

1 Amend **Section 108 – PROSECUTION AND PROGRESS** to read as follows:

2
3 **“108 – PROSECUTION AND PROGRESS**

4
5 **108.01 Notice to Proceed (NTP).** A Notice To Proceed will be issued to the
6 Contractor not more 30 days after the contract certification date. The Engineer
7 may suspend the contract before issuing the Notice To Proceed, in which case
8 the Contractor’s remedies are exclusively those set forth in Subsection 108.10 –
9 Suspension of Work.

10
11 The Contractor shall be allowed up to 60 calendar days after the Notice to
12 Proceed to begin physical work. The Start Work Date will be established when
13 this period ends or on the actual day that physical work begins, whichever is first.
14 Charging of Contract Time will begin on the Start Work Date. The Contractor
15 shall notify the Engineer, in writing, at least five working days before beginning
16 physical work.

17
18 In the event that the Contractor fails to start physical work within the time
19 specified, the Engineer may terminate the contract in accordance with
20 Subsection 108.11 – Termination of Contract for Cause.

21
22 During the period between the Notice to Proceed and the Start Work Date
23 the Contractor should adjust work forces, equipment, schedules, and procure
24 materials and required permits, prior to beginning physical work.

25 Any physical work done prior to the Start Work Date will be considered
26 unauthorized work. If the Engineer does not direct that the unauthorized work be
27 removed, it shall be paid for after the Start Work Date and only if it is acceptable.

28
29 In the event that the Engineer establishes, in writing, a Start Work Date
30 that is beyond 60 calendar days from the Notice to Proceed date, the Contractor
31 may submit a claim in accordance with, Subsection 107.15 – Disputes and
32 Claims for increased labor and material costs which are directly attributable to
33 the delay beyond the first 60 calendar days after the NTP date.

34
35 The Contractor shall notify the Engineer at least 24 hours before restarting
36 physical work after a suspension of work pursuant to Subsection 108.10 –
37 Suspension of Work.

38
39 Once physical work has begun, the Contractor shall work expeditiously
40 and pursue the work diligently to completion with the contract time. If a portion of
41 the work is to be done in stages, the Contractor shall leave the area safe and
42 usable for the user agency and the public at the end of each stage.

43
44 **108.02 Prosecution of Work.** Unless otherwise permitted by the Engineer,
45 in writing, the Contractor shall not commence with physical construction unless
46 sufficient materials and equipment are available for either continuous
47 construction or completion of a specified portion of the work.

108.03 Preconstruction Submittals. The awardee shall submit to the Engineer for information and review the pre-construction submittals within 30 calendar days from notice to proceed. Until the items listed below are received and found acceptable by the Engineer, the Contractor shall not start physical work unless otherwise authorized to do so in writing and subject to such conditions set by the Engineer. Charging of Contract Time will not be delayed, and additional contract time will not be granted due to Contractor delay in submitting acceptable preconstruction submittals. No progress payment will be made to the Contractor until the Engineer acknowledges, in writing, receipt of the following preconstruction submittals acceptable to the Engineer:

- (1) List of the Superintendent and other Supervisory Personnel, and their contact information.
- (2) Name of person(s) authorized to sign for the Contractor.
- (3) Work Schedule including hours of operation.
- (4) Initial Progress Schedule (See Subsection 108.06 – Progress Schedule).
- (5) Water Pollution and Siltation Control Submittals, including Site-Specific Best Management Practice Plan.
- (6) Solid Waste Disposal form.
- (7) Tax Rates.
- (8) Insurance Rates.
- (9) Certificate of Insurance, satisfactory to the Engineer, indicating that the Contractor has in place all insurance coverage required by the contract documents.
- (10) Schedule of agreed prices.
- (11) List of suppliers.
- (12) Traffic Control Plan, if applicable.

108.04 Character and Proficiency of Workers. The Contractor shall at all times provide adequate supervision and sufficient labor and equipment for prosecuting the work to full completion in the manner and within the time required by the contract. The superintendent and all other representatives of the Contractor shall act in a civil and honest manner in all dealings with the Engineer, all other State officials and representatives, and the public, in connection with the work.

97 All workers shall possess the proper license, certification, job
98 classification, skill, training, and experience necessary to properly perform the
99 work assigned to them.

100
101 The Engineer may direct the removal of any worker(s) who does not carry
102 out the assigned work in a proper and skillful manner or who is disrespectful,
103 intemperate, violent, or disorderly. The worker shall be removed forthwith by
104 the Contractor and will not work again without the written permission of the
105 Engineer.

106 107 **108.05 Contract Time.**

108
109 **(A) Calculation of Contract Time.** When the contract time is on a
110 working day basis, the total contract time allowed for the performance of
111 the work will be the number of working days shown in the contract plus
112 any additional working days authorized in writing as provided hereinafter.
113 The count of elapsed working days to be charged against contract time,
114 will begin from the Start Work Date and will continue consecutively to the
115 date of Substantial Completion. When multiple shifts are used to
116 perform the work, the State will not consider the hours worked over the
117 normal eight working hours per day or night as an additional working day.

118
119 When the contract is on a calendar day basis, the total contract time
120 allowed for the performance of the work will be the number of days shown
121 in the contract plus any additional days authorized in writing as provided
122 hereinafter. The count of elapsed days to be charged against contract
123 time will begin from the Start Work Date and will continue consecutively to
124 the date of Substantial Completion. The Engineer will exclude days
125 elapsing between the orders of the Engineer to suspend work and resume
126 work for suspensions not the fault of the Contractor.

