

## **ARTICLE 6 - ELEMENTS OF THE TOTAL CONTRACT PRICE**

### **6.1 The Total Contract Cost**

The Total Contract Cost (TCC) is composed of the GC/CM fee, the Specified General Conditions and the negotiated Maximum Allowable Construction Cost (MACC). Upon reaching agreement on the scope of work and negotiated MACC, the GC/CM shall provide a performance and payment bond in the full amount of the TCC and Washington State sales tax.

If construction is completed for less than the MACC, any savings shall accrue to the owner. If the construction is completed for more than the MACC, the additional cost is the responsibility of the GC/CM.

### **6.2 GC/CM Fee**

The GC/CM fee includes all expenses of the GC/CM, whether direct or through sub-consultants, for participation in and support of the construction of the project. The fee includes, but is not limited to the following.

- Home or regional, general over-head office expenses of the GC/CM firm during the preconstruction and the construction process, as well as all general home office staff time assigned to this project. Staff wages and benefits including costs by the GC/CM for taxes, including all B&O taxes for the cost of the work, contributions, assessments, and benefits required by law or collective bargaining agreements. For personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations, and pensions, are considered to be provided within wages and salaries paid.
- All office support of the GC/CM firm for this project including direct costs, indirect costs, company overhead, and so forth
- Wages and salaries of the GC/CM firm's supervisory or administrative personnel engaged at factories, workshops, or on the road, in expediting the production or transportation of materials or equipment required for the Work
- Legal Expenses incurred in the administration of the contract and subcontracts
- All travel expenses
- All reproduction, phone, and facsimile, charges, postage, and so forth. The owner will provide four (4) sets of Architectural/Engineering drawings at the end of each design phase, all other Architectural/ Engineering drawings needed by the GC/CM firm, up to actual bid documents, to provide contract services shall be at their cost. The Owner pays initial bid document reproductions done at time of bid. In an effort to reduce paper usage, the GC/CM will be encouraged to utilize available electronic technology for bidder access.

- Costs due to the fault or negligence of the GC/CM firm or representatives, subcontractors, anyone directly or indirectly employed by any of them, or for whose acts any of them can be liable, including -- but not limited to -- costs for the correction of damaged, defective, or non-conforming work
- Work, disposal and replacement of materials and equipment incorrectly ordered or supplied, and repairing or replacing damaged property not forming part of the Work
- All profit (and loss) of the GC/CM firm for this project

The GC/CM percent fee will not be changed unless the MACC is adjusted by more than 15% due to owner requested and approved changes in the scope of work.

The GC/CM firm is obligated to complete the project within the negotiated TCC. If the GC/CM firm fails to control costs within the TCC, the amount in excess of the TCC will be paid by the GC/CM at its expense with no additional compensation by the Owner.

### **6.3 Bid Specified General Conditions**

The project description and the design and construction schedule are defined in the RFQ. Time of completion will be required as defined in the RFQ. The GC/CM shall provide general conditions work through final completion and acceptance. The GC/CM, within its bid, must provide specified general conditions work to take the project to completion, even if it exceeds the schedule, if such delay is the responsibility of the GC/CM or its subcontractors. If the GC/CM completes the proposed project ahead of schedule, any savings in Specified General Conditions work will accrue to the GC/CM. Specified General Conditions work must also include all supervisory labor necessary to coordinate and perform transition into warranty phase and all warranty work. Include a warranty tracking system that lists warranty items from the time they are identified until they are resolved. A tracking report shall be available to the owner upon request.

Special requirements shall be coordinated with the public, outside regulatory agencies, and other state agencies.

The GC/CM shall provide, for the duration of the project, the full complement of the field staff designated in the written response to the RFP, and maintain a communication structure that assures thoroughness and continuity in the management of GC/CM services. Tasks shall include, but are not limited to,

- Scheduling and sequencing of the work
- Submittals
- Coordination drawings
- Building information modeling
- Responding to requests for information

All costs incurred in providing this staff shall be part of the general conditions work bid (i.e., salary, benefits, bonuses, housing, travel, per diem, etc.). The Owner must approve any substitution of staff. Substitution shall be with people of comparable experience and

ability.

Unless otherwise agreed in writing by the Owner, the GC/CM guarantees that the GC/CM project manager or the designated representative will attend and participate in all preconstruction services meetings as scheduled and conduct all construction meetings on at least a weekly basis for the duration of the project.

