

AN ORDINANCE 2012 - 09 - 20 - 0711

AUTHORIZING THE SELECTION OF HUNT-ZACHRY, A JOINT VENTURE, FOR NEGOTIATION AND EXECUTION OF A DESIGN-BUILD SERVICES AGREEMENT IN THE AMOUNT NOT TO EXCEED \$304,800,000.00 FOR THE DESIGN AND CONSTRUCTION OF THE HENRY B. GONZALEZ CONVENTION CENTER EXPANSION PROJECT, LOCATED IN COUNCIL DISTRICT 1.

* * * * *

WHEREAS, the City of San Antonio is undertaking an expansion of the Henry B. Gonzalez Convention Center and the abatement and demolition of the west building of the Convention Center;

WHEREAS, a two-part solicitation process was utilized in selecting a design-build firm whereby a Request for Qualifications was released in June 2012 and nine firms responded; and

WHEREAS, a Selection Committee, consisting of a representative from the City Manager's Office, CIMS, Convention, Sports, & Entertainment Facilities and the Downtown Alliance of San Antonio, evaluated and ranked the responses to the solicitation and asked four respondents to present their responses in August 2012; and

WHEREAS, based on the criteria established in the RFQ, the Selection Committee recommends the award of a Design-Build Services Agreement in an amount not to exceed \$304,800,000.00 with Hunt-Zachry, a Joint Venture, for the design and construction of the Henry B. Gonzalez Convention Center Expansion Project; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee is authorized to negotiate and execute a Design-Build Services Agreement in an amount not to exceed \$304,800,000.00 with Hunt-Zachry, a Joint Venture, for the design and construction of the Henry B. Gonzalez Convention Center Expansion Project. A copy of the Agreement is set out in **Exhibit 1**.

SECTION 2. Payment in the amount not to exceed \$304,800,000.00 over the next 5 years in accordance with the adopted budget each year, in SAP Fund 47099000, Convention Center Capital Projects, SAP Project Definition 42-00038, Convention Center Expansion, is authorized to be encumbered and made payable to Hunt-Zachry, a Joint Venture, for design/building services.

SECTION 3. Payments for services are contingent upon the issuance of Public Facility Corporation Lease Revenue Funds for the City of San Antonio, which issuance is in accordance with the adopted capital budget. Payment is limited to the amounts budgeted in the Capital

Budget funding sources identified. All expenditures will comply with approved capital budgets for current and future fiscal years.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 5. This Ordinance shall be effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED and APPROVED this 20th day of September, 2012.



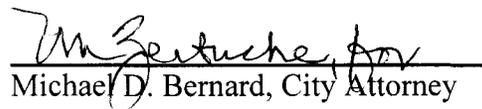
M A Y O R
Julián Castro

ATTEST:

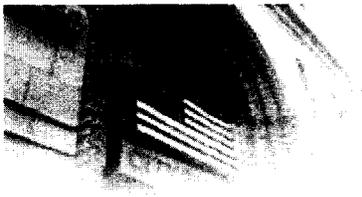


Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

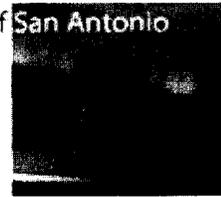


Michael D. Bernard, City Attorney



Request for
COUNCIL
ACTION

City of San Antonio



Agenda Voting Results - 4

Name:	4, 5						
Date:	09/20/2012						
Time:	10:02:43 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing the negotiation and execution of a Design-Build Services Agreement in the amount not-to-exceed \$304,800,000.00, over the next 5 years in accordance with the adopted budget each year, authorized payable to Hunt-Zachry, a Joint Venture, for the design and construction of the Henry B. Gonzalez Convention Center Expansion Project. [Pat DiGiovanni, Deputy City Manager; Mike Frisbie, Director, Capital Improvements Management Services]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				x
Ivy R. Taylor	District 2		x				
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x			x	
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				
Carlton Soules	District 10		x				

EXHIBIT 1

**STATE OF TEXAS
COUNTY OF BEXAR
OWNER OF SAN ANTONIO**

**DESIGN-BUILD CONTRACT
ARCHITECTURAL/ENGINEERING AND CONSTRUCTION SERVICES
FOR THE
HENRY B. GONZALEZ CONVENTION CENTER EXPANSION
PROJECT NO. 42-00038**

This **DESIGN-BUILD CONTRACT** (hereafter referred to as “Contract”) is made and entered into by and between Owner of San Antonio, a Texas municipal corporation (hereafter referred to as “Owner” or “Owner”) and Hunt-Zachry, a Joint Venture, with its principal place of business at 12625 Wetmore Road, Suite 301, San Antonio, Texas 78247-3611 (hereafter referred to as “Design-Builder”).

This Contract for the design and construction of a project identified as: Henry B. Gonzalez Convention Center Expansion to be located at 200 East Market Street in the City of San Antonio, County of Bexar, Texas (hereafter referred to as “the Project”) is being executed by the Owner pursuant to Owner Charter, Ordinances, and Resolutions of Owner Council, and by Design-Builder for architectural and/or engineering and construction services hereinafter set forth in connection with the above designated Project for Owner of San Antonio.

TABLE OF CONTENTS

		PAGE
ARTICLE I.	DEFINITIONS.....	3
ARTICLE II.	REGULATORY GUIDELINES, REQUIREMENTS AND STANDARDS	6
ARTICLE III.	PRELIMINARY CONSULTATION AND PROJECT ANALYSIS	9
ARTICLE IV.	CONSTRUCTION DOCUMENTS.....	11
ARTICLE V.	CONSTRUCTION SERVICES.....	12
ARTICLE VI.	TIME FOR CONSTRUCTION: THE CONTRACT TIME.....	12
ARTICLE VII	ADD. DUTIES AND RESPONSIBILITIES OF DESIGN-BUILDER	14
ARTICLE VIII	CONTRACT PRICE	17
ARTICLE IX.	PAYMENT OF CONTRACT PRICE	23
ARTICLE X.	OWNER'S DUTIES, OBLIGATIONS AND RESPONSIBILITIES	27
ARTICLE XI.	PROJECT DOCUMENTATION.....	29
ARTICLE XII	OWNERSHIP OF PROJECT DOCUMENTS AND COPYRIGHTS.....	30
ARTICLE XIII	INSURANCE REQUIREMENTS	32
ARTICLE XIV	SMALL BUSINESS ECONOMIC DEVELOPMENT ADVOCACY (SBEDA) PROGRAM	32
ARTICLE XV	DESIGNATED REPRESENTATIVES	32
ARTICLE XVI	MISCELLANEOUS PROVISIONS.....	33
EXHIBIT A	PROGRAMMING DOCUMENTS.....	36
EXHIBIT B	DESIGN-BUILDER'S FEE PROPOSAL.....	37
EXHIBIT C	GENERAL CONDITIONS FOR OWNER OF SAN ANTONIO DESIGN-BUILD CONTRACTS.....	38
EXHIBIT D	SBEDA PLAN.....	35
EXHIBIT E	PAYMENT AND PERFORMANCE BOND FORMS.....	40
EXHIBIT F	DESIGN-BUILDER'S DESIGN SCHEDULE.....	45
EXHIBIT G	DESIGN-BUILDER'S WORK PROGRESS SCHEDULE.....	46
EXHIBIT H	SCOPE OF SERVICES.....	47
ADDENDUM	TO DESIGN-BUILD CONTRACT.....	48

ARTICLE I. DEFINITIONS

As used in this Contract, the following terms shall have meanings as set out below:

- 1.1 **Architect of Record** means Populous, Inc., the representative of Design-Builder who is registered as an Architect pursuant to Texas Occupations Code Ann., Chapter 1051, which will provide professional architectural services, have direct responsibility for the design and supervision of the architectural work associated with the Project and will perform certain contract administration responsibilities, as set forth in the Contract.
- 1.2 **"Certificate of Substantial Completion"** means the document issued by Design-Builder with Owner's consent at the stage in the progress of the work when the work or designated portion of the work is sufficiently complete in accordance with the Contract so that Owner can occupy or use the work for its intended use.
- 1.3 **"City"** and **"Owner"** mean the City of San Antonio, Texas, as provided for in Article 2.1.1 of Owner's Design-Build General Conditions.
- 1.4 **"Claim"** is a demand or assertion by one of the parties seeking, as a matter of right, adjustment or interpretation of the Contract terms, the payment of money, extension of time or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between Owner and Design-Builder arising out of or relating to the Contract.
- 1.5 **"Compensation"** means amounts paid by Owner to Design-Builder for completed services under this Contract.
- 1.6 **"Construction Documents"** or **"Design Documents"** means all the design documents provided by Design-Builder and approved by Owner pursuant to the Contract including, without limitation, those for use in constructing the Project, performing the Work and the rendering of the Project fully operational, and shall include, without limitation, signed and sealed detailed plans, drawings, specifications, manuals, and related materials prepared by the Architect of Record.
- 1.7 **"Construction Work"** shall mean whatever is done by or required of Design-Builder to perform and complete its duties relating to the construction of the Project under the Contract, including, without limitation:
 - 1.7.1 construction of the whole and all parts of the Project in full and strict conformity with this Contract;
 - 1.7.2 the provision, furnishing and prompt payment of all labor, supervision, services, materials, supplies, equipment, fixtures, appliances, facilities, tools, transportation, storage, power, fuel, heat, light, cooling, other utilities and things required for the construction of the Project;

- 1.7.3 the procurement and furnishing of all necessary building permits and other permits required for the construction of the Project;
 - 1.7.4 the creation and submission to Owner of detailed as-built drawings depicting all as-built construction;
 - 1.7.5 the furnishing of any required surety bonds and insurance as required by the Contract;
 - 1.7.6 the furnishing of all equipment and product warranties, manuals, test results and user guides required by the Contract or otherwise reasonably available to Design-Builder; and
 - 1.7.7 the furnishing of all other services and things required or reasonably inferable from the Contract Documents, including the provisions of Article 7 below.
- 1.8 **"Cost of the Construction Work"** shall mean costs necessarily incurred in the performance of the Construction Work during the Construction Phase, and paid or payable by Design-Builder, and not included in the Management Fee, as set forth herein. Cost of the Construction Work is further defined in **Article 8.7** herein.
- 1.9 **"Contract Drawings and Specifications"** means the Design Documents.
- 1.10 **"Design-Builder"** means the legal entity that executes this Contract to provide design and construction services for the Henry B. Gonzalez Convention Center Expansion to be located at 200 East Market Street, San Antonio, Texas 78205, Project, its officers, partners, employees, agents and representatives, and all Sub-Consultants and/or Subcontractors, if any, and all other persons or entities for which Design-Builder legally is responsible.
- 1.11 **"Design Criteria Consultant"** or **"Owner's Consultant"** means Owner's independent Architect/Engineering consultant which prepared the Programming Documents and will provide peer review services.
- 1.12 **"Design Services"** means any and all architectural, engineering and design services required to be performed by Design-Builder pursuant to the Contract and all labor, materials, supervision, equipment, computers, documents and all other things necessary for the performance of such services.
- 1.13 **"Director"** means the Director of City's Capital Improvements Management Services Department or the designated Project Manager identified by the Notice to Proceed.
- 1.14 **"Engineering Representatives"** means the firms, identified by Design-Builder prior to commencing any Design or Construction Work hereunder, as the representatives of Design-Builder who are registered as Engineers, pursuant to the Tex. Occupations Code Ann., Chapter 1001, and will be responsible for compliance with:

- a) the engineering design requirements of the Project; and
 - b) all other applicable requirements of Chapter 1001, Occupations Code.
- 1.15 **“Final Compensation”** means the final amounts paid by Owner to Design-Builder for completed design services under this Contract.
- 1.16 **“Final Completion”** means, as stated herein and as an addition to **Article 9** of Owner’s General Conditions for Design/Build Contracts, the completion of all Design Services and all Construction Work required by, and in strict compliance with, the Contract, including Design-Builder's provision to Owner of all documents and things required to be provided by the Contract.
- 1.17 **“Final Payment”** means the final amounts paid by Owner to Design-Builder for completed Construction Work under the construction contract.
- 1.18 **“Fixed Price”** means the approved Fixed Price Proposal and shall include the cost of the construction work and all other construction-related costs and shall be the maximum price for which all Construction Work necessary to deliver the Project, as required by Owner, within the construction schedule and the Project Budget.
- 1.19 **“Fixed Price Proposal”** means Design-Builder’s proposed maximum price, which shall include the cost of the construction work and shall be the proposed maximum price for which all Construction Work necessary to deliver the Project, as required by Owner within the construction schedule and the Project Budget, and shall be subject to Owner’s approval.
- 1.20 **“Guaranteed Maximum Price”** or **“GMP”** means the guaranteed maximum price for which all Construction Work will be completed within the construction schedule and the Project Budget.
- 1.21 **“Owner Designated Representative (ODR)”** means the person designated by Owner to act for Owner.
- 1.22 **“Owner’s Project Criteria”** means all program elements, drawings, standards, schedules, reports, surveys, specifications and systems and product descriptions which are dated by Design Criteria Consultant and approved by Owner and used to prepare the Fixed Price Proposal or GMP, as applicable, and Construction Documents.
- 1.23 **“Programming Documents”** means all design development documents, schedules, reports, surveys, specifications and systems and product descriptions, which are dated by Design Professional and approved by Owner, used to prepare a Guaranteed Maximum Price or Fixed Price Proposal(s), as applicable.
- 1.24 **“Project”** means services to be provided by Design-Builder pursuant to this Contract for the design and construction of the Henry B. Gonzalez Convention Center Expansion to be located at 200 East Market Street in San Antonio, Texas as further set out in the Scope of Services attached hereto, labeled as **Exhibit H** and made a part of this Contract.