127
128 **(B) Modifications of Contract Time.** Whenever the Contractor
129 believes that an extension of contract time is justified, the Contractor shall
130 serve written notice on the Engineer not more than five working days after
131 the occurrence of the event that causes a delay or justifies a contract time
132 extension. Contract time may be adjusted for the following reasons or
133 events, but only if and to the extent the critical path has been affected:

134
135 **(1) Changes in the Work, Additional Work, and Delays**
136 **Caused by the State.** If the Contractor believes that an
137 extension of time is justified on account of any act or omission by
138 the State, and is not adequately provided for in a field order or
139 change order, it must request the additional time as provided
140 above. At the request of the Engineer, the Contractor must show
141 how the critical path will be affected and must also support the time
142 extension request with schedules, as well as statements from its
143 subcontractors, suppliers, or manufacturers, as necessary.

Claims for compensation for any altered or additional work will be determined pursuant to Subsection 104.02 – Changes.

Additional time to perform the extra work will be added to the time allowed in the contract without regard to the date the change directive was issued, even if the contract completion date has passed. A change requiring time issued after contract time has expired will not constitute an excusal or waiver of pre-existing Contractor delay.

(2) Delay for Permits. For delays in the routine application and processing time required to obtain necessary permits, including permits to be obtained from State agencies, the Engineer may grant an extension provided that the permit takes longer than 30 days to acquire and the delay is not caused by the Contractor, and provided that as soon as the delay occurs, the Contractor notifies the Engineer in writing that the permits are not available. Permits required by the contract that take less than 30 days to acquire from the time which the appropriate documents are granted shall be acquired between Notice to Proceed and Start Work Date or accounted for in the contractor's progress schedule. Time extensions will be the exclusive relief granted on account of such delays.

(3) Delays Beyond Contractor's Control. For delays caused by acts of God, a public enemy, fire, inclement weather days or adverse conditions resulting therefrom, earthquakes, floods, epidemics, quarantine restrictions, labor disputes impacting the Contractor or the State, freight embargoes and other reasons beyond the Contractor's control, the Contractor may be granted an extension of time provided that:

(a) In the written notice of delay to the Engineer, the Contractor describes possible effects on the completion date of the contract. The description of delays shall:

1. State specifically the reason or reasons for the delay and fully explain in a detailed chronology how the delay affects the critical path.
2. Include copies of pertinent documentation to support the time extension request.
3. Cite the anticipated period of delay and the time extension requested.
4. State either that the above circumstances have been cleared and normal working conditions restored

as of a certain day or that the above circumstances will continue to prevent completion of the project.

(b) The Contractor shall notify the Engineer in writing when the delay ends. Time extensions will be the exclusive relief granted and no additional compensation will be paid the Contractor for such delays.

(4) Delays in Delivery of Materials or Equipment. For delays in delivery of materials or equipment, which occur as a result of unforeseeable causes beyond the control and without fault of the Contractor, its subcontractor(s) or supplier(s), time extensions shall be the exclusive relief granted and no additional compensation will be paid the Contractor on account of such delay. The delay shall not exceed the difference between the originally scheduled delivery date and the actual delivery date. The Contractor may be granted an extension of time provided that it complies with the following procedures:

(a) The Contractor's written notice to the Engineer must describe the delays and state the effect such delays may have on the critical path.

(b) The Contractor, if requested, must submit to the Engineer within five days after a firm delivery date for the material and equipment is established, a written statement regarding the delay. The Contractor must justify the delay as follows:

1. State specifically all reasons for the delay. Explain in a detailed chronology the effect of the delay on the critical path.

2. Submit copies of purchase order(s), factory invoice(s), bill(s) of lading, shipping manifest(s), delivery tag(s), and any other documents to support the time extension request.

3. Cite the start and end date of the delay and the time extension requested.

(5) Delays for Suspension of Work. When the performance of the work is totally suspended for one or more days (calendar or working days, as appropriate) by order of the Engineer in accordance with Subsections 108.10(A)(1), 108.10(A)(2), or 108.10(A)(5) the number of days from the effective date of the Engineer's order to suspend operations to the effective date of the Engineer's order to resume operations shall not be counted as

contract time and the contract completion date will be adjusted. During periods of partial suspensions of the work, the Contractor will be granted a time extension only if the partial suspension affects the critical path. If the Contractor believes that an extension of time is justified for a partial suspension of work, it must request the extension in writing at least five working days before the partial suspension will affect the critical operation(s) in progress. The Contractor must show how the critical path was increased based on the status of the work and must also support its claim if requested, with statements from its subcontractors. A suspension of work will not constitute a waiver of pre-existing Contractor delay.

(6) Contractor Caused Delays. No time extension will be granted under the following circumstances:

(a) Delays within the Contractor's control in performing the work caused by the Contractor, subcontractor, supplier, or any combination thereof.

(b) Delays within the Contractor's control in arrival of materials and equipment caused by the Contractor, subcontractor, supplier, or any combination thereof, in ordering, fabricating, and delivery.

(c) Delays requested for changes which do not affect the critical path.

(d) Delays caused by the failure of the Contractor to make submittals in a timely manner for review and acceptance by the Engineer, such as but not limited to shop drawings, descriptive sheets, material samples, and color samples except as covered in Subsection 108.05(B)(3) and 108.05(B)(4).

(e) Delays caused by the failure to submit sufficient information and data in a timely manner in the proper form in order to obtain necessary permits related to the work.

(f) Failure to follow the procedure within the time allowed by contract to request a time extension.

(g) Failure of the Contractor to provide evidence sufficient to support the time extension request.

(7) Reduction in Time. If the State deletes or modifies any portion of the work, an appropriate reduction of contract time may be made in accordance with Subsection 104.02 - Changes.

