

OWNER CMAR PRE-CONSTRUCTION SERVICES AGREEMENT

This AGREEMENT is made this 8th day of November, 2011, by and between the Douglas County School District Board of Trustees (hereinafter collectively referred to as the "Owner" or "DCSD"), acting by and through: DOUGLAS COUNTY SCHOOL DISTRICT, 1638 MONO AVENUE, MINDEN, NEVADA 89423 (775) 782-5131 and the Construction Manager at Risk, hereinafter referred to as "CMAR": **CONTRACTOR, ADDRESS, CITY, STATE ZIPCODE (XXX) XXX-XXXX.**

ARTICLE 1

In consideration of the mutual covenants and conditions provided herein, the Owner does hereby employ the CMAR to perform Pre-Construction Services, and the CMAR agrees to perform such services for the referenced project:

Project Identification

Project Name: **PROJECT NAME**
ADDRESS
CITY, STATE ZIPCODE

CONTRACT NUMBER
PWP NUMBER

ARTICLE 2

For furnishing all labor, materials, equipment, tools and services, and for doing everything required by this Agreement including, but not limited to, providing the required Guaranteed Maximum Price Proposal, the Owner will pay and the CMAR shall receive as full compensation therefore, a total sum not to exceed, and as nominal consideration:

CMAR Pre-Construction Services Fee Amount: **WRITTEN AMOUNT (\$ X,XXX.XX)**

ARTICLE 3

Time is of the essence in the performance of this Agreement and the CMAR agrees to complete all Pre-Construction services and work within the time schedule established in the incorporated documents.

ARTICLE 4

The CMAR is not the Architect of Record. As such, the scope of the CMAR's Pre-Construction Services includes, but is not limited to the following:

1. Participation in regularly scheduled design progress review meetings with the Project Architect of Record and the Owner. The CMAR shall provide ongoing input with respect to constructability, construction cost, construction duration, sequence of construction, and construction means and methods.
2. Development of review comments, suggestions, and cost estimates at each of the stipulated phases of design, as proposed in the Process Schedule Document.
3. Assistance with identifying and reconciling differences between the Architects' Scope of Construction and the CMAR's cost estimates.

4. Development of constructability and value engineering suggestions at each phase of design.
5. Development of potential bidders lists and coordination of input from subcontractors with regard to each of the items previously described in this section.
6. Distribution of pre-bid conferences and bid openings, and assistance with selection of the best bids in each of documents to potential bidders, coordination category.
7. Development of a GMP Proposal based on bids obtained from all necessary subcontractors after reviewing and coordinating the bid results with the Owner.
8. Development of final CMAR constructability and value engineering suggestions.
9. Development of CMAR Pre-construction binder(s).
10. CMAR shall be aware of the expectation that the CMAR will be responsible to secure and pay for all construction permits and licenses, and will pay for all governmental fee charges and inspection fees necessary to obtain required Building, Excavation, and Site Improvement permits necessary for the Construction Services portion to begin upon approval of the CMAR's GMP. Contractor will also pay all utility charges required for the project to move into the construction process. These costs are reimbursable to the contractor as a pass-through cost, and should be invoiced to Owner with receipt of payment. No markups of these permits, licenses, or fees are allowed.

ARTICLE 5

The Owner and the CMAR mutually agree that the following Contract Documents are incorporated into and made a part of this Agreement by reference:

1. CMAR Request for Proposal with General Conditions and Fee Worksheet
2. Owner CMAR General Conditions of the Contract
3. Owner CMAR Compensation Conditions of the Contract
4. DCSD Material Standards (Latest Version)
5. Process Schedule Document

ARTICLE 6

The CMAR agrees to all terms and conditions of the Nevada Revised Statutes (NRS) and the Nevada Administrative Code (NAC) as may apply to this Agreement and to the work performed under this Agreement and agrees to comply with all such applicable portions of the NRS and the NAC. Contractor specifically acknowledges that this contract is subject to the provisions of NRS 338.169, including provisions of SB268, AB144 and AB574 from the 2011 Legislative Session.

ARTICLE 7

The Owner and the CMAR mutually agree that the fee described herein is for Pre-Construction Services only, and in no manner obligates the Owner to enter into a construction contract with the CMAR.

