

Document 00800

SUPPLEMENTARY CONDITIONS

Project Manager: _____ Project No.: WBS_____
Edit this Document to include only Paragraphs needed to supplement
Document 00700 - General Conditions - for each project.

The following Paragraphs amend and supplement the November 28, 2017 edition of the General Conditions. Unaltered portions of General Conditions remain in effect.

MANDATORY

Use Paragraph 1.1.9.1 to name a firm which is under contract to the City to manage the Contract. Do not use this Paragraph to name in-house project managers or consultants who provide personnel to supplement City staff.

ARTICLE 1 - GENERAL PROVISIONS:

1.1 *DEFINITIONS: Insert the following Paragraphs 1.1.9.1, 1.1.23, and 1.1.25 reorder the remaining definitions accordingly. Please insert the amended definition of "Specifications".*

1.1.9.1 The firm of _____ has been employed by the City as Construction Manager for the Work.

1.1.23 *Good Faith Efforts.* Steps taken to achieve an MBE, WBE, SBE, or PDBE goal or other requirements which, by their scope, intensity, and usefulness, demonstrate the bidder's responsiveness to fulfill the business opportunity objective, as well as the Contractor's responsibility to put forth measures to meet or exceed the MBE, WBE, SBE, or PDBE goal (Contract Goal). These steps apply from before a contract's award, through its duration, and after its conclusion, in the event the Contractor has been unsuccessful in meeting the Contract Goal. These efforts are required whether a Goal Oriented Contract or a Regulated Contract, as defined in the Office of Business Opportunity's Policy & Procedures Manual, available at <http://www.houstontx.gov/obo>.

1.1.25 *Incidental Work.* Work described as incidental shall be work defined in Document 01110 - Summary of Work, that do not have a direct pay item listed in the Document 00410B - Bid Form Part B, or less than 1% of the Contract Price and not capable of being measured. If Work is identified as Incidental Work and also covered

«ShortPrjName»

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by Bid Form Part B quantities, then the unit price item quantities in the Bid Form Part B shall govern.

1.1.45 *Specifications.* Divisions 01 through 16 of the documents that are incorporated into the Agreement, consisting of written General Requirements and requirements for Products, standards, and workmanship for the Work, and performance of related services. All specifications are amended to include, under the Measurement and Payment Section, the following sentence: "Work described as Incidental Work shall not be paid as a separate unit price item."

ARTICLE 3 - THE CONTRACTOR

3.5 *LABOR: Insert the following Paragraphs, 3.5.3.1.1, 3.5.3.1.2, and 3.5.3.1.3.*

3.5.3.1.1 If the Original Contract Price is greater than One Million Dollars, Contractor shall make Good Faith Efforts to comply with the City ordinances regarding Minority Business Enterprises (MBE), Women Business Enterprises (WBE), Persons with Disabilities Business Enterprises (PDBE) and Small Business Enterprise (SBE) participation goals which are as follows:

- 3.5.3.1.1.1 the MBE goal is ____ percent,
- 3.5.3.1.1.2 the WBE goal is ____ percent, and
- 3.5.3.1.1.3 the PDBE goal is ____percent.
- 3.5.3.1.1.4 The bidder may substitute SBE participation of no more than four percent of the MBE goal, the WBE goal, or portions of the MBE Goal and WBE Goal.
- 3.5.3.1.1.5 The bidder may not use Native-American-owned firms that are certified as MBEs to meet MBE contract goals. Native-Americans firms can only be used as SBEs in fulfillment of the above stated goals.
- 3.5.3.1.1.6 The bidder may not use MWSBE Suppliers to account for more than 50% of the MWSBE participation plan.

3.5.3.1.2 The MBE, WBE, PDBE, and SBE goals are specific to this Agreement. The Contractor shall make reasonable efforts to achieve these goals.

3.5.3.1.3 Failure by Contractor to comply with the goals for MBE, WBE, SBE, or PDBE is a material breach of the Agreement, which may result in termination of the Agreement, or such other remedy permitted as the City deems appropriate.

OPTIONAL

For SRF projects, insert Paragraph 3.5.3.1.1 below in lieu of the paragraph above.

3.5.3.1.1 The Contractor shall make Good Faith Efforts as described in Document 00806 regarding Environmental Protection Agency Disadvantaged Business Enterprises participation goals, which are as follows:

1. the MBE goal is 12.94 percent, and
2. the WBE goal is 8.72 percent

ARTICLE 8 - TIME

OPTIONAL

Include the following Paragraph under 8.1 on Utility Maintenance projects only.

