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109.1 MEASUREMENT OF QUANTITIES: All work completed under the contract will be measured by the Public Works Director according to United States standard measures. The methods of measurement and computation to be used in determination of quantities of materials furnished and of work performed under the contract will be those methods generally recognized as conforming to good Public Works Director practice.

A station, when used as a definition or term of measurement, will be 100 linear feet.

Unless otherwise specified, longitudinal measurements will be made along the grade line.

Unless otherwise specified, transverse measurements for area computations will be the neat dimensions shown on the plans or ordered in writing by the Public Works Director.

The term ton will mean the short ton consisting of 2,000 pounds avoirdupois.

Unless otherwise specified, structures will be measured according to neat lines shown on the plans or as altered to fit field conditions.

In computing volumes of excavation or fill, the average end area method or other acceptable methods as determined by the Public Works Director will be used.

Volumes will be computed at 60°F using ASTM D-1250 for Asphalt or ASTM D-633 for Tars.

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Lumber will be measured by the thousand board foot measure actually used in the work. Measurement will be based on nominal widths and thickness and the extreme length of each piece.

The term lump sum, when used as a pay item, will mean complete payment for the work described.

Sundry items which have a basis for measurement and payment herein and which are incidental to or required in the construction of the work but are not included as items in the bid schedule shall be considered an integral part of the contract, and all labor, materials, etc. required for such items shall be furnished by the Contractor and the cost of same included in the unit price bid.

109.2 SCOPE OF PAYMENT: Measurement and payment for pay items in the proposal will be as indicated in the applicable standard specification or in the special provisions.

When payment is specified to be made on the basis of weight, the weighing shall be done on certified platform scales sealed by the State Inspector as defined by ARS Sections 44-2112 and 44-2116. The Contractor shall furnish the Public Works Director with duplicate Weighmaster's Certificates showing the actual net weights together with the information required by ARS Section 44-2142. La Paz County will accept the certificates as evidence of the weight delivered.

Payment for the various items in the proposal will be made at the unit price bid in the proposal, and shall be compensation in full for furnishing all labor, materials, equipment and appurtenances necessary to complete the work in a satisfactory manner as shown on the plans and as required in the specifications, with all connections, testing, and

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related work completed. Each item, fixture, piece of equipment, etc., shall be complete with all necessary connections and appurtenances, for the satisfactory use and operation of said item. No additional payment will be made for work related to any item unless specifically called for in the proposal.

This compensation shall also cover all risk, loss, damage or expense of whatever character arising out of the nature of the work or the prosecution thereof, subject the provisions of Section 107.

109.3 ASSIGNMENT OF PAYMENTS: The Contractor shall not assign payments of a contract or any portion thereof without approval of surety and written consent of La Paz County.

Claims for monies due or to become due the Contractor may be assigned to a bank, trust company, or other financing institution, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Any assignment of money shall be subject to all proper set off and withholdings in favor of La Paz County and to all deductions provided for in these specifications.

109.4 COMPENSATION FOR ALTERATION OF WORK:

109.4.1 By La Paz County:

- (A) For a decrease greater than 20 percent in either the total cost of the contract or the total cost of a major item and when a reasonable cost analysis supports an increase in the prorated share of fixed cost chargeable to this item in total, an

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increase adjustment in the monies due the Contractor may be made. This adjusted compensation will not exceed 80 percent of the original extended unit bid price. This does not apply to items labeled as contingent bid item in the bid proposal.

- B) For an increase greater than 20 percent, any adjustment made will only apply to that cost in excess of 120 percent of the original bidding schedule. If either party presents a reasonable cost analysis that shows a change in the pro rata share of fixed costs chargeable to this item in total, an increase or decrease adjustment will be made. This increase or decrease adjustment will be made on such basis as is necessary to cover a reasonable estimate of cost, plus an allowance, not to exceed 15 percent, for overhead and profit. If the parties are unable to reach an agreement, the Public Works Director has the authority to order the excess work done on an actual cost basis as specified in Section 109, Subsection "ACTUAL COST WORK".
- (C) For either an increase or decrease in cost, no claim shall be made by the Contractor for any loss of anticipated profits.