Payment for pre-construction services will be made in accordance with the following schedule:

<u>Phase of Work</u>	<u>Payment</u>
Design Development Phase	20% of Total
50% Construction Documents	20% of Total
100% Construction Documents	30% of Total
Issuance of GMP Proposal	20% of Total
Issuance of Final CMAR Review Comments	10% of Total

ARTICLE 8

Execution of this Agreement by each party shall constitute the representation by each party that s/he has examined the contents of all the referenced documents listed above, including the Owner CMAR General Conditions of the Contract that s/he has read and understands the same, and specifically agrees to be bound thereby.

ARTICLE 9

This Agreement shall be construed and interpreted according to the laws of the State of Nevada. Any action brought by either party arising out of or related to the Agreement shall be brought in a court located in Douglas County, Nevada.

ARTICLE 10

Any and all disputes of any kind that may arise between the Owner and the CMAR under the Contract or the Contract Documents that cannot initially be resolved to the satisfaction of both parties shall be submitted first to mediation to be conducted in a location that is agreeable to both parties utilizing the services of a mediator who is acceptable to both parties. All fees of the mediator and related costs associated with mediation shall be split and paid equally by the parties.

In the event that the parties agree to forego mediation of their dispute(s), or that mediation is unsuccessful, then all disputes between them of any kind or nature arising out of or under the terms of the Contract, or the Contract Documents, or the performance of the Contract, and which arose prior to the termination of the guarantee period specified in the Contract, shall be determined exclusively by and through mandatory, binding arbitration conducted in Douglas County, Nevada (unless the parties agree upon a different location) pursuant to the Nevada Uniform Arbitration Act of 2000, NRS 38.276 et seq., (the "Act").

The parties shall, by agreement between them if possible, select one (1) person as arbitrator who has substantial experience in the area(s) of the disputed issues(s). If they cannot agree upon an arbitrator, either party may apply pursuant to NRS 38.226 to the Ninth Judicial District Court of the State of Nevada in Minden, Douglas County, Nevada to appoint an arbitrator. The arbitrator selected by either method shall have all of the powers set forth in the Act, and shall enter an award at the conclusion of the proceedings, including an award of reasonable attorney's fees and costs to the prevailing party. In no event, however, may the award include any tort or punitive damages. The arbitrator's fee and the cost of the arbitration proceeding itself may be divided equally between the parties or the arbitrator may award all or any part of the fee and costs of the proceeding to either party in his/her reasonable discretion.

ARTICLE 11

To the fullest extent permitted by law, the CMAR shall defend, indemnify, and hold harmless the Owner, and its agents, employees, and members of the Board of Trustees of DCSD from and against all claims, damages, losses, and expenses, including, but not limited to attorneys' fees arising out of or resulting from performance of this Agreement, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property caused by the negligent acts or omissions of the CMAR, a Subcontractor, anyone directly or indirectly employed by them for whose acts they may be liable, regardless of whether such claim, damage, loss, or expense is caused in part by the Owner indemnified hereunder. However, in no event shall CMAR be required to indemnify Owner for claims, damages, loss or expenses arising out of the Owner's sole negligence. Such obligation shall not be construed to negate, abridge, or reduce

other rights or obligations of indemnity which would otherwise exist as to a party or person described in this paragraph.

In any and all claims against the Owner, its agents, employees, or any of the members of the Board of Trustees of DCSD by any employee of the contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under the first paragraph of this section shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the contractor or any subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

The obligations of the contractor under Paragraph a of this section shall not extend to the liability of the Architect of Record or its employees arising out of (a) the preparation or approval of maps, sketches, opinions, reports, surveys, change order, designs, or specifications, or (b) the giving of or the failure to give directions or instructions by the Architect of Record or its employees provided such giving or failure to give is the primary cause of injury or damage.

ARTICLE 12

Scott McCullough shall be the designated Owner's Representative during the pre-construction services period. The duties and responsibilities and the limitations of authority of Scott McCullough as the Owner's Representative during pre-construction are set forth in the General Conditions document and specifically Article 1.46, and shall not be exceeded without written consent of the Owner.

