system will trigger the payment associated with that milestone regardless of whether fabrication has already begun on other equipment.

MILESTONE PAYMENTS FOR 3 EQUIPMENT PURCHASE ORDERS – LIME, OZONE AND Softening Clarifiers

Percentage of Contract Value Due for Payment	Description
10%	Upon Acceptance of Submittal Drawings by CH2M HILL
Cumulative 20% (multiple payments)	Upon Receipt of Major Equipment/Material by Supplier (Supplier to submit Material List with Submittals for approval by CH2M HILL)
15%	Upon Commence of Fabrication
45%	Upon Complete Delivery on Site
5%	Upon Completion of Performance Test and/or Commissioning Activities
5%	Upon Completion of O&M Manuals, and other specified deliverables

“Off-Ramp” Scenario

In the event that the Owner elects to take the “Off-Ramp” described in Section 2.3.2.4(iii) of the Agreement, the following options will be available to the Owner (at the Owner’s discretion):

- The Owner will have the authority to work directly with the equipment manufacturer to accept delivery of the equipment. In this scenario, the Design-Builder will never assume ownership of the equipment.
- The Owner will have the authority to work directly with the equipment manufacturer to delay delivery of the equipment. In this scenario, the Design-Builder will never assume ownership of the equipment.
- The Owner will have the authority to work directly with the equipment manufacturer to cancel the order of the equipment.

Nothing within the contract between the Design-Builder and the equipment manufacturers will limit, in any way, these rights of the Owner. The Design-Builder is responsible for ensuring that Purchase Orders to equipment suppliers include Assignment and Termination for Convenience clauses that cover the scenarios above.

Basis for Future Change Orders

In the event that the Design-Builder believes that a change order is merited, the Design-Builder is responsible for informing the Owner of the need for a change order, in detail, as soon as possible. The Design-Builder will not proceed with the contested work until the Owner has provided a written response indicating whether the Owner will accept the change order request.

An Allowance item has been set aside for escalation in the cost of the batch slaking equipment produced by RDP Technologies, Inc. (further described below). Once the actual value of the escalation has been

determined, the Owner and the Design Builder agree to process a change order increasing or decreasing the costs of the contract by the value of the escalation and the associated Design-Builder's Fee.

Escalation

The RDP Contract price will be adjusted for inflation at the time the equipment is Approved and Released for Fabrication. 30% of the contract price will be tied to the St. Louis Fed Index of Metals and Metal products <https://fred.stlouisfed.org/series/WPU10170502> [fred.stlouisfed.org] 30% of the contract price will be tied to the St. Louis Fed Manufacturers Price Index <https://fred.stlouisfed.org/series/PCUOMFGOMFG> [fred.stlouisfed.org] and 40% of the contract will be tied to the St. Louis Fed Consumer Price Index <https://fred.stlouisfed.org/series/CPIAUCSL> [fred.stlouisfed.org] . At the time of contract consummation, the index values will be captured and upon the equipment Release for Fabrication these indexes will be revisited, and the Contract price will be increased or decreased from the original price based on the indices above.

Applicability of Contract Documents

The following table lists which Contract Document exhibits apply and do not apply to this first early work package:

Exhibit	Description	Applicability to this GP Proposal
Exhibit A	Preliminary Owner's Project Criteria	As described in the "Document Precedence" section of this Exhibit L1
Exhibit B	Preliminary Scope of Phase 1 Services	No relevant content
Exhibit C	Permitting and Regulatory Approvals Responsibilities	Yes. CH2M HILL responsible for ensuring that equipment ordered in this work package meets conditions of permits
Exhibit D	MN PFA Contract Packet (Project Funding Requirements)	Yes
Exhibit E	Labor Standards	Yes
Exhibit F	Key Firms and Key Personnel	No relevant content
Exhibit G	Exhibit G – Phase 1 Milestone Schedule	No relevant content
Exhibit H	Insurance Requirements	Yes
Exhibit I	Billing Rates, Phase 1 Costs, and Phase 2 Markups	Yes
Exhibit J	Cost Model	The CH2M HILL' Cost Model has been developed in accordance with Exhibit J and approved by SPRWS.
Exhibit K	Parent Guaranty Agreement	Yes
Exhibit L	Scope Basis	No relevant content
Exhibit L1	First Early Work Package	Yes
Exhibit M	Site Security Requirements	This exhibit is not yet developed. Upon development, the exhibit will apply.

Exhibit N	Performance Incentive Arrangements	No
Exhibit O	Index of Reference Documents	No relevant content

Additional Assumptions and Clarifications of the Proposal

The following table includes additional assumptions and clarifications noted in the GP proposal:

Line	Assumption or Clarification
DESIGN-BUILDER, GENERAL AND PROJECT-WIDE (00)	
1	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all electricity used on the project. Therefore, we have not included any of these costs in this GP proposal.</p> <p>SPRWS and CH2M HILL will work together to ensure that all temporary and revised permanent electrical loads are within all appropriate limits and do not limit the operation of SPRWS facilities. Additionally, SPRWS and CH2M HILL will work together to plan outages and plant interruptions to avoid any unplanned outages to the operating facility.</p>
2	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all potable water used on the project. Therefore, we have not included any of these costs in this GP proposal.</p> <p>CH2M HILL will inform SPRWS of planned water use and SPRWS will approve water usage; CH2M HILL and SPRWS will work together to ensure construction activities do not impact regular service to customers.</p>
3	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all sanitary sewer used on the project for the temporary facilities. Therefore, we have not included any of these costs in this GP proposal.</p> <p>CH2M HILL will not dispose of any hazardous or problematic waste into a SPRWS-owned sanitary sewer. Given the small amount of additional flows from the construction office trailers, CH2M HILL assumes that sewer fees will not increase and capacities will not be impacted. If that is incorrect, CH2M HILL will remedy the issue.</p>
4	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all chemicals associated with the operating plant. Therefore, we have not included any of these costs in this GP proposal. CH2M HILL has the responsibility to coordinate and schedule the commissioning and startup chemicals so that they are onsite at the appropriate time. CH2M HILL will work with SPRWS to ensure the appropriate accounts are set up and available.</p>
5	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all stormwater associated with the plant. Therefore, we have not included any of these costs in this GP proposal.</p>

	CH2M HILL is responsible for complying with all stormwater requirements and for any fees / fines that result from inadequate stormwater provisions or protections.
6	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all sludge handling associated with the plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>All sludge from the new facilities will be piped to the existing storage tanks, GVTs, and filter presses.</p>
7	<p>Recently passed legislation includes a Build America Buy America provision that may modify the requirements of American Iron and Steel. We have not included pricing for this provision as impacts are currently unknown.</p> <p>If / once adopted, the regulations will constitute a change in funding requirements per Section 2.6.3 and the legal requirements per Section 2.4 of the General Conditions.</p>
8	This GP has been prepared using the GMP Design-Builder fees. If a Lump Sum is agreed to, that fee will need to be reduced. Approximate savings on the fee rate is included on Tab 00 F.
9	Given volatility in the markets, we have discussed the best ways to handle escalation. On two of the three bid packages, the vendor is taking responsibility for all escalation. On the RDP package, they have proposed using price indexes to calculate escalation. Escalation is included for the RDP package as an Allowance. The final contract value for RDP will be adjusted for escalation when they order materials for manufacturing based on the change in the price indices. If that calculated escalation is less than the Allowance amount indicated, the contract between CH2M HILL and SPRWS will be decreased by the corresponding amount plus the associated Design-Builder Fee. If the calculated escalation is greater than the Allowance amount, the contract will be increased by the corresponding amount plus the associated Design-Builder Fee.
10	Please note that design was not complete during this procurement and that eventual 100% Drawing and Specifications will differ from those presented with the GP. Furthermore, provisions in the equipment proposals differ from the requirements of these preliminary Specifications. This is a normal part of the Design-Build process. SPRWS will be involved in reviews as the design progresses. In general, for this GP, the provisions of the vendors proposal, as long as they do not impede performance (water quality, schedule, longevity, architectural, etc.) will govern. Please reference Exhibit L1 to the Prime Agreement for further comment on document prioritization.
11	Please note that CH2M HILL has collected operational data and noted concerns as addressed by each supplier in their responses to the RFP. In accepting the suppliers pricing, we have noted no fatal flaws in this

	data, but it is important for SPRWS to review nonetheless to ensure they concur with our understanding.
12	<p>Please note that CH2M HILL has included warranty costs for the equipment purchased in this GP proposal for (1) year after the completion of the Acceptance Test (which is the same as Substantial Completion). Please reference Exhibit L1 for further comments on the Substantial Completion timeline.</p> <p>If additional warranty is desired by SPRWS, those costs are known and can be added later by Change Order.</p>
13	<p>Sales taxes were calculated at 7.375% based on the 1900 Rice Street address for the Plant from the following website: https://www.revenue.state.mn.us/sales-tax-rate-calculator.</p> <p>Given the good possibility for sales tax exemption, sales taxes have been moved to the Allowances. Should sales taxes be due, those monies are available in this proposal. If not, that Allowance is not used.</p>
DESIGN-BUILDER, GENERAL CONDITIONS (01)	
1	Hours for writing and reviewing the purchase agreements included in this GP have been included on Tab 01.
DESIGN-BUILDER, ENGINEERING SERVICES DURING CONSTRUCTION (03)	
1	Hours for reviewing submittals, and responding to vendor requests for information, for the purchase agreements included in this GP have been included in Tab 03.
BID PACKAGE 2201: SOFTENING CLARIFIER EQUIPMENT	
1	<p>The vendor for this package has accepted all escalation for this equipment. As a stipulation of this agreement, 20% of their contract value be paid after approved submittals for the purchase of materials.</p> <p>CH2M HILL will work with SPRWS to identify any project cash flow constraints that this may create.</p>
2	<p>We have included extensive costs (and design evolution on those costs) for design of a final walkway approximately 4 FT in width, aligned with the top of concrete in the center gallery area, and includes cantilevered observation platforms.</p> <p>A sketch of the basis of bid for the walkway is included in this revised GP in Appendix 100 E.</p>
3	This proposal assumes use of Endress Hauser instruments. Costs to switch to Sierra, if desirable, is approximately \$55K.
4	This proposal is based on a walkway width of 4 FT. Cost to go to a wider walkway would vary depending on how wide that walkway eventually ends up being.
BID PACKAGE 2202: LIME EQUIPMENT	