109.4.2 Due to Physical Conditions:

- (A) If the Public Works Director, after the investigation of site conditions, agrees that they materially differ from those indicated in the contract and would cause an increase in the Contractor's bid cost of accomplishing the work, new unit bid prices or a lump sum cost (for the additional work only) may be negotiated. If the parties are unable to reach an agreement on price, the Public Works Director has the authority to order this additional work accomplished on an actual cost basis

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as specified herein.

- (B) If the Public Works Director, after his investigation of site conditions, finds that these conditions do not materially differ from those indicated in the contract, the Public Works Director has the authority to order the work to be accomplished at the original bid price(s).

109.4.3 Due to Extra Work: If the contractor can present valid, factual evidence, satisfactory to the Public Works Director that the work in question is an item not provided for in the contract as awarded then a unit bid price or lump sum cost, for this item only, may be negotiated. If the parties are unable to reach an agreement on price or cost, the Public Works Director has the authority to order the extra work accomplished on an actual cost basis as specified herein.

109.4.4 Made at the Contractor's Request: Any alterations, if approved, will be at a reduced or no additional cost to La Paz County.

109.4.5 Due to Failure of Contractor to Properly Maintain the Project:

- (A) For any suspension of work during normal working hours due to failure of the Contractor to properly maintain the project, there will be no additional compensation or time allowed.
- (B) If the Public Works Director provides the Contractor with a written order to provide adequate maintenance of traffic, adequate cleanup, adequate dust control or to correct deficiencies resulting from abnormal weather conditions and the Contractor fails to comply in the time frame specified, La Paz County may

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have the work accomplished by other sources.

La Paz County will deduct the cost of accomplishing the work from monies due or to become due to the Contractor. Computation of the cost will be in accordance with Subsection 109.5.4.2.

109.4.6 Allowable Mark-Ups: Only the allowable mark-ups as defined in Subsection 109.5 shall be allowed. Additional compensation for other items shall not be considered or allowed.

109.5 ACTUAL COST WORK: The compensation for actual cost work performed by the Contractor (Subcontractor) shall be determined by the Public Works Director in the following manner.

109.5.1 Equipment: For all equipment, the use of which has been authorized by the Public Works Director, except for small tools and manual equipment, the Contractor will be paid in accordance with the Rental Rates Bluebook published by the Nielson/Dataquest Inc. Unless prior written agreement has been made, La Paz County will pay move in/move out costs and standby equipment rates.

109.5.2 Material: For all material, accepted by the Public Works Director and used in the work, the Contractor will be paid the actual cost of such material including transportation cost, to which total cost will be added a sum equal to 15 percent thereof.

109.5.3 Labor: For all labor and for the foreman, when working in direct supervision of the project, the Contractor will be paid.

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- (A) The actual wages paid plus the current percentage thereof as determined by the District which is deemed to cover the Contractor's cost incurred as a result of payment imposed by State or Federal Law and payments that are made to, or on behalf of, the worker other than the actual wage. Actual wage is defined as the required current hourly wage paid to the labor classification concerned and does not include any fringe benefits or dislocation allowances. If the Contractor is not required to pay fringe benefits an equitable deduction will be made.
- (B) For the first \$50,000 of labor cost computed under paragraph (1) above, the Contractor will be paid an amount equal to (15%) fifteen percent for overhead and profit.
- (C) For all labor cost computed under paragraph (A) above, in excess of \$50,000 but not exceeding \$100,000, the Contractor will be paid an amount equal to (12%) twelve percent for overhead and profit.
- (D) For any labor cost computed under paragraph (A) above, in excess of \$100,000, the Contractor will be paid an amount equal to (10%) ten percent for overhead and profit.

