



CONSTRUCTION AGREEMENT

THIS AGREEMENT, dated for identification as of _____, 20____, is between the **CITY OF FOLSOM**, a municipal corporation, (hereinafter called "City"), and _____, (hereinafter called "Contractor").

The parties hereto mutually agree to the terms and condition set forth herein.

I. CONTRACT DOCUMENTS

- A. The Contract Documents referred to herein are incorporated herein by reference as if set forth in full in this Agreement. Work called for in any one Contract Document and not mentioned in another is to be performed and executed as if mentioned in all Contract Documents.
- B. The Contract Documents shall include the Notice to Contractors, the completed Proposal Form submitted by Contractor, this Agreement, the Bid Bond, the Performance Bond, the Payment Bond, the Standard Construction Specifications, the Special Provisions, Exhibits, the Contract Drawings and Plans, the Technical Specifications, any project-specific specifications or documents, all duly issued Addenda, Interpretations, Field Instructions, Written Directives, Supplemental Drawings, the Contractor's Guarantee and Bond, the Contract Schedule, Storm Water Pollution Prevention Plan (whether prepared by the City or the Contractor) and any and all supplemental agreements amending or extending the Work contemplated and which may be required to complete the Work in an acceptable manner. Supplemental agreements are written agreements covering alterations, amendments or extensions to the Contract Documents and include Change Orders.
- C. The Standard Specifications shall mean and refer to the current Standard Construction Specifications of the City of Folsom, which are incorporated herein by this reference as if set forth herein.

II. AGREEMENT CONTROLS

In the event of a conflict between the terms and conditions as set forth in this Agreement and the terms and conditions set forth in other Contract Documents, the terms and conditions set forth in this Agreement shall prevail. Unless otherwise specifically provided herein, all works and phrases defined in the Standard Specifications shall have the same meaning and intent in this Agreement.

III. SCOPE OF CONTRACT

Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor and material and transportation necessary to perform and complete in a good and workman like manner to the satisfaction of City, all the work called for, and in the manner designated in, and in strict conformity with the Project entitled:

IV. CONTRACT AMOUNT AND PAYMENTS

City agrees to pay and Contractor agrees to accept, in full payment for the above work, **DOLLARS (\$ _____)** as the stipulated sum price which Contractor bid in his Proposal Form.

V. PROGRESS AND FINAL PAYMENTS

Progress and final payments shall be in accordance with the Standard Specifications.

VI. RETENTION OF SUMS CHARGED AGAINST CONTRACTOR

When, under the provisions of this Contract, City is authorized to charge any sum of money against Contractor, City may deduct and retain the amount of such charge from the amount of the next succeeding progress estimate, or from any other moneys due or that may become due to the Contractor from City. If, on completion or termination of the Contract, sums due contractor are insufficient to pay City's charges against him, City shall have the right to recover the balance from Contractor or his sureties.

VII. TIME OF COMPLETION

- A. The entire work shall be brought to completion in the manner and within the time period provided for in the Contract Documents, commencing on the date of issuance of the Notice to Proceed.
- B. Failure to complete the entire work by the completion date and in the manner provided for by the Contract Documents shall subject Contractor to liquidated damages as hereinafter provided in this Agreement. Time is of the essence in these Contract Documents.

VIII. INSURANCE

Contractor shall maintain in full force and effect at all times during the term of the Agreement, at its sole expense, policies of insurance in accordance with the Contract Documents.

IX. NO WAIVER OF REMEDIES

- A. Neither the inspection by City or its agents, nor any order or certificate for the payment of money, nor any payment for, nor acceptance of the whole or any part of the work by City, nor any extensions of time, nor any position taken by City or its agents shall operate as a waiver of any provision of this Agreement or of any power herein reserved to City or any right to damages herein provided, nor shall any waiver of any breach of the Agreement be held to be a waiver of any other or subsequent breach.
- B. All remedies provided in this Agreement shall be taken and construed as cumulative; that is, in addition to each and every other remedy herein provided, and City shall have any and all equitable and legal remedies which it would in any case have.