1	Jacob's interpretation of current AIS requirements is that RDPs equipment does not need to comply, as process equipment and systems are exempted from AIS compliance. RDP notes that their systems are not fully compliant with AIS. It is possible that auditors will not agree with Jacob's interpretation of the AIS requirements. We note this because AIS compliance is currently not achievable. The remaining components of their system that are not AIS compliant are not available at the time of this proposal. Should AIS auditors determine that CH2M HILL is not in compliance with AIS standards for this package, CH2M HILL will need the assistance of SPRWS to pursue and be awarded an AIS waiver for this system.
2	RDP notes that not all of their systems are NSF 61 certified. CH2M HILL has confirmed that NSF 61 is not a requirement for MDH for this system.
3	The Owner's Criteria includes a requirement for slaking temperature rise. RDP does not meet this requirement. CH2M HILL has no concerns over this difference.
4	RDP noted exceptions to the electrical panel specifications provided as part of the equipment RFP. CH2M HILL has no concerns over this difference.
BID PACKAGE 2203: OZONE EQUIPMENT	
1	Please note that the LOX supplier needs to meet Ozonia's hydrocarbon requirements. CH2M HILL has reviewed with local suppliers and this should not be an issue.
BID PACKAGE 2204: TEMPORARY CO2 SYSTEM	
1	The vendor (Tomco) has noted a request that they will rent us this equipment for the temporary system if they are allowed to bid on the supply of the permanent system.
2	We have not included any costs for CO2 consumption in this proposal as we assume that SPRWS is carrying all these costs.
3	A temporary unit of the size that we need is coming available in April of 2022 when we need it. There are no other systems readily available. Costs to go to an alternate supplier in the timeframe needed will be greater than Tomco.
4	Please note that the temporary CO2 system has a single trailer mounted tank of the appropriate size.

Exhibit L2: Second Early Work Package

McCarron's Water Treatment Plant Improvements

Scope of Work

The scope of work for this work package consists of:

- The removal of trees from the site
- Removal of a gate and saw-cutting of an opening with the purpose of diverting water directly from the existing recarbonation effluent to the top portion of the “Figure-8”. This work will render the Secondary Settling Basins functionally irrelevant and prepare them for demolition.
- Relocation of the electrical lines feeding Substation A
- The establishment of the Design-Builder construction offices/trailers necessary to support project work
- Purchases of pipes and other significant equipment for which early delivery is required to avoid impacts on the project’s critical path
- Site preparation for the installation of the temporary CO2 trailer
- Rerouting of Storm Sewer lines
- General Conditions for CH2M Hill and Magney construction sufficient to carry forward the planned construction efforts until Sept. 30, 2022
- Engineering Services During Construction for Design-Builder sufficient to carry forward the planned construction efforts until Sept. 30, 2022

Contract Price

The Owner hereby agrees to pay the Design-Builder a Lump Sum Amount of **\$9,189,219** for the scope of work described above.

Additionally, as described in the Agreement, the Owner will pay the Design-Builder for any work covered by contingency spending. The maximum compensation for contingency spending will not exceed **\$1,174,846**.

Finally, the Owner has set aside **\$1,035,935** for allowance items. These funds are available in addition to the two items described above subject to the terms of the Agreement.

The total price for this second early work package is **\$11,400,000**.

Timeline of Work

The Design-Builder will proceed with the work included in the second early work package after Notice to Proceed of Amendment No. 2 to the Progressive Design-Build Agreement dated February 8, 2022.

Document Precedence

The Document Precedence agreements formalized in Exhibit L1 apply to this Exhibit L2 in their entirety as well. Please refer to the “Document Precedence” section of Exhibit L1 to view those terms.

Specifications and drawings developed to support this work package have been developed and included in Appendix 100E *Scope Baseline Documents*.

Sales Tax

The Owner and the Design-Builder are currently investigating opportunities to designate the Design-Builder as a Purchasing Agent for the project. It remains uncertain whether this will be legally possible.

As such, sales taxes have been included as an Allowance item in this Contract Amendment. If SPRWS is able to designate the Design-Builder as a Purchasing Agent, the Design-Builder will not be responsible for paying sales taxes on the process equipment permanently installed in the facility. As such, the funds set aside in the allowance item will be returned to the Owner.

In the event that the Design-Builder cannot be designated as a Purchasing Agent, the Design-Builder will be responsible for paying any sales taxes. As such, the funds set aside in the allowance item will be used to reimburse the Design-Builder for sales tax expenses incurred.

The Owner is separately pursuing a state sales tax exemption that may be more favorable. Should the State approve that exemption request, the Owner will be eligible to receive reimbursement for sales taxes paid on the project. In this event, the allowance item may be utilized to pay sales taxes on all goods, and the Owner will be responsible for seeking reimbursement from the State.

In either case, it is likely that Use Tax will be due on the installed process equipment. That amount due (currently estimated at 0.5% of the purchase value for Ramsey County) will be paid out of the Allowance.

Cost Breakdown

Costs have been itemized in the full GP workbook submittal (Final GP2 Proposal dated January 27, 2022 and submitted by Design-Builder on the same date via email to Will Menkhaus). For more detailed information, please consult that submittal.

The following table summarizes the costs for this work package:

Description	Cost
Design-Builder General Conditions	\$3,830,638
Design-Builder Engineering Services During Construction	\$715,371
Design-Builder Procurement Costs	\$43,363
Construction Subcontracts	\$3,469,002
Commissioning and Startup	\$0
Instrumentation and Controls	\$0
Allowances	\$1,035,935
Contingency	\$1,174,846
Design-Builder Fee	\$797,140

Bonds, Insurance, and Taxes on Above	\$333,705
Total Cost	\$11,400,000

Terms of Payment

The Design-Builder will develop a complete schedule of values and payment schedule within 30 days of the signing of Amendment No. 2 to the Progressive Design-Build Agreement dated February 8, 2022. The schedule of values and payment schedule is subject to review and approval by SPRWS. In general, unless otherwise specified, costs will not be passed on to the Owner until they have been incurred by the Design-Builder.

Upon agreement between the Owner and the Design-Builder, the schedule of values will be used to govern payments for the work covered in this package.

“Off-Ramp” Scenario

In the event that the Owner elects to take the “Off-Ramp” described in Section 2.3.2.4(iii) of the Agreement, the Design-Builder and the Owner hereby agree that:

- The Owner will be responsible for paying the Design-Builder in accordance with the terms provided in Sections 9.1.1, 9.1.2, and 9.1.3 of the Agreement.
- General Conditions and Engineering Services During Construction have been included in this contract to cover work up to September 30, 2022. If the “Off-Ramp” is taken prior to this date, value of the General Conditions and Engineering Services During Construction associated with the unperformed work will not be construed as a “proven loss, cost, or expense in connection with the services and Work” as described in Section 9.1.1 of the Agreement.
- The Design-Builder will be responsible for removing all equipment, trailers, and other such items from the site in a timely manner. The cost of such removal fits the definition of “reasonable costs and expenses attributable to such termination” as described in Section 9.1.2 of the Agreement.

Further, the terms set in the “Off-Ramp” Scenario section of Exhibit L1 apply also to the purchases of piping and other such materials associated with the scope of Work Package 2. All rights reserved for the Owner in that section apply to this Exhibit L2 as well.

Escalation

Funds have been set aside for potential escalations to costs for piping materials. At the time of this amendment, the Design-Builder has obtained quotes for the anticipated piping materials required for the project. The quotes obtained and provided as supporting documents in the Work Package 2 submittal will be compared to final prices for the materials to determine the appropriate amount of escalation cost.

Cost increases resulting from changes in designs will not be treated as escalation costs. Cost increases resulting from design changes are most appropriately handled by using contingency funds since the contingency has been built using assumptions about design evolution, design changes, and design risks.

In order to receive funds from the escalation allowance, the Design-Builder must be able to demonstrate a change in the price of materials and items which were included on the original quote for the materials.

As a general rule, changes in the unit price of materials would be considered an escalation. Changes in the quantity or nature of the materials would be considered a design change.

Applicability of Contract Documents

The following table lists which Contract Document exhibits apply and do not apply to this second early work package:

Exhibit	Description	Applicability to this GP Proposal
Exhibit A	Preliminary Owner's Project Criteria	As described in the "Document Precedence" section of this Exhibit L2
Exhibit B	Preliminary Scope of Phase 1 Services	No relevant content
Exhibit C	Permitting and Regulatory Approvals Responsibilities	Yes. Jacobs responsible for ensuring that work included in this work package meets conditions of permits
Exhibit D	MN PFA Contract Packet (Project Funding Requirements)	Yes
Exhibit E	Labor Standards	Yes
Exhibit F	Key Firms and Key Personnel	Yes
Exhibit G	Exhibit G – Phase 1 Milestone Schedule	No relevant content
Exhibit H	Insurance Requirements	Yes
Exhibit I	Billing Rates, Phase 1 Costs, and Phase 2 Markups	Yes
Exhibit J	Cost Model	The Jacobs' Cost Model has been developed in accordance with Exhibit J and approved by SPRWS.
Exhibit K	Parent Guaranty Agreement	Yes
Exhibit L	Scope Basis	No relevant content
Exhibit L1	First Early Work Package	Only as referenced above
Exhibit L2	Second Early Work Package	Yes
Exhibit M	Site Security Requirements	This exhibit is not yet completed. Upon completion, the exhibit will apply.
Exhibit N	Performance Incentive Arrangements	No
Exhibit O	Index of Reference Documents	No relevant content

Additional Assumptions and Clarifications of the Proposal

The following table includes additional assumptions and clarifications noted in the GP proposal:

1	This proposal is based on the assumption that the current GP1 - 4 (possibly 5) packages are awarded based on the schedule communicated. Changes to these award dates may delay the overall schedule (i.e. GP2 work needs to be complete for GP3 work and, in turn, GP4 work starting on time is dependent on GP2 and GP3 work).
2	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all electricity used on the project. Therefore, we have not included any of these costs in this GP proposal.</p> <p>SPRWS and Jacobs will work together to ensure that all temporary and revised permanent electrical loads are within all appropriate limits and do not limit the operation of SPRWS facilities. Additionally, SPRWS and Jacobs will work together to plan outages and plant interruptions to avoid any unplanned outages to the operating facility.</p>
3	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all potable water used on the project. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs will inform SPRWS of planned water use and SPRWS will approve water usage; Jacobs and SPRWS will work together to ensure construction activities do not impact regular service to customers.</p>
4	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all sanitary sewer used on the project for the temporary facilities. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs will not dispose of any hazardous or problematic waste into a SPRWS-owned sanitary sewer. Given the small amount of additional flows from the construction office trailers, Jacobs assumes that sewer fees will not increase and capacities will not be impacted. If that is incorrect, Jacobs will remedy the issue.</p>
5	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all chemicals associated with the operating plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs has the responsibility to coordinate and schedule the commissioning and startup chemicals so that they are onsite at the appropriate time. Jacobs will work with SPRWS to ensure the appropriate accounts are set up and available.</p>
6	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all stormwater associated with the plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs is responsible for complying with all stormwater requirements and for any fees / fines that result from inadequate stormwater provisions or protections.</p>
7	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all sludge handling associated with the plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>All sludge from the new facilities will be piped to the existing storage tanks, GVTs, and filter presses.</p>
8	<p>Recently passed legislation includes a Build America Buy America provision that may modify the requirements of American Iron and Steel. We have not included pricing for this provision as impacts are currently unknown.</p> <p>If / once adopted, the regulations will constitute a change in funding requirements per Section 2.6.3 and the legal requirements per Section 2.4 of the General Conditions.</p>
9	This GP has been prepared using the GMP Design-Builder fees. If a Lump Sum is agreed to, that fee will need to be reduced. Approximate savings on the fee rate is included on Tab 00 F.
10	<p>Given volatility in the markets, we have discussed the best ways to handle escalation. For this package, the major concern is steel pipe. We suggest that an Allowance be established, similar to GP1, to manage escalation costs.</p> <p>If the calculated escalation is less than the Allowance amount indicated, the contract between Jacobs and SPRWS will be decreased by the corresponding amount plus the associated Design-Builder Fee. If the calculated escalation is greater than the Allowance amount, the contract will be increased by the corresponding amount plus the associated Design-Builder Fee.</p>
11	Please note that design was not complete during this procurement and that eventual 100% Drawing and Specifications will differ from those presented with the GP. Furthermore, provisions in the subcontract and equipment proposals differ from the requirements of these preliminary Specifications. This is a normal part of the Design-Build process. SPRWS will be involved in reviews as the design progresses. In general, for this GP, the provisions of the subcontractor and vendors proposal, as long as they do not impede performance (water quality, schedule, longevity, architectural, etc.) will govern. Please reference Exhibit L1 and L2 to the Prime Agreement for further comment on document prioritization.

12	<p>Sales taxes were calculated at 7.375% based on the 1900 Rice Street address for the Plant from the following website: https://www.revenue.state.mn.us/sales-tax-rate-calculator.</p> <p>Upon award of GP2, Jacobs, Magney, and Premier will maintain receipts for material purchases that are permanently incorporated into the Work so that paid taxes can be eventually reimbursed.</p> <p>Jacobs, Magney, and Premier will endeavor to gather all appropriate receipts for sales tax reimbursement with particular attention to receipts with values over \$10,000.</p> <p>It is our current understanding that Ramsey County Use Taxes will be due even if the Sales Tax exemption is utilized.</p>
13	<p>This proposal assumes that Comcast will install the fiber and panel necessary for Jacob's use at the trailer area. Comcast has committed to complete this work for a \$200 installation fee as long as it is completed concurrently with SPRWS fiber work. Comcast has provided pricing for independent service (not associated with SPRWS or the City networks) and that pricing is reflected in Tab 01 (service is taxable).</p>
14	<p>Design-Build assumes that SPRWS will assist with locating enough parking on site for the duration of the project. Costs for busing and/or transportation from another parking location is not included.</p>
15	<p>Design-Build General Conditions estimate is based on a GP2 Notice of Award date around February 15, 2022, and a GP4 award date around August 1, 2022.</p>
16	<p>Design-Build Services During Construction estimate is based on a GP2 Notice of Award date around February 15, 2022, and a GP4 award date around August 1, 2022.</p>
17	<p>Programming time for the temporary CO2 system has been included in this pricing.</p>
18	<p>We have assumed that Jacobs will have one (1) security staff to operate the Roselawn gate and temporary construction gate during construction hours only. SPRWS agrees to accommodate for gate opening needs during non-construction hours to operate the Roselawn and temporary construction gate. In other words, SPRWS sometimes has truck deliveries outside of construction work hours where the operators may need to open the construction gate.</p>
19	<p>We have assumed that the potential sound wall between the old park property and the adjacent neighbors will not be needed during GP2 work (tree removal). We intended to include this as an allowance in GP3. Please let us know if SPRWS thinks this might be required prior to May 1, 2022 (in which case we'd need to include in GP2).</p>
20	<p>We are intending on access for tree removal to be through the plant gate on Sylvan. The new access off Roselawn will not be available until GP3 (May 2022).</p>
21	<p>We have assumed that tree removal can be complete prior to the onset of nesting period.</p>
22	<p>We have assumed that all existing facilities in the old park area (garage, old bathroom) will be vacated and ready for demolition by approximately March 1, 2022.</p>
23	<p>Please reference the Risk Register (on SmartSheet or Tab 10.4 in this workbook) for concerns about the possible means and methods for sealing the existing gates between the Figure 8 and SSB.</p>
24	<p>Security fence will be installed during this GP2 project schedule. There will be a period where crews will be on site and working prior to full security separation between SPRWS and Jacobs.</p>
25	<p>GP2 construction includes initial set up of Jacobs office trailer facilities. These trailers will remain at the location shown on the site map for the duration of the project.</p>
26	<p>GP2 construction will impose minimal impacts to the SPRWS plant operations regarding traffic flow around the plant. Lime deliveries will take priority over Jacobs activities.</p>
27	<p>Jacobs assumes a sewer connection can be made to the manhole as shown on the drawing mark ups provided (existing sanitary MH northwest of the corner of the (e) Lime Building).</p>
28	<p>Jacobs assumes connection to a potable water line within (200) LF of the office trailer location (there are several options).</p>

29	<p>It is assumed acceptance of the temporary storm system will be accepted by Maplewood Public Works and CRWSD.</p> <p>SPRWS needs to be aware that the temporary storm water system may operate somewhat differently than the current system as the new system includes larger conveyance pipe.</p>
30	Jacobs and SPRWS will work together to define the details and durations of the shutdowns necessary to complete the Figure 8 reconfiguration work.
31	We have assumed that Figure 8 construction can begin on or about March 1, 2022 (first shutdown) and that the final shutdown will occur on or about April 15, 2022. We anticipate no less that (3) and no more than (4) shutdowns to complete all work.
32	All crack repair costs are carried in an Allowance. Please see the Risk Register regarding crack repairs that cannot be fixed using an epoxy injection approach.
33	<p>It is important to the project schedule that the GP3 contractor start work in the existing CO2 area around May 1 - May 15, 2022. To this end, Jacobs is diligently working to procure the temporary CO2 trailer and complete the mechanical, electrical, instrumentation, controls, and programming work for the temporary CO2 system around April 15, 2022.</p> <p>If we can achieve these goals, there will be a 2 - 4 week period of time where the new temporary CO2 system will be operating (all construction work complete, all instrumentation and controls work complete, and all programming work complete) prior to there being a need to demolish the old one.</p> <p>If the transition goes smoothly, we would like to demolish the existing CO2 system as soon as SPRWS is comfortable with the new temporary system.</p>
34	For either a LS or GMP delivery, scope and schedules for GP2, 3, and 4 overlap in time and space through the end of 2022. We will set up a system for tracking costs and invoicing correctly that we will review with SPRWS.
35	GP2 assumes that SPRWS has no issues operating the plant on the existing 480V feeds to the existing Lime Building. After the GP2 Substation "A" work, there will be no feed to the (e) Lime Building from Substation "A".
36	Jacobs has investigated Substation "A" to confirm that there is adequate capacity for the temporary loads. This assumption rests on the previous one - there is NOT sufficient capacity in Substation "A" to run the (e) Lime Building AND the temporary loads.
37	The existing documentation for Substation "A" indicates a 300A fuse (required for (e) Lime Building). This same fuse size is required for the temporary feeds. It is not possible to verify this fuse size prior to the shutdown.
38	Given the constraints of the existing Substation "A" geometry, the new permanent feed into Substation "A" may include exposed above ground conduit from a junction box to the southeast corner of the Substation (core drilling into the Substation "A" may not be feasible). If possible, we will pursue the core drill / underground routing.
39	Please reference the Risk Register. Until the shutdown, it is unclear how the existing transformer and Substation "A" are connected. It may require additional work (covered in a risk item) to make the new interface.
40	We have assumed that the existing Sludge Handling building will be on generator power for (11) days while the existing ductbank, new ductbank, recabling, and splicing work is being completed.
41	We had not planned on reconnecting Substation "A" to the (e) Lime Building at the end of the project as there will be no loads in the existing Lime Building at that point. If this is not correct, we can add that scope into GP4.

Exhibit L3: Design Change Order (Lime and Chemical Building)

McCarron's Water Treatment Plant Improvements

Scope of Work

Over the course of the design stage of the project, SPRWS and the Design-Builder have come to the conclusion that the construction of a new lime and chemical handling facility is the most efficient use of project resources. The new facility is shown in orange in the rendering below.



This facility was not part of the original design scheme for the project, and, as such, the design costs associated with this facility were not included in the original design-phase pricing provided by the design builder.

The scope of work for this change order is limited to the design of components within the orange area indicated above and includes:

- The design of the structures therein
- The design of building foundations
- The design of a lime batch slaking system which will be installed within the structures
- The design of various chemical storage systems as well as the infrastructure required to transmit these chemicals to the proper dosing location
- The design of all electrical, piping, HVAC, controls, and other such systems necessary to support the function of this facility

Contract Price

The work shall be performed for a not-to-exceed cost of \$669,875, and shall be incorporated into the existing schedule of values for the Phase 1 services.

A more detailed overview of the expected pricing for various components of the work is included below:

Item	Additional Cost
New Lime Facility Design	\$400,000
New Alum Facility Design	\$100,000
New Sodium Silicate Facility Design	\$75,000
Preconstruction Expenses (Lime Facility)	\$66,000
Preconstruction Expenses (Alum Facility)	\$16,500
Preconstruction Expenses (Sodium Silicate Facility)	\$12,375
Total Change Order Value	\$669,875.00

All work will be billed on the basis of actual time and expenses. This is not a lump sum contract. Any unspent funds will remain the sole property of the owner.

Timeline of Work

The design work for these facilities shall be completed in conjunction with the design for the other facility components such that there are not delays to the full facility design.