- 1.25 **“Schedule of Values”** means the values allocated to materials and various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as Owner may require.
- 1.26 **“Sub-Consultant”** means an entity which has a direct contract with Design-Builder to perform a portion of the architectural or engineering Work.
- 1.27 **“Subcontractor”** means an entity which has a direct contract with Design-Builder to perform a portion of the Construction Work or the Design Services. For purposes of the Contract, Subcontractors also shall include those furnishing specially fabricated equipment and materials for the Project.
- 1.28 **“Substantial Completion”** is, as stated herein and as an addition to **Article 9.7** of Owner’s General Conditions for Design/Build Contracts, that stage in the progression of the Construction Work, as approved by Owner in writing, when the Project sufficiently is complete in accordance with the Contract that Owner may enjoy beneficial use or occupancy of the entire Project and may utilize it for all of its intended purposes. A condition precedent to Substantial Completion is the receipt by Owner of all necessary certificates of occupancy or other authorizations for the use and occupancy of the Project required by any governmental or regulatory authority. Owner reserves the right to occupy and use any part, phase or system of the Project when such part, phase or system substantially is completed, but such partial use or occupancy of the Project shall not result in the Project being deemed substantially complete, and such partial use or occupancy shall not be evidence of Substantial Completion.
- 1.29 **“Supplier”** means an entity manufacturer, fabricator, Supplier, distributor, material man or vendor having a direct contract with Design-Builder, or with any subcontractor, to furnish or provide materials or equipment to be incorporated in the construction phase for the performance of the Construction Work.

ARTICLE II REGULATORY GUIDELINES, REQUIREMENTS AND STANDARDS

- 2.1 **Generally.** Design-Builder shall perform all Design Services described in, contemplated by, inferable from or necessary to achieve the objectives stated in the Programming Documents and the Contract, including all Design Services necessary for the Project to be properly constructed by Design-Builder and used, operated and maintained by Owner in accordance with all applicable guidelines, requirements and standards. The Design Services shall be performed within the time provided by the Design Schedule for the performance of Design-Builder's Design Services as provided in **Section 6.8** of this Contract.
- 2.2 The Design-Builder shall be responsible for registering the Project with the Department of Licensing & Regulation, Architectural Barriers, and obtaining all reviews, inspections and approvals of Construction Documents required for compliance with all state and

federal handicapped and Americans with Disabilities Act (hereafter referred to as "ADA") requirements. Design-Builder also shall be responsible for ensuring that all facilities constructed in accordance with the Construction Documents created under this Contract comply with all state and federal handicapped and ADA requirements.

- 2.3 Design-Builder guarantees that the Project will be executed and constructed in strict compliance with Owner-approved Construction Documents. Design-Builder further agrees to keep Owner informed about the progress and quality of the portion of the Work completed, and to endeavor to guard Owner against defects in the Work.
- 2.4 **Owner's Review of Design Services.** Subject to **Section 10.1.7** herein, Design-Builder shall submit all documents produced as part of the Design Services to Owner for review and approval in accordance with the terms of the Contract. However, any review or approval by Owner shall not relieve Design-Builder of or otherwise diminish its obligations under the Contract. Owner may direct Design-Builder to make changes to any Construction Documents to conform the documents to Owner's objectives. Any changes by Design-Builder ordered Owner shall not relieve Design-Builder of its obligations under this Contract unless, and only to the extent that, Design-Builder notifies Owner in writing, within five (5) days after receipt of Owner's directive to make changes, concerning any adverse impact on schedules, budgets, operational costs, operational performance, satisfaction of regulatory requirements or other adverse impact that may result from the directed changes. Failure of Design-Builder to submit its notice within the five (5) day period constitutes a waiver by Design-Builder of any claim for an adjustment to the Design Schedule or the Contract Time.
- 2.5 **Preparation of Site Information.** Design-Builder shall prepare, as necessary, surveys and topographic information including aerial photographs needed to establish line and grade of sewers, location of property lines and easements. Sewer easements, both construction and permanent, shall be referenced to property lines by field surveys, and plans shall include the location of any improvement as it relates to property lines. **Owner expressly does not warrant any information provided by it to Design-Builder, in connection with preparation of the above-mentioned information;** Design-Builder, however, reasonably may rely on information provided by Owner to the extent the information has been prepared by Owner or an independent consultant hired by Owner to prepare the information specifically for this Project, without absolving Design-Builder from its responsibility to independently review information for deficiencies, flaws, errors, and omissions that a reasonable, prudent professional architect or engineer should or would detect and inquire about.
- 2.6 **Retention of Geotechnical Consultants.** In preparing the Construction Documents, Owner separately shall retain an experienced qualified geotechnical consultant to evaluate all geotechnical considerations relating to the design and construction of the Project. Design-Builder shall be responsible for designing the Project in accordance with the analysis and recommendations of the geotechnical consultant. Nothing in this paragraph, however, prevents Design-Builder from retaining its own geotechnical consultant to review design work, raise issues for mutual discussion, and obtain further information in connection with the geotechnical nature of the Project. **Owner expressly**

does not warrant any geotechnical information provided by it to Design-Builder for use in connection with preparation of the Construction Documents; Design-Builder, however, reasonably may rely on geotechnical information provided by Owner to the extent the information has been prepared by Owner or an independent consultant hired by Owner to prepare the information specifically for this Project, without absolving Design-Builder from its responsibility to independently review information for deficiencies, flaws, errors, and omissions that a reasonable, prudent professional architect or engineer should or would detect and inquire about.

- 2.7 **Quality of Design Services.** Design-Builder shall be responsible for the professional quality, completeness, accuracy and coordination of Construction Documents. Design-Builder shall provide Design Services that shall result in an operationally cost-efficient and economical facility that meets all environmental and regulatory requirements as of the date hereof, and uses the most appropriate available technology. Design-Builder shall provide for all quality control reviews required by sound professional architectural and engineering practices and by governmental authorities having jurisdiction over the Project.
- 2.8 **Compliance with Laws and Regulatory Requirements.** In providing Design Services, Design-Builder shall comply with the lawful requirements of all federal, state, and local authorities having lawful jurisdiction over the Project. Design-Builder shall design the Project to meet all applicable requirements of building control laws and regulations in relation to the design, construction, occupation, and operation of the Project including, without limitation, environmental standards, fire and safety regulations and requirements and compliance with all other applicable standards and codes.
- 2.9 The Design-Builder warrants that Services provided by Design-Builder and all of its Sub-Consultants and Subcontractors under this Contract will be performed in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession or trade currently practicing under similar circumstances in Bexar County, Texas.
- 2.10 **Duty to Correct Errors.** Design-Builder shall, without additional compensation, immediately correct any errors, omissions or deficiencies in its Design Services and Construction Documents.
- 2.11 Design-Builder acknowledges and agrees that the Architect of Record shall be responsible for all material aspects of the practice of architecture and shall have direct supervision of the architectural work associated with the Project. The Architect of Record shall have responsibility for compliance with the requirements of the Texas Occupations Code Ann., Chapter 1051.
- 2.12 The Design-Builder shall be represented by a registered professional Architect/Engineer licensed to practice in the State of Texas at meetings of any official nature concerning the Project including, but not limited to, scope meetings, review meetings, pre-construction meetings and other meetings as required by Owner.

- 2.13 Design-Builder acknowledges and agrees that the Engineering Representatives shall be responsible for compliance with the engineering design requirements and shall have direct supervision of the engineering work associated with the Project. The Architect of Record shall have responsibility for compliance with the architectural requirements of the Texas Occupations Code Ann., Chapter 1001.
- 2.14 Design-Builder certifies that each individual or business entity which is an Engineer or Architect chosen to be a member of the Deigns-Build team was selected only on the basis of demonstrated competence and qualifications.
- 2.15 Acceptance of the final Construction Documents by Owner shall not constitute nor be deemed a release of the responsibility and liability of Design-Builder, its employees, associates, agents, Sub-Consultants or Subcontractors for the accuracy and competency of their designs, drawings, specifications or other documents and Services; nor shall such acceptance be deemed an assumption of responsibility or liability by Owner for any defect in the designs, working drawings, specifications or other documents and Work prepared by said Design-Builder, its employees, Sub-Consultants, Subcontractors and agents.
- 2.16 The Design-Builder warrants that it has not employed or retained any company or person other than a bona fide employee working solely for Design-Builder to solicit or secure this Contract and that it has not, for the purpose of soliciting or securing this Contract, paid or agreed to pay any company or person a commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the award or making of this Contract. For breach of this warranty, Owner shall have the right to terminate this Contract under the provisions of **ARTICLE XII** herein.

ARTICLE III PRELIMINARY CONSULTATION AND PROJECT ANALYSIS

- 3.1 **Determining the Project Objectives.** Prior to the preparation of the Construction Documents, as required by **Article IV** herein, Design-Builder first shall consult in detail with Owner and carefully shall analyze any information furnished by Owner concerning requirements of the Project including, but not limited to, any design, construction, scheduling, budgetary or operational requirements, limitations and objectives, as well as the Design Scope Specification. Should the goals of the Project subsequently change, either Design-Builder or Owner may request a review of the anticipated Services, with an appropriate adjustment in compensation.
- 3.2 **Report On Project Requirements And Objectives.** Based on its study and analysis, and no later than ten (10) days after the effective date of the Contract, Design-Builder shall prepare and submit to Owner a written report detailing Design-Builder's understanding and analysis of the Project requirements and identifying any design, construction, scheduling, budgetary, operational or other problems which may result from said requirements. The written report of Design-Builder also shall include proposed solutions, including design alternatives if appropriate, addressing each of the identified problems.

Design-Builder shall review such report with Owner and shall implement such changes as Owner may require as provided in Paragraph 2.2 of this Contract.

- 3.3 **Schedule of Design Services.** Design-Builder shall, within ten (10) calendar days after execution of the Contract and prior to Owner's issuance of a written Notice to Proceed, submit for Owner's approval the Design Schedule for the performance of Design-Builder's Design Services, which shall include allowance for reasonable time required for Owner's review of submissions and for approvals of authorities having jurisdiction over the Project. This Schedule shall, upon approval by Owner, be considered incorporated and made a part of this Contract, attached hereto and labeled as **Exhibit "F" Design-Builder's Design Schedule**. The Design Schedule, when approved by Owner, shall not, except for good cause, be exceeded by Design-Builder. Should Design-Builder at any time during the course of performing the Contract, have reason to believe that it will be unable to meet any completion date in accordance with the Design Schedule, it shall immediately notify Owner in writing, stating the reason for the delay, the party responsible for the delay (if any) and the steps being taken to remedy or minimize the impact of the delay. **Failure of Design-Builder to submit such notification shall constitute a waiver by Design-Builder of any claim Design-Builder may have for an adjustment to the Contract Price, the Design Schedule or the Contract Time.** All extensions of time shall be governed by **Article VIII** of Owner's General Conditions for Design/Build Contracts. Subject to the provisions of **Section 8.2** of said General Conditions, Owner shall review and approve, where appropriate, the Design Schedule or any portion thereof.
- 3.4 **Scheduling.** Based upon Design-Builder's recommendation that the Project schedule should be "fast tracked" for the Design Phase, Owner agrees promptly to review the proposed plan of action. The proposed schedule should include sufficient budget allowances in anticipation of currently unknown refinements of budgets that may become necessary and in order to control Project costs.
- 3.5 The Design-Build Firm shall include in any contract or team member agreement with a professional Architect and/or Engineer the following provisions:
- (a) The Architect/Engineer, whose work product and services are the subject of this Contract for professional services in connection with the Design-Build Contract for Henry B. Gonzalez Convention Center Expansion with the City of San Antonio, Texas, agrees to INDEMNIFY AND HOLD OWNER , ITS ELECTED OFICIALS, OFFICERS, AGENTS AND EMPLOYEES HARMLESS against any and all claims by third parties, lawsuits, judgments, costs, liens, losses, expenses, fess (including reasonable attorney's fees and costs of defense), proceedings, actions, demands, causes of action, liability and suits of any kind and nature including, but not limited to, personal injury (including death), property damage or other harm for which recovery of damages is sought that may arise out of or be occasioned or caused by Architect's/Engineer's negligent act, error or omission or Architect/Engineer, any agent, officer, director, representative, employee, Architect/Engineer or Sub-Architect/Sub-Engineer of Architect/Engineer or Architect/Engineer and their respective officers, agents, employees, directors and representatives while in the

exercise of performance of the services, rights or duties in connection with Henry B. Gonzalez Convention Center Expansion under this CONTRACT. The INDEMNITY provided for in this **Section 3.5** shall not apply to any liability resulting from the negligence of Owner, its officers or employees, in instances where such negligence causes personal injury, death or property damage. In the event Architect/Engineer and Owner are found jointly liable by a court of competent jurisdiction, liability shall be apportioned comparatively in accordance with the laws of the State of Texas without, however, waiving any governmental immunity available to Owner under Texas law and without waiving any defenses of the parties under Texas law; and

- (b) The professional Architect/Engineer shall add Owner as an additional insured in all insurance policies required for Henry B. Gonzalez Convention Center Expansion excluding professional liability coverage(s).

ARTICLE IV CONSTRUCTION DOCUMENTS

- 4.1 **Time for Preparation.** Not later than the date called for in the Design Schedule attached hereto, made a part of this Contract and labeled as **Exhibit "F"**, after Owner has authorized Design-Builder to commence with the completion of the Construction Documents, Design-Builder shall prepare Construction Documents consisting of Drawings and Specifications and submit them to the Owner for approval at 35 %, 70 %, and 95 % completion. The Construction Documents shall be based on the approved Programming Documents, any further adjustments to the facility program, the GMP or Fixed Price Proposal, as applicable, and shall be provided not later than the date called for in the design schedule.
- 4.2 **The Construction Documents.** The Construction Documents shall include all design documents, which shall describe with specificity all Owner requested elements, details, components, materials and other information necessary for the complete construction of the Project and the rendering of the Project fully operational for its intended purposes. The Construction Documents shall include satisfaction of all testing, permitting, qualifications, certifications, validations and obtaining regulatory approvals by all applicable regulatory authorities required to render the Project and all its components operational and functionally and legally usable for their intended purpose. Subject to the provisions of **Section 10.1.7** herein, Owner shall review and approve, where appropriate, the Construction Documents, or any portion thereof.
- 4.3 **Guaranteed Maximum Price/Fixed Price Proposal Includes Construction Documents.** The Guaranteed Maximum Price or Fixed Price Proposal, as applicable, as set forth in **Article VIII** herein, shall include the cost of constructing the Project in strict accordance with the requirements of the Construction Documents.
- 4.4 The Design-Builder shall submit the Design Documents to Owner, and obtain Owner's acceptance and approval, Design-Builder shall submit two full size and two half size sets of the Design Documents and two sets of any reports. All models and documents shall

also be provided in electronic format

- 4.5 Upon acceptance, review and approval of said documents, Design-Builder shall provide and submit to Owner the following:
 - 4.5.1 Design-Builder shall submit three (3) sets of approved Plans and Specifications addressed to Owner's Architect's Office; for Owner's Architect, Project Manager and Building Maintenance Department.
 - 4.5.2 Design-Builder shall deliver one (1) set of approved Plans and Specifications in electronic format (PDF format) to Owner's Plans and Records Office c/o CIMS Contract Services.
 - 4.5.3 The Design-Builder shall submit the Building Permit Application, signed and sealed Construction Document Drawings, Specifications, Special Inspection letter and copies of the site survey, geotechnical report, Environmental Clean Letter, and any other documents required, to Owner of San Antonio Planning and Development Services Department for the building permit. Design-Builder shall respond to questions from the Planning and Development Services Department and shall be responsible for receipt of a Building Permit. Permit fees shall be paid by Owner. Any additional review fees required due to improper submittal will be the responsibility of Design-Builder.