The GC/CM shall manage and document apprenticeship requirements including recruitment and reporting, to assure maximum apprentice participation levels are achieved. They shall also actively recruit and support Diverse Business involvement in the Work.

During construction, the GC/CM shall provide site supervision and support for the following:

- Ongoing coordination between crafts
- Construction schedule
- Job-site safety
- Monitor indoor air quality
- Quality control program
- Disputes between subcontractors
- Negotiation of change orders with the owner
- Review, revise and forward submittals and requests for information (RFI's) to the architect and owner's representative for action
- Provide protection of Owner's adjacent space and minimize disruption to occupied portions of the building
- Site security, including watchmen and guards if required

The GC/CM shall provide site safety supervision sufficient to comply with all WISHA, OSHA, and other regulatory safety requirements.

The GC/CM shall provide for sufficient and appropriately skilled staff and support to implement the quality control program described below. In addition, the project manager or superintendent shall be available to perform weekly site inspections with the owner and A/E for the duration of the project.

The GC/CM shall provide professional advice to the design team during preconstruction to ensure that sustainable building principles are incorporated into the design. The GC/CM shall participate and facilitate the collection of pertinent data and record keeping required during construction to meet the LEED requirement.

#### Field Office and Site Management

Office Space: For the duration of the project (i.e., from at least one week prior to the scheduled start of construction, to two weeks after final completion and acceptance) the GC/CM will be expected to provide offices and work space for its own staff.

Office Equipment and Supplies: The GC/CM shall provide all field office equipment and supplies for its own use, including computers, printers, a facsimile machine, phones, portable radios and other communications equipment, postage, paper, duplication

machine, chairs, desks.

Temporary Sanitation: Designated toilet rooms shall be made available to the GC/CM for the use of its own employees, all subcontractors and their employees, and all visitors to the site. The GC/CM contractor shall be responsible for the janitorial maintenance and upkeep of these facilities throughout the duration of the project.

Temporary Power and Utilities: Power is available at the site. The GC/CM may connect to such utility, but all cost for connections and metering shall be borne by the GC/CM.

Temporary Water: Water is available at the site. The GC/CM may connect to such utility, but all cost for connections and metering shall be borne by the GC/CM. The GC/CM shall provide temporary potable water for all of its own workers, subcontractors and their employees and visitors to the site.

Telephone: The GC/CM shall provide telephones for its own office use as well as cell phones and pagers for field supervisors.

Safety: The GC/CM shall provide ample first aid supplies and fire extinguishers for use of its own employees, all other workers on the site, and any other people needing attention.

Tool, material, and equipment storage: The GC/CM shall provide ample secured storage for its own tools and equipment.

Vehicles and construction tools: The GC/CM shall provide all vehicles, equipment, equipment operators, and construction tools needed by the GC/CM and its employees. The GC/CM shall provide for the full cost of the operation, replacement, and/or repair of the above, as required.

Job site construction waste management program and removal of debris from the site: GC/CM shall provide, administer, and document a construction waste management program in accordance with General Administration's Construction Waste Management Guide.

Dust control: The contractor shall exercise special care with protecting occupants of the building from the airborne effects of construction in an occupied space. This will include timely and advance notice to the Owner as work progresses from one area to another so that occupants can be notified or moved. A minimum of three days notice is required. The GC/CM may employ a variety of methods on the interior of the building to alleviate dust. This may include barriers, air-filtering equipment, and schedules for air-filter changes in the air-handling equipment. The GC/CM shall work with the Owner to reach a workable solution should one or more of the methods employed not work satisfactorily.

Parking: Very limited parking is available. The GC/CM shall arrange for parking or transportation to the site from an off-site parking facility for its employees,

subcontractors, and subcontractor employees. Under no circumstances shall access to handicapped parking and access be blocked or restricted as a result of GC/CM employee, subcontractor or subcontractor employee or scheduled deliveries without alternative arrangements made for handicapped parking.

## Bonds and Insurance

Performance & Payment Bond: Should the Total Contract Cost be increased by change order the Owner shall compensate the GC/CM for the increase on an actual cost basis. The GC/CM shall include within their bid the cost for providing a payment & performance bond in the full amount of the Total Contract Cost, including Washington State sales tax.

General Liability Insurance: For the duration of the project, the GC/CM shall carry liability coverage in accordance with the Supplemental Conditions.

Builder's All Risk Insurance: The GC/CM shall carry Builder's all-risk insurance, covering perils such as fire, flood, earthquake, and other natural disaster. The coverage shall be accordance with the General Conditions. Should the Total Contract cost be increased during the MACC negotiations or by change order the Owner shall compensate the GC/CM for the increase on an actual cost basis for associated bonds and insurance.