Document Precedence

SPRWS and the Design Builder have already developed a considerable portion of the design for these facilities. The equipment specifications, design drawings, and tech memos that have been collaboratively developed thus far shall serve as the basis for the continued design effort.

Exhibit L4: Third Early Work Package

McCarron's Water Treatment Plant Improvements

Scope of Work

The scope of work for this work package consists of:

- Vibration monitoring during peak periods of demolition and construction activity.
- All exterior demolition work (including demolition of the Secondary Settling Basins, Clarifiers 1-5, the Floc 3/Recarb basin, miscellaneous paving, etc.) for the project.
- All excavation work, soils storage/disposal, soil importation, filling of soils, and final grading of the site.
- Establishment of construction laydown areas, craft labor parking areas, construction roadway, and other such facilities as needed for management of the construction site.
- Stormwater protection for the construction site.
- Extensive shoring work to protect existing, critical facilities.
- Dewatering of the construction site to ensure a work environment sufficiently dry for construction activities.
- Installation of a permanent underdrain system within the excavated area.
- Final paving work on the site.
- All bonds, insurance, and taxes required for the scope of work described herein.
- Installation of certain schedule-critical piping and facilities (specifically piping and vaults located between the clarifier units).
- Establishing field offices for PCL construction, providing staffing for them until Sept. 30, 2022.
- Erecting a tower crane on site to facilitate construction.
- Installing a “concrete skip wall” beneath the Floc 2 structure to ensure that the structure is adequately supported following the removal of the Secondary Settling Basins.
- The Design-Builder’s fee for all work specified herein.

Contract Price

The Owner hereby agrees to pay the Design-Builder a Lump Sum Amount of **\$17,224,060** for the scope of work described above.

Additionally, as described in the Agreement, the Owner will pay the Design-Builder for any work covered by contingency spending. The maximum compensation for contingency spending will not exceed **\$1,967,100**.

Finally, the Owner has set aside **\$1,893,410** for allowance items. These funds are available in addition to the two items described above subject to the terms of the Agreement.

The total price for this third early work package is **\$21,084,570**.

Timeline of Work

The Design-Builder will proceed with the work included in the third early work package after Notice to Proceed with the work is provided by the SPRWS Project Manager. The SPRWS Project Manager will provide the Notice to Proceed upon signing of the contract and issuance of a Purchase Order.

Document Precedence

The Document Precedence agreements formalized in Exhibit L1 apply to this Exhibit L4 in their entirety as well. Please refer to the “Document Precedence” section of Exhibit L1 to view those terms.

Specifications and drawings developed to support this work package have been developed and included in Appendix 100E *Scope Baseline Documents*.

Sales Tax

The Design-Builder shall not function as a Purchasing Agent under this agreement. The Design-Builder will be responsible for collecting receipts showing the amount of Minnesota sales tax paid on all items of Significant Value that are permanently incorporated into the Work. In recognition of the fact that administrative work associated with collecting receipts is substantial, Significant Value is hereby defined as any expense for which the total taxable value exceeds \$10,000. Recurring purchases which cumulatively exceed \$10,000 in value will also be considered a Significant Value.

The Owner will accept receipts of lesser value but understands that the Design-Builder cannot be expected to successfully collect all such smaller receipts.

Receipts should clearly show the value of Minnesota sales tax such that the Owner is able to submit them for reimbursement to the State.

Cost Breakdown

Costs have been itemized in the full GP workbook submittal (Final GP3 Proposal dated February 28, 2022 and submitted by Design-Builder on the same date via email to Will Menkhaus). For more detailed information, please consult that submittal.

The following table summarizes the costs for this work package:

Description	Cost
Design-Builder General Conditions	\$0
Design-Builder Engineering Services During Construction	\$120,524
Design-Builder Procurement Costs	\$191,893
Construction Subcontracts	\$15,351,416
Commissioning and Startup	\$0
Instrumentation and Controls	\$0
Allowances	\$1,893,410
Contingency	\$1,967,100
Design-Builder Fee	\$1,154,595
Bonds, Insurance, and Taxes on Above	\$405,632
Total Cost	\$21,084,570

Terms of Payment

The Design-Builder will develop a complete schedule of values and payment schedule within 30 days of the signing of Amendment No. 3 to the Progressive Design-Build Agreement dated March 8, 2022. The schedule of values and payment schedule is subject to review and approval by SPRWS. In general,

unless otherwise specified, costs will be passed on to the Owner in accordance with the approved Schedule of Values. .

Upon agreement between the Owner and the Design-Builder, the schedule of values will be used to govern payments for the work covered in this package.

“Off-Ramp” Scenario

In the event that the Owner elects to take the “Off-Ramp” described in Section 2.3.2.4(iii) of the Agreement, the Design-Builder and the Owner hereby agree that:

- The Owner will be responsible for paying the Design-Builder in accordance with the terms provided in Sections 9.1.1, 9.1.2, and 9.1.3 of the Agreement.
- Engineering Services During Construction have been included in this contract to cover work up to September 30, 2022. If the “Off-Ramp” is taken prior to this date, value of Engineering Services During Construction associated with the unperformed work will not be construed as a “proven loss, cost, or expense in connection with the services and Work” as described in Section 9.1.1 of the Agreement.
- The Design-Builder will be responsible for removing all equipment, trailers, and other such items from the site in a timely manner. The cost of such removal fits the definition of “reasonable costs and expenses attributable to such termination” as described in Section 9.1.2 of the Agreement.

Further, the terms set in the “*Off-Ramp*” Scenario section of Exhibit L1 apply also to the purchases of materials associated with the scope of the Third Early Work Package. All rights reserved for the Owner in that section apply to this Exhibit L4 as well.

Escalation

Funds have been set aside for potential escalations to costs for two items: aggregate base and asphalt. The Owner has elected to maintain the risk of escalation for these items because the Owner believes that it will save them money.

Cost increases resulting from changes in designs will not be treated as escalation costs. Cost increases resulting from design changes are most appropriately handled by using contingency funds since the contingency has been built using assumptions about design evolution, design changes, and design risks.

In order to receive funds from the escalation allowance, the Design-Builder must be able to demonstrate a change in the price of materials. The GP3 Proposal (referenced above in the Cost Breakdown section) includes a base unit price for both asphalt and aggregate price. At the time of the paving work or aggregate purchase in question, the Owner and the Design-Builder will verify the market price for these commodity items. If the market price for the items exceeds the base price, escalation funds will be utilized to account for the difference between the two values.

As a general rule, changes in the unit price of materials would be considered an escalation. Changes in the quantity or nature of the materials would be considered a design change.

Applicability of Contract Documents

The following table lists which Contract Document exhibits apply and do not apply to this second early work package:

Exhibit	Description	Applicability to this GP Proposal
Exhibit A	Preliminary Owner's Project Criteria	As described in the "Document Precedence" section of this Exhibit L4
Exhibit B	Preliminary Scope of Phase 1 Services	No relevant content
Exhibit C	Permitting and Regulatory Approvals Responsibilities	Yes. Jacobs responsible for ensuring that work included in this work package meets conditions of permits
Exhibit D	MN PFA Contract Packet (Project Funding Requirements)	Yes
Exhibit E	Labor Standards	Yes
Exhibit F	Key Firms and Key Personnel	Yes
Exhibit G	Exhibit G – Phase 1 Milestone Schedule	No relevant content
Exhibit H	Insurance Requirements	Yes
Exhibit I	Billing Rates, Phase 1 Costs, and Phase 2 Markups	Yes
Exhibit J	Cost Model	The Jacobs' Cost Model has been developed in accordance with Exhibit J and approved by SPRWS.
Exhibit K	Parent Guaranty Agreement	Yes
Exhibit L	Scope Basis	No relevant content
Exhibit L1	First Early Work Package	Only as referenced above
Exhibit L2	Second Early Work Package	No
Exhibit L3	Design Change Order (Lime and Chemical Building)	No
Exhibit L4	Third Early Work Package	Yes
Exhibit M	Site Security Requirements	This exhibit is not yet completed. Upon completion, the exhibit will apply.
Exhibit N	Performance Incentive Arrangements	No
Exhibit O	Index of Reference Documents	No relevant content

Additional Assumptions and Clarifications of the Proposal

The following table includes additional assumptions and clarifications noted in the GP proposal:

DESIGN-BUILDER, GENERAL AND PROJECT-WIDE (00)	
1	As-Built data and field investigations do not indicate any existing piles under the SCCs or Clarifier 1 (locations for installation of new plant facilities) so we have not included any costs for removing existing piles in these locations where they could interfere with new infrastructure.
2	We have discussed establishing an interim work package if GP3 work moves faster than anticipated or GP4 falls behind and costs for GP4 will be incurred (General Conditions, Services During Construction, concrete work, etc.).
3	It has not been possible to drill geotechnical borings under the existing SSBs. It is possible that there are conditions that could impact the design and result in a Differing Site Condition.
4	All subsurface conditions are assumed per the Phase 1 geotechnical investigations. Deviations from the information constitutes a Differing Site Condition per the Prime Agreement.
5	This GP assumes that existing gates and valves work unless investigated otherwise. We have not included bypass pumping costs for maintaining plant flow.
6	We have discussed and planned for a maximum flow rate through the Figure 8 of (80) MGD.
7	<p>We are constructing the new plant in proximity to the existing, aged facilities. We have approached this risk in this way:</p> <ol style="list-style-type: none"> 1. We have included an Allowance for patching leaks in the existing tanks. 2. We have included a shoring wall immediately north of the existing recarbonation tank. 3. We have included a cutoff wall along the west side Clarifier 3, 4, 5 to retain underslab materials. 4. The permanent design for the Flocculation 2 wall includes a concrete cutoff wall along the north side of the existing Figure 8. 5. We maintained the existing wall along the east side of Flocculation Basin 1 and will brace, install concrete, or backfill to maintain appropriate pressures against this wall. <p>These means and methods are based on our best understanding of the existing as-builts, field investigations, and due diligence to date. With this approach, we believe we have a clear plan on what is a Differing Site Condition as defined in the Prime Agreement, and what is not.</p> <p>Additional means and methods beyond these would mean that the existing structure(s) is in a condition other than what could be expected. For example, existing damage or degradation to the existing facilities that could not have been known in the field investigations to date would constitute a Differing Site Condition.</p>
8	All material testing, concrete testing, surveying, field density testing, weld testing, etc. for GP3 is covered in GP4, with the exception of testing covered in Tab 09 Allowances.
9	We understand that environmental permitting notifications do not allow for the removal of the trees until April 1, 2022. Pricing and schedule for GP3 is based on having approval in place to remove trees by April 1, 2022. We had intended in GP2 to remove trees around March 1, 2022. We are still understanding what this means and will work with SPRWS to determine the best course forward. This may impact overall project schedule.
10	We have not assumed that the existing wooden piles are an issue for construction in the SSB and Clarifier 1 areas. As-Builts and explorations do not indicate that piles are present.
11	We have not included any costs for treatment of groundwater due to contamination by treatment plant chemicals.
12	This proposal is based on the assumption that the current GP1 - 4 (possibly 5) packages are awarded based on the schedule communicated. Changes to these award dates may delay the overall schedule (i.e. GP2 work needs to be complete for GP3 work and, in turn, GP4 work starting on time is dependent on GP2 and GP3 work).