288
289 **108.06 Progress Schedules.**
290

291 **(A) Forms of Schedule.** All schedules shall be submitted using the
292 specific computer program designated in the bid documents. If no such
293 scheduling software program is designated, then all schedules shall be
294 submitted using the latest version of Microsoft Project by Microsoft or
295 approved equivalent software program.
296

297 Schedule submittals shall be as follows:
298

299 **(1) For Contracts \$2,000,000 or less or For Contract Time**
300 **100 Working Days or 140 Calendar Days or Less.** For
301 contracts of \$2,000,000 or less or for contract time of 100 working
302 days or 140 calendar days or less, the progress schedule will be a
303 Time Scaled Logic Diagram (TSLD). The Contractor shall submit
304 a TSLD submittal package meeting the following requirements and
305 having these essential and distinctive elements:
306

307 **(a)** The major features of work, such as but not limited to
308 BMP installation, grubbing, roadway excavation, structure
309 excavation, structure construction, shown in the
310 chronological order in which the Contractor proposes to work
311 that feature or work and its location on the project. The
312 schedule shall account for normal inclement weather,
313 unusual soil or other conditions that may influence the
314 progress of the work, schedules, and coordination required
315 by any utility, off or on site fabrications, and other pertinent
316 factors that relate to progress;
317

318 **(b)** All features listed or not listed in the contract
319 documents that the Contractor considers a controlling factor
320 for the timely completion of the contract work.
321

322 **(c)** The time span and sequence of the activities or
323 events for each feature, and its interrelationship and
324 interdependencies in time and logic to other features in order
325 to complete the project.
326

327 **(d)** The total anticipated time necessary to complete work
328 required by the contract.
329

330 **(e)** A chronological listing of critical intermediate dates or
331 time periods for features or milestones or phases that can
332 affect timely completion of the project.
333

334 **(f)** Major activities related to the location on the project.
335

(g) Non-construction activities, such as submittal and acceptance periods for shop drawings and material, procurement, testing, fabrication, mobilization, and demobilization or order dates of long lead material.

(h) Set schedule logic for out of sequence activities to retain logic. In addition, open ends shall be non-critical.

(i) Show target bars for all activities.

(j) Vertical and horizontal sight lines both major and minor shall be used as well as a separator line between groups. The Engineer will determine frequency and style.

(k) The file name, print date, revision number, data and project title and number shall be included in the title block.

(l) Have columns with the appropriate data in them for activity ID, description, original duration, remaining duration, early start, early finish, total float, percent complete, resources. The resource column shall list who is responsible for the work to be done in the activity. These columns shall be to the left of the bar chart.

(2) For Contracts Which Have A Contract Amount More Than \$2,000,000 Or Having A Contract Time Of More Than 100 Working Days Or 140 Calendar Days. For contracts which have a contract amount more than \$2,000,000 or contract time of more than 100 working days or 140 calendar days, the Contractor shall submit a Timed-Scaled Logic Diagram (TSLD) meeting the following requirements and having these essential and distinctive elements:

(a) The information and requirements listed in Subsection 108.06(A)(1) – For Contracts \$2,000 or Less or For Contract Time 100 Working Days or 140 Calendar Days or Less.

(b) Additional reports and graphics available from the software as requested by the Engineer.

(c) Sufficient detail to allow at least weekly monitoring of the Contractor and subcontractor's operations.

(d) The time scaled schematic shall be on a calendar or working days basis. What will be used shall be determined by how the contract keeps track of time. It will be the same. Plot the critical calendar dates anticipated.

384 (e) Breakdown of activity, such as forming, placing
385 reinforcing steel, concrete pouring and curing, and stripping
386 in concrete construction. Indicate location of work to be
387 done in such detail that it would be easily determined where
388 work would be occurring within approximately 200 feet.

389
390 (f) Latest start and finish dates for critical path activities.

391
392 (g) Identify responsible subcontractor, supplier, and
393 others for their respective activity.

394
395 (h) No individual activity shall have duration of more than
396 20 calendar days unless requested and approved by the
397 Engineer.

398
399 (i) All activities shall have work breakdown structure
400 codes and activity codes. The activity codes shall have
401 coding that incorporates information for phase, location,
402 who is responsible for doing work and type of operation and
403 activity description.

404
405 (j) Incorporate all physical access and availability
406 restraints.

407
408 **(B) Inspection and Testing.** All schedules shall provide reasonable
409 time and opportunity for the Engineer to inspect and test each work
410 activity.

411
412 **(C) Engineer's Acceptance of Progress Schedule.** The submittal
413 of, and the Engineer's receipt of any progress schedule, shall not be
414 deemed an agreement to modify any terms or conditions of the contract.
415 Any modifications to the contract terms and conditions that appear in or
416 may be inferred from an acceptable schedule will not be valid or
417 enforceable unless and until the Engineer exercises discretion to issue an
418 appropriate change order. Nor shall any submittal or receipt imply the
419 Engineer's approval of the schedule's breakdown, its individual elements,
420 any critical path that may be shown, nor shall it obligate the State to make
421 its personnel available outside normal working hours or the working hours
422 established by the Contract in order to accommodate such schedule.
423 The Contractor has the risk of all elements (whether or not shown) of the
424 schedule and its execution. No claim for additional compensation, time,
425 or both, shall be made by the Contractor or recognized by the Engineer
426 for delays during any period for which an acceptable progress schedule or
427 an updated progress schedule as required by Subsection 108.06(E) –
428 Contractor's Continuing Schedule Submittal Requirements had not been
429 submitted. Any acceptance or approval of the schedule shall be for
430 general format only and shall not be deemed an agreement by the State
431 that the construction means, methods, and resources shown on the

432 schedule will result in work that conforms to the contract requirements or
433 that the sequences or durations indicated are feasible.