ARTICLE V CONSTRUCTION SERVICES

- 5.1 **General Intent.** Design-Builder shall perform all Construction Work necessary to construct the Project in accordance with this Contract and to render the Project and all its components operational and functionally and legally usable for their intended purpose.
- 5.2 The Design-Builder shall ensure that the Architect of Record and/or the Engineering Representative make periodic visits to the site to ensure that all facilities have been constructed in strict compliance with the Construction Documents and endeavor to guard Owner against defects in the work.

ARTICLE VI TIME FOR CONSTRUCTION: THE CONTRACT TIME

- 6.1 **Work Progress Schedule.** Design-Builder shall submit Design-Builder's Work Progress Schedule for the Construction Work no later than ten (10) calendar days after the effective date of the Notice to Proceed. The Work Progress Schedule must be approved by Owner and Design-Builder accepts and agrees that final completion of the Project shall be on or before July 31, 2016, which date shall be superseded by the final

completion date once established pursuant to this Agreement. The Work Progress Schedule shall, upon approval by Owner, be considered incorporated and made a part of this Contract, attached hereto and labeled as **Exhibit “G” Design-Builder’s Work Progress Schedule.**

- 6.2 **Notice to Proceed.** After Owner has approved the Construction Documents, Owner shall issue a Notice to Proceed for the Construction Work directing Design-Builder to proceed with the Work on the specified date indicated in the Notice to Proceed (hereafter referred to as the “Commencement Date”).
- 6.3 **Time for Completion.** Design-Builder shall commence Work on the Commencement Date, and the Work shall be carried out regularly and without interruption. Design-Builder shall substantially complete the Construction Work per the schedule provided for this Project, which shall become part of **Exhibit “G”** hereto, or such other date as later may be designated by Change Order (hereafter referred to as the “Scheduled Completion Date”). The number of calendar days between the effective date of the Contract and the Scheduled Completion Date is the “Contract Time.” Design-Builder shall achieve Final Completion of the Construction Work no later than sixty (60) calendar days after achieving Substantial Completion..
- 6.4 **Liquidated Damages for Delay in Substantial Completion.** Design-Builder shall pay Owner the sum of TEN THOUSAND NO/100 Dollars (\$10,000.00) per day for each and every calendar day of unexcused delay in achieving Substantial Completion beyond the Scheduled Completion Date. Any sums due and payable hereunder by Design-Builder shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely to be sustained by Owner, estimated at the time of executing this Contract. Such liquidated damages shall apply regardless of whether Design-Builder has been terminated by Owner prior to Substantial Completion, so long as Design-Builder's actions or inactions contributed to the delay. Such liquidated damages shall be in addition to and not in preclusion of the recovery of actual damages resulting from other defects in Design-Builder's performance hereunder for matters other than delays in Substantial Completion. When Owner reasonably believes that Substantial Completion will be inexcusably delayed, Owner shall be entitled, but not required, to withhold from any amounts otherwise due to Design-Builder an amount then believed by Owner to be adequate to recover liquidated damages applicable to such delays. If and when Design-Builder overcomes the delay in achieving Substantial Completion, or any part thereof, for which Owner has withheld payment, Owner shall promptly release to Design-Builder those funds withheld, but no longer applicable as liquidated damages.
- 6.5 **Liquidated Damages for Delay in Final Completion.** If Design-Builder fails to achieve Final Completion within sixty (60) calendar days after the date of Substantial Completion, Design-Builder shall pay Owner the sum of THREE THOUSAND AND NO/100 Dollars (\$3,000.00) per day for each and every calendar day of unexcused delay in achieving Final Completion beyond the date set forth herein for Final Completion of the Work. Any sums due and payable hereunder by Design-Builder shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely

to be sustained by Owner, estimated at the time of executing this Contract. Liquidated damages shall apply regardless of whether Design-Builder has been terminated by Owner prior to Final Completion, so long as Design-Builder's actions or inactions contributed to the delay. Such liquidated damages shall be in addition to and not in preclusion of the recovery of actual damages resulting from other defects in Design-Builder's performance hereunder for matters other than delays in Final Completion. When Owner reasonably believes that Final Completion will be inexcusably delayed, Owner shall be entitled, but not required, to withhold from any amounts otherwise due to Design-Builder an amount then believed by Owner to be adequate to recover liquidated damages applicable to such delays. If and when Design-Builder overcomes the delay in achieving Final Completion, or any part thereof, for which Owner has withheld payment, Owner shall promptly release to Design-Builder those funds withheld, but no longer applicable as liquidated damages.

- 6.6 **Time is of the Essence.** All limitations of time set forth in this Contract are material and time is of the essence of the Contract.

ARTICLE VII ADDITIONAL DUTIES AND RESPONSIBILITIES OF DESIGN-BUILDER

- 7.1 **Design-Builder to Perform All Work Required by the Contract.** The intent of this Contract is to require complete, correct and timely execution of the Design Services and the Construction Work. Any and all Design Services that are required, reasonably implied or reasonably inferred by the Contract or any part of it, as necessary to produce the intended result, shall be provided by Design-Builder for the Design Services Fee as provided in **Article IX** herein. In addition, any and all Construction Work that may be required, reasonably implied or reasonably inferred by the Contract or any part of it, as necessary to produce the intended result shall be provided by Design-Builder for the Guaranteed Maximum Price or Fixed Price Proposal(s), as applicable, as provided in **Article IX** herein.
- 7.2 **Strict Compliance with the Contract Documents.** All Construction Work performed by Design-Builder shall be in strict compliance with this Contract. "Substantial Compliance" is not strict compliance. Any Construction Work not in strict compliance with the Contract is defective.
- 7.3 **Design-Builder's Schedule of Construction.** Pursuant to **Section 1.2.4** of City's General Conditions for Design/Build Contracts, Design-Builder, within ten (10) days after the Commencement Date, shall submit to Owner its Preliminary Work Progress Schedule, Preliminary Schedule of Shop Drawing and Sample Submittals and Preliminary Schedule of Values for all of the Work, which shall constitute Design-Builder's schedule for completing the Construction Work by the Scheduled Completion Date. The Schedule of Construction shall reflect the performance of all Construction Work on weekdays and non-holidays. The Schedule of Construction shall be a detailed critical path management ("CPM") schedule in a form acceptable to Owner. Per **Section 3.10** of City's General

Conditions for Design/Build Contracts, the Work Progress Schedule and successive updates shall be revised at least monthly and shall be revised to reflect conditions encountered from time to time and shall be related to the entire Project. Each such revision shall be furnished to Owner. Strict compliance with the requirements of this Paragraph shall be a condition precedent for payment to Design-Builder, and failure to strictly comply with said requirements shall constitute a material breach of the Contract. No claim for an increase in the GMP or Fixed Price Proposal, as applicable, shall be allowed as a result of Design-Builder basing the GMP/Fixed Price Proposal upon an early completion schedule or as a result of delays and costs attributable to completion later than the planned early completion date.

- 7.4 **Review and Approval of Submittals.** Design-Builder shall review, study, approve or take other necessary action upon all Shop Drawings, Product Data, Samples and other Submittals, to ensure that the Project will be constructed in a timely fashion in strict compliance with the Contract. No deviation from, substitution for or other modification from the Contract Documents shall be allowed by Design-Builder in a shop drawing or submittal without written approval, in the form of a Change Order, from Owner. Design-Builder shall engage in prompt and adequate review of Shop Drawing and other Submittals to maintain the Construction Schedule. Design-Builder shall use its best independent professional judgment in its review to determine compliance with the Contract Documents.
- 7.5 **Owner's Option to Review Submittals.** Owner shall, in its discretion, have the right to review and approve Submittals and if Owner so elects, Design-Builder shall not perform any portion of the Construction Work of which Owner has required submittal and review until such Submittal has been submitted to and approved by Owner. Approval by the Owner, however, shall not be evidence that Construction Work installed pursuant to the Owner's approval conforms to the requirements of the Contract nor shall such approvals relieve Design-Builder of any of its responsibilities or warranties under the Contract. If Owner elects to review Submittals, Design-Builder shall maintain a Submittal log which shall include, at a minimum, the date of each Submittal, the date of any re-submittal, the date of any approval or rejection and the reason for any approval or rejection. Design-Builder shall have the duty carefully to review, inspect and examine any and all Submittals before submission of same to Owner. Shop Drawings and other Submittals from Design-Builder do not constitute a part of this Contract.
- 7.6 **Procurement of Operations and Maintenance Documentation.** Design-Builder shall prepare or procure and shall transmit to Owner all documentation required by this Contract regarding the operation and recommended maintenance programs relating to the various elements of the Construction Work.
- 7.7 **As-Built Drawings.** Design-Builder shall use 3D Modeling Software in the latest revision to prepare and provide to Owner the final as-built deliverable, which shall be complete and, except as specifically noted, shall reflect performance of the Construction Work in strict compliance with the requirements of this Contract. The model shall follow, at minimum, the AIA E202 Protocol, level 500 and Design-Builder shall

electronically attach all close-out documents to the model for delivery to Owner on a flash drive or DVD.

- 7.8 **Compliance with Labor Laws.** Per this **Section 7.8** and **Section 3.4** of the City's General Conditions for Design/Build Contracts, Design-Builder shall assume all labor responsibility for all personnel assigned to or contracted with for the performance of the Construction Work and agrees strictly to comply with all its obligations as employer, with respect to said personnel under all applicable labor laws.
- 7.9 **Testing, Inspections, and Approvals.** Owner shall be responsible for procuring the services of special inspections and material testing, as required by IBC 2009 Chapter 17, including but not limited to construction materials testing. Excepting the inspections, testing and approvals required per IBC 2009 Chapter 17, if the laws, ordinances, rules, regulations or orders of any public authority having jurisdiction require any Construction Work specifically to be inspected or approved to complete the Construction Work, Design-Builder shall assume full responsibility therefore, pay all costs in connection therewith and furnish to Owner the required certificates of inspection or approval.
- 7.10 **Owner's Regulations and Applicable Laws.** Design-Builder shall, during the course of the Construction Work, comply with any regulations or guidelines contained in the Contract or as mutually agreed upon in writing by the Parties. Design-Builder warrants that it will comply with all public laws, ordinances, rules and regulations applicable to the services to be performed under the Contract including, without limitation, those relating to the terms and conditions of the employment of any person by Design-Builder in connection with the Construction Work to be performed under the Contract.
- 7.11 **Compliance with Construction Regulations.** Design-Builder shall perform the Construction Work in accordance with all construction codes, laws, ordinances or regulations applicable to the design and execution of the Construction Work. Any fine or penalty which may be imposed as consequence of any violation of this provision shall be paid by Design-Builder and Design-Builder fully shall indemnify and hold Owner harmless from all loss, damage and expense, including attorney's fees, resulting from any such violation or alleged violation of codes, laws, ordinances, or regulations.
- 7.12 **Conditions to Site Access.** While on Owner's property, all Design-Builder's employees, Sub-Consultants and Subcontractors shall confine themselves to areas designated by Owner and will be subject to Owner's badge and pass requirements, if any, in effect at the site of the Construction Work.
- 7.13 **Repair of Collateral Damage.** Unless otherwise instructed by Owner, Design-Builder shall repair and return to original condition all buildings, streets, curbs, sidewalks, utilities or other facilities and pre-existing site features affected by Design-Builder's performance of the Construction Work.