109.5.4 Work Performed By Subcontractors or Other Sources:

109.5.4.1 Work Performed by Subcontractors: If it is determined by the Public Works Director that portions of the Actual Cost Work to be performed requires specialized labor or equipment not normally used by the Contractor and such work is then authorized to be performed by a subcontractor(s), the subcontractor(s) will be paid by the Contractor in accordance with the actual cost work procedures outlined herein. The

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Contractor will be paid by La Paz County the full amount of the subcontract(s) plus the following percentages for administration and supervision.

- (A) For the first \$10,000.00 accumulated total of work performed by subcontractors (less mark-up for overhead and profit), the Contractor will be paid an amount equal to 10 percent of the accumulated total for administration and supervision. If the accumulated total is \$3,000 or less, the Contractor will be paid \$300 for administration and supervision.
- (B) For all change order work in excess of \$10,000 accumulated total performed by subcontractors (less mark-up for overhead and profit), the Contractor will be paid an amount equal to 5 percent of the accumulated total for administration and supervision.

109.5.4.2. Work Performed by Other Sources: If La Paz County has work performed by other sources, in accordance with Subsection 109.4.5 (B), La Paz County will deduct, from monies due or to become due to the Contractor, the full amount of the cost of accomplishing the work by other sources plus the following percentages for administration and supervision:

- (A) For the first \$10,000 accumulated total of work performed by other sources, La Paz County will deduct an amount equal to 10 percent of the accumulated total for administration and supervision. If the accumulated total is \$3,000 or less, La Paz County will deduct \$300 for administration and supervision.
- (B) For all work in excess of \$10,000 accumulated total performed by other sources, La Paz County will deduct an amount equal to 5 percent of the accumulated total

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for administration and supervision.

109.5.5 Documentation:

- A) Except in emergency situations, La Paz County will not be liable for any Actual Cost Work performed by the Contractor prior to written authorization by the Public Works Director or prior to full execution of a written agreement by all parties concerned.
- (B) Payment for work performed on an actual cost basis will not be made until the Contractor has furnished the Public Works Director, on forms agreed to by La Paz County, duplicate itemized statements of such work, including subcontractor(s) costs, detailed as follows:
1. Name, classification, date, daily hours, total hours, rate and extension for each laborer and foreman.
 2. Designation, dates, daily hours, total hours, rental rates and extension for each unit of equipment, and machinery.
 3. Quantities of material, prices, extension, and transportation cost on a daily basis. These charges shall be substantiated by vendor vouchers.
- (C) The Public Works Director will compare records with the statement furnished by the Contractor, resolving any differences and making the required adjustments. This statement when agreed upon and signed by both parties, shall be the basis of payment for the work performed.

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109.5.6 Bonds and Insurance: The Contractor shall be paid for the actual cost plus (10%) ten percent for the administrative cost when the Contractor can provide evidence of payment for premiums on required payment and performance bonds, premiums on railroad and/or airport extended liability insurance, and premiums for property damage and/or public liability insurance. No duplication of payment for Contractor's costs included will be allowed.

109.5.7 Authority of Public Works Director: The Public Works Director is in charge of Actual Cost Work and has the authority to direct which labor and equipment will be used, to suspend operations, and to refuse to pay for any labor or equipment which is not doing productive work.

109.6 PAYMENT FOR WORK ON PROJECTS:

109.6.1 Partial Payments: Partial Payments: La Paz County will make a partial payment to the Contractor on the basis of an estimate prepared by the Contractor or Public Works Director for work completed through the last day of the preceding calendar month. Payment will be within 14 calendar days after the estimate has been certified and approved by the Public Works Director and received by the owner.

La Paz County will retain 10 percent of all estimates as a guarantee for complete performance of the contract in accordance with ARS Section 34-221, unless the Contractor elects to deposit securities in accordance with ARS Section 34-221-B, Paragraph 5.

When the Contractor is fifty percent completed, one-half of the amount retained shall be paid to the Contractor provided there is satisfactory progress on the contract and there

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is no specific cause or claim requiring a greater amount to be retained. After the contract is fifty percent completed, no more than five percent of the amount of any subsequent progress payments made under the contract will be retained providing the Contractor is making satisfactory progress on the project. Except that, if at any time La Paz County determines satisfactory progress is not being made, ten- percent retention shall be reinstated for all progress payments made under the contract subsequent to the determination.