434
435 **(D) Initial Progress Schedule.** The Contractor shall submit an initial
436 progress schedule. The initial progress schedule shall consist of the
437 following:

- 438
439 (1) Four sets of the TSLD schedule.
- 440
441 (2) All the software files and data to re-create the TSLD in a
442 computerized software format as specified by the Engineer.
- 443
444 (3) A listing of equipment that is anticipated to be used on the
445 project. Including the type, size, make, year of manufacture,
446 and all information necessary to identify the equipment in the
447 Rental Rate Blue Book for Construction Equipment.
- 448
449 (4) An anticipated manpower requirement graph plotting
450 contract time and total manpower requirement. This may be
451 superimposed over the payment graph.
- 452
453 (5) A Method Statement that is a detailed narrative describing
454 the work to be done and the method by which the work shall be
455 accomplished for each major activity. A major activity is an
456 activity that:
- 457 (a) Has a duration longer than five days.
- 458
459 (b) Is a milestone activity.
- 460
461 (c) Is a contract item that exceeds \$10,000 on the
462 contract cost proposal.
- 463
464 (d) Is a critical path activity.
- 465
466 (e) Is an activity designated as such by the Engineer.
- 467
468

469 Each Method Statement shall include the following items
470 needed to fulfill the schedule:

- 471
472 (a) Quantity, type, make, and model of equipment.
- 473
474 (b) The manpower to do the work, specifying worker
475 classification.
- 476
477 (c) The production rate per eight hour day, or the working
478 hours established by the contract documents needed to
479 meet the time indicated on the schedule. If the production

rate is not for eight hours, the number of working hours shall be indicated.

(6) Two sets of color time-scaled project evaluation and review technique charts ("PERT") using the activity box template of Logic – Early Start or such other template designated by the Engineer.

If the contract documents establish a sequence or order for the work, the initial progress schedule shall conform to such sequence or order.

(E) Contractor's Continuing Schedule Submittal Requirements.

After the acceptance of the initial TSLD and when construction starts, the Contractor shall submit four plotted progress schedules, two PERT charts, and reports on all construction activities every two weeks (bi-weekly). This scheduled bi-weekly submittal shall also include an updated version of the project schedule in a computerized software format as specified by the Engineer. The submittal shall have all the information needed to re-create that time period's TSLD plot and reports. The bi-weekly submittal shall include, but not limited to, an update of activities based on actual durations, all new activities and any changes in duration or start or finish dates of any activity.

The Contractor shall submit with every update, in report form acceptable to the Engineer, a list of changes to the progress schedule since the previous schedule submittal. The Engineer may change the frequency of the submittal requirements but may not require a submittal of the schedule to be more than once a week. The Engineer may decrease the frequency of the submittal of the bi-weekly schedule.

The Contractor shall submit updates of the anticipated work completion graph, equipment listing, manpower requirement graph or method statement when requested by the Engineer. The Contractor shall submit such updates within 4 calendar days from the date of the request by the Engineer.

The Engineer may withhold progress payment until the Contractor is in compliance with all schedule update requirements

(F) Float. All float appearing on a schedule is a shared commodity. Float does not belong to or exist for the exclusive use or benefit of either the State or the Contractor. The State or the Contractor has the opportunity to use available float until it is depleted. Float has no monetary value.

(G) Scheduled Meetings. The Contractor shall meet on a bi-weekly basis with the Engineer to review the progress schedule. The

Contractor shall have someone attending the meeting that can answer all questions on the TSLD and other schedule related submittals.

(H) Accelerated Schedule; Early Completion. If the Contractor submits an accelerated schedule (shorter than the contract time), the Engineer's review and acceptance of an accelerated schedule does not constitute an agreement or obligation by the State to modify the contract time or completion date. The Contractor is solely responsible for and shall accept all risks and any delays, other than those that can be directly and solely attributable to the State, that may occur during the work, until the contract completion date. The contract time or completion date is established for the benefit of the State and cannot be changed without an appropriate change order or Substantial Completion granted by the State. The State may accept the work before the completion date is established, but is not obligated to do so.

If the TSLD indicates an early completion of the project, the Contractor shall, upon submittal of the schedule, cooperate with the Engineer in explaining how it will be achieved. In addition, the Contractor shall submit the above explanation in writing which shall include the State's part, if any, in achieving the early completion date. Early completion of the project shall not rely on changes to the Contract Documents unless approved by the Engineer.

(I) Contractor Responsibilities. The Contractor shall promptly respond to any inquiries from the Engineer regarding any schedule submission. The Contractor shall adjust the schedule to address directives from the Engineer and shall resubmit the TSLD package to the Engineer until the Engineer finds it acceptable.

The Contractor shall perform the work in accordance with the submitted TSLD. The Engineer may require the Contractor to provide additional work forces and equipment to bring the progress of the work into conformance with the TSLD at no increase in contract price or contract time whenever the Engineer determines that the progress of the work does not insure completion within the specified contract time.

108.07 Weekly Meeting. In addition to the bi-weekly schedule meetings, the Contractor shall be available to meet once a week with the Engineer at the time and place as determined by the Engineer to discuss the work and its progress including but not limited to, the progress of the project, potential problems, coordination of work, submittals, erosion control reports, etc. The Contractor's personnel attending shall have the authority to make decisions and answer questions.