ARTICLE VIII CONTRACT PRICE

- 8.1 **Contract Price.** The Contract Price is the Not-to-Exceed amount of **THREE HUNDRED FOUR MILLION, EIGHT HUNDRED THOUSAND DOLLARS AND NO CENTS (\$304,800,000.00)**, and will consist of the **Design Services Fee and the Guaranteed Maximum Price (GMP) for Construction work, as set out herein.** The quantities of the various elements of the Work to be done and material to be furnished are determined by Design-Builder. It is expressly understood and agreed by Owner and Design-Builder that the Contract Sum, including authorized adjustments, is the total amount payable by Owner to Design-Builder and shall cover the cost for all Work required to complete the Project in accordance with the Contract Documents, regardless of what the final measurement of quantities is measured to be.
- 8.2 **Design Services Fee.** Owner shall pay, and Design-Builder shall accept, as full and complete payment for the Design Services, the amount Not-to-Exceed will be negotiated and the , payable on the basis of monthly billings as Design Services are completed and accepted by Owner.
- 8.3 The GMP is intended to address all items for the performance of all Construction Work required by the Contract, and the performance of all other requirements of this Contract, to include assumptions, costs, contingencies, schedules and other matters necessary and relevant for proper execution and completion of the Work for the GMP. Design-Builder shall provide a fully functional and operational facility as intended in the GMP.
- 8.4 The GMP shall adopt and incorporate all of the terms and conditions of this Contract and all other documents that comprise the Contract between the Owner and Design-Builder. Any exceptions to or modifications of such terms and conditions proposed by Design-Builder in the GMP shall not be effective unless they are expressly stated and conspicuously identified in the GMP and specifically are accepted and approved by Owner.
- 8.4.1 The GMP shall consist of the Cost of the Construction Work as defined in the Contract, plus Design-Builder's **Management Fee, which is to be determined.** Owner agrees to perform its responsibilities so as to assist Design-Builder to facilitate the completion of the Construction Work and represents to Design-Builder that there will be sufficient funds available to pay Design-Builder up to the **GMP, which is to be determined,** as adjusted by any Change Order. **The GMP, unless changed by Supplemental Agreement or Change Order, represents the absolute limit of obligation or liability that Owner may ever have, insofar as the cost for full and final completion of the Construction Work and the total of all payments to Design-Builder or its Subcontractors are concerned.** Should additional amounts be required to be expended, over and above the GMP, to achieve completion of the Construction Work, including Project construction, and payment to Design-Builder, in accordance with this Contract, liability for and payment of such additional amounts shall be the sole

responsibility of Design-Builder and its Contract Surety herein, and Owner shall never be liable for same. **Should the final Cost of the Construction Work and Design-Builder's compensation total less than the GMP, or any approved revision thereof, the difference shall inure to the benefit of Owner and no claim for all or any portion of said difference shall be valid against or payable by Owner. Owner's limitation of obligation or liability set out in this Section shall be incontrovertible and unequivocal; any term or provision of this Contract, the Exhibits, attachments or provisions incorporated by reference in or to this Contract, or of any Subcontract executed in furtherance of the anticipated Construction Work under the Contract, shall not be construed or deemed to alter or waive this absolute condition.** Likewise, Design-Builder's absolute responsibility for the completion of the Project in accordance with the Contract Documents, including the Plans and Specifications and within the agreed cost constraints, as well as Design-Builder's Contract to bear all costs in excess of the GMP without recourse to Owner, if such excess costs are necessary for the completion of the Construction Work, shall be incontrovertible and undisputable, and shall take precedence over all other terms and provisions of this Contract and the Exhibits hereto, no part of which shall be deemed to alter, diminish or waive such obligations.

8.5 Reserved

8.6 Management of Construction Work. In addition to the Construction Work Design-Builder will perform, it will also provide all the usual and necessary traditional construction management services incident to construction projects of the nature and scope of this Project, for which the Management Fee described in **Section 9.1** herein is paid. The services required are not intended in any manner to diminish the overall responsibility of Design-Builder for the full and final completion of the Construction Work within the time and cost constraints specified in this Contract.

8.7 Cost of Construction Work. Owner agrees to pay Design-Builder for the Cost of the Construction Work as defined herein, subject to submission by Design-Builder of all backup substantiation as may be reasonably required by Owner. Such payment shall be in addition to Design-Builder's Management Fee specified above. However, in no event shall the sum of payments for the Cost of the Construction Work, Design-Builder's Management Fee and any other Design-Builder compensation exceed the GMP or Fixed Price Proposal, as applicable, as adjusted by Change Order(s). The following items are considered to be part of the Cost of the Construction Work:

8.7.1 Wages paid for labor in the direct employ of Design-Builder in the performance of the Work under any applicable collective bargaining agreement, or under a salary or wage schedule agreed upon by Owner and Design-Builder, and including reasonable and customary benefits, if any, as may be payable with respect thereto. Such costs shall be at rates not higher than the standard rate of pay in the locality of the Construction Work except with prior consent of the Owner and shall include the items set forth below in this **Article VIII**. The

reasonable cost of drug testing for all of Design-Builder's employees utilized on or hired for the Project, whether management or labor, shall also be a Cost of the Construction Work.

- 8.7.2 Salaries of Design-Builder's employees at or below the level of Project Design-Builder, when engaged on the Construction Work and stationed at the Field Office, in whatever capacity employed. Employees engaged, at shops or on the road in expediting the production or transportation of materials or equipment shall be considered as stationed at the field office and their salaries paid for that portion of their time spent on this Construction Work.
- 8.7.3 Cost of reasonable and customary pension contributions, hospitalization insurance, medical insurance, assessments or taxes for such items as unemployment compensation and social security, insofar as such cost is reasonably based on wages, salaries, or other remuneration paid to employees of Design-Builder and included in the Cost of the Construction Work under **Section 9.3.1, Section 9.3.2, Section 9.3.24 and Section 9.3.25** herein.
- 8.7.4 Only with Owner's prior written approval, the proportion of reasonable travel and hotel expenses incurred outside of Owner of San Antonio metropolitan area by Design-Builder's officers or employees in discharge of duties directly connected with the Construction Work.
- 8.7.5 Cost of all materials, supplies and equipment incorporated in the Construction Work, including costs of transportation thereof.
- 8.7.6 Payments made by Design-Builder to Sub-Consultants and Subcontractors for Construction Work performed pursuant to a Subcontract entered into in the performance of this Contract.
- 8.7.7 Cost, including transportation and maintenance, of all materials, supplies, equipment, temporary facilities and hand tools not owned by the workmen, which are employed or consumed in the performance of the Construction Work, and cost less salvage value of such items used but not consumed which remain the property of Design-Builder.
- 8.7.8 In connection with the Construction Work and management services and only with Owner's prior written approval, rental charges of all necessary machinery and equipment, exclusive of hand tools, used at the site of the Construction Work, whether rented from Design-Builder or others, including installation, repairs and replacements, dismantling, removal, costs of lubrication, transportation and delivery costs thereof, at rental charges consistent with those shown in the then current Associated Equipment Distributors (AED) Manual. Provided further that, with respect to equipment and machinery rented from Design-Builder, the rental rate shall not exceed 75% of the current AED Manual rental charges, and shall in no event cumulatively exceed the value of such equipment or machinery at the

commencement of the rental period. Should rental charges reach such value, for the equipment and machinery rented from Design-Builder, the equipment and machinery thereafter shall belong to Owner, to be disposed of in accordance with **Section 11.5** herein. Design-Builder shall furnish Owner with a list, to be updated monthly, of all equipment furnished for the Project for which Owner reimburses Design-Builder as a part of the Cost of the Construction Work. Equipment and machinery rented, which becomes property of Owner pursuant to this **Section 8.7.8**, shall be delivered to Owner upon final completion and acceptance by Owner of all Construction Work under the Project.

- 8.7.9 Cost of the premiums for all bonds and insurance coverage required by this Contract, or deemed necessary by Design-Builder, in the normal pursuit of the Construction Work. Premiums for company-wide coverage will be pro-rated on the basis of value of Construction Work completed during the premium period. The cost of (or payment of) all deductible amounts, not otherwise recoverable from third parties or not the result of a claim based upon Design-Builder's negligence, under any insurance furnished by Owner, or under insurance policies required by this Contract or deemed necessary by Design-Builder in the normal pursuit of the Construction Work.
- 8.7.10 Taxes, if any, related to the Work. However, as Owner qualifies for exemption under Section 151.309 of the Texas Limited Sales, Excise and Use Tax Act, Design-Builder shall alert all Sub-Consultants and Subcontractors to prevent erroneous payment of taxes covered by this exemption. Owner will provide exemption certificates to confirm this exemption upon request.
- 8.7.11 Permit fees, licenses, tests, royalties and deposits lost for causes other than Design-Builder's negligence.
- 8.7.12 Minor expenses, such as telegrams, long-distance telephone calls, telephone service at the site, expressage and similar petty cash items in connection with and for the benefit of the Construction Work.
- 8.7.13 Cost of removal of debris. Removal of debris left by other contractors hired by the Owner is not a part of this Contract.
- 8.7.14 Cost incurred due to an emergency affecting the safety of persons and property.
- 8.7.15 Other costs incurred in the performance of the Construction Work, if and to the extent approved in advance in writing by Owner.
- 8.7.16 The reasonable and actual direct cost of data processing services, as required for the Project. Such costs shall be specifically documented as having been done for the Project.

- 8.7.17 Legal costs growing out of prosecution of the Construction Work for Owner only will be reimbursable if such legal costs were incurred for the direct benefit of Owner and with prior written approval of Owner.
- 8.7.18 Cost or rental of temporary portable buildings and toilets as required; cost of utilities, ice, water, containers, cups, fire extinguishers, first-aid supplies, safety equipment, off-site storage space or facilities, progress photographs or video tape records.
- 8.7.19 All reasonable costs and expenditures necessary for the operation of the field office, such as stationery, supplies, blueprinting, furniture, fixtures, office equipment, etc.
- 8.7.20 Costs incurred by Design-Builder in preparing and maintaining progress schedules, budgets and reports required hereby.
- 8.7.21 The reasonable, actual direct cost of computer services, including jobsite and main office terminal, for purposes of field payroll preparation and control. Such costs specifically shall be documented as having been done for the Project.
- 8.7.22 Design-Builder shall be responsible for enforcing warranties and for obtaining correction and/or replacement of all defective Construction Work not constructed or installed in accordance with the Contract Documents. All such corrective or remedial Construction Work required by the Contract Documents shall be performed by responsible Subcontractors under the terms of their Subcontracts, without additional cost to the Owner. Costs incurred by Design-Builder to correct or remedy Construction Work performed by Design-Builder's own forces, or where the responsible Subcontractor fails to perform, shall **NOT** be a Cost of the Construction Work and shall be Design-Builder's sole responsibility, at no additional cost to Owner; provided, however, Design-Builder shall be entitled to the proceeds of any Subcontractor maintenance bond, where such Subcontractor has defaulted in this regard.
- 8.7.23 Salaries of Design-Builder's Project Design-Builder and Contract Design-Builder, Safety Engineer, M/WBE Coordinator, and Procurement Specialist (for coordinating, costing, scoping and purchasing of major Work items), earned after the date of approval and funding of the GMP, whether stationed at the Field Office or at the Main Office of Design-Builder, for that portion of their time spent on this Construction Work.
- 8.7.24 Where not otherwise included in the Cost of the Construction Work, the cost of central accounting services in connection with the Construction Work, such as payment of invoices, maintaining material cost records, computer services, preparation of W-2 Reports, payroll tax reporting and preparation of other reports.

- 8.8 **Reconstruction Due to Casualty Loss.** If, after a substantial loss from fire, flood or similar cause not due to the default or neglect of Design-Builder, Design-Builder is put in charge of reconstruction and shall be paid a management fee for its services proportionate to the Management Fee specified in this Contract. Any reconstruction work shall be considered part of the Scope of the Work, except that Design-Builder's Management Fee under the GMP shall be adjusted accordingly, unless otherwise reimbursed by the proceeds of insurance or through utilization of the Change Order procedure set out in this Contract.
- 8.9 **Discounts, Refunds and Sales of Surplus Materials.** All discounts, if realized, for prompt payment shall belong to Owner and shall be accounted for in the applicable GMP line item. All trade discounts, rebates, funds and all returns from sale of surplus materials and equipment likewise shall belong to Owner, and Design-Builder and Owner shall make provisions so that they can be secured, the amounts thereof to be accounted for in the applicable line item.
- 8.10 **Costs Not Included as Part of the Construction Work and Services.** The following items of cost and expense are not included as part of the Cost of the Construction Work to be paid by Owner to Design-Builder:
- 8.10.1 Except as specifically provided above, salaries, wages, and other compensation of Design-Builder personnel stationed at Design-Builder's principal office or offices.
 - 8.10.2 Design-Builder's home office overhead including, but not limited to, any and all expenses associated with Design-Builder's principal office and offices other than at the Project site.
 - 8.10.3 Design-Builder's capital costs and expenses, including interest on capital utilized in the performance of this Contract.
 - 8.10.4 Rental cost for machinery or equipment, except as expressly provided herein.
 - 8.10.5 Cost and expense incurred by Design-Builder, its Subcontractors, Sub-consultants, Suppliers or anyone directly or indirectly employed by any of the entities when such costs or expenses are the result of their negligence or failure to perform any required contractual duty.
 - 8.10.6 Any and all cost or expense not specifically allowed pursuant to **Section 8.3** herein.
- 8.11 Any and all cash discounts, rebates, or refunds relating to payments made by Design-Builder shall accrue to Owner and shall be credited or paid to Owner at its election.
- 8.12 Owner may, at its option, offset any amounts due and payable under this Contract against any debt (including taxes) lawfully due to Owner from Design-Builder, regardless of whether the amount due arises pursuant to the terms of this Contract or otherwise and

regardless of whether or not the debt due to Owner has been reduced to judgment by a court.

ARTICLE IX PAYMENT OF THE CONTRACT PRICE

- 9.1 **Payment Procedure.** Owner shall pay the Contract Price to Design-Builder in accordance with the procedures set forth in this **Article IX** and, for purposes of the Construction Work, the applicable provisions of **Article IX** of City's General Conditions for Design/Build Contracts to the extent they do not conflict with this **Article IX**.
- 9.2 **Internet-Based Project Management Systems.** Owner will administer its design and construction management through an Internet-Based Project Management System. In such case, Design-Builder shall conduct communication through this media and perform all Project-related functions utilizing this database system. This includes correspondence, submittals, requests for information, vouchers, payment requests and processing, amendments, change orders and other administrative activities. Owner shall administer the software to Design-builder to access and operate the Project Management System, provide training to Project Team Members and make the software accessible via the Internet to all Project Team Members.
- 9.3 **Draws through the Program Management System.** All draws shall be submitted through Owner's Project Management System. Prior to submittal of the first draw, Design-Builder will submit a schedule of values for payment to be approved by Owner, which approval shall not be unreasonably withheld, conditioned or delayed. Any changes to the schedule of values once approved will be processed and approved as task orders through the System.
- 9.4 **Request for Payment for Design Services.** As the Design Services progress, Design-Builder shall submit monthly statements for Design Services rendered based upon a percentage of completion of the Design Services. If special services or Owner-approved reimbursable expenses are included as part of the Design Services Fee, such services shall be paid on the basis of the hourly rates or actual cost, as applicable, for those items as needed or required by Owner. Owner shall make monthly payments for Design Services in the amount shown by Design-Builder's approved monthly statements and other required documentation submitted within thirty (30) days after receipt by Owner of properly prepared and certified requests for payment for Design Services. Nothing contained in this **Section 9.4** shall require Owner to pay for any Design Services which are unsatisfactory, as determined by Owner or which are not submitted in compliance with the terms of this Contract, and payment may be withheld until the Design Services at issue are corrected or compliance is achieved. Progress payments for Design Services under this Contract shall be up to but shall not exceed 95% of the total Design Services Fee; upon final completion and acceptance of the Construction Work, the balance of the Design Services Fee will be paid, along with any final payment for the Construction Work.