Any material or equipment which will become an integral part of the completed project will be considered for partial payment in the Contractor's monthly progress payments. The intent of making partial payments is to provide the Contractor payment for direct material or equipment purchased. The purpose is to minimize the effect of escalating costs by procuring key materials. It is not the intent to apply for all materials but only those meeting the following conditions:

- (1) A total value of all items requested for payment must be greater than \$20,000. No payment will be processed until the material or equipment has been observed, reviewed or verified by a La Paz County representative. Only the material or equipment meeting the requirements of the plans and specifications will be paid. Payment for material or equipment does not constitute final acceptance.
- (2.) Materials or equipment must be stored or stockpiled either on site, in a warehouse, or secured storage area. The Contractor assumes all responsibility for protection of these materials or equipment and shall insure them to cover loss or damage to same without additional liability or added costs to the Agency for providing this security, insurance and storage.

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- (3) The Contractor will provide access to the storage area or warehouse upon request of La Paz County's representative for the purpose of verifying the inventory of items paid for under this section. None of the materials or equipment paid for under this section will be removed from the storage site until incorporated into the work of the project. The storage site shall be within the general geographical area of the project.
- (4) The Contractor shall provide a paid invoice and/or lien waiver for items paid for under this section. La Paz County will not pay more than the invoice price for the item or items, less retention.
- (5) The Public Works Director may exclude individual payment requests, which in the Public Works Director's judgment do not warrant storage and prepayment under the intent of this section.

109.6.2 Final Payment: When the project has been accepted as provided in Section 105, and within 30 calendar days after final inspection of the work completed under the contract, the Public Works Director will render to La Paz County and the Contractor, a final estimate which will show the amount of work performed and accepted under the contract. All prior estimates and partial payments will be subject to correction in the final estimate for payment.

Within sixty (60) calendar days after final acceptance, La Paz County will pay the Contractor all amounts due him under the contract, except that before final payment will be made, the Contractor shall satisfy La Paz County by affidavit that all bills for labor and materials incorporated in the work have been paid. The Contractor's Affidavit may be obtained from the Public Works Director Office of La Paz County.

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If payment will be longer than sixty (60) days after final completion and acceptance, La Paz County will provide the Contractor specific written findings for reasons justifying the delay in payment.

The acceptance of the project and the making of the final payment shall not constitute a waiver by La Paz County of any claims arising from faulty or defective work appearing after the completion or from failure of the Contractor to comply with the requirements of the contract documents.

*Not applicable to Improvement District Projects.

109.7 PAYMENT FOR DELAY:

The procedures contained in this Subsection shall not be construed to void any provision of the contract which require notice of delays, provides for negotiation of other procedures for settlement or provide for liquidated damages.

109.7.1 Failure to Locate or Incorrect Location of Utilities: ARS 40-360.26 states "that if the owner or operator fails to locate or incorrectly locates the underground facility, pursuant to this article, the owner or operator becomes liable for resulting damages, costs and expense to the injured party." La Paz County will deny any claims for damages or delays if another owner or operator is at fault.

109.7.2 La Paz County Delays: ARS 34-221 states "A contract for the procurement of construction shall include a provision which provides for negotiations between La Paz County and the Contractor for the recovery of damages related to expenses incurred by the Contractor for a delay for which the La Paz County is responsible, which is

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unreasonable under the circumstances and which was not within the contemplation of the parties to the contract."

Compensation for such damages will be negotiated as follows:

- (A) The Public Works Director shall be satisfied that the Contractor has made every reasonable effort to prosecute the work despite any delays encountered or revisions in the Contractor's scheduling of work.

- (B) The Compensation paid to the Contractor shall be in accordance with Section 109.

109.7.3 Extension of Contract Time: For any such delays, the contract time will be adjusted in accordance with Subsection 108.7.