The Contractor shall bring to weekly meetings a detailed work schedule showing the next three weeks' work. Number of copies of the detailed work schedule to be submitted will be determined by the Engineer. The three-week

schedule is in addition to the TSLD and shall in no way be considered as a substitute for the TSLD or vice versa. The three-week schedule shall show:

(a) All construction events, traffic control and BMP related activities in such detail that the Engineer will be able to determine at what location and type of work will be done for any day for the next three weeks. This is for the State to use to plan its manpower requirements for that time period.

(b) The duration of all events and delays.

(c) The critical path clearly marked in red or marked in a manner that makes it clearly distinguishable from other paths and is acceptable to the Engineer.

(d) Critical submittals and requests for information (RFI's).

(e) The project title, project number, date created, period the schedule covers, Contractor's name and creator of the schedule on each page.

Two days prior to each weekly meeting, the Contractor shall submit a list of outstanding submittals, RFIs and issues that require discussion.

108.08 Liquidated Damages for Failure to Complete the Work or Portions of the Work on Time. The actual amount of damages resulting from the Contractor's failure to complete the contract in a timely manner is difficult to accurately determine. Therefore the amount of such damages shall be liquidated damages as set forth herein and in the special provisions. The State may, at its discretion, deduct the amount from monies due or that may become due under the contract.

When the Contractor fails to reach substantial completion of the work for which liquidated damages are specified, within the time or times fixed in the contract or any extension thereof, in addition to all other remedies for breach that may be available to the State, the Contractor shall pay liquidated damages to the State, in the amount of \$3,000 per working day.

(A) Liquidated Damages Upon Termination. If the State terminates on account of Contractor's default, liquidated damages may be charged against the defaulting Contractor and its surety until final completion of work.

(B) Liquidated Damages for Failure to Complete the Punchlist. The Contractor shall complete the work on any punchlist created after the pre-final inspection, within the contract time or any extension thereof.

When the Contractor fails to complete the work on such punchlist within the contract time or any extension thereof, the Contractor shall pay

liquidated damages to the State of 20 percent of the amount of liquidated damages established for failure to substantially complete the work within contract time. Liquidated damages shall not be assessed for the period between:

(1) Notice from the Contractor that the project is substantially complete and the time the punchlist is delivered to the Contractor.

(2) The date of the completion of punchlist as determined by the Engineer and the date of the successful final inspection, and

(3) The date of the Final Inspection that results in Substantial Completion and the receipt by the Contractor of the written notice of Substantial Completion.

(C) Actual Damages Recoverable If Liquidated Damages Deemed Unenforceable. In the event a court of competent jurisdiction holds that any liquidated damages assessed pursuant to this contract are unenforceable, the State will be entitled to recover its actual damages for Contractor's failure to complete the work, or any designated portion of the work within the time set by the contract.

108.09 Rental Fees for Unauthorized Lane Closure or Occupancy. In addition to all other remedies available to the State for Contractor's breach of the terms of the contract, the Engineer will assess the rental fees in the amount of \$2,500 for every one-to fifteen-minute increment for each roadway lane closed to public use or occupied beyond the time periods authorized in the contract or by the Engineer. The State may, at its discretion, deduct the amount from monies due or that may become due under the contract. The rental fee may be waived in whole or part if the Engineer determines that the unauthorized period of lane closure or occupancy was due to factors beyond the control of the Contractor. Equipment breakdown is not a cause to waive liquidated damages.

108.10 Suspension of Work.

(A) Suspension of Work. The Engineer may, by written order, suspend the performance of the work, either in whole or in part, for such periods as the Engineer may deem necessary, for any cause, including but not limited to:

(1) Weather or soil conditions considered unsuitable for prosecution of the work.

(2) Whenever a redesign that may affect the work is deemed necessary by the Engineer.

(3) Unacceptable noise or dust arising from the construction even if it does not violate any law or regulation.

671
672 (4) Failure on the part of the Contractor to:

673
674 (a) Correct conditions unsafe for the general public or for
675 the workers.

676
677 (b) Carry out orders given by the Engineer.

678
679 (c) Perform the work in strict compliance with the
680 provisions of the contract.

681
682 (d) Provide adequate supervision on the jobsite.

683
684 (5) The convenience of the State.

685
686 **(B) Partial and Total Suspension.** Suspension of work on some but
687 not all items of work shall be considered a "partial suspension".
688 Suspension of work on all items shall be considered "total suspension".
689 The period of suspension shall be computed from the date set out in the
690 written order for work to cease until the date of the order for work to
691 resume.

692
693 **(C) Reimbursement to Contractor.** In the event that the Contractor
694 is ordered by the Engineer in writing as provided herein to suspend all
695 work under the contract for the reasons specified in Subsections
696 108.10(A)(2), 108.10(A)(3), or 108.10(A)(5) of the "Suspension of Work"
697 paragraph, the Contractor may be reimbursed for actual direct costs
698 incurred on work at the jobsite, as authorized in writing by the Engineer,
699 including costs expended for the protection of the work. An allowance of 5
700 percent for indirect categories of delay costs will be paid on any
701 reimbursed direct costs, including extended branch and home-office
702 overhead and delay impact costs. No allowance will be made for
703 anticipated profits. Payment for equipment which is ordered to standby
704 during such suspension of work shall be made as described in Subsection
705 109.06(H) - Idle and Standby Equipment.

706
707 **(D) Cost Adjustment.** If the performance of all or part of the work is
708 suspended for reasons beyond the control of the Contractor except an
709 adjustment shall be made for any increase in cost of performance of this
710 contract (excluding profit) necessarily caused by such suspension, and
711 the contract modified in writing accordingly.

712
713 However, no adjustment to the contract price shall be made for any
714 suspension, delay, or interruption:

715
716 (1) For weather related conditions.
717

718 (2) To the extent that performance would have been so
719 suspended, delayed, or interrupted by any other cause, including
720 the fault or negligence of the Contractor.