- 9.5 **Request for Payment for Construction Work.** Payments for Construction Work shall be made in accordance with **Article IX** of City's General Conditions for Design/Build Contracts.
- 9.6 **Payment of the Management Fee.** In addition to the payment of the Cost of the Construction Work and related services, as set forth herein, Owner will pay Design-Builder its Management Fee monthly during performance of Construction Work, based upon the percentage of Construction Work completed in accordance with the Contract. From each scheduled Management Fee payment, Owner shall further withhold retainage in the amount of five percent (5%).
- 9.7 **Right to Audit.** Owner shall be entitled to rely upon the accuracy and completeness of the information furnished by Design-Builder in connection with any request for payment under this Contract. Owner reserves the right to audit, at Owner's election, all of Design-Builder's records and billings relating to the performance of Design Services or Construction Work under this Contract. Design-Builder agrees to retain its Project records for a minimum of four (4) years following completion of all Services under this Contract, unless there is an ongoing dispute under the Contract, then, such retention period shall extend until final resolution of the dispute. Owner agrees that it will exercise the right to audit only at reasonable hours. Owner may review any and all of the services performed by Contractor under this Contract. Owner is granted the right to audit, at Owner's election, all of Contractor's records and billings relating to the performance of this Contract. Contractor agrees to retain such records for a minimum of four (4) years following completion of this Contract, unless there is an ongoing dispute under the Contract, then, such retention period shall extend until final resolution of the dispute. Any payment, settlement, satisfaction or release made or provided during the course of performance of this Contract shall be subject to Owner's rights as may be disclosed by an audit under this subsection. In the event Owner determines that Design-Builder has been paid any sums not due or earned by Design-Builder, same shall be reimbursed by Design-Builder to Owner within forty-eight (48) hours of demand by Owner.
- 9.8 **Condition Precedent to Final Payment.** Notwithstanding any other provision in the Contract Documents, final payment shall not be made to Design-Builder until Design-Builder fully has performed all of its obligations under the Contract and the Design Services and the Construction Work fully are complete.
- 9.9 **Owner's Review of Pay Requests.** Owner shall have the right to review all pay requests for the Design Services and the Construction Work to determine whether the quantity and quality of the Design Services and the Construction Work is as represented in the pay request and as required by the Contract.
- 9.10 **Conditions Precedent to Payment.** In addition to all other conditions precedent contained in this Contract and in City's General Conditions for Design/Build Contracts, including, but not limited to, the provisions of **Section 10.9** and **Section 13.5** herein, it shall be a condition precedent to payment of any pay request under this Contract that

Design-Builder has submitted properly updated or revised schedules for the performance of its Design Services and Construction Work, as required by this Contract.

- 9.11 **Passage of Title to Construction Work.** Notwithstanding progress payments made by Owner under this Contract, title to Construction Work under this Contract does not pass to Owner until final completion of the Project, at which point title to all Construction Work is deemed to pass immediately to Owner. The risk of loss regarding completed Construction Work that is paid for by Owner prior to final completion remains with Design-Builder.
- 9.12 **Design-Builder's Use of Progress Payments.** Upon receipt of any payment from Owner, Design-Builder promptly shall pay all Sub-Consultants, Subcontractors, materialmen, laborers and Suppliers such amounts as they are entitled for the Construction Work covered by such payment. Design-Builder also shall comply with the requirements of City's General Conditions for Design/Build Contracts relating to payments to Sub-Consultants and Subcontractors.
- 9.13 **Use of Joint Checks.** If Owner becomes informed that Design-Builder has not paid a Sub-Consultant, Subcontractor, materialman, laborer or Supplier as provided herein, Owner shall have the right but not the duty to issue checks and payment then or thereafter otherwise due to Design-Builder naming Design-Builder and any such Sub-Consultant, Subcontractor, materialman, laborer or Supplier as joint payees. Such joint check procedure, if employed by Owner, shall create no rights in favor of any person or entity beyond the right of the named payees to payment of the check and shall not be deemed to commit Owner to repeat the procedure in the future nor to create any contractual or other relationship of any kind between Owner and such person or entity.
- 9.14 **Payment Not a Waiver or Acceptance:** No payment to Design-Builder, nor any use or occupancy of the Project by Owner, shall be interpreted or construed to constitute acceptance of any Construction Work not in strict compliance with the Contract, and Design-Builder expressly accepts the risk that defective Construction Work may not be detected:
- (1) during any inspection by Owner;
 - (2) prior to making of any payment to Design-Builder; or
 - (3) before Owner's occupancy of the Project.
- 9.15 **Withholding of Payment:** Owner shall have the right to refuse to make payment for Construction Work and, if necessary, may demand the return of a portion or the entire amount previously paid to Design-Builder in an amount then believed by Owner to be adequate to cover the penalties, damages and potential losses resulting or likely to result from:
- 9.15.1 the quality of a portion, or all, of Design-Builder's Construction Work not being in accordance with the requirements of this Contract;

- 9.15.2 the quantity of Design-Builder's Construction Work not being as represented in Design-Builder's pay request, or otherwise;
- 9.15.3 Design-Builder's rate of progress being such that, in Owner's opinion, Substantial Completion, Final Completion or both may inexcusably be delayed;
- 9.15.4 Design-Builder's failure to use Contract funds, previously paid to Design-Builder by Owner, to pay Design-Builder's Project-related obligations including, but not limited to, Sub-Consultants, Subcontractors, laborers and material and equipment Suppliers;
- 9.15.5 evidence that the balance of the Construction Work cannot be completed, in accordance with the Contract, for the unpaid balance of the Contract Price;
- 9.15.6 claims made, or likely to be made, against Owner or its property;
- 9.15.7 loss or damage caused by Design-Builder;
- 9.15.8 Design-Builder's failure or refusal to perform any of its obligations to Owner; or
- 9.15.9 any other basis for withholding of payment specified in the General Conditions.

In the event that Owner makes written demand upon Design-Builder for amounts previously paid by Owner, as contemplated in this **Section 9.15**, Design-Builder promptly shall comply with such demand.

- 9.16 **Limitation on Duty to Pay.** In addition to the grounds for withholding payment, as set forth in **Section 9.15** herein, Owner and Design-Builder further agree as follows:
 - 9.16.1 Prior to Owner's approval of the Guaranteed Maximum Price or Fixed Price Proposal, as applicable, and execution of any supplemental agreement, Design-Builder shall submit to Owner a Schedule of Values allocating the Guaranteed Maximum Price or Fixed Price Proposal, as applicable, to the various portions of the Construction Work. Such Schedule of Values shall be prepared in such form, with such detail and supported by such data as Owner may require to substantiate its accuracy. Design-Builder shall not imbalance nor artificially inflate any element of its Schedule of Values. The violation of this provision by Design-Builder shall constitute a material breach of this Contract. The Schedule of Values only shall be utilized as a basis for evaluating Design-Builder's request(s) for payment and only shall constitute such basis after it has been acknowledged in writing by Owner.
 - 9.16.2 Each request for payment for Construction Work shall include a certification by Design-Builder of the percentage of completion, as of the date of such request for payment, of those portions of the Construction Work as identified in the Schedule

of Values. Design-Builder shall furnish to Owner such documentation or other supporting data as Owner may request in order to verify the percentage of completion certified by Design-Builder.

9.16.3 Owner shall have no obligation to make payment to Design-Builder for any Design Services or Construction Work where the amount, for which such payment is requested, is in excess of the amount allocated in the Schedule of Values for Construction Work based upon the percentage of completion as of the date of the request for payment.

9.17 **Unexcused Failure to Pay.** If Owner, without cause or basis, fails to pay Design-Builder any amounts due and payable under this Contract to Design-Builder within thirty (30) days after the date established in this Contract for payment of such amounts, then the payment shall bear interest in accordance with the Texas Prompt Payment Act, as amended. Provided, however, that Owner shall not be liable for interest due on any late or delayed progress payment or final payment caused by any good faith claim or dispute, any discrepancy in quantities, any failure to provide supporting documentation or other information required with the request for payment or as a precondition to payment under the Contract Documents, or due to any payment Owner has a right to withhold or not certify under the Contract Documents.

ARTICLE X OWNER'S DUTIES, OBLIGATIONS AND RESPONSIBILITIES

10.1 In addition to payment, Owner shall undertake to perform the following:

10.1.1 **Provide Project Information.** Owner shall provide Design-Builder with information regarding Owner's requirements for the Project, including any desired or required design or construction schedule.

10.1.2 **Review of Documents.** Owner shall review any documents submitted by Design-Builder requiring Owner's decision and shall render any required decisions pertaining thereto.

10.1.3 **Provide Notice of Defects.** In the event Owner knows of any material fault or defect in the Construction Work, nonconformance with the Contract or of any errors, omissions or inconsistencies in the Construction Documents, Owner shall give prompt notice thereof in writing to Design-Builder.

10.1.4 **Access to the Site and the Construction Work.** Owner shall provide Design-Builder access to the site and to the Construction Work and shall provide Design-Builder with such information, existing and reasonably available, necessary to Design-Builder's performance of the Contract as Design-Builder may request.

10.1.5 **Cooperation to Secure Permits, Licenses, Approvals and Authorizations.** Owner shall cooperate with Design-Builder in securing any necessary licenses,

permits, approvals or other necessary authorizations for the design, construction and certification of the Project.

- 10.1.6 **Timely Performance.** Owner shall perform the duties set forth in this **Article X** in a reasonably expeditious fashion so as to permit the orderly and timely progress of Design- Builder's Design Services and of the Construction Work.
- 10.1.7 **Owner's Reviews, Inspections, Approvals, and Payments Not a Waiver.** Owner's review, inspection or approval of any Construction Work, Design Documents, Submittals or pay requests by Design-Builder solely shall be for the purpose of determining whether such Construction Work and such documents are generally consistent with Owner's construction program and requirements. No review, inspection or approval by Owner of the Construction Work or documents shall relieve Design-Builder of its responsibility for the performance of its obligations under the Contract or the accuracy, adequacy, fitness, suitability or coordination of its Design Services or the Construction Work. Approval by any governmental or other regulatory agency or other governing body of any Construction Work, Design Documents or Contract Documents shall not relieve Design-Builder of responsibility for the strict performance of its obligations under the Contract. Payment by Owner, pursuant to the Contract, shall not constitute a waiver of any of Owner's rights under the Contract or at law and Design-Builder expressly accepts the risk that defects in its performance, if any, may not be discovered until after payment, including final payment, is made by Owner.
- 10.1.8 **Delay or Forbearance Not A Waiver.** Owner's agreement not to exercise any right under the Contract, Owner's delay or failure to exercise any right under the Contract or Owner requiring strict compliance with any obligation of Design-Builder under the Contract shall not be a waiver of Owner's right to exercise such right or to insist on such compliance at any other time or on any other occasion.
- 10.1.9 **Documents Requested By Design/Builder.** Owner shall furnish to Design-Builder, prior to the execution of this Contract, any and all written and tangible material knowingly in its possession concerning conditions below ground at the site of the Project. Such written and tangible material is furnished to Design-Builder only in order to make complete disclosure of such material and for no other purpose. By furnishing such material, Owner does not represent, warrant or guarantee its accuracy or completeness, either in whole or in part. **Owner expressly does not warrant any geotechnical or site information provided by it for use in connection with preparation of the Construction Documents;** Design-Builder, however, may reasonably rely on geotechnical information provided by Owner to the extent the information has been prepared by Owner or an independent consultant hired by Owner to prepare the information specifically for this Project, without absolving Design-Builder from its responsibility to independently review information for deficiencies, flaws, errors and/or omissions that a reasonable and prudent professional Architect or Engineer should or would detect and inquire about. If Design-Builder requests it in writing, Owner also

shall furnish surveys, legal limitations, utility locations (if known) and a legal description of the Project site.

10.1.10 **Approvals and Easements.** Owner shall obtain any and all easements required for construction and shall pay for necessary assessments and charges required for use and occupancy of the Construction site. Design-Builder shall render such assistance as Owner may request in obtaining such easements, certificates of occupancy, and the like.

10.1.11 **Right to Stop Construction Work.** In the event Design-Builder fails or refuses to perform the Construction Work in strict accordance with the Contract, or otherwise is in breach of this Contract in any way, Owner may, at its option, direct Design-Builder to stop the Work, in accordance with **Section 2.2.6** of City's General Conditions for Design/Build Contracts, and/or direct Design-Builder to carry out the Work in accordance with **Section 2.2.7** of City's General Conditions for Design/Build Contracts and Design-Builder warrants that it will comply with any direction given by Owner under this **Section 10.1.11**.

ARTICLE XI PROJECT DOCUMENTATION

11.1 **Maintenance of Project-Related Records.** Design-Builder shall maintain and protect all records relating in any manner whatsoever to the Project (the "Project Records") for no less than four (4) years after Final Completion of the Project, unless there is an ongoing dispute under the Contract, then, such retention period shall extend until final resolution of the dispute and for any longer period of time as may be required by law or good management practice.

11.2 **Availability of Project-Related Records to Owner:** All Project Records which are in the possession of Design-Builder, Design-Builder's Sub-Consultants and/or Subcontractors shall be made available to Owner for inspection and copying upon Owner's request at any time. Additionally, such records shall be made available upon request by Owner to any state, federal or other regulatory authority and any such authority may review, inspect and copy such records. The Project Records include, without limitation, all drawings, plans, specifications, Submittals, correspondence, logs, minutes, memoranda, photographs, tape or videotape recordings or other writings or things which document the Project, its design or its construction. Said records include those documents reflecting the cost of design and construction to Design-Builder.

11.2.1 Design-Builder must notify Owner immediately if Design-Builder receives a request for documents from a third party. Owner must be given the opportunity to assert any proprietary interest it may have.

11.2.2 Design-Builder must impose on its Sub-Consultants and its Subcontractors, if any, all record retention obligations of this Contract.