## Survey, Building Lines, Testing, Quality Control

Survey: A site survey and topographical map will be provided by the Owner, and confirmed by the A/E. The A/E will establish a site bench mark and provide site corners, the location of on-site improvements, and off-site access and utilities. The GC/CM shall hire a registered surveyor to establish survey markers, site controls, and building lines on the site from the general survey, as part of the general conditions work that is bid.

Testing: The Owner shall pay for separate special inspections and testing as required by the International Building Code. Such testing will be coordinated by the GC/CM.

Contractor Documentation During Construction: The GC/CM shall provide full documentation to the Owner of all work, including, but not limited to: weekly minutes of all team progress meetings during construction, inspection reports, a comprehensive monthly project report with progress photos, and punch-list reports as needed, updates to schedule, budgets, as-built drawings and related items.

Monthly reports shall be twenty pages maximum and include:

- Executive summary
- Progress photographs with aerial site photographs as requested by Owner
- Critical issues and risk analysis
- Schedule analysis
- Cost control report
- Diverse Business Inclusion Plan and apprentice status
- Status of construction

- Status of LEED documentation, as applicable

## **6.4 MACC**

The MACC includes the maximum cost of the work to construct the project including negotiated support services, a percentage for risk contingency, and approved change orders.

### **6.4.1 Cost of the Work**

The cost of the Work are costs paid to subcontractors or to the GC/CM on competitively awarded self-performing work, and shall include, but is not limited to, the following:

- Costs of labor, materials and equipment incorporated in the construction which is not Specified General Conditions work items. Labor rates shall be in accordance with the prevailing wages determined by the Department of Labor and Industries that are in effect at the time of the sub-contract bid.
- Costs, including transportation, of materials and equipment incorporated in the completed construction.
- Costs of materials described in the preceding paragraph in excess of those actually installed but required to provide reasonable allowance for waste and for spoilage. Unused excess materials shall be handed over to the owner at the completion of the work or, at the owner's option, shall be sold by GC/CM. Amounts realized from such sales shall be credited to the owner as a deduction from the cost of the work.
- Incidental items to include, but not limited to, temporary heat and lighting for construction, weather protection for construction, tool trailers and office space for subcontractors, specialty permits and fees, and erosion control and permits necessary to obtain a fully functional facility.

### **6.4.2 Negotiated Support Services**

An allowance for negotiated support services work will be established within the MACC during MACC negotiations. These are items of work a general contractor would normally manage or perform on a construction project including, but not limited to hoisting, safety enforcement, provisions of toilet facilities, temporary heat, cleanup and trash removal. General Building permits and associated building inspection fees of the authorities having jurisdiction (AHJ) will be a direct reimbursement without markup to the GC/CM if the Owner does not make arrangements to pay directly to the AHJ.

Sub-contractor permits and inspections fees shall be part of the sub-contractors responsibilities.

### **6.4.3 Risk Contingency**

The risk contingency shall be used to pay for project issues that are within the control of the GC/CM such as subcontractor coordination, insufficient coordination of the design drawings, correcting defective, damaged or nonconforming work, or unanticipated general conditions expenses. It may also be used for issues beyond the GC/CM's control such as lost time, or increases in bid contracts which are necessary to complete the project for a fully functional facility. The GCCM must give the Owner notice when applying to use the risk contingency funds. The Owner's approval shall not be unreasonably withheld. This contingency is not available for owner directed design or scope changes.

#### **6.4.4 Allowances**

Allowances are defined as monies reserved within the MACC for exclusive use for a specified component of the work, which, at the time the MACC is established, cannot be defined sufficiently in scope to determine a precise budget amount. Without prior written approval of the PM, allowances cannot be used by the GC/CM for any use other than specified.

Should the cost of the specified work within the allowance be less than the allowance, then the MACC shall be reduced by change order for the difference. Use of allowances requires prior written approval of the PM. At the completion of the affected bid package work, any remaining allowance money reverts to the owner by change order.

#### **6.5 Washington State Sales Tax (WSST) and Business & Occupation Tax (B&O)**

- **WSST** is applied to the amount of work in place. WSST is to be paid to the Washington State Department of Revenue by the GC/CM.
- **B&O** is State tax imposed by the Department of Revenue for doing business within the state of Washington. The GC/CM shall include B&O tax within the TCC.