721
722 (3) Or, for which an adjustment is provided for or excluded
723 under any other provision of this Contract.

724
725 **(E) Claims for Adjustment.** Any adjustment in contract price made
726 shall be determined in accordance with Subsections 104.02 – Changes
727 and 104.06 – Methods of Price Adjustment.

728
729 Any claims for such compensation shall be filed in writing with the
730 Engineer within 30 days after the date of the order to resume work or the
731 claim will not be considered. The claim shall conform to the
732 requirements of Subsection 107.15(D) – Making of a Claim. The
733 Engineer will take the claim under consideration, may make such
734 investigations as are deemed necessary and will be the sole judge as to
735 the equitability of the claim. The Engineer's decision will be final.

736
737 **(F) No Adjustment.** No provision of this clause shall entitle the
738 Contractor to any adjustments for delays due to failure of its surety, the
739 cancellation or expiration of any insurance coverage required by the
740 contract documents, for suspensions made at the request of the
741 Contractor, for any delay required under the contract, for suspensions,
742 either partial or whole, made by the Engineer under Subsection
743 108.10(A)(4) of the "Suspension of work" paragraph.

744
745 **108.11 Termination of Contract for Cause.**

746
747 **(A) Default.** If the Contractor refuses or fails to perform the work, or
748 any separable part thereof, with such diligence as will assure its
749 completion within the time specified in this contract, or any extension
750 thereof, or commits any other material breach of this contract, and further
751 fails within seven days after receipt of written notice from the Engineer to
752 commence and continue correction of the refusal or failure with diligence
753 and promptness, the Engineer may, by written notice to the Contractor,
754 declare the Contractor in breach and terminate the Contractor's right to
755 proceed with the work or the part of the work as to which there has been
756 delay or other breach of contract. In such event, the State may take
757 over the work, perform the same to completion, by contract or otherwise,
758 and may take possession of, and utilize in completing the work, the
759 materials, appliances, and plants as may be on the site of the work and
760 necessary therefore. Whether or not the Contractor's right to proceed
761 with the work is terminated, the Contractor and the Contractor's sureties
762 shall be liable for any damage to the State resulting from the Contractor's
763 refusal or failure to complete the work within the specified time.

765 **(B) Additional Rights and Remedies.** The rights and remedies of
766 the State provided in this contract are in addition to any other rights and
767 remedies provided by law.

768
769 **(C) Costs and Charges.** All costs and charges incurred by the
770 State, together with the cost of completing the work under contract, will
771 be deducted from any monies due or which would or might have become
772 due to the Contractor had it been allowed to complete the work under the
773 contract. If such expense exceeds the sum which would have been
774 payable under the contract, then the Contractor and the surety shall be
775 liable and shall pay the State the amount of the excess.
776

777 In case of termination, the Engineer will limit any payment to the
778 Contractor to the part of the contract satisfactorily completed at the time of
779 termination. Payment will not be made until the work has satisfactorily
780 been completed and all required documents, including the tax clearance
781 required by Subsection 109.11 – Final Payment are submitted by the
782 Contractor. Termination shall not relieve the Contractor or Surety from
783 liability for liquidated damages.
784

785 **(D) Erroneous Termination for Cause.** If, after notice of
786 termination of the Contractor's right to proceed under this section, it is
787 determined for any reason that good cause did not exist to allow the State
788 to terminate as provided herein, the rights and obligations of the parties
789 shall be the same as, and the relief afforded the Contractor shall be
790 limited to, the provisions contained in Subsection 108.12 – Termination
791 for Convenience.
792

793 **108.12 Termination For Convenience.**

794
795 **(A) Terminations.** The Director may, when the interests of the State
796 so require, terminate this contract in whole or in part, for the convenience
797 of the State. The Director will give written notice of the termination to
798 the Contractor specifying the part of the contract terminated and when
799 termination becomes effective.
800

801 **(B) Contractor's Obligations.** The Contractor shall incur no further
802 obligations in connection with the terminated work and on the date set in
803 the notice of termination the Contractor shall stop work to the extent
804 specified. The Contractor shall also terminate outstanding orders and
805 subcontracts as they relate to the terminated work. The Contractor shall
806 settle the liabilities and claims arising out of the termination of
807 subcontracts and orders connected with the terminated work subject to the
808 State's approval. The Engineer may direct the Contractor to assign the
809 Contractor's right, title, and interest under terminated orders or
810 subcontracts to the State. The Contractor must still complete the work
811 not terminated by the notice of termination and may incur obligations as
812 necessary to do so.

813
814 **(C) Right to Construction and Goods.** The Engineer may require
815 the Contractor to transfer title and to deliver to the State in the manner and
816 to the extent directed by the Engineer, the following:
817

818 (1) Any completed work.
819

820 (2) Any partially completed construction, goods, materials,
821 parts, tools, dies, jigs, fixtures, drawings, information, and
822 contract rights (hereinafter called "construction material") that the
823 Contractor has specifically produced or specially acquired for the
824 performance of the terminated part of this contract.
825

826 (3) The Contractor shall protect and preserve all property in the
827 possession of the Contractor in which the State has an interest. If
828 the Engineer does not elect to retain any such property, the
829 Contractor shall use its best efforts to sell such property and
830 construction materials for the State's account in accordance with
831 the standards of HRS Chapter 490:2-706.
832

833 **(D) Compensation.**
834

835 (1) The Contractor shall submit a termination claim specifying
836 the amounts due because of the termination for convenience
837 together with cost or pricing data, submitted to the extent required
838 by HAR Subchapter 15, Chapter 3-122. If the Contractor fails to
839 file a termination claim within one year from the effective date of
840 termination, the Engineer may pay the Contractor, if at all, an
841 amount set in accordance with Subsection 108.12(D)(3).
842