13	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all electricity used on the project. Therefore, we have not included any of these costs in this GP proposal.</p> <p>SPRWS and Jacobs will work together to ensure that all temporary and revised permanent electrical loads are within all appropriate limits and do not limit the operation of SPRWS facilities. Additionally, SPRWS and Jacobs will work together to plan outages and plant interruptions to avoid any unplanned outages to the operating facility.</p>
14	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all potable water used on the project. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs will inform SPRWS of planned water use and SPRWS will approve water usage; Jacobs and SPRWS will work together to ensure construction activities do not impact regular service to customers.</p>
15	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all sanitary sewer used on the project for the temporary facilities. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs will not dispose of any hazardous or problematic waste into a SPRWS-owned sanitary sewer. Given the small amount of additional flows from the construction office trailers, Jacobs assumes that sewer fees will not increase and capacities will not be impacted. If that is incorrect, Jacobs will remedy the issue.</p>
16	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all chemicals associated with the operating plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs has the responsibility to coordinate and schedule the commissioning and startup chemicals so that they are onsite at the appropriate time. Jacobs will work with SPRWS to ensure the appropriate accounts are set up and available.</p>
17	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all stormwater associated with the plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs is responsible for complying with all stormwater requirements and for any fees / fines that result from inadequate stormwater provisions or protections.</p>
18	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all sludge handling associated with the plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>All sludge from the new facilities will be piped to the existing storage tanks, GVTs, and filter presses.</p>
19	<p>Recently passed legislation includes a Build America Buy America provision that may modify the requirements of American Iron and Steel. We have not included pricing for this provision as impacts are currently unknown.</p> <p>If / once adopted, the regulations will constitute a change in funding requirements per Section 2.6.3 and the legal requirements per Section 2.4 of the General Conditions.</p>
20	<p>This GP has been prepared using the LS Design-Builder fees.</p>
21	<p>Given volatility in the markets, we have discussed the best ways to handle escalation. For this package, the major concern is asphalt. We suggest that an Allowance be established, similar to GP1, to manage escalation costs.</p> <p>If the calculated escalation is less than the Allowance amount indicated, the contract between Jacobs and SPRWS will be decreased by the corresponding amount plus the associated Design-Builder Fee. If the calculated escalation is greater than the Allowance amount, the contract will be increased by the corresponding amount plus the associated Design-Builder Fee.</p>
22	<p>Please note that design was not complete during this procurement and that eventual 100% Drawing and Specifications will differ from those presented with the GP. Furthermore, provisions in the subcontract and equipment proposals differ from the requirements of these preliminary Specifications. This is a normal part of the Design-Build process. SPRWS will be involved in reviews as the design progresses. In general, for this GP, the provisions of the subcontractor and vendors proposal, as long as they do not impede performance (water quality, schedule, longevity, architectural, etc.) will govern. Please reference Exhibit L1 and L2 to the Prime Agreement for further comment on document prioritization.</p>

23	<p>Sales taxes were calculated at 7.375% based on the 1900 Rice Street address for the Plant from the following website: https://www.revenue.state.mn.us/sales-tax-rate-calculator.</p> <p>Upon award of GP3, Jacobs, Magney, and PCL will maintain receipts for material purchases that are permanently incorporated into the Work so that paid taxes can be eventually reimbursed.</p> <p>Jacobs, Magney, and PCL will endeavor to gather all appropriate receipts for sales tax reimbursement with particular attention to receipts with values over \$10,000.</p> <p>It is our current understanding that Ramsey County Use Taxes will be due even if the Sales Tax exemption is utilized.</p>
24	<p>This proposal assumes that Comcast will install the fiber and panel necessary for Jacob's use at the trailer area. Comcast has committed to complete this work for a \$200 installation fee as long as it is completed concurrently with SPRWS fiber work. Comcast has provided pricing for independent service (not associated with SPRWS or the City networks) and that pricing is reflected in Tab 01 (service is taxable).</p>
DESIGN-BUILDER, GENERAL CONDITIONS (01)	
1	<p>Design-Builder assumes that SPRWS will assist with locating enough parking on site for the duration of the project. Costs for busing and/or transportation from another parking location is not included.</p>
2	<p>Design-Builder General Conditions estimate is based on a GP3 Notice of Award date around March 15, 2022, and a GP4 award date around August 1, 2022.</p>
DESIGN-BUILDER, ENGINEERING SERVICES DURING CONSTRUCTION (03)	
1	<p>Design-Builder General Conditions estimate is based on a GP3 Notice of Award date around March 15, 2022, and a GP4 award date around August 1, 2022.</p>
2	<p>We have assumed that Jacobs will have one (1) security staff to operate the Roselawn gate and temporary construction gate during construction hours only. SPRWS agrees to accommodate for gate opening needs during non-construction hours to operate the Roselawn and temporary construction gate. In other words, SPRWS sometimes has truck deliveries outside of construction work hours where the operators may need to open the construction gate.</p>
BID PACKAGE 4102: DEMOLITION AND EARTHWORK SUBCONTRACT (RACHEL)	
1	<p>The subcontract package for GP3 includes all demolition, earthwork, shoring, etc. work for the entire project. What is NOT included is final landscaping, overflow piping, all work associated with the new lab / office (including demolition work), and any work in the existing Lime Building (cleanout) or existing Lab (cleanout). This work will be included in GP4 (or potential GP5).</p>
2	<p>We are not planning on stockpiling at Sandy Lake (materials will be hauled offsite and replaced at the end of the project as needed).</p>
3	<p>We have included extensive shoring along the existing recarbonation and Clarifier 3, 4, 5 facilities to protect existing facilities (undermining, wall loading) from construction.</p>
4	<p>We have not included deep foundations under any new facilities.</p>
5	<p>Access into and out of the site is assumed to be through the construction access directly onto Roselawn east of the Low Service Reservoir.</p>
6	<p>We are assuming access to the Sandy Lake area (immediately north of Roselawn) is available for laydown (deliveries, potential precasting areas, etc.). We will work with SPRWS to grade and restore the site before and after use to ensure minimal impacts to SPRWS operations.</p>
7	<p>This existing Solids Handling Facility and sludge storage tanks will be inside the fenced boundary for the construction area. We will work with SPRWS to ensure safe access, we need SPRWS to abide by project safety rules while inside the active construction area.</p>
8	<p>We have established a plan, in concert with SPRWS, to allow for delivery of lime during construction. This plan alters the current delivery approach and we've included costs to provide a paved loop access road for lime deliveries as well as minor reconfiguration of the existing lime hopper to facilitate the new lime delivery approach.</p>

9	All access points from the existing facilities that face the construction areas (doors on the north side of Flocculation Basin 2 for example) will be permanently blocked (framed walls) for the duration of the construction project. Doors on the south side of the Filter Building will be temporarily blocked during construction in those areas.
10	The excavation and ramp access for the construction will mean that access to the Clarifier 3, 4, and 5 basins will have to be from the south and east. It appears that plant personnel currently access them from the north, which will no longer be possible after commencement of construction activities.
11	Please reference tree removal date discussion above.
BID PACKAGE 4103: PROCESS MECHANICAL, YARD PIPE, EQUIPMENT INSTALLATION (MAGNEY)	
4102, FACILITY 310: SOFTENING CLARIFIERS	
1	GP3 includes underslab work to facilitate the schedule (encased pipe under facilities 300 and 400). All other plumbing and piping will be included in GP4.
2	We utilized granular fill around encasements under the SCC and Gallery slabs. We included an Allowance for CLSM if required.
3	We have not assumed demolition, removal, or filling of the existing RW piping from the Terminal Chambers to the existing facilities. However, we have included demolition of (2) existing RW meter vaults because they are in the way of the new drainage pond grading.
4102, FACILITY 950: EXISTING FACILITIES	
1	Please reference the Risk Register (on SmartSheet or Tab 10.4 in this workbook) for concerns about the possible means and methods for sealing the existing gates between the Figure 8 and SSB.
2	For either a LS or GMP delivery, scope and schedules for GP2, 3, and 4 overlap in time and space through the end of 2022. We will set up a system for tracking costs and invoicing correctly that we will review with SPRWS.
BID PACKAGE 4104: STRUCTURAL CONCRETE (PCL)	
1	The splitter box for 72" OW into the existing Figure 8 will be included in GP4. Design is not currently complete and pricing will be more accurate in GP4.
2	Assumes that tower crane foundation can be left in place (elevation is below all new infrastructure).

Exhibit L5: Balance of Plant Package

McCarron's Water Treatment Plant Improvements

Relation to Guaranteed Price Proposal

As specified in the Amended and Restated Contract, the Design-Builder is obligated to develop a Guaranteed Price Proposal. The signing of the Amended and Restated Contract indicates that the Design-Builder has submitted the Guaranteed Price Proposal to the Owner in accordance with the requirements of the contract and that the Owner has reviewed and accepted the Guaranteed Price Proposal.

The details provided in the Guaranteed Price Proposal can be found herein and throughout the various exhibits to the contract.

Scope of Work

The scope of work for this work package is most completely described in Exhibit L7-5, Exhibit M, Exhibit P, and Exhibits Q1-Q5. The description provided herein is intended as a summary of the major components of the work.

The Scope of Work for this the Balance of Plant Package includes all work for the project except those items covered in the First Early Work Package, the Second Early Work Package, and the Third Early Work Package. Also excluded from the scope of the Balance of Plant Package is the work required to develop a new laboratory facility, final landscaping, and other such end-of-project work.

