

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

2  
3 **“SECTION 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 calendar days after the contract certification date. The  
7 Engineer may suspend the contract before issuing the Notice To Proceed, in  
8 which case the Contractor’s remedies are exclusively those set forth in Subsection  
9 108.10 – Suspension of Work.

10  
11 The Contractor shall be allowed up to 14 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 shall  
15 notify the Engineer, in writing, at least five working days before beginning physical  
16 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 Subsection  
20 108.11 – 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  
26 Any physical work done prior to the Start Work Date will be considered  
27 unauthorized work. If the Engineer does not direct that the unauthorized work be  
28 removed, it shall be paid for after the Start Work Date and only if it is acceptable.

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

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

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



**108.02 Prosecution of Work.** Unless otherwise permitted by the Engineer, in writing, the Contractor shall not commence with physical construction unless sufficient materials and equipment are available for either continuous 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 21 calendar days from award. 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.

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

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

**108.05 Contract Time.**

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

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

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



134 **(1) Changes in the Work, Additional Work, and Delays**  
135 **Caused by the State.** If the Contractor believes that an extension of  
136 time is justified on account of any act or omission by the State, and is  
137 not adequately provided for in a field order or change order, it must  
138 request the additional time as provided above. At the request of the  
139 Engineer, the Contractor must show how the critical path will be  
140 affected and must also support the time extension request with  
141 schedules, as well as statements from its subcontractors, suppliers,  
142 or manufacturers, as necessary. Claims for compensation for any  
143 altered or additional work will be determined pursuant to Subsection  
144 104.02 – Changes.

145  
146 Additional time to perform the extra work will be added to the  
147 time allowed in the contract without regard to the date the change  
148 directive was issued, even if the contract completion date has  
149 passed. A change requiring time issued after contract time has  
150 expired will not constitute an excusal or waiver of pre-existing  
151 Contractor delay.

152  
153 **(2) Delay for Permits.** For delays in the routine application and  
154 processing time required to obtain necessary permits, including  
155 permits to be obtained from State agencies, the Engineer may grant  
156 an extension provided that the permit takes longer than 30 days to  
157 acquire and the delay is not caused by the Contractor, and provided  
158 that as soon as the delay occurs, the Contractor notifies the  
159 Engineer in writing that the permits are not available. Permits  
160 required by the contract that take less than 30 days to acquire from  
161 the time which the appropriate documents are granted shall be  
162 acquired between Notice to Proceed and Start Work Date or  
163 accounted for in the contractor's progress schedule. Time  
164 extensions will be the exclusive relief granted on account of such  
165 delays.

166  
167 **(3) Delays Beyond Contractor's Control.** For delays caused by  
168 acts of God, a public enemy, fire, inclement weather days or  
169 adverse conditions resulting therefrom, earthquakes, floods,  
170 epidemics, quarantine restrictions, labor disputes impacting the  
171 Contractor or the State, freight embargoes and other reasons  
172 beyond the Contractor's control, the Contractor may be granted an  
173 extension of time provided that:

174  
175 **(a)** In the written notice of delay to the Engineer, the  
176 Contractor describes possible effects on the completion date  
177 of the contract. The description of delays shall:  
178



179 1. State specifically the reason or reasons for the  
180 delay and fully explain in a detailed chronology how the  
181 delay affects the critical path.

182  
183 2. Include copies of pertinent documentation to  
184 support the time extension request.

185  
186 3. Cite the anticipated period of delay and the time  
187 extension requested.

188  
189 4. State either that the above circumstances have  
190 been cleared and normal working conditions restored  
191 as of a certain day or that the above circumstances will  
192 continue to prevent completion of the project.

193  
194 (b) The Contractor shall notify the Engineer in writing when  
195 the delay ends. Time extensions will be the exclusive relief  
196 granted and no additional compensation will be paid the  
197 Contractor for such delays.