8.1 *PROGRESS AND COMPLETION: Delete Paragraph 8.1.6 in its entirety and replace it with the following Paragraph 8.1.6.*

8.1.6 Contractor may perform Work at the site 24 hours per day, seven days per week. Contractor shall give 24-hour prior written notice and receive confirmation of notice from Project Manager prior to performing work between 7:00 p.m. and 7:00 a.m., on a Sunday, or on a Legal Holiday. Contractor shall comply with City Code of Ordinances, Chapter 30 relating to Noise and Sound Level Regulation.

MANDATORY

Include the following Paragraph under 8.1 on all projects:

8.1 *PROGRESS AND COMPLETION: Add the following Paragraph 8.1.6.1.*

8.1.6.1 Contractor shall credit the City by Change Order for inspection services for overtime work or work performed on Sundays or Legal Holidays. The amount Contractor credits the City will be [\$50.00 per hour] [actual costs] per inspector for inspection services.

ARTICLE 9 - PAYMENTS AND COMPLETION

OPTIONAL

Use Section 9.1 for Stipulated Price (Lump Sum) Contracts with individual Specification sections containing references to unit prices.

9.1 *UNIT PRICE WORK: Delete Section 9.1 in its entirety and insert the following Section 9.1.*

9.1 References to Unit Prices in individual Specification sections are not applicable to the Contract. Include payment for portions of the Work required by these sections in the Stipulated Price for the Contract.

MANDATORY

Using table below as a guideline, insert amount of calculated daily cost to City, to be used for liquidated damages, in Paragraph 9.12.1.1. Include calculations in Project files. Department will consider guidelines based on the Project and its Scope.

<u>Est. Amount of Construction Cost</u>	<u>Liquidated Damages per Day</u>
Project less than \$2.5 M	\$800
Project \$2.5 M to \$7.5 M	\$1200
Non-facility Projects Greater than \$7.5 M	\$1500
Facility Projects greater than \$7.5 M	\$2000

OPTIONAL

Use Section 9.4.3 for Early Payment Discount language when the contractor has agreed to the discount. Delete the Section 9.4.3 when the contractor has NOT agreed to the discount.

9.4 *APPLICATIONS FOR PAYMENT, STIPULATED PRICE WORK: Insert the following Paragraph 9.4.3.*

9.4.3 The City of Houston's standard payment term is to pay 30 days after receipt of invoice or receipt of goods or services, whichever is later, according to the requirements of the Texas Prompt Payment Act (Texas Government Code, Chapter 2251). However, the City will pay in less than 30 days in return for an early payment discount from vendor as follows:

9.4.3.1 Payment Time - 10 Days: 2% Discount

9.4.3.2 Payment Time - 20 Days: 1% Discount

If the City fails to make a payment according to the early payment schedule above, but does make the payment within the time specified by the Prompt Payment Act, the City shall not receive the discount, but shall pay no other penalty. When the payment date falls on a Saturday, Sunday, or official holiday when City offices are closed and City business is not expected to be conducted, payment may be made on the following business day.

9.12 *LIQUIDATED DAMAGES: Insert the following Paragraph 9.12.1.1.*

9.12.1.1 The amount of liquidated damages payable by Contractor or Surety for each and every day of delay beyond Contract Time, are «LiquidatedDamages» per day.

OPTIONAL

*Include the following Paragraph 9.12.1.2 **ONLY** if the project is an Utility Maintenance Branch Wastewater Collection System Rehabilitation project.*

9.12.1.2 The amount of liquidated damages provided in General Conditions Paragraph 9.12.1 payable by Contractor or Surety for each and every day of delay beyond the time stipulated in Summary of Work Paragraph 1.08.B are as follows:

9.12.1.2.1 **Repair Items:** If Contractor does not complete replacement, improvement and/or new installations on existing service lines and any associated work of all work orders within twelve (12) days from the date the work orders were issued, the City of Houston may, at its discretion, collect \$400.00 (four hundred dollars) in liquidated damages per day for each repair not completed within twelve (12) days.

9.12.1.2.2 **Restoration Items:** If Contractor does not complete the repairing, resurfacing and/or sodding of concrete, asphalt and/or lawn areas and any associated work disturbed by construction within six (6) days after the repair items are completed, the City of Houston may, at its discretion, collect \$400.00 (four hundred dollars) in liquidated damages per day for each restoration not completed within six (6) days.