ARTICLE XII
OWNERSHIP OF PROJECT DOCUMENTS AND COPYRIGHTS

- 12.1 All work products (electronically or manually generated) including, but not limited to, cost estimates, studies, design analyses, original mylar drawings, Computer Aided Drafting and Design (CADD) file diskettes and other related documents prepared specifically in the performance of this Contract (hereafter collectively referred to as "Project Documents") are to be and remain the property of the Owner and are to be delivered to the Owner before final payment is made to Design-Builder. In the event the Projects Documents are altered, modified or adapted with or without the written consent of Design-Builder, Design-Builder will not unreasonably withhold the delivery of the Project Documents to Owner.
- 12.2 When applicable and required by state law, all completed documents submitted by Design-Builder, its Sub-Consultants and its Subcontractors for final approval or issuance of a permit shall bear the seal with signature and the date adjacent thereto of a Texas registered professional for all plans, Work and Deliverables prepared by them for this Contract.
- 12.3 All previously owned documents, including drawings, estimates, specifications and all other documents and data not related to this Project will remain the property of Design-Builder as instruments of service. However, Design-Builder understands and agrees that Owner shall have free access to all such information with the right to make and retain copies of previously owned Project-related drawings, estimates, specifications and all other documents and data. Any reuse of Design-Builder's previously owned documents without specific written verification or adaptation by Design-Builder will be at Owner's sole risk and without liability or legal exposure to Design-Builder.
- 12.4 Design-Builder acknowledges and agrees that, upon payment, Owner exclusively shall own any and all information in whatsoever form and character produced and/or maintained in accordance with, pursuant to, or as a result of this Contract and shall be used as Owner desires and documents. All said information, including original drawings, estimates, specifications and all other documents and data, shall be delivered to Owner at no additional cost to Owner upon request, termination or completion of this Contract without restriction on Owner's future use. However, any reuse by Owner without specific written verification or adaptation by Design-Builder will be at Owner's sole risk and without liability or legal exposure to Design-Builder.
- 12.5 Design-Builder agrees and covenants to protect any and all proprietary rights of Owner in any materials provided to Design-Builder. Such protection of proprietary rights by Design-Builder shall include, but not be limited to, the inclusion in any copy intended for publication of copyright mark reserving all rights to Owner. Additionally, any materials provided to Design-Builder by Owner shall not be released to any third party without the written consent of Owner and shall be returned intact to Owner upon termination or completion of this Contract or if instructed to do so by Owner.

- 12.6 **DESIGN-BUILDER HEREBY ASSIGNS ALL STATUTORY AND COMMON LAW COPYRIGHTS TO ANY COPYRIGHTABLE WORK THAT, IN PART OR IN WHOLE, WAS PRODUCED FROM THIS CONTRACT TO OWNER, INCLUDING ALL EQUITABLE RIGHTS. NO REPORTS, MAPS, DOCUMENTS OR OTHER COPYRIGHTABLE WORKS PRODUCED IN WHOLE OR IN PART BY THIS CONTRACT SHALL BE SUBJECT OF AN APPLICATION FOR COPYRIGHT BY DESIGN-BUILDER. ALL REPORTS, MAPS, PROJECT LOGOS, DRAWINGS OR OTHER COPYRIGHTABLE WORK PRODUCED UNDER THIS CONTRACT SHALL BECOME THE PROPERTY OF OWNER (EXCLUDING ANY PRIOR OWNED INSTRUMENT OF SERVICES, UNLESS OTHERWISE SPECIFIED HEREIN). DESIGN-BUILDER SHALL, AT ITS EXPENSE, INDEMNIFY OWNER AND DEFEND ALL SUITS OR PROCEEDINGS INSTITUTED AGAINST OWNER AND PAY ANY AWARD OF DAMAGES OR LOSS RESULTING FROM AN INJUNCTION AGAINST OWNER, INsofar AS THE SAME ARE BASED ON ANY CLAIM THAT MATERIALS OR WORK PROVIDED UNDER THIS CONTRACT CONSTITUTE AN INFRINGEMENT OF ANY PATENT, TRADE SECRET, TRADEMARK, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY RIGHTS.**
- 12.7 Design-Builder may make copies of any and all documents and items for its files. Design-Builder shall have no liability for changes made to or use of the drawings, specifications and other documents made by Architects/Engineers or persons other than Design-Builder. Design-Builder appropriately shall mark all changes or modifications on all drawings, specifications and other documents made by Architect/Engineers or persons other than Design-Builder, including electronic copies.
- 12.8 Copies of documents that may be relied upon by Owner are limited to the printed copies (also known as hard copies) and PDF electronic versions that are sealed and signed by Design-Builder. Files in editable electronic media format of text, data, graphics or other types, (such as DGN) that are furnished by Design-Builder to Owner only are for convenience of Owner. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. However, any reuse without specific written verification or adaptation by Design-Builder will be at Owner's sole risk and without liability or legal exposure to Design-Builder.
- 12.9 Notwithstanding anything to the contrary contained herein, all previously owned intellectual property of Design-Builder including, but not limited to, any computer software (object code and source code), tools, systems, equipment or other information used by Design-Builder or its Suppliers in the course of delivering the Services hereunder, and any know-how, methodologies or processes used by Design-Builder to provide the services or protect deliverables to Owner including, without limitation, all copyrights, trademarks, patents, trade secrets and any other proprietary rights inherent therein and appurtenant thereto, shall remain the sole and exclusive property of Design-Builder or its Suppliers.

**ARTICLE XIII
INSURANCE REQUIREMENTS**

Prior to the commencement of any work under this Project, Design-Builder shall purchase and maintain insurance, as set forth in **Article XI** of Owner’s General Conditions for Design/Build Contracts, and any Supplementary General Conditions or Special Conditions, if applicable.

**ARTICLE XIV
SMALL BUSINESS ECONOMIC DEVELOPMENT ADVOCACY (SBEDA) PROGRAM**

The applicable Small Business Economic Development Advocacy (hereafter referred to as “SBEDA”) Program for this Project is attached hereto, made a part of this Contract and labeled as **Exhibit “D”**.

**ARTICLE XV
DESIGNATED REPRESENTATIVES**

15.1 REPRESENTATIVES OF THE PARTIES

15.1.1 Owner’s Designated Representatives.

Owner designates the individual listed below or his designee as its Architect or Engineer Representative, said individual having the authority and responsibility for avoiding and resolving disputes in project delivery, addressing project management issues and for avoiding and addressing technical disputes regarding architectural and engineering design services provided under the provisions of this Contract.

To be Determined

Owner designates the individual listed below as its Owner’s Designated Project Management Representative (ODR), said individual having the authority and responsibility for day-to-day Project management activities as set forth in this Contract.

To be Determined

15.1.2 Design-Builder’s Designated Representatives:

Design-Builder designates the individual listed below as its Senior Representative (hereafter referred to as "Design-Builder’s Senior Designated Representative"), said individual having the authority and responsibility for avoiding and resolving disputes under the provisions of this Contract.

Mark Gladden, Project Director

Design-Builder designates the individual listed below as its Representative (hereafter referred to as “Design-Builder’s Representative”), said individual

having the authority and responsibility for day-to-day project management activities as set forth in this Contract.

ARTICLE XVI MISCELLANEOUS PROVISIONS

- 18.1 **Dispute Resolution.** All disputes against Owner that arise from this Contract or any Project shall be resolved in accordance with the procedures and limitations of Texas Local Government Code Subchapter I, Chapter 271.151et.seq., and Owner's General Conditions for Design/Build Contracts. Owner designates the Director or his Department Designee as its officer(s) for examining, negotiating and resolving claims and counterclaims. Owner hereby waives sovereign immunity only in accordance with Section 271.152 of the Local Government Code for its obligations to Design-Builder arising under this Contract.
- 18.2 Records of expenses pertaining to Additional Services and services performed on the basis of a Worker Wage Rate or Monthly Salary Rate shall be kept on the basis of generally accepted accounting principles and in accordance with cost accounting standards promulgated by the Federal Office of Management and Budget Cost Accounting Standards Board and shall be available for audit by Owner or Owner's authorized representative on reasonable notice.
- 18.3 **Texas Family Code Child Support Certification.** Pursuant to Section 231.006, Texas Family Code, Design-Builder certifies that it is not ineligible to receive the award of or payments under this Contract and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
- 18.4 **Franchise Tax Certification.** If a corporation or limited liability company, Design-Builder certifies that:
1. it is not currently delinquent in the payment of any Franchise Taxes due under Chapter 171 of the Texas Tax Code; or
 2. that the corporation or limited liability company is exempt from the payment of such taxes; or
 3. that the corporation or limited liability company is an out-of-state corporation or limited liability company that is not subject to the Texas Franchise Tax, whichever is applicable.
- 18.5 **Payment of Debt or Delinquency to Owner.** It is the policy of Owner that any person or entity doing business with Owner shall, at all times, remain in financial good standing with all Owner Departments. In that regard, Design-Builder warrants that it has no outstanding obligations to any City of San Antonio Department at the time of the execution of this Contract, and hereby covenants that it timely will pay, as they come due, any and all taxes, fees, fines or any other charges assessed by any City of San Antonio

Department whether imposed by statute, ordinance or contract, without regard to whether these charges are associated with this Contract or Design-Builder's operation under this Contract.

- 18.6 **Contract Documents; Merger.** The Contract Documents form the entire and integrated Contract between Owner and Design-Builder and supersede all prior negotiations, representations or agreements, either written or oral. This Contract and each of its provisions shall be binding upon the parties and may not be waived, modified, amended or altered except by a writing signed by Design-Builder and Owner.
- 18.7 **Captions.** The captions of sections in this Contract are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.
- 18.8 **Notices.** In addition to the written Notice Provision in City's General Conditions for Design/Build Contracts, all notices, consents, approvals, demands, requests or other communications relied on by the parties shall be in writing. Written notice shall be deemed to have been given when:
1. delivered in person to the designated representative of Design-Builder or Owner for whom it is intended; or
 2. sent by U. S. Mail, certified mail, return receipt requested, to the last known business address of the designated representative; or
 3. transmitted by fax machine to the last know business fax number of the designated representative.

Mail notices are deemed effective upon receipt or on the third business day after the date of mailing, whichever is sooner. Fax notices are deemed effective the next business day after faxing. Notices of claims or disputes or other legal notices required by this Contract shall be sent to the following persons at the indicated locations. The parties may make reasonable changes in the person or place designated for receipt of notices upon advance written notice to the other party.

If to Owner:

City of San Antonio
Capital Improvements Management
Services Department
Attention: Mike Frisbie, P.E., Director
P. O. Box 839966
San Antonio, Texas 78283-3966

If to Design-Builder:

Hunt-Zachry, Joint Venture
Attn.: Timothy L. Smith, Joint
Venture Executive
426 N 44th Street
Suite 410
Phoenix, AZ 85008

- 18.9 **Severability.** Should any term or provision of this Contract be held invalid or unenforceable in any respect, the remaining terms and provisions shall not be affected and this Contract shall be construed as if the invalid or unenforceable term or provision had never been included.

18.10 **Illegal Dumping.** Design-Builder shall ensure that it and all of its Sub-Consultants, Subcontractors and assigns prevent illegal dumping of litter in accordance with Title 5, Texas Health and Safety Code, Chapter 365.

18.11 **Equal Employment Opportunity and Affirmative Action.** Design-Builder shall comply with applicable laws, regulations and special requirements of the Contract Documents regarding equal employment opportunity and affirmative action programs.

BY SIGNING BELOW, the Parties have bound themselves to this terms and conditions of this Contract as of the day and year first above written.

OWNER OF SAN ANTONIO, TEXAS

HUNT-ZACHRY, A JOINT VENTURE

By: _____
Sheryl Sculley, City Manager

By: _____
Robert G. Hunt
Chairman & Chief Executive Officer
Hunt Construction Group, Inc.

APPROVED AS TO FORM:

City Attorney

By: _____
Jean Abrassi
President & Chief Operating Officer
Zachry Construction Corporation

Hunt-Zachry

EXHIBIT A

PROGRAMMING DOCUMENTS

**PREPARED BY DOUGLAS ARCHITECTS AND PROVIDED TO
DESIGN-BUILDER AS PART OF THE RFP DATED JUNE 13, 2012**

EXHIBIT B
DESIGN-BUILDER'S FEE PROPOSAL

TO BE DETERMINED IN ACCORDANCE WITH THIS AGREEMENT

EXHIBIT C
GENERAL CONDITIONS FOR CITY OF SAN ANTONIO
DESIGN/BUILD CONTRACTS

EXHIBIT D
SBEDA PLAN

EXHIBIT E
PAYMENT AND PERFORMANCE BOND FORMS

PAYMENT BOND

STATE OF TEXAS)
COUNTY OF BEXAR) Know all men by these presents:
OWNER OF SAN ANTONIO)

1. That we

_____ ,
as Principal, and _____
as Sureties, do hereby acknowledge ourselves to be held and firmly bound unto Owner of San Antonio, a municipal corporation of the County of Bexar and State of Texas in the sum of \$ _____ for payment of which sum well and truly to be made in and unto said Owner of San Antonio, we do hereby bind and obligate ourselves, our heirs, executors, administrators, assigns, and successors, jointly and severally:

2. THE CONDITIONS OF THIS BOND, HOWEVER, ARE SUCH THAT WHEREAS, the said _____ hereinafter called Contractor or Principal, has made and does this day make and enter into a certain contract in writing with said Owner of San Antonio, for the construction and completion for said Owner of certain structures, work and improvements generally described as

(Insert Name of Project and Location)

and for the performance and observance of diverse other matters and things in connection with said work, and, interalia, therein entered into covenants and agreements to promptly pay all persons supplying labor, materials and services in the prosecution of the work provided for in said contract; all as more fully described in said contract and its included instruments which are expressly made a part of this obligation;

3. NOW THEREFORE, if Contractor, the Principal party to this obligation shall promptly make payment to all persons supplying labor and materials in the prosecution of the work provided for in said contract, and any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then this obligation shall be and become null and void, but otherwise to remain in full force and effect: and it is hereby further understood and agreed that this bond shall be a continuous obligation against the principal and each member of said principal party hereto, and each and all sureties hereon, and that successive recoveries may be had thereon for each and every breach of this bond until the full amount thereof shall have been exhausted; and the liability of the sureties on this bond shall not be in any manner released or diminished by any changes in the work which may be authorized or directed by Owner, nor by the exercise or failure to exercise by or on behalf of Owner any right or remedy provided by the contract or specifications or by any law or ordinances.