198  
199 **(4) Delays in Delivery of Materials or Equipment.** For delays  
200 in delivery of materials or equipment, which occur as a result of  
201 unforeseeable causes beyond the control and without fault of the  
202 Contractor, its subcontractor(s) or supplier(s), time extensions shall  
203 be the exclusive relief granted and no additional compensation will  
204 be paid the Contractor on account of such delay. The delay shall not  
205 exceed the difference between the originally scheduled delivery date  
206 and the actual delivery date. The Contractor may be granted an  
207 extension of time provided that it complies with the following  
208 procedures:

209  
210 (a) The Contractor's written notice to the Engineer must  
211 describe the delays and state the effect such delays may have  
212 on the critical path.

213  
214 (b) The Contractor, if requested, must submit to the  
215 Engineer within five days after a firm delivery date for the  
216 material and equipment is established, a written statement  
217 regarding the delay. The Contractor must justify the delay as  
218 follows:

219  
220 1. State specifically all reasons for the delay.  
221 Explain in a detailed chronology the effect of the delay  
222 on the critical path.  
223



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) – Delays Beyond Contractor’s Control and 108.05(B)(4) – Delays in Delivery of Materials or Equipment.

(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.

#### **108.06 Progress Schedules.**

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

Schedule submittals shall be as follows:

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

(a) The major features of work, such as but not limited to BMP installation, grubbing, roadway excavation, structure excavation, structure construction, shown in the chronological order in which the Contractor proposes to work that feature or work and its location on the project. The schedule shall account for normal inclement weather, unusual soil or other



conditions that may influence the progress of the work, schedules, and coordination required by any utility, off or on site fabrications, and other pertinent factors that relate to progress;

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

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

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

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

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

**(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.



358 **(2) For Contracts Which Have A Contract Amount More Than**  
359 **\$2,000,000 Or Having A Contract Time Of More Than 100**  
360 **Working Days Or 140 Calendar Days.** For contracts which have a  
361 contract amount more than \$2,000,000 or contract time of more than  
362 100 working days or 140 calendar days, the Contractor shall submit  
363 a Timed-Scaled Logic Diagram (TSLD) meeting the following  
364 requirements and having these essential and distinctive elements:  
365

366 **(a)** The information and requirements listed in Subsection  
367 108.06(A)(1) – For Contracts \$2,000,000 or Less or For  
368 Contract Time 100 Working Days or 140 Calendar Days or  
369 Less.  
370

371 **(b)** Additional reports and graphics available from the  
372 software as requested by the Engineer.  
373

374 **(c)** Sufficient detail to allow at least weekly monitoring of  
375 the Contractor and subcontractor's operations.  
376

377 **(d)** The time scaled schematic shall be on a calendar or  
378 working days basis. What will be used shall be determined by  
379 how the contract keeps track of time. It will be the same. Plot  
380 the critical calendar dates anticipated.  
381

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

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

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

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

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



(j) Incorporate all physical access and availability restraints.

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

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

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

- (1) Four sets of the TSLD schedule.
- (2) All the software files and data to re-create the TSLD in a computerized software format as specified by the Engineer.
- (3) A listing of equipment that is anticipated to be used on the project. Including the type, size, make, year of manufacture, and all information necessary to identify the equipment in the Rental Rate Blue Book for Construction Equipment.
- (4) An anticipated manpower requirement graph plotting contract time and total manpower requirement. This may be superimposed over the payment graph.



(5) A Method Statement that is a detailed narrative describing the work to be done and the method by which the work shall be accomplished for each major activity. A major activity is an activity that has one or more of the following:

- (a) Has a duration longer than five days.
- (b) Is a milestone activity.
- (c) Is a contract item that exceeds \$10,000 on the contract cost proposal.
- (d) Is a critical path activity.
- (e) Is an activity designated as such by the Engineer.