843 (2) The Engineer and the Contractor may agree to a settlement
844 provided the Contractor has filed a termination claim supported by
845 cost or pricing data submitted as required and that the settlement
846 does not exceed the total contract price plus settlement costs
847 reduced by payments previously made by the State, the proceeds
848 of any sales of construction, supplies, and construction materials
849 under Subsection 108.12(C)(3), and the proportionate contract
850 price of the work not terminated.
851

852 (3) Absent complete agreement, the Engineer will pay the
853 Contractor the following amounts less any payments previously
854 made under the contract:
855

856 (a) The cost of all contract work performed prior to the
857 effective date of the notice of termination work plus a 5
858 percent markup on the actual direct costs, including
859 amounts paid to subcontractor, less amounts paid or to be
860 paid for completed portions of such work; provided,

however, that if it appears that the Contractor would have sustained a loss if the entire contract would have been completed, no markup shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss. No anticipated profit or consequential damage will be due or paid.

(b) Subcontractors shall be paid a markup of 10 percent on their direct job costs incurred to the date of termination. No anticipated profit or consequential damage will be due or paid to any subcontractor. These costs must not include payments made to the Contractor for subcontract work during the contract period.

(c) The total sum to be paid the Contractor shall not exceed the total contract price reduced by the amount of any sales of construction supplies, and construction materials.

(4) Cost claimed, agreed to, or established by the State shall be in accordance with HAR Chapter 3-123.

108.13 Pre-Final and Final Inspections.

(A) **Inspection Requirements.** Before the Engineer undertakes a final inspection of any work, a pre-final inspection must first be conducted. The Contractor shall notify the Engineer that the work has reached substantial completion and is ready for pre-final inspection.

(B) **Pre-Final Inspection.** Before notifying the Engineer that the work has reached substantial completion, the Contractor shall inspect the project and test all installed items with all of its subcontractors as appropriate. The Contractor shall also submit the following documents as applicable to the work:

- (1) All written guarantees required by the contract.
- (2) Two accepted final field-posted drawings as specified in Section 648 – Field-Posted Drawings;
- (3) Complete weekly certified payroll records for the Contractor and Subcontractors.
- (4) Certificate of Plumbing and Electrical Inspection.
- (5) Certificate of building occupancy as required.
- (6) Certificate of Soil and Wood Treatments.

909 (7) Certificate of Water System Chlorination.

910
911 (8) Certificate of Elevator Inspection, Boiler and Pressure Pipe
912 Inspection.

913
914 (9) Maintenance Service Contract and two copies of a list of all
915 equipment installed.

916
917 (10) Current Tax clearance. The contractor will be required to
918 submit an additional tax clearance certificate when the final
919 payment is made.

920
921 (11) And any other final items and submittals required by the
922 contract documents.

923
924 **(C) Procedure.** When in compliance with the above requirements,
925 the Contractor shall notify the Engineer in writing that the project has
926 reached substantial completion and is ready for pre-final inspection.

927
928 The Engineer will then make a preliminary determination as to
929 whether or not the project is substantially complete and ready for pre-final
930 inspection. The Engineer may, in writing, postpone until after the pre-
931 final inspection the Contractor's submittal of any of the items listed in
932 Subsection 108.13(B) – Pre-Final Inspection, herein, if in the Engineer's
933 discretion it is in the interest of the State to do so.

934
935 If, in the opinion of the Engineer, the project is not substantially
936 complete, the Engineer will provide the Contractor a punchlist of specific
937 deficiencies in writing which must be corrected or finished before the work
938 will be ready for a pre-final inspection. The Engineer may add to or
939 otherwise modify this punchlist from time to time. The Contractor shall
940 take immediate action to correct the deficiencies and must repeat all steps
941 described above including written notification that the work is ready for
942 pre-final inspection.

943
944 After the Engineer is satisfied that the project appears substantially
945 complete a final inspection shall be scheduled within ten working days
946 after receipt of the Contractor's latest letter of notification that the project is
947 ready for final inspection.

948
949 If, as a result of the pre-final inspection, the Engineer determines
950 the work is not substantially complete, the Engineer will inform the
951 Contractor in writing as to specific deficiencies which must be corrected
952 before the work will be ready for another pre-final inspection. If the
953 Engineer finds the work is substantially complete but finds deficiencies
954 that must be corrected before the work is ready for final inspection, the
955 Engineer will prepare in writing and deliver to the Contractor a punchlist
956 describing such deficiencies.

At any time before final acceptance, the Engineer may revoke the determination of substantial completion if the Engineer finds that it was not warranted and will notify the Contractor in writing the reasons therefore together with a description of the deficiencies negating the declaration.

When the date of substantial completion has been determined by the State, liquidated damages for the failure to complete the punchlist, if due to the State will be assessed in pursuant to Subsection 108.08(B) - Liquidated Damages for Failure to Complete the Punchlist.

(D) Punchlist; Clean Up and Final Inspection. Upon receiving a punchlist after pre-final inspection, the Contractor shall promptly devote all required time, labor, equipment, materials and incidentals to correct and remedy all punchlist deficiencies. The Engineer may add to or otherwise modify this punchlist until substantial completion of the project.

Before final inspection of the work, the Contractor shall clean all ground occupied by the Contractor in connection with the work of all rubbish, excess materials, temporary structures and equipment, shall remove all graffiti and defacement of the work and all parts of the work and the worksite must be left in a neat and presentable condition to the satisfaction of the Engineer.