4. It is further understood that this obligation is incurred pursuant to Chapter 2253 of the Texas Government Code, and that this obligation is for the benefit and sole protection of all persons supplying labor and materials in the prosecution of said contract.

5. IN TESTIMONY WHEREOF, witness our hands and the seal of any incorporated surety hereon this _____ day of _____ A.D. 20 ____.

(Contractor)

By: _____
(Typed Name)

_____ (Surety)

(SEAL)

By: _____
(Typed Name)

Address of Surety for Service Purposes

PERFORMANCE BOND

STATE OF TEXAS)
COUNTY OF BEXAR) Know all men by these presents:
OWNER OF SAN ANTONIO)

1. That we _____,
as Principal, and _____,
as Sureties, do hereby acknowledge ourselves to be held and firmly bound unto Owner of
San Antonio, a municipal corporation of the County of Bexar and State of Texas in the sum of
\$ _____ for payment of which sum well and truly to be made in and unto said
Owner of San Antonio, we do hereby bind and obligate ourselves, our heirs, executors,
administrators, assigns, and successors, jointly and severally:

2. THE CONDITIONS OF THIS BOND, HOWEVER, ARE SUCH THAT WHEREAS, the
said _____ hereinafter called Contractor or
Principal, has made and does this day make and enter into a certain contract in writing with said
Owner of San Antonio, for the construction and completion for said Owner of certain structures,
work and improvements generally described as

(Insert Name and Location of Project)

and for the performance and observance of diverse other matters and things in connection with
said work; all as more fully described in said contract and its included instruments which are
expressly made a part of this obligation.

3. NOW THEREFORE, if Contractor, the principal party to this obligation shall faithfully
construct and complete said structures, work and improvements, and shall observe, perform and
comply with all the terms, conditions, stipulations, undertakings and provisions of said contract
and all included instruments, according to their intent and purpose insofar as the same relate to or
are incident to the construction and completion of said structures, work and improvements then
and thereupon this obligation shall be and become null and void, but otherwise to remain in full
force and effect; and it is hereby further understood and agreed that this bond shall be a
continuous obligation against the principal and each member of said principal party hereto, and
each and all sureties hereon, and that successive recoveries may be had hereon for each and
every breach of this bond until the full amount thereof shall have been exhausted; and the
liability of the sureties on this bond shall not be in any manner released or diminished by any
changes in the work which may be authorized or directed by Owner, nor by the exercise or
failure to exercise by or on behalf of Owner any right or remedy provided by the contract or
specifications or by any law or ordinance.

4. It is further understood that this obligation is incurred pursuant to Chapter 2253 of the Texas
Government Code as amended, and all liabilities on this bond shall be determined in accordance
with the provisions of said Chapter to the same extent as if it were copied at length herein.

5. IN TESTIMONY WHEREOF, witness our hands and the seal of any incorporated surety hereon this _____ day of _____ A.D. 20 _____.

(Contractor)

By: _____
(Typed Name)

(Surety)

(SEAL)

By: _____
(Typed Name)

Address of Surety for Service Purposes

EXHIBIT F
DESIGN-BUILDER'S DESIGN SCHEDULE

TO BE DETERMINED IN ACCORDANCE WITH THIS AGREEMENT

EXHIBIT G
DESIGN-BUILDER'S WORK PROGRESS SCHEDULE

TO BE DETERMINED IN ACCORDANCE WITH THIS AGREEMENT

EXHIBIT H
DESIGN-BUILD SCOPE OF SERVICES

TO BE DETERMINED IN ACCORDANCE WITH THIS AGREEMENT

**ADDENDUM
TO
DESIGN-BUILD CONTRACT
ARCHITECTURAL/ENGINEERING AND CONSTRUCTION SERVICES
FOR THE HENRY B. GONZALEZ CONVENTION CENTER EXPANSION**

1. Article 1.28 contained in the Design-Build Architectural/Engineering and Construction Services contract (hereinafter referred to as "the Contract") is hereby deleted and replaced in its entirety with the following:

1.28 "Substantial Completion" is, as stated herein and as an addition to Article 9.7 of Owner's General Conditions for Design/Build Contracts, that stage in the progression of the Construction Work, as approved by Owner in writing, when the Work (or a designated portion thereof) sufficiently is complete in accordance with the Contract Documents, such that Owner may enjoy beneficial use or occupancy of the Work (or designated portion thereof) and may utilize it for all of its intended purpose as an operational convention center. Substantial Completion is the stage when all areas of the Work (or a designated portion thereof) serving the general public are ready for full operation and use without material inconvenience or discomfort. A condition precedent to Substantial Completion is the receipt by Owner of all necessary certificates of occupancy or other authorizations for the use and occupancy of the Project required by any governmental or regulatory authority. Owner reserves the right to occupy and use any part, phase or system of the Project in accordance with Article 9.8 of Owner's General Conditions for Design/Build Contracts. Such partial use or occupancy of the Project shall not constitute acceptance of the Work not complying with the requirements of the Contract Documents. Notwithstanding anything herein to the contrary, the Design-Builder will be relieved from the foregoing condition precedent to Substantial Completion (and the Owner will be deemed to have waived said condition precedent for purposes of determining Substantial Completion) to the extent any such certificate of occupancy or other authorization is not obtained or is delayed for causes that are not due to the fault or neglect of the Design-Builder or someone for whom the Design-Builder is responsible hereunder.

2. Article 5.2 contained in the Contract is hereby deleted and replaced in its entirety with the following:

5.2 Design-Builder shall ensure that periodic visits are made to the site to ensure that all facilities have been constructed in strict compliance with the Construction Documents and endeavor to guard Owner against defects in work.

3. Article 8.7.6 contained in the Contract is hereby deleted and replace in its entirety with the following:

8.7.6 Payments owed by Design-Builder to Sub-Consultants and Subcontractors for Construction Work performed, pursuant to a subcontract entered into in the performance of this Contract.

4. Article 9.4 Request for Pyament for Design Services contained in the Contract is hereby deleted and replace in its entirety with the following:

9.4 Request for Payment for Design Services. As the Design Services progress, Design-Builder shall submit monthly statements for Design Services rendered, based upon a percentage of completion of the Design Services. If special services or Owner-approved reimbursable expenses are included as part of the Design Services Fee, such services shall be paid on the basis of the hourly rates or actual cost, as applicable, for those items as needed or required by Owner. Owner shall make monthly payments for Design Services in the amount shown by Design-Builder's approved monthly statements and other required documentation submitted within thirty (30) days after receipt by Owner of properly prepared and certified requests for payment for Design Services. Nothing contained in this Section 9.4 shall require Owner to pay for any Design Services which are not in compliance with the terms of this Contract, and payment may be withheld until the Design Services at issue are corrected or compliance is achieved. Progress payments for Design Services under this Contract shall be up to, but shall not exceed, 95% of the total Design Services Fee; upon final completion and acceptance of the Construction Work, the balance of the Design Services Fee shall be paid, along with any final payment for the Construction Work.

5. Article 1.1.10 "Day" of the General Provision of the General Conditions for City of San Antonio Design-Build Contracts (hereinafter the "General Conditions") is hereby deleted and replace in its entirety with the following:

1.1.10 "Day" as used in the Contract Documents shall mean Calendar Day, unless otherwise specifically defined. A Calendar Day is a day of 24 hours, measured from midnight to the next midnight, unless otherwise specifically stipulated. A Working Day is a day of eleven hours, as measured from nine o'clock a.m. to eight o'clock p.m. on weekdays, except legal holidays, and ten o'clock a.m. to nine o'clock p.m. or such other hours as i) established in a particular Fixed Price Proposal, or ii) have been authorized in writing to work by Owner.

6. The following Article 1.2.8 is hereby added to and made apart of Article 1.2 Preliminay Matters of the General Conditions:

1.2.8 Dark Days. The parties to this Agreement acknowledge that, because the Project is the expansion of Owner's existing Henry B Gonzalez Convention Center (hereafter referred to as "Convention Center"), during performance of the Construction Work there will be ongoing convention, conference and event operations at the

Convention Center (hereafter referred to as "Ongoing CC Operations"). Accordingly, the parties to this Agreement agree to cooperate with each other so as to reduce and minimize, to the extent reasonably possible, the impact of Design-Builder's performance of the Construction Work upon Owner's Ongoing CC Operations. In addition, Design-Builder shall make reasonable efforts to accommodate the Ongoing CC Operations at the Convention Center, in regards to the scheduling of the Construction Work at the Site, to the extent Design-Builder is given reasonable advance notice of the Ongoing CC Operations. The parties to this Agreement acknowledge there may be days where, due to the nature of the specific Ongoing CC Operations at the Convention Center that day, it shall be necessary for Design-Builder to materially restrict or suspend its performance of the Construction Work so as to reduce or eliminate any interference with the Ongoing CC Operations (hereafter referred to as "Dark Days"). The parties to this Agreement shall establish a designated number of Dark Days in each Fixed Price Proposal, established under this Agreement, for those various elements of Work to be incorporated into the Schedule of Work. To the extent Design-Builder is given reasonable advance notice of such Dark Days and can accommodate them by adjusting the construction schedule without additional cost to Owner, Design-Builder shall make such adjustments. Notwithstanding the foregoing, the Director; Assistant Directors and General Manager of City's Convnetion, Sports and Entertainment Facilities; as well as the City's Capital Improvements Management Services Capital Program Manager and Assistant Capital Program Manager, each have the authority to prohibit Work at any time without prior notice. In the event Owner prohibits Design-Builder from proceeding with Work on a day that was not designated as a Dark Day in the Fixed Price Proposal or Construction Schedule, to the extent the construction schedule cannot be adjusted without additional cost and/or time, Design-Builder shall promptly notify Owner in writing of such an occurrance and shall be entitled to seek an equitable adjustment to the GMP and Contract Time in accordance with the terms and conditions of the Contract Documents.

7. Article 3.7.2 of the General Conditions is hereby deleted and replace in its entirety with the following:

3.7.2 Contractor shall comply with and give all notices required by law, ordinance, rule, regulations and lawful orders of public authorities applicable to performance of the Work. Notwithstanding anything herein to the contrary, in the event of a change in any applicable law, ordinance, rule, regulation, order or tax that: (i) occurs subsequent to the date of this Agreement, and (ii) increases the Design Builder's time or cost of performance of the Work, the Design Builder shall be entitled to an equitable adjustment to the Contract Sum and Contract Time, as appropriate.

8. Article 4.3.2 Time Linits on Claims of the General Conditions is hereby deleted and replace in its entirety with the following:

4.3.2 Time Limit on Claims. Except for those claims resulting from unusually severe weather, addressed in Section 4.3.6 herein, Design-Builder claims shall be initiated within fifteen (15) calendar days after Design-Builder knew of should have known of the occurrence of the event giving rise to such Claim. Claims by Design-Builder must be

submitted by written notice to Owner. Claims by Owner must be submitted by written notice to Design-Builder. Failure by Design-Builder to submit written notice of the claim within fifteen (15) calendar days of the date Design-Builder knew or should have known of the occurrence of the event giving rise to the Claim shall constitute a waiver of such claim.

9. Article 9.7.1 of the General Conditions is hereby deleted and replace in its entirety with the following:

9.7.1 "Substantial Completion" is that stage in the progression of the Construction Work, as approved by Owner in writing, when the Work (or a designated portion thereof) sufficiently is complete in accordance with the Contract Documents, such that Owner may enjoy beneficial use or occupancy of the Work (or designated portion thereof) and may utilize it for all of its intended purpose as an operational convention center. Substantial Completion is the stage when all areas of the Work (or a designated portion thereof) serving the general public are ready for full operation and use without material inconvenience or discomfort. A condition precedent to Substantial Completion is the receipt by Owner of all necessary certificates of occupancy or other authorizations for the use and occupancy of the Project required by any governmental or regulatory authority. Owner reserves the right to occupy and use any part, phase or system of the Project in accordance with Article 9.8 of Owner's General Conditions for Design/Build Contracts. Such partial use or occupancy of the Project shall not constitute acceptance of the Work not complying with the requirements of the Contract Documents. Notwithstanding anything herein to the contrary, the Design-Builder will be relieved from the foregoing condition precedent to Substantial Completion (and the Owner will be deemed to have waived said condition precedent for purposes of determining Substantial Completion) to the extent any such certificate of occupancy or other authorization is not obtained or is delayed for causes that are not due to the fault or neglect of the Design-Builder or someone for whom the Design-Builder is responsible hereunder.

10. The following Article 10.3 is hereby added to and made a part of the General Conditions:

10.3 As between Owner and Design-Builder, Design-Builder is responsible to Owner for any and all safety issues relating to the Work on the Project. Design-Builder shall administer and manage the safety program. This includes, but is not necessarily limited to, review of the safety programs of each of its Subcontractors. Design-Builder shall monitor the establishment and execution of effective known industry safety practices, as applicable to the Work on this Project, and the compliance with all applicable regulatory and advisory agency construction safety standards. Design-Builder's responsibility for review, monitoring and coordination of the Subcontractors' safety programs shall not extend to direct control over execution of the Subcontractors' safety programs; notwithstanding Design-Builder's safety obligations to Owner, it is agreed and understood that each individual Subcontractor shall remain controlling employer responsible for the safety programs and precautions applicable to its own work

and the activities of others' work in areas designated to be controlled by such Subcontractor.

11. Articles 11.1 through 11.17.5 of the General Conditions are hereby deleted and replaced with the following:

Insurance. As of the date this Contract is executed by both parties, the specific terms of the required insurance provisions are still being negotiated by the parties to this Agreement in an attempt to maximize coverage while minimizing the premium cost associated with such insurance coverage. Accordingly, the parties to this Agreement agree to finalize those negotiations within ten (10) business days after the execution of the Contract by all parties. It is anticipated that the final insurance terms described in Exhibit 1 Insurance Requirements attached hereto shall be mutually negotiated no later than September 18, 2011 as outlined in a conferenc call between the Parties on September 11, 2012.