9.13 *CONTRACTOR BONUS:*

OPTIONAL

Include bonus for early completion for construction contracts involving

street reconstruction with an estimated Contract Price in excess of three million dollars or Contract Time over 120 days. This applies to storm drainage, water and wastewater projects that involve significant street reconstruction. Department will consider guidelines based on the Project and its Scope. General Guideline:

<i>Estimate of \$3 - \$6 million</i>	<i>\$1,000/day (max. 30 - 60 days)</i>
<i>Estimate of \$6 - \$10 million</i>	<i>\$1,500/day (max. 30 - 90 days)</i>
<i>Estimate over \$10 million</i>	<i>\$2,000/day (max. 60 - 90 days)</i>

The maximum allowable bonus will not exceed 3% of the estimated Original Contract Price on a thoroughfare or 1.5% on local streets without authorization.

9.13.1 BONUS FOR EARLY COMPLETION

9.13.1.1 The City will pay Contractor a bonus of _____ [bonus dollars] per day for each day earlier than _____ [Contract Time stated in the Agreement] days, after Date of Commencement of the Work, that Contractor achieves substantial completion, for a maximum of _____ [maximum days allowed] days.

ARTICLE 11 - INSURANCE AND BONDS

OPTIONAL

Use Paragraph 11.2.1.2 if any of the following additional insurance is required by the nature of the contract. DO NOT require any additional insurance that is unnecessary; notify the Legal Department when requiring any additional insurance. When inserting additional insurance requirements into Table 2, number them consecutively, starting with .1 as follows:

Example:

	<i>Table 2</i>
<i>.1</i>	<i>Property and Casualty Coverage</i>
<i>.2</i>	<i>Contractor's Pollution Liability Coverage</i>
<i>.3</i>	<i>Etc.</i>

11.2 INSURANCE TO BE PROVIDED BY CONTRACTOR: *Insert the following Paragraph 11.2.1.2., and Table 2, "Additional Required Coverage".*

11.2.1.2 Contractor shall purchase for the duration of the Contract the insurance set out in Table 2 in addition to the minimum insurance coverage set out in section 11.2.1.

TABLE 2
ADDITIONAL REQUIRED COVERAGE
DEFENSE COSTS EXCLUDED FROM FACE AMOUNT OF POLICY.

OPTIONAL

Use Builder's Risk insurance only for projects that include lift stations, plant or facility work. Include Building Wage rates in the project manual and have Assistant Director initial the following block to signify approval {_____}.

<u>(Coverage)</u>	<u>(Limit of Liability)</u>
Property and Casualty Coverage: "All Causes of Loss" Builder's Risk Form for directing physical change to building or plant construction on the Work site and/or all land improvements including all work. (Including but not limited to earthquake, flood, boiler, and machinery including testing, damage to existing or adjoining property, time element coverage, collapse, soft costs (management, architecture, financial costs, pre-opening costs, etc.), transit coverage, off-site storage).	100% of Contract Price, including change orders

OPTIONAL

Use Flood Hazard Insurance only for projects that include structures. Do not include Flood Insurance for line projects, projects outside of the 100-year floodplain, or projects with structures less than \$10,000 in value. Have Assistant Director initial the following block to signify approval {_____}.

Flood Hazard Insurance: Contractor shall apply for flood insurance on all insurable structures built under the Contract. A copy of the completed application must be provided to City Engineer before commencing construction of the Work. Contractor shall obtain flood hazard insurance as soon as possible and submit a copy of the policy to City Engineer.

OPTIONAL

Use for projects which contain construction requirements for Petroleum or (asbestos contamination) remediation or handling. Have Assistant Director initial the following block to signify approval {_____}.

<u>Contractor's Pollution Liability:</u> Including pollution coverage for Contractual Liability, Clean-up costs, Abatement, Transport, and Non-owned disposal sites. Including Bodily Injury Liability, Property Damage Liability, and environmental damage arising from pollution conditions caused in performance of operations. Including Asbestos and Lead if part of operations.	\$1,000,000 each occurrence
(MCS - 90 endorsement to Auto Policy and removal of Pollution Exclusion)	\$1,000,000 CSL

OPTIONAL

Use Paragraph 11.5.2 for pavement projects and line projects involving trenching, backfilling, or street cuts.

11.5 **MAINTENANCE BONDS:** *Insert the following Paragraph 11.5.2.*

11.5.2 One-year Surface Correction Bond: Contractor shall provide, on the City standard form, an additional One-Year Bond in an amount equal to four percent of the Original Contract Price or cost of repair. Bond shall provide for Contractor's correction, replacement, or restoration of backfill or subsurface and surface work not in accordance with the Contract, within one year from the date the One-Year Maintenance Bond has expired.

END OF DOCUMENT