Final inspection will occur within ten working days after the Contractor notifies the Engineer in writing that all punchlist deficiencies remaining after the pre-final inspection have been completed and the Engineer concurs. If the Engineer determines that deficiencies still remain at the final inspection, the work will not be accepted and the Engineer will notify the Contractor, in writing, of the deficiencies which shall be corrected and the steps above repeated.

If the Contractor fails to correct the deficiencies and complete the work by the established or agreed date, the State may correct the deficiencies by whatever method it deems appropriate and deduct the cost from any payments due the Contractor.

108.14 Substantial Completion and Final Acceptance.

(A) Substantial Completion. When the Engineer finds that the Contractor has satisfactorily completed all work for the project in compliance with the contract, with the exception of the planting period and the plant establishment period, the Engineer will notify the Contractor, in writing, of the project's substantial completion, effective as of the date of the final inspection. The substantial completion date shall determine end of contract time and relieve contractor of any additional accumulation of liquidated damages for failure to complete the punchlist.

(B) Final Acceptance. When the Engineer finds that the Contractor has satisfactorily completed all contract work in compliance with the contract including all plant establishment requirements, and all the materials have been accepted by the State, the Engineer will issue a Final Acceptance Letter. The Final Acceptance date shall determine the commencement of all guaranty periods subject to Subsection 108.16 – Contractor's Responsibility for Work; Risk of Loss or Damage.

108.15 Use of Structure or Improvement. The State has the right to use the structure, equipment, improvement, or any part thereof, at any time after it is considered by the Engineer as available. In the event that the structure, equipment or any part thereof is used by the State before final acceptance, the Contractor is not relieved of its responsibility to protect and preserve all the work until final acceptance.

108.16 Contractor's Responsibility for Work; Risk of Loss or Damage. Until the written notice of final acceptance has been received, the Contractor shall take every precaution against loss or damage to any part of the work by the action of the elements or from any other cause whatsoever, whether arising from the performance or from the non-performance of the work. The Contractor shall rebuild, repair, restore and make good all loss or damage to any portion of the work resulting from any cause before its receipt of the written notice of final acceptance and shall bear the risk and expense thereof.

The risk of loss or damage to the work from any hazard or occurrence that may or may not be covered by a builder's risk policy is that of the Contractor and Surety, unless such risk of loss is placed elsewhere by express language in the contract documents.

108.17 Guarantee of Work.

(1) Regardless of, and in addition to, any manufacturers' warranties, all work and equipment shall be guaranteed by the Contractor against defects in materials, equipment or workmanship for one year from the date of final acceptance or as otherwise specified in the contract documents.

(2) When the Engineer determines that repairs or replacements of any guaranteed work and equipment is necessary due to materials, equipment, or workmanship which are inferior, defective, or not in accordance with the terms of the contract, the Contractor shall, at no increase in contract price or contract time, and within five working days of receipt of written notice from the State, commence to all of the following:

(a) Correct all noted defects and make replacements, as directed by the Engineer, in the equipment and work.

(b) Repair or replace to new or pre-existing condition any damages resulting from such defective materials, equipment or installation thereof.

(3) The State will be entitled to the benefit of all manufacturers and installers warranties that extend beyond the terms of the Contractor's guaranty regardless of whether or not such extended warranty is required by the contract documents. The Contractor shall prepare and submit all documents required by the providers of such warranties to make them effective, and submit copies of such documents to the Engineer. If an available extended warranty cannot be transferred or assigned to the State as the ultimate user, the Contractor shall notify the Engineer who may direct that the warranted items be acquired in the name of the State as purchaser.

(4) If a defect is discovered during a guarantee period, all repairs and corrections to the defective items when corrected shall be guaranteed for a new duration equal to the original full guarantee period. The running of the guarantee period shall be suspended for all other work affected by any defect. The guarantee period for all other work affected by any such defect shall restart for its remaining duration upon confirmation by the Engineer that the deficiencies have been repaired or remedied.

(5) Nothing in this section is intended to limit or affect the State's rights and remedies arising from the discovery of latent defects in the work after the expiration of any guarantee period.

108.18 No Waiver of Legal Rights. The following will not operate or be considered as a waiver of any portion of the contract, or any power herein reserved, or any right to damages provided herein or by law:

(1) Any payment for, or acceptance of, the whole or any part of the work.

(2) Any extension of time.

(3) Any possession taken by the Engineer.

A waiver of any notice requirement or of any noncompliance with the contract will not be held to be a waiver of any other notice requirement or any other noncompliance with the contract.

108.19 Final Settlement of Contract.

(A) **Closing Requirements.** The contract will be considered settled after the project acceptance date and when the following items have been satisfactorily submitted, where applicable:

- 1100 (1) All written guarantees required by the contract.
1101
1102 (2) Complete and certified weekly payrolls for the Contractor
1103 and its subcontractor's.
1104
1105 (3) Certificate of plumbing and electrical inspection.
1106
1107 (4) Certificate of building occupancy.
1108
1109 (5) Certificate for soil treatment and wood treatment.
1110
1111 (6) Certificate of water system chlorination.
1112
1113 (7) Certificate of elevator inspection, boiler and pressure pipe
1114 installation.
1115
1116 (8) Tax clearance.
1117
1118 (9) All other documents required by the Contract or by law.
1119

1120 **(B) Failure to Meet Closing Requirements.** The Contractor shall
1121 meet the applicable closing requirements within 60 days from the date of
1122 Project Acceptance or the agreed to Punchlist complete date. Should
1123 the Contractor fail to comply with these requirements, the Engineer may
1124 terminate the contract for cause."
1125
1126
1127

1128 **END OF SECTION 108**
1129