EXHIBIT 1

INSURANCE REQUIREMENTS

Insurance Requirements

Applicable to all insurance policies:

- 1) Design-Build Contractor shall cause each subcontractor employed by Design-Build Contractor to purchase and maintain insurance of the type specified in the contract.
- 2) Prior to commencing the work, Design-Build Contractor shall furnish City with certificates of insurance, executed by an authorized representative of each insurer, showing compliance with the insurance requirements set forth in the contract.
- 3) All specifically requested endorsements shall be included with certificates of insurance (i.e. additional insured and waivers of subrogation). If the endorsements are not immediately available, they shall be provided within 30 days, evidencing coverage is effective the date of the contract with Design-Build Contractor.
- 4) Failure by Design-Build Contractor to review certificates of insurance & endorsements shall not relieve the branch from their obligations contained in the contract and attachments.
- 5) Failure of the City to demand a certificate or other evidence of full compliance with these insurance requirements or failure of City to identify deficiency from evidence that is provided shall not be construed as a waiver of the Design-Build Contractor's obligation to maintain such insurance.
- 6) Failure to maintain the required insurance may result in termination of the contract at the City's option.
- 7) If the Design-Build Contractor/subcontractor fails to maintain the insurance requirements set forth in the contract, the City shall have the right, but not obligation, to purchase insurance at Design-Build Contractor/subcontractor's expense.
- 8) With respect to insurance maintained after final payment in compliance with contractual requirements, an additional certificate of insurance evidencing such coverage shall be promptly provided to City whenever requested.
- 9) Policies to provide 60 days notice of cancellation and non-renewal given to City by certified mail.
- 10) City has the right to obtain certified copies of the contractor's policies applicable to this contract if desired. Should (owner/contractor) require such copies, the copies shall be certified by the insurance company and mailed to (owner/contractor) within 30 days of request.
- 11) All insurance policies shall be written by an insurance company licensed to conduct business in the state(s) where project is located and shall have a Best rating of A- VII or better. City reserves the right to approve all insurance companies.
- 12) To the extent applicable, the amounts and types of insurance shall conform to the minimum terms, conditions, and coverage's of Insurance Services Office (ISO) policies, forms, and endorsements.
- 13) If the Design-Build Contractor has any self-insured retentions or deductibles under any of the following minimum required coverage's, the Design-Build Contractor must identify on the certificate of insurance the nature and amount of such self-insured retentions or

deductible and provide satisfactory evidence of financial responsibility for such obligations. All self-insured retentions or deductible shall be the Design-Build Contractor's sole responsibility.

- 14) Design-Build Contractor's liability policies shall be endorsed to provide cross-liability coverage, if the policy does not already contain the coverage.
- 15) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of the City shall be limited to insurance coverage provided.
- 16) Design-Builder should provide a separate line item in their bid describing the cost, terms and conditions of a Contractor Controlled Insurance Program (CCIP) for workers compensation and general liability and any other insurance coverages recommended to be included in a CCIP, as an option. The cost, terms and conditions are subject to review and approval by the City. Design-Builder should indicate the insurance cost to be deducted from their bid via deductive change order if the CCIP option is chosen. Also discuss potential CCIP savings to be shared with the City.
- 17) If a Controlled Insurance Program is used, Design-Builder should provide a sample of the Controlled Insurance Program Manuel.

Workers' Compensation Requirements:

Workers' Compensation and Employer's Liability Insurance.

Workers Compensation Employers' Liability	Statutory Limits
Bodily Injury each employee	\$1,000,000
Bodily Injury each employee – disease	\$1,000,000
Bodily Injury policy period – disease	\$1,000,000

Coverage shall include:

- Waiver of subrogation in favor of City, all subsidiaries, officers, directors, public officials, employees, agents and assigns;

Commercial Automobile Liability Requirements:

Maintain Commercial Auto Liability covering liability arising out of any auto (including owned, hired, and non-owned, & borrowed autos).

Combined Single Limit \$1,000,000

Coverage shall include:

- Additional Insured, primary and non-contributing;
- Waiver of subrogation;
- Contractual liability;
- Broadened pollution coverage (CA9948 or equivalent, if applicable);
- Pollution liability which includes upset, overturn and collision
- Motor Carrier Act Endorsement (MCS 90), if applicable.

Commercial General Liability Requirements:

Design-Builder and its subcontractors shall maintain Commercial General Liability (CGL) insurance covering all operations by or on behalf of the Design-Build Contractor on an occurrence basis against claims for, but not limited to:

- Premises Operations;
- Products Completed Operations;
- Independent Contractors;
- Contractual Liability;
- Personal Injury (including contractual liability);
- Advertising Injury (including contractual liability);
- Fire Damage Legal Liability;
- Broad Form Property Damage (including completed operations);
- Extended Bodily Injury;
- Work Performed by Subcontractors;
- Severability of Interests;
- Employment Practices Liability;
- Work within 50 feet of railroad, if applicable;
- Work for municipalities, if applicable;

Such insurance shall have these minimum limits and coverage:

Each Occurrence	\$ 2,000,000
General Aggregate	\$ 4,000,000
Personal Injury & Advertising Injury	\$ 2,000,000
Products & Completed Operations Aggregate	\$ 4,000,000
Fire Damage Legal Liability	\$ 50,000

Coverage shall:

- Include dedicated Per Project Aggregate Limit
- Include dedicated Per Location Aggregate Limit
- Include coverage for X (explosion), C (collapse) or U (underground), to include blasting operations if warranted for the project
- Include a waiver of subrogation in favor of City, their subsidiaries, directors, officers, public officials, employees, agents and assigns.
- Include products and completed operations coverage must be in force for a period of at least 10 years following this project (if construction). Evidence of such coverage shall be given to City on an annual basis by certificate of insurance and copy of endorsement.
- Include an additional insured endorsement naming City, their subsidiaries, directors, officers, public officials, employees, agents and assigns.
- Additional insured coverage must be primary and non-contributory.
- Additional insured coverage must include products and completed operations coverage.

- If the additional insured endorsement that the Design-Build Contractor/subcontractor maintains does not include completed operations coverage then the Design-Build Contractor must purchase this coverage using ISO endorsement CG 20 37 – Additional Insured – Owners, Lessees, or Contractors – Completed Operations.
- Include Limited Professional Liability for means and methods at a minimum, CG 22 79 Exclusion – Contractors Professional Liability;
- No restriction of coverage for City under CGL with respect to the escape of pollutants at or from site owned or occupied by or rented or loaned to the City.
(This provision seeks to ensure that the CGL exclusion pertaining to pollution events at or from premises of “any insured” shall not affect the named insured’s coverage for pollution events arising out of work performed for the additional insured project owner.)
- Contain no exclusion for mold on the policy without notifying City. City reserves the right to require the Design-Build Contractor to purchase such coverage if excluded on this policy and necessary for the project.
- If applicable by project scope, coverage shall not include an exclusion for Exterior Insulation Finish Systems (or similar applications/products) on the policy without notifying City. City reserves the right to require the Design-Build Contractor to purchase such coverage if excluded on this policy and necessary for the project.

Riggers Liability

Design-Builder shall ensure that Riggers Liability is endorsed under the commercial general liability policy to remove the care, custody, and control exclusion; or endorse coverage under Design-Builder’s inland marine policy.

Umbrella or Excess Coverage:

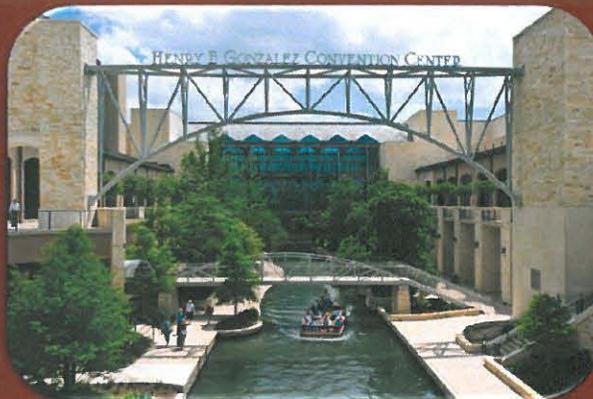
Design-Builder shall maintain umbrella/excess liability insurance on an occurrence basis in excess of the underlying insurance described above, which is at least as broad as each and every one of the underlying policies. The amounts of insurance required may be satisfied by Design-Builder purchasing for the limits specified or by any combination of underlying and umbrella limits, so long as the total amount of insurance is not less than the limits specified in the contract.

Each occurrence	\$100,000,000
General Aggregate	\$100,000,000
Products & Completed Operations Aggregate	\$100,000,000

Coverage shall:

- Be occurrence based form;
- Follow form of the primary coverage;
- Contain pay on behalf wording;
- Have concurrent effective dates with primary coverage;
- Have punitive damage coverage (where not prohibited by law);
- Aggregate limits to apply where applicable in primary (i.e. per project & per location);
- Care, Custody, & Control to follow form of the primary;
- Waiver of subrogation to follow form of the primary;

- Permission to occupy;
- No coinsurance clause;
- Performance/hot testing (until final acceptance);
- Collapse;
- Sinkhole;
- Loss of profits and soft costs coverage including, without limitation
- Subsidence, if applicable
- Faulty workmanship, included for resultant damage to other covered property



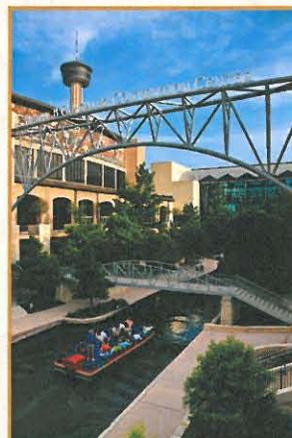
Contract Award: Convention Center Expansion Design-Build

Agenda Item #4
September 20, 2012

Background



- **"B" Session May 30th**
 - Project Scope
 - Process
 - Scoring Criteria for 2-Step Process
 - SBEDA Goals
 - 35% Small, 30% W/MBE subcontracting



Vision



- ❑ Proposed expansion to increase prime contiguous exhibit space from 426,000 to at least 500,000 sq. ft.
- ❑ New Multipurpose Room
- ❑ Flexible Exhibit and Ballroom Space
- ❑ Consistent quality throughout convention center
- ❑ Improve competitive position nationally from 22nd to top 10



3

Expansion Benefits



- ❑ Contiguous exhibit halls
- ❑ New well-defined entrances
- ❑ Clearer circulation and way-finding
- ❑ Better food service facilities
- ❑ Higher energy efficiency/lower operating costs
- ❑ Twelve acre HemisFair Park expansion opportunity





4

Convention Center Expansion



5

RFQ Scoring Criteria Step 1



<p>A. Experience of the Prime Firm, Key Personnel and Key Sub-Consultants</p> <ol style="list-style-type: none"> 1. Design-Build experience 2. Past experience of team working together 3. Experience with Convention Center Expansions (particularly within an operating facility) 4. Previous experience in completing projects within budget and schedule 	<p>60 pts</p>
<p>B. Local – Team's experience with issues in the San Antonio Region and past experience with the City of San Antonio</p>	<p>10 pts</p>
<p>C. Proposed Plan</p> <ol style="list-style-type: none"> 1. Design Management Plan (10 points) 2. Construction Management Plan (10 Points) 3. Outreach and Diversity Plan (5 Points) 	<p>25 pts</p>
<p>D. Mentor Protégé Program</p>	<p>5 pts</p>

6

RFP Scoring Criteria Step 2	
A. Background of the Design-Build Firm, Key Personnel and Key Sub-Consultants	20 pts
B. Proposed Approach to Meeting Project Schedule	25 pts
C. Project Understanding	25 pts
D. Budget and Costing Methodologies	20 pts
E. Proposed Fees	10 pts

7

Summary Scoring	FIRM NAMES				8
Design-Build Services for the Convention Center Expansion Short-Listed Firm Interviews	MAXIMUM POINTS	Hunt-Zachry JV	Hensel Phelps Construction Co.	Guido/Sundt/Tishman JV	Turner Construction Company
A. Background of the DB Firm, Key Personnel and Key Sub-consultants	20	19.13	16.63	16.00	14.50
B. Proposed Approach to Meeting Project Schedule	25	23.25	21.00	18.13	16.25
C. Project Understanding	25	23.75	19.88	19.50	18.25
D. Budget and Costing Methodology	20	18.63	17.00	15.88	16.00
E. Proposed Fees	10	8.85	7.85	10.00	7.98
TOTAL SCORE	100	93.60	82.35	79.50	72.98
RANK		1	2	3	4

Hunt-Zachry JV



- Hunt has completed 20 major convention center expansions
- Zachry has been locally headquartered in San Antonio for over 60 years, with 810 employees locally
- Populous and Marmon Mok have a 20 year history together, including the Alamodome in 1991, which Hunt constructed
- Hunt/Populous have collaborated on over 40 projects. This includes the San Jose Convention Center design build project

9

Contract Award



Design-Build Contract Award

Not-to-exceed

\$304,800,000

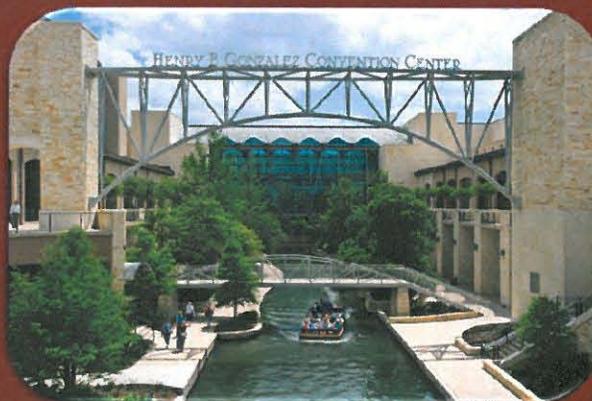


10

Convention Center Expansion Schedule



Timeline	
Council Award of Design-Build Team	September 2012
Design Start	October 2012
Construction Start	September 2013
Construction Complete	April 2016
West End Demolition Complete	July 2016



Contract Award: Convention Center Expansion Design-Build

Agenda Item #4
September 20, 2012