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

- (a) Quantity, type, make, and model of equipment.
- (b) The manpower to do the work, specifying worker classification.
- (c) The production rate per eight hour day, or the working hours established by the contract documents needed to 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. Directly submit an informational copy of the three-week schedule to the Materials Testing and Research Branch (MTRB) on the same day as the weekly meeting is held or was to be held. An informational copy is for informational use only and requires no response or further action from the MTRB. 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 \$6,000 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 \$1,000 for every one-to fifteen-minute increment for each roadway lane or portion thereof, for each location, for each roadway lane closed to public use or encroached upon 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 lane rental fees.

**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.

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

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



674  
675 (b) Carry out orders given by the Engineer.  
676

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

680 (d) Provide adequate supervision on the jobsite.  
681 (5) The convenience of the State.  
682

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

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

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

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

713 (1) For weather related conditions.  
714

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



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

721  
722                   **(E) Claims for Adjustment.** Any adjustment in contract price made  
723                   shall be determined in accordance with Subsections 104.02 – Changes and  
724                   104.06 – Methods of Price Adjustment.

725  
726                   Any claims for such compensation shall be filed in writing with the  
727                   Engineer within 30 days after the date of the order to resume work or the  
728                   claim will not be considered. The claim shall conform to the requirements  
729                   of Subsection 107.15(D) – Making of a Claim. The Engineer will take the  
730                   claim under consideration, may make such investigations as are deemed  
731                   necessary and will be the sole judge as to the equitability of the claim. The  
732                   Engineer's decision will be final.

733  
734                   **(F) No Adjustment.** No provision of this clause shall entitle the  
735                   Contractor to any adjustments for delays due to failure of its surety, the  
736                   cancellation or expiration of any insurance coverage required by the  
737                   contract documents, for suspensions made at the request of the Contractor,  
738                   for any delay required under the contract, for suspensions, either partial or  
739                   whole, made by the Engineer under Subsection 108.10(A)(4) of the  
740                   “Suspension of work” paragraph.

741  
742                   **108.11 Termination of Contract for Cause.**

743  
744                   **(A) Default.** If the Contractor refuses or fails to perform the work, or any  
745                   separable part thereof, with such diligence as will assure its completion  
746                   within the time specified in this contract, or any extension thereof, or  
747                   commits any other material breach of this contract, and further fails within  
748                   seven days after receipt of written notice from the Engineer to commence  
749                   and continue correction of the refusal or failure with diligence and  
750                   promptness, the Engineer may, by written notice to the Contractor, declare  
751                   the Contractor in breach and terminate the Contractor's right to proceed  
752                   with the work or the part of the work as to which there has been delay or  
753                   other breach of contract. In such event, the State may take over the work,  
754                   perform the same to completion, by contract or otherwise, and may take  
755                   possession of, and utilize in completing the work, the materials, appliances,  
756                   and plants as may be on the site of the work and necessary therefore.  
757                   Whether or not the Contractor's right to proceed with the work is terminated,  
758                   the Contractor and the Contractor's sureties shall be liable for any damage  
759                   to the State resulting from the Contractor's refusal or failure to complete the  
760                   work within the specified time.

761  
762                   **(B) Additional Rights and Remedies.** The rights and remedies of the  
763                   State provided in this contract are in addition to any other rights and  
764                   remedies provided by law.



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

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

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

#### **108.12 Termination For Convenience.**

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

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



809 **(C) Right to Construction and Goods.** The Engineer may require the  
810 Contractor to transfer title and to deliver to the State in the manner and to  
811 the extent directed by the Engineer, the following:

812  
813 (1) Any completed work.

814  
815 (2) Any partially completed construction, goods, materials, parts,  
816 tools, dies, jigs, fixtures, drawings, information, and contract rights  
817 (hereinafter called "construction material") that the Contractor has  
818 specifically produced or specially acquired for the performance of the  
819 terminated part of this contract.

820  
821 (3) The Contractor shall protect and preserve all property in the  
822 possession of the Contractor in which the State has an interest. If  
823 the Engineer does not elect to retain any such property, the  
824 Contractor shall use its best efforts to sell such property and  
825 construction materials for the State's account in accordance with the  
826 standards of HRS Chapter 490:2-706.