A brief summary of the work to be performed is listed below:

- Providing staffing levels, materials, equipment, facilities, etc. required to perform all the work described below
- Construction of all Treatment Facilities and associated infrastructure
- Installation of all chemical tanks and chemical distribution infrastructure
- Construction of all sludge handling facilities within the project scope
- Installation of all electrical, plumbing, HVAC, etc. required to operate the facilities
- Programming of all new equipment, facilities, and operator controls required to operate the new facilities in conjunction with the existing facilities that will remain
- Startup and testing of the new facilities in accordance with the plans developed to demonstrate satisfactory performance
- The purchase of all bonds, insurance, etc. required to perform the work in accordance with the contract conditions

Contract Price

The Owner hereby agrees to pay the Design-Builder a Lump Sum Amount of **\$151,468,636** for the scope of work described above.

Additionally, as described in the Agreement, the Owner will pay the Design-Builder for any work covered by contingency spending. The maximum compensation for contingency spending will not exceed **\$9,003,349**.

Finally, the Owner has set aside **\$9,693,757** for allowance items. These funds are available in addition to the two items described above subject to the terms of the Agreement.

The total price for this fourth package is **\$170,165,742**.

Timeline of Work

The Design-Builder will proceed with the work included in the third early work package after Notice to Proceed with the work is provided by the SPRWS Project Manager. The SPRWS Project Manager will provide the Notice to Proceed upon signing of the contract and issuance of a Purchase Order.

Purchasing Agent Designation

Owner and Design-Builder acknowledge that Owner has designated Design-Builder as Purchasing Agent for the project so that some purchases may be exempt from sales tax. The provisions of that sales tax exemption state the following:

- a. Contractor ("Design-Builder" in this agreement) has been appointed as purchasing agent;
- b. Exempt entity ("Owner" in this agreement) takes title to all materials and supplies at the point of delivery;
- c. Exempt entity ("Owner" in this agreement) has the risk of loss for all materials and supplies; and
- d. Exempt entity ("Owner" in this agreement) has responsibility for all defective materials and supplies, including those incorporated into realty.

Any Use Taxes due under this arrangement, or if sales taxes are ultimately deemed to be due, would be paid by Owner.

The Owner and the Design-Builder will work in good faith to determine instances in which the purchasing agent agreement can be practically utilized to reduce the taxes on the project. The Owner understands that the Design-Builder will not be able to utilize the purchasing agent designation in many instances, and the Owner accepts responsibility to pay for any sales taxes that cannot be avoided under the purchasing agent designation.

The Purchasing Agent Agreement applies to the work packages specified in Exhibit L1, Exhibit L2, and Exhibit L5.

Cost Breakdown

Costs have been itemized in the full GP workbook submittal (Final GP4 Proposal dated June 1, 2022 and submitted by Design-Builder on the same date via email to Will Menkhaus). For more detailed information, please consult that submittal.

The following table summarizes the costs for this work package:

Description	Cost
Design-Builder General Conditions	\$15,192,988
Design-Builder Engineering Services During Construction	\$8,060,515
Design-Builder Procurement Costs	\$5,225,547
Construction Subcontracts	\$99,912,431
Commissioning and Startup	\$3,020,866
Instrumentation and Controls	\$3,510,073
Allowances	\$9,693,757
Contingency	\$9,003,349
Design-Builder Fee	\$10,801,294
Bonds, Insurance, and Taxes on Above	\$5,744,922
Total Cost	\$170,165,742

Terms of Payment

The Design-Builder will develop a complete schedule of values and payment schedule within (30) days of the signing of the Amended and Restated Contract dated June 7, 2022. The schedule of values and payment schedule is subject to review and approval by SPRWS. In general, unless otherwise specified, costs will be passed on to the Owner in accordance with the approved Schedule of Values.

Upon agreement between the Owner and the Design-Builder, the schedule of values will be used to govern payments for the work covered in this package.

“Off-Ramp” Scenario

By accepting the Guaranteed Price Proposal, the Owner has elected not to take the “Off-Ramp” described in Section 2.3.2.4(iii) of the Agreement for the work specified herein.

For the outstanding work planned for inclusion in GP5 such as lab facilities and final landscaping, the Owner continues to retain the right to take the “Off-Ramp”. In this event, the Design-Builder will remain obligated to deliver 100% complete plans for the lab facility, the final landscaping, and other such work to the Owner in accordance with the terms of the contract.

Project Staffing Levels and Associated Rights

The Guaranteed Price has been established with certain assumptions about the level of staffing required to complete the project. These assumptions are detailed in the workbook submitted with the GP proposal.

The Owner recognizes that the Design-Builder may discover ways to gain efficiency, reduce the level of on-site staffing required, and balance with off-site support. During contract negotiations, the Owner

reviewed the level of staffing planned for the project with the input of the Owner's Representative and determined that staffing assumptions are fair and consistent for a project of this magnitude and nature. This contract has been signed as a Lump Sum agreement, per the Contract Documents. If the Design-Builder carries fewer staff members throughout the construction phase, the Owner shall not be entitled to reduce compensation.

The Design-Builder is obligated to execute the Work in an efficient manner per the requirements of Section 2.6.1 of the General Conditions, including appropriately staffing the project. Should the Owner become concerned that staffing levels are insufficient to efficiently execute the Work, then the Owner shall convey those concerns to the Design-Builder in writing. If the Design-Builder does not address the Owner's concerns in the appropriate period, this may be considered when determining the appropriateness of contingency use for contingency requests.

The Design-Builder must staff the project appropriately in conformance with the Agreement. The Design-Builder may only consider reducing staffing levels if they are highly confident that such reductions will not compromise job performance in accordance with the terms of this Agreement.

Two limitations to the Owner's rights are enumerated below:

1. The burden of proof in this arrangement shall be on the Owner. In order to deny a contingency request (or a portion of a contingency request), the Owner must be able to clearly demonstrate that the staff shortages led directly to the contingency request. The Owner shall not be able to deny contingency requests on the basis of conjecture.
2. The intent of the provisions herein is to ensure that the Design-Builder does not deliberately understaff the project to reduce their expenses at the cost of diminished project performance. If the Design-Builder can compellingly demonstrate that project understaffing resulted from factors beyond the control of the Design-Builder, the Owner may not consider understaffing a sufficient reason to deny a contingency request. Difficult labor markets are an acknowledged risk, and the Owner understands that the Design-Builder does not hold meaningful control over the available labor pool.

Escalation

The Owner has elected to retain the risk of material and labor escalation for certain items. These items are identified on Tab 10A of the Guaranteed Price submittal workbook.

Cost increases resulting from changes in designs will not be treated as escalation costs. Cost increases resulting from design changes are handled by using contingency funds since the contingency has been built using assumptions about design evolution, design changes, and design risks.

When submitting a request for the use of escalation funds, the Design-Builder is responsible for providing the owner with the following:

1. The name of the specific item in question
2. The location in which the item in question was specifically listed in Tab 10A of the Guaranteed Price workbook
3. A price quote for the item from the time of the Guaranteed Price Proposal
4. A price quote for the item at the time when an escalation/allowance request is made

5. Evidence to demonstrate that the pricing at the time of the escalation/allowance request is a fair and accurate reflection of the market price for the material. This evidence includes, but is not limited to, one or more of the following:
 - a. Trend of Indices
 - b. Publications by reputable sources that demonstrate cost increase and trends
 - c. Quotes from multiple vendors, when and where possible
 - d. Narrative description of the reason why the price has changed

If the Design-Builder fails to provide the information specified in #1 – 5 above, the Owner will have the right to request additional backup. If additional backup clearly fails to meet the requirements specified in #1 – 5 above, the Owner reserves the right to reject the use of allowance funds for that escalation item. In all cases, Owner and Design-Builder recognize that this process is not part of the normal business practices of the overall supply chain, and, as such, backup will not always be clear and definitive in establishing the basis. In such cases, Design-Builder and Owner will work together (in concert with the subcontractor or supplier requesting use of the Escalation Allowance) to resolve the issue.

If the Design-Builder fails to provide evidence to demonstrate that prices are fair and reflective of market conditions, the Owner reserves the right to require the Design-Builder to obtain competing quotes/bids for the item. Owner and Design-Builder agree that that the overall impact to the project budget and schedule be considered when requesting competing quotes. Where possible, the Design-Builder will provide the escalation request to the Owner early enough to allow for competing quotes or bids to be obtained.

The schedule for this process is as follows:

1. Within 150 days following NTP, the Design Builder will provide to Owner the following information:
 - a. Completed requests for Escalation allowance Usage
 - b. Extensions of the schedule for materials where the 150 days is not practical or desirable.
 - c. Supporting information for escalation allowance usage or schedule extension.
2. Design Builder will receive, review, negotiate, and compile escalation requests as they are received and provide that information to SPRWS. Requests will be submitted to Owner within 7 days after they are deemed complete.
3. The Owner will review and return requests with any comments within 14 days of receipt. The Design Builder will meet with the Owner as requested during the review period to facilitate Owner review.
4. Any remaining open Escalation requests from suppliers / subcontractors after the initial 150-day period will follow the same process in this section.

The Design Builder will diligently work to protect the Owner from unfair price increases, to the extent possible, during this process. Management and execution of the process described above is included within the General Conditions of the L5 amendment. The Owner recognizes that the Design-Builder is responsible only for the cost of executing the process described above and not for the actual cost of the escalation in material prices. Escalation in prices for those items specified in Tab 10A of the Bid Book will be the Owner's expense to bear and will be paid for from the allowance funds specifically set aside for anticipated escalation. Any overage required to cover the escalation cost will remain the Owner's responsibility and require a Change Order.

Table of Escalation Items Covered by Allowance

The following table lists the escalation requests that the Owner will receive organized by subcontractor.