X. DETERMINATION OF DAMAGES

- A. The actual fact of the occurrences of damages and the actual amount of the damages which City would suffer if the work were not completed within the specified times set forth are dependent upon many circumstances and conditions and, it is impracticable and extremely difficult to fix the actual damages.
- B. Damages which City would suffer in the event of delay include loss of the use of the project, and, in addition, expenses of prolonged employment of an architectural and engineering staff; costs of administration, inspection, and supervision; and the loss suffered by the public within the City of Folsom by reasons of the delay in the completion of the project to serve the public at the earliest possible time.
- C. Accordingly, the parties hereto agree, and by execution of this Agreement, Contractor acknowledges that he understands, has ascertained and agrees, that the amounts set forth herein as liquidated damages shall be presumed to be that amount of damages sustained by the failure of Contractor to complete the entire work within the times specified.

XI. LIQUIDATED DAMAGES

- A. The amount of the liquidated damages to be paid by Contractor to City for failure to complete the entire work in the specified number of Working or Calendar Days (as extended, if applicable) will be (\$) for each **Calendar Day**, continuing to the time at which the work is completed.
- B. Such amount is the actual cash value agreed upon as the loss to City resulting from Contractor's delay.

XII. TERMINATION AFTER ALLOTTED WORKING OR CALENDAR DAYS

- A. In addition to any rights it may have, City may terminate this Contract at any time after the allotted number of Working or Calendar Days as adjusted by any extensions of time for excusable delays that may have been granted.
- B. Upon such termination, Contractor shall not be entitled to receive any compensation for services rendered by him before or after such termination, and he shall be liable to City for liquidated damages for all periods of time beyond such termination date until the work is completed.

XIII. CONTRACTOR BANKRUPT

- A. If Contractor should commence any proceeding under the Bankruptcy Act, or if contractor be adjudged a bankrupt, or if Contractor should make any assignment for the benefit of creditors, or if a receiver should be appointed on account of Contractor's insolvency, then the City Council may, without prejudice to any other right or remedy, terminate the Contract and complete the work by giving notice to Contractor and his surety according to the provisions of Article 5 of the General Provisions.
- B. City shall have the right to complete, or cause completion of the work, all as specified in the General Provisions of the Standard Specifications.

XIV. PERFORMANCE AND PAYMENT BONDS

- A. The Contractor shall, before beginning said work, file two bonds with the City, each made payable to the City. These bonds shall be issued by a Surety Company authorized to do business in the State of California, and shall be maintained during the entire life of the Contract at the expense of the Contractor.
 - 1. One bond shall be in the amount of one hundred percent (100%) of the Contract and shall guarantee the Faithful Performance of the Contract.
 - 2. The second bond shall be the Payment Bond required by Part 4, Title 15, Chapter 7, Division Three of the Civil Code of the State of California and shall be in the amount of one hundred percent (100%) of the Contract.
- B. Any alteration or alterations made in any provision of this Contract shall not operate to release any surety from liability on any bond required hereunder and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of Section 2819 of the Civil Code.
- C. Bonds shall only be accepted from an "*Admitted surety insurer*," which means an insurer to which the Insurance Commissioner has issued a certificate of authority to transact surety insurance in this state. **Contractor must submit** the original, or a certified copy, of the unrevoked appointment, power of attorney, bylaws or other instrument entitling or authorizing the person who executed the bond to do so.

XV. SUBSTITUTION OF SECURITIES OF MONEY WITHHELD

- A. At any time prior to final payment, Contractor may request substitution of securities for any money withheld by the City to ensure performance of the Contract.

- B. At the expense of the Contractor, securities equivalent to the money withheld may be deposited with the City or with an approved financial institution as escrow agent according to a separate Security Agreement.
- C. Securities eligible for substitution shall include those listed in Section 16430 of the Government Code or bank or savings and loan certificates of deposit. A fee set by the City Council shall be charged for such substitution.

XVI. LABOR CODE COMPLIANCE

- A. City affirmatively identifies this project as a "public work" as that term is defined by Labor Code section 1720, and the project is, therefore, subject to prevailing wages under Labor Code section 1771.
- B. Contractor and its subcontractors shall fully comply with all the provision of the California Labor Code governing the performance of public works contracts including, but not limited to, payment of prevailing wages, limitations on time worked, compliance with apprentice requirements, maintenance of payroll records, posting of wages at job site and prohibitions against discrimination.

XVII. UNFAIR COMPETITION

- A. The following provision is included in this agreement pursuant to California Public Contract Code §7103.5.

"In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assigning to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the contractor, without further acknowledgment by the parties."

XVIII. ASSIGNMENT

Neither this Agreement nor any rights herein of Contractor shall be assigned without the written consent of City first obtained.

SIGNATURE PAGE IMMEDIATELY FOLLOWS