827  
828 **(D) Compensation.**

829  
830 (1) The Contractor shall submit a termination claim specifying the  
831 amounts due because of the termination for convenience together  
832 with cost or pricing data, submitted to the extent required by HAR  
833 Subchapter 15, Chapter 3-122. If the Contractor fails to file a  
834 termination claim within one year from the effective date of  
835 termination, the Engineer may pay the Contractor, if at all, an amount  
836 set in accordance with Subsection 108.12(D)(3).

837  
838 (2) The Engineer and the Contractor may agree to a settlement  
839 provided the Contractor has filed a termination claim supported by  
840 cost or pricing data submitted as required and that the settlement  
841 does not exceed the total contract price plus settlement costs  
842 reduced by payments previously made by the State, the proceeds of  
843 any sales of construction, supplies, and construction materials under  
844 Subsection 108.12(C)(3), and the proportionate contract price of the  
845 work not terminated.

846  
847 (3) Absent complete agreement, the Engineer will pay the  
848 Contractor the following amounts less any payments previously  
849 made under the contract:

850  
851 (a) The cost of all contract work performed prior to the  
852 effective date of the notice of termination work plus a 5  
853 percent markup on the actual direct costs, including amounts  
854 paid to subcontractor, less amounts paid or to be 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.



- 901                   (6)     Certificate of Soil and Wood Treatments.
- 902
- 903                   (7)     Certificate of Water System Chlorination.
- 904
- 905                   (8)     Certificate of Elevator Inspection, Boiler and Pressure Pipe
- 906                   Inspection.
- 907
- 908                   (9)     Maintenance Service Contract and two copies of a list of all
- 909                   equipment installed.
- 910
- 911                   (10)    Current Tax clearance. The contractor will be required to
- 912                   submit an additional tax clearance certificate when the final payment
- 913                   is made.
- 914
- 915                   (11)    And any other final items and submittals required by the
- 916                   contract documents.
- 917

918   **(C) Procedure.** When in compliance with the above requirements, the

919   Contractor shall notify the Engineer in writing that the project has reached

920   substantial completion and is ready for pre-final inspection.

921

922               The Engineer will then make a preliminary determination as to

923               whether or not the project is substantially complete and ready for a pre-final

924               inspection. The Engineer may, in writing, postpone the pre-final inspection

925               until all the items listed in Subsection 108.13(B) – Pre-Final Inspection, are

926               submitted and accepted or in the sole opinion of the Engineer the work is

927               not substantially complete or a combination of both. The Engineer may

928               give a waiver to the Contract Document requirements for the pre-final,

929               which will be written, only if the waiver can justify that it is in the best

930               interest of the State to do so.

931

932               If in the sole opinion of the Engineer, the project's work status is not

933               substantially complete, the Engineer may deny the pre-inspection from

934               being held until it is a qualifying condition. The Engineer may at its sole

935               discretion provide the Contractor a punchlist of specific deficiencies in

936               writing which shall be corrected or finished before the work will be ready for

937               a pre-final inspection. The Engineer needs to do so only if in its sole

938               opinion the project's status of the work is near or at an acceptable condition

939               for a pre-final inspection. The Contractor shall use due diligence to make

940               the project's work status acceptable for a pre-final inspection before

941               requesting one. The Engineer may add to or otherwise modify this

942               punchlist from time to time. The Contractor shall take immediate action to

943               correct the deficiencies and must repeat all steps described above including

944               written notification.

945



If the Engineer finds the work status is substantially complete after a pre-final inspection but finds deficiencies that are required to be corrected before the work is ready for a final inspection, the Engineer will prepare in writing and deliver to the Contractor a punchlist describing such deficiencies.

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

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.