Design-Builder Contract ID	Allowable Escalation
4103	Yard Pipe and Process Mechanical, GP4 (Magney Construction)
	<ol style="list-style-type: none"> 1. Permanent Materials limited to various types of pipe (steel, DI, PVC, stainless steel, etc.), valves, pipe supports, and miscellaneous appurtenances (flange bolt, nut, gasket kits, miscellaneous small valves, etc.). 2. Asphalt paving subcontractor costs. 3. Precast box culvert (the material used to construct Lime Tunnel). 4. CLSM. (Controlled Low Strength Material, flowable concrete fill) 5. Concrete. 6. Rebar.
4104	Structural Concrete, GP4 (PCL Construction)
	<ol style="list-style-type: none"> 1. Permanent Materials limited to rebar and concrete. 2. Labor contracts for the concrete trades for the three-year period encompassing this project have been approved, but not ratified. Depending on the ratification, this may incur additional costs to the project, or not. 3. Rebar installation subcontractor costs. 4. Propane (gas only) for winter concrete.
4109	Metals Subcontractor, GP4 (Metro Manufacturing)
	<ol style="list-style-type: none"> 1. Permanent Materials limited to structural and miscellaneous metals of aluminum, stainless steel, hot-dipped galvanized steel, as well as FRP grating. 2. Aluminum handrail, kickplate 3. Ladders, stainless steel 4. Hatches, stainless steel 5. Grating, aluminum and stainless steel
4110	Roofing Subcontractor, GP4 (Central Roofing)
	<ol style="list-style-type: none"> 1. Permanent materials limited to roofing membrane material, insulation (roof insulation, below-grade insulation), adhesives, and accessories. 2. EPDM Flashing 3. Sheet Metal Flashing 4. Fasteners
4112	Painting Subcontractor, GP4 (S&Y)
	<ol style="list-style-type: none"> 1. Permanent materials limited to paint (including damp-proofing) and chemical-resistant coatings. 2. Labor contracts for the painting trades for the three-year period encompassing this project have been approved, but not ratified. Depending on the ratification, this may incur additional costs to the project, or not. 3. Sundries/ Consumables (rollers, brushes, tape, etc.) 4. 3rd Party Equipment Rental 5. Fuel
4201	Plumbing / HVAC Subcontractor, GP4 (MMC)
	<p>Permanent Materials limited to:</p> <ol style="list-style-type: none"> 1. Plumbing pipe, plumbing fittings (DI, copper, CPVC, DWV, stainless steel), trench drains, valves, pipe supports, and miscellaneous accessories, (bolts, nuts, gaskets, floor drains, roof drains, etc.) and insulation. 2. Plumbing equipment (hot water heaters, eyewash stations, etc.). 3. Plumbing hardware (sinks, toilets, appurtenances) and fixtures. 4. Ductwork (galvanized, aluminum and stainless steel), grills, registers, dampers, diffusers, and ductwork supports, and insulation. 5. HVAC equipment (Air Handling Units, Make Up Air Units, Exhaust Fans, Split system, Cabinet unit heaters, etc.). 6. HVAC controls (thermostats, detectors, etc.) and controls subcontractor. 7. HVAC conduit, wire, switches, etc. (may be subcontractor).
4301	Electrical Subcontractor (Premier)
	<p>Permanent materials limited to:</p> <ol style="list-style-type: none"> 1. Conduit, conduit fittings 2. Wire, wire appurtenances 3. Conduit supports 4. Electrical equipment (switchgear, generator, substations, etc.), and electrical distribution panels, low voltage electrical components, door security, security cameras, and precast electrical handholes / manholes. 5. Lighting 6. Fire Alarm subcontractor 7. Lightning Protection subcontractor 8. Fiber Optic Cabling, Terminations, Panels
4401	Integration, GP4 (InControl)
	<p>Permanent Materials limited to:</p> <ol style="list-style-type: none"> 1. Instrumentation (pressure transmitters, flow meters, etc.) 2. Control Panels (PLC, OIT, PLC hardware) 3. Analyzers (online measurement tools like pH meters, chlorine meters, etc.) 4. Furniture (consoles)

Additional Assumptions and Clarifications of the Proposal

The following table includes additional assumptions and clarifications noted in the GP proposal:

1 DESIGN-BUILDER, GENERAL AND PROJECT-WIDE	
2	We did significant value engineering work over the last couple weeks of this proposal and have relied on those changes for the GP4 proposal price. Those changes are detailed in Exhibit L7. It should be noted that where conflicts exist between the drawings in Exhibit L7 and the description provided in this table, the description provided in this table controls and defines the basis of the scope for the GP4 proposal. The conflicts will be reconciled as the design is completed between 90% and the 100% Issued for Construction documents. In many cases, the 90% documents will be incorrect due to these value engineering changes.
3	There are several items that moved to a future GP5 as they are still in progress. Please see contract Exhibit L5 for additional details.
4	Please reference the Scope Baseline set of drawings included in Appendix 100 E to this proposal. Those drawings include many notes that will help clarify details included in this proposal. For the sake of brevity, not all of the notes included on that set of drawings are included on this tab.
5	We have included an Allowance for remediation of the backyard at the SPRWS-purchased house on Beaumont. We assume that this house will be remediated and resold sometime in 2025 (property will be available for construction until then).
6	The new bathrooms in the new Lime Building will be out of service in the Fall of 2025 while the new sewer line is being reconnected in it's permanent configuration.
7	Escalation estimates included in this GP are for inclusion in an Allowance intended to cover the unprecedented escalation the market is currently experiencing. Should SPRWS desire to shed risk to Jacobs for escalation, we can discuss.
8	Please review the locations noted where safety tie-in for roof access has been provided (not on all roofs). In general, roofs where 10 FT leading edge is maintained have NOT been provided with permanent tie-off systems.
9	We have included costs in GP4 for monitoring indoor air quality in the existing lab and office spaces. We have not included any provisions for blocking of vents, HVAC systems, etc. If this becomes an issue at any point during construction we will work with SPRWS to remedy immediately.

10	<p>The General Conditions and SDC pricing included in GP4 includes the period of time for the Lab / Office remodel (happening concurrently with final demolition and site work). The work slated for GP5 includes:</p> <ol style="list-style-type: none"> 1. All demolition and rehabilitation work in Flocc2 basins and main floor area. 2. Reroofing of the Flocc2 structure. 3. All improvements in the Flocc2 building (windows, concrete, office spaces, laboratory equipment, etc.). 4. Removal and replacement of existing, damaged / deteriorated fascia on the exterior of Flocc2 building. 5. Removal and replacement of existing roof.
11	<p>As-Built data and field investigations do not indicate any existing piles under the SCCs or Clarifier 1 (locations for installation of new plant facilities) so we have not included any costs for removing existing piles in these locations where they could interfere with new infrastructure.</p>
12	<p>We have discussed establishing an interim work package if GP3 work moves faster than anticipated or GP4 falls behind and costs for GP4 will be incurred (General Conditions, Services During Construction, concrete work, etc.). This will be addressed if these circumstances present themselves.</p>
13	<p>It has not been possible to drill geotechnical borings under the existing SSBs. It is possible that there are conditions that could impact the design and result in a Differing Site Condition.</p>
14	<p>All subsurface conditions are assumed per the Phase 1 geotechnical investigations. Deviations from the information constitutes a Differing Site Condition per the Prime Agreement.</p>
15	<p>This GP assumes that existing gates and valves work unless investigated otherwise or indicated as non-functioning in the Plant Valving Diagram provided to Jacobs during the Project Procurement Activities.. We have not included bypass pumping costs for maintaining plant flow.</p>
16	<p>We have discussed and planned for a maximum flow rate through the Figure 8 of (80) MGD.</p>

17	<p>We are constructing the new plant in proximity to the existing, aged facilities. We have approached this risk in this way:</p> <ol style="list-style-type: none"> 1. We have included an Allowance for patching leaks in the existing tanks. 2. We have included a shoring wall immediately north of the existing recarbonation tank. 3. We have included a cutoff wall along the west side Clarifier 3, 4, 5 to retain underslab materials. 4. The permanent design for the Flocculation 2 wall includes a concrete cutoff wall along the north side of the existing Figure 8. 5. We maintained the existing wall along the east side of Flocculation Basin 1 and will brace, install concrete, or backfill to maintain appropriate pressures against this wall. <p>These means and methods are based on our best understanding of the existing as-builts, field investigations, and due diligence to date. With this approach, we believe we have a clear plan on what is a Differing Site Condition as defined in the Prime Agreement, and what is not.</p> <p>Additional means and methods beyond these would mean that the existing structure(s) is in a condition other than what could be expected. For example, existing damage or degradation to the existing facilities that could not have been known in the field investigations to date would constitute a Differing Site Condition.</p>
18	All material testing, concrete testing, surveying, field density testing, weld testing, etc. for GP3 is covered in GP4, with the exception of testing covered in Tab 09 Allowances.
19	We have not assumed that the existing wooden piles are an issue for construction in the SSB and Clarifier 1 areas. As-Builts and explorations do not indicate that piles are present.
20	We have not included any costs for treatment of groundwater due to contamination by treatment plant chemicals.
21	This proposal is based on the assumption that the current GP1 - 5 packages are awarded based on the schedule communicated. Changes to these award dates may delay the overall schedule (i.e. GP2 work needs to be complete for GP3 work and, in turn, GP4 work starting on time is dependent on GP2 and GP3 work).
22	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all electricity used on the project. Therefore, we have not included any of these costs in this GP proposal.</p> <p>SPRWS and Jacobs will work together to ensure that all temporary and revised permanent electrical loads are within all appropriate limits and do not limit the operation of SPRWS facilities. Additionally, SPRWS and Jacobs will work together to plan outages and plant interruptions to avoid any unplanned outages to the operating facility.</p>
23	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all potable water used on the project. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs will inform SPRWS of planned water use and SPRWS will approve water usage; Jacobs and SPRWS will work together to ensure construction activities do not impact regular service to customers.</p>
24	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all sanitary sewer used on the project for the temporary facilities. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs will not dispose of any hazardous or problematic waste into a SPRWS-owned sanitary sewer. Given the small amount of additional flows from the construction office trailers, Jacobs assumes that sewer fees will not increase and capacities will not be impacted. If that is incorrect, Jacobs will remedy the issue.</p>

25	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all chemicals associated with the operating plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs has the responsibility to coordinate and schedule the commissioning and startup chemicals so that they are onsite at the appropriate time. Jacobs will work with SPRWS to ensure the appropriate accounts are set up and available.</p>
26	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all stormwater associated with the plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>Jacobs is responsible for complying with all stormwater requirements and for any fees / fines that result from inadequate stormwater provisions or protections.</p>
27	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all sludge handling associated with the plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>All sludge from the new facilities will be piped to the existing storage tanks, GVTs, and filter presses.</p>
28	<p>Recently passed legislation includes a Build America Buy America provision that may modify the requirements of American Iron and Steel. We have not included pricing for this provision as impacts are currently unknown.</p> <p>If / once adopted, the regulations will constitute a change in funding requirements per Section 2.6.3 and the legal requirements per Section 2.4 of the General Conditions.</p> <p>We understand that SPRWS may need to ask for a waiver from these new requirements should they apply to GP4 (but not GP1, 2, 3).</p>
29	<p>This GP has been prepared using the LS Design-Builder fees.</p>
30	<p>If the calculated escalation is less than the Allowance amount indicated, the contract between Jacobs and SPRWS will be decreased by the corresponding amount plus the associated Design-Builder Fee. If the calculated escalation is greater than the Allowance amount, the contract will be increased by the corresponding amount plus the associated Design-Builder Fee.</p>
31	<p>Sales taxes were calculated at 7.375% based on the 1900 Rice Street address for the Plant from the following website: https://www.revenue.state.mn.us/sales-tax-rate-calculator.</p> <p>It is our current understanding that Ramsey County Use Taxes will be due even if the Sales Tax exemption is utilized.</p>
34	<p>DESIGN-BUILDER, GENERAL CONDITIONS (01)</p>
35	<p>Design-Builder assumes that SPRWS will assist with locating enough parking on site for the duration of the project. Costs for busing and/or transportation from another parking location is not included.</p>
36	<p>Design-Builder General Conditions estimate is based on the project schedule and a start date (for the GP4 GCs) of October 3, 2022.</p>