992  
993 **108.14 Substantial Completion and Final Acceptance.**  
994

995 **(A) Substantial Completion.** When the Engineer finds that the  
996 Contractor has satisfactorily completed all work for the project in  
997 compliance with the contract, with the exception of the planting period and  
998 the plant establishment period, the Engineer will notify the Contractor, in  
999 writing, of the project's substantial completion, effective as of the date of the  
1000 final inspection. The substantial completion date shall determine end of  
1001 contract time and relieve contractor of any additional accumulation of  
1002 liquidated damages for failure to complete the punchlist.  
1003

1004 **(B) Final Acceptance.** When the Engineer finds that the Contractor has  
1005 satisfactorily completed all contract work in compliance with the contract  
1006 including all plant establishment requirements, and all the materials have  
1007 been accepted by the State, the Engineer will issue a Final Acceptance  
1008 Letter. The Final Acceptance date shall determine the commencement of  
1009 all guaranty periods subject to Subsection 108.16 – Contractor's  
1010 Responsibility for Work; Risk of Loss or Damage.  
1011

1012 **108.15 Use of Structure or Improvement.** The State has the right to use the  
1013 structure, equipment, improvement, or any part thereof, at any time after it is  
1014 considered by the Engineer as available. In the event that the structure,  
1015 equipment or any part thereof is used by the State before final acceptance, the  
1016 Contractor is not relieved of its responsibility to protect and preserve all the work  
1017 until final acceptance.  
1018

1019 **108.16 Contractor's Responsibility for Work; Risk of Loss or Damage.**  
1020 Until the written notice of final acceptance has been received, the Contractor shall  
1021 take every precaution against loss or damage to any part of the work by the action  
1022 of the elements or from any other cause whatsoever, whether arising from the  
1023 performance or from the non-performance of the work. The Contractor shall  
1024 rebuild, repair, restore and make good all loss or damage to any portion of the  
1025 work resulting from any cause before its receipt of the written notice of final  
1026 acceptance and shall bear the risk and expense thereof.  
1027

1028 The risk of loss or damage to the work from any hazard or occurrence that  
1029 may or may not be covered by a builder's risk policy is that of the Contractor and  
1030 Surety, unless such risk of loss is placed elsewhere by express language in the  
1031 contract documents.  
1032

1033 **108.17 Guarantee of Work.**  
1034

1035 **(1)** Regardless of, and in addition to, any manufacturers' warranties, all  
1036 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.



- 1083  
1084           **(3)**     Any possession taken by the Engineer.  
1085

1086           A waiver of any notice requirement or of any noncompliance with the  
1087 contract will not be held to be a waiver of any other notice requirement or any  
1088 other noncompliance with the contract.  
1089

1090 **108.19   Final Settlement of Contract.**  
1091

1092           **(A)   Closing Requirements.** The contract will be considered settled  
1093 after the project acceptance date and when the following items have been  
1094 satisfactorily submitted, where applicable:  
1095

- 1096                   **(1)**     All written guarantees required by the contract.  
1097  
1098                   **(2)**     Complete and certified weekly payrolls for the Contractor and  
1099 its subcontractor's.  
1100  
1101                   **(3)**     Certificate of plumbing and electrical inspection.  
1102  
1103                   **(4)**     Certificate of building occupancy.  
1104  
1105                   **(5)**     Certificate for soil treatment and wood treatment.  
1106  
1107                   **(6)**     Certificate of water system chlorination.  
1108  
1109                   **(7)**     Certificate of elevator inspection, boiler and pressure pipe  
1110 installation.  
1111  
1112                   **(8)**     Tax clearance.  
1113  
1114                   **(9)**     All other documents required by the Contract or by law.  
1115

1116           **(B)   Failure to Meet Closing Requirements.** The Contractor shall meet  
1117 the applicable closing requirements within 60 days from the date of Project  
1118 Acceptance or the agreed to Punchlist complete date. Should the  
1119 Contractor fail to comply with these requirements, the Engineer may  
1120 terminate the contract for cause."  
1121  
1122  
1123  
1124  
1125

**END OF SECTION 108**