37	DESIGN-BUILDER, ENGINEERING SERVICES DURING CONSTRUCTION (03)
38	<p>Design-Builder GP4 ESDC estimate is based on supporting construction from October 1, 2022 through August 1, 2026.</p> <p>Jacobs will have, at minimum, (1) lead resident engineer on site for the full duration. Additional discipline resident engineer's will be on site for 6 to 12 months at a time as construction progresses. Disciplines are anticipated to include Civil/Structural, mechanical and electrical/controls engineers.</p>
39	<p>We have assumed that Jacobs will have one (1) security staff to operate the Roselawn gate and temporary construction gate during construction hours only. SPRWS agrees to accommodate for gate opening needs during non-construction hours to operate the Roselawn and temporary construction gate. In other words, SPRWS sometimes has truck deliveries outside of construction work hours where the operators may need to open the construction gate.</p>
40	<p>The ESDC effort for As-Built Drawings/Models is to as built the current Bentley platform 3D models and produce as-built PDFs and AutoCAD translations. Conversion of the 3D models to another software or development/integration of the model into another digital system would be developed and scoped as part of an allowance.</p>
41	DESIGN-BUILDER, PROCUREMENT (04)
42	<p>Please reference the numerous notes on Tab 10.1 with regards to equipment inclusions / clarifications.</p>
43	DESIGN-BUILDER COMMISSIONING AND STARTUP (06)
44	<p>The GMP has been developed based on a preliminary plan for performing commissioning and testing activities in accordance with the Draft Training Plan, Startup and Commissioning Plan Annotated Outline, Acceptance Test Plan Annotated Outline, and current master schedule. No additional testing beyond those identified in these plans has been identified for regulatory approval (e.g., tracer testing) nor is included in the estimate.</p>
45	<p>SPRWS will provide potable water for construction and commissioning activities at no cost to DB (including for leak testing, pressure testing, disinfection, and commissioning). DB will provide temporary connections to potable water system required to fill facilities for testing purposes (carried in GCs).</p>
46	<p>City will allow Design-Builder to transfer lime sludge from the existing facilities to aid in process startup of the new softening clarifiers. Design-Builder has included costs for temporary pumps and piping to transfer the lime sludge.</p>
47	<p>Field demonstration of Hydraulic Performance Standards are not included and can be demonstrated via hydraulic modeling (running all 4 SCCs at full bore may not be possible).</p>
48	DESIGN-BUILDER, INSTRUMENTATION AND CONTROLS (07)

49	Integration of new with existing plant systems is limited to select systems (FeCl, replacement PLCs).
50	SPRWS staff provided Jacobs with direction on SPRWS preferred instruments. The I&C subcontractor (InControl) has noted that several of these selections are inconsistent with what they've done for SPRWS in the past.
51	Auma actuators were included with this proposal. We understand that Rotork was preferred, but availability was difficult and added \$300K in costs. Some of these actuators were removed in the final value engineering effort.
52	Subcontract 4102, Demolition and Earthwork, GP4 (Rachel Contracting)
53	The subcontract package for GP3 includes all demolition, earthwork, shoring, etc. work for the entire project. GP4 includes overflow piping, revised pond work, and final landscaping. All work associated with the new lab / office (including demolition work), and any work in the existing Lime Building (cleanout) or existing Lab (cleanout). This work will be included in GP5.
54	GP3 - We are not planning on stockpiling at Sandy Lake (materials will be hauled offsite and replaced at the end of the project as needed). We are planning on precasting for DN Tanks at Sandy Lake in the fall of 2022.
55	GP3 - We have included extensive shoring along the existing recarbonation and Clarifier 3, 4, 5 facilities to protect existing facilities (undermining, wall loading) from construction.
56	GP3 - We have not included deep foundations under any new facilities.
57	Access into and out of the site is assumed to be through the construction access directly onto Roselawn east of the Low Service Reservoir.
58	We are assuming access to the Sandy Lake area (immediately north of Roselawn) is available for laydown (deliveries, potential precasting areas, etc.). We will work with SPRWS to grade and restore the site before and after use to ensure minimal impacts to SPRWS operations.
59	This existing Solids Handling Facility and sludge storage tanks will be inside the fenced boundary for the construction area. We will work with SPRWS to ensure safe access, we need SPRWS to abide by project safety rules while inside the active construction area.
60	We have established a plan, in concert with SPRWS, to allow for delivery of lime during construction. This plan alters the current delivery approach and we've included costs to provide a paved loop access road for lime deliveries as well as minor reconfiguration of the existing lime hopper to facilities the new lime delivery approach.
61	All access points from the existing facilities that face the construction areas (doors on the north side of Flocculation Basin 2 for example) will be permanently blocked (framed walls) for the duration of the construction project. Doors on the south side of the Filter Building will be temporarily blocked during construction in those areas.

62	The excavation and ramp access for the construction will mean that access to the Clarifier 3, 4, and 5 basins will have to be from the south and east. It appears that plant personnel currently access them from the north, which will no longer be possible after commencement of construction activities.
63	The existing storm sewer line located north of the existing Lime Building will be CLSM filled and abandoned in place (where it is not to remain in service).
64	The existing large diameter steel and ductile RW lines that connect the Terminal Chambers to the existing Lime Building will be abandoned in place. The ends will be CLSM or concrete filled.
65	In GP4 we received a quote for hazardous materials remediation based on the completed survey. The Allowance included in GP3 should be sufficient to cover this work.
66	Subcontract 4103, Yard Pipe and Process Mechanical, GP4 (Magney Construction)
67	We understand that all live pipe taps will be completed by SPRWS (on their pipelines) and have not included any costs for this work.
68	GP3 includes underslab work to facilitate the schedule (encased pipe under facilities 300 and 400). All other plumbing and piping is included in this GP4.
69	GP3 - We utilized granular fill around encasements under the SCC and Gallery slabs. We included an Allowance for CLSM if required.
70	We have not assumed demolition, removal, or filling of the existing RW piping from the Terminal Chambers to the existing facilities. However, we have included demolition of (2) existing RW meter vaults because they are in the way of the new drainage pond grading.
71	GP2 - Please reference the Risk Register (on SmartSheet or Tab 10.4 in this workbook) for concerns about the possible means and methods for sealing the existing gates between the Figure 8 and SSB.
72	For either a LS or GMP delivery, scope and schedules for GP2, 3, and 4 overlap in time and space through the end of 2022. We will set up a system for tracking costs and invoicing correctly that we will review with SPRWS.
73	Subcontract 4104, Structural Concrete, GP4 (PCL Construction)
74	The splitter box for 72" OW into the existing Figure 8 is included in GP4. This box must be built with GP3, we will work with SPRWS to find a way to facilitate that reality.
75	Assumes that tower crane foundation can be left in place (elevation is below all new infrastructure).

76	Subcontract 4110, Roofing Subcontractor, GP4 (Central Roofing)
77	No roofing at the Terminal Chambers facility has been included in the GP.
79	Please see Scope Baseline for details on scope of work included but not necessarily indicated on the drawings at this time.
80	Subcontract 4112, Painting Subcontractor, GP4 (S&Y)
81	<p>Only painting specifically included in the final SPRWS direction has been included. In general, this includes:</p> <ol style="list-style-type: none"> 1. All process pipe and equipment painting, labeling, stenciling, and tagging typically required on similar work, 2. DN Tanks will be painting the exterior of the new domes and ring beams down to finished grade. No interior painting of the SCCs has been included. 3. The Painting Subcontractor has included the following architectural painting: <ol style="list-style-type: none"> a. Facility 100: exterior of the Terminal Chambers, touch up of the interior. b. Facility 200: exterior precast sealer, interior of the chemical rooms to floor / grating level, interior of the bathroom and stairwell of the floor level. No painting in the interior west side has been included. No chemical coatings in the containment areas were included. c. Facility 300: exterior precast sealer, interior of upper level precast only. d. Facility 400: exterior precast sealer, interior of upper level channel gallery only, interior of chemical room, high-performance coatings in the containment areas. e. Facility 650: exterior precast sealer, interior of all walls in the connector walkway. <p>Damp-proofing of below grade exterior concrete has been provided for all structures where the inside of a buried wall is a dry space (lower level of the Gallery, for example). No damp-proofing was provided for the frost footers at the connector (650) or Lime Building (200), even though these current drawings show damp-proofing (reference Scope Baseline set).</p>
82	Subcontract 4113, Window Subcontractor, GP4 (WL Hall)
83	We used 2.5" translucent wall panel systems in lieu of 4" (major cost savings).
84	Subcontract 4201, Plumbing / HVAC Subcontractor, GP4 (MMC)
85	We have not included an plumbing or HVAC work in the Terminal Chambers.
86	To save on temporary heating costs, we have assumed that we can use the new HVAC systems in Facilities 200, 300, and 400 prior to turning over to SPRWS. All filters will be replaced such that units are in a like-new condition when turned over.
87	Subcontract 4401, Integration, GP4 (InControl)
88	Integration of new with existing plant systems is limited to select systems (FeCl, replacement PLCs).
89	Subcontract 4301, Electrical Subcontractor (Premier)

90	We have included arc flash / coordination study for new equipment / electrical systems only. We have assumed that the entire existing system does not need to be redone.
91	Lightning protection systems have only been included for new buildings.
92	Jacobs and SPRWS are engaged in value-engineering work to lower the overall cost of the electrical work. We have included the full-cost numbers in this draft workbook.
93	There is a current concern with the location of the generator and switchgear (close proximity to Ozone / Recarb). We have not included any costs for relocating the electrical equipment or providing secondary containment for the generator or switchgear. Should these become necessary, associated costs will be addressed via contingency use or Change Order as mutually agreed to.