Article 13

1. During the term of this Contract, CMAR shall provide insurance as follows:

a. WORKERS' COMPENSATION

- i. CMAR shall maintain workers' compensation and employer's liability insurance for all its employees who will be engaged in the performance of the contract, including special coverage extensions where applicable.
- ii. CMAR shall maintain statutory limits of state industrial and occupational disease insurance for employees engaged on or at the site of the project in accordance with Chapters 616A to 616D, inclusive, and 617 of Nevada Revised Statutes.
- iii. The commercial umbrella and/or employers liability limits shall not be less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.
- iv. CMAR waives all rights against Owner and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the workers' compensation and employer's liability or commercial umbrella liability insurance obtained by CMAR pursuant to Section 2.c of this agreement.

The policy shall include an endorsement waiving the insurance company's rights of subrogation against the Owner. This endorsement shall be at least as broad as National Council on Compensation Insurance (NCCI) Waiver of Our Right to Recover from Others Endorsement form WC 00 03 13.

b. AUTOMOBILE LIABILITY

- i. CMAR shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit of not less than \$2,000,000 combined single limit of liability for bodily injury and property damage each accident.
- ii. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos).
- iii. Business auto coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in ISO form CA 00 01.
- iv. CMAR waives all rights against Owner and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the business auto liability or commercial umbrella liability insurance obtained by CMAR pursuant to this Agreement.

c. COMMERCIAL GENERAL LIABILITY

- i. CMAR shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with total limits of not less than \$7,000,000 each occurrence and \$9,000,000 general aggregate.
- ii. If such CGL insurance contains a general aggregate limit, it shall apply separately to this project.
- iii. GL insurance shall be written on ISO occurrence form CG 00 01 04 13 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors and subcontractors, products-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
- iv. Additional Insured:
 1. Owner shall be included as an insured under the CGL, using ISO additional insured endorsement CG 20 10 11/85 or a substitute providing equivalent coverage, and under the commercial umbrella, if any; OR
 2. Owner shall be included as an insured under the CGL, using ISO additional insured endorsements CG 20 10 and CG 20 37 or their equivalent, including coverage for Owner with respect to liability arising out of the completed operations of CMAR.
- v. Completed operations coverage shall be maintained in effect for the benefit of Owner for a period of two (2) years following the completion of the work specified in Section 1.62 of the CMAR construction contract.
- vi. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to Owner.

- vii. The status of Owner as an insured under a CGL obtained in compliance with Section 1.c.iv of this agreement shall not restrict coverage under such CGL with respect to the escape of release of pollutants at or from a site owned or occupied by or rented or loaned to Owner.
- viii. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage, employment-related practices, or damage to the named insured's work.
- ix. Electronic Data Liability:
 - 1. CMAR shall maintain electronic data liability insurance applicable to the Project and insuring against liability arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data. This coverage shall be maintained with a limit of liability of not less than \$1,000,000.

d. PROFESSIONAL LIABILITY / ERRORS & OMISSIONS

- i. CMAR shall obtain insurance of the types and in the amounts described below.
- ii. Professional Errors and Omissions Liability applying to all activities performed under this Agreement in a form acceptable to the Owner.
- iii. CMAR will maintain professional liability insurance during the term of this Agreement and for a period of three (3) years from the date of completion of the construction of the project unless waived by the Owner.
- iv. In the event that the CMAR goes out of business during the term of this Agreement or the three (3) year period described above, CMAR shall purchase at the request and expense of the Owner, if available, Extended Reporting Coverage for claims arising out of the CMAR'S negligent acts, errors and omissions committed during the term of the Professional Liability Policy.

2. GENERAL REQUIREMENTS:

- a. Evidence of Insurance: Prior to commencing the work, and thereafter upon renewal or replacement of each certified coverage, CMAR shall furnish Owner with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth above.
- b. Subcontractors' Insurance: CMAR shall cause each subcontractor employed by CMAR to purchase and maintain insurance of the type specified above. When requested by Owner. CMAR shall furnish copies of certificates of insurance evidencing coverage for each subcontractor.
- c. OWNER and CMAR waive all rights against each other and any of their subcontractors, agents, employees, each of the other, for damages caused by fire or other causes of loss to the extent covered by property insurance, except such rights as they have the proceeds of such insurance held by OWNER as fiduciary. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of

indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

- d. All insurance shall be on an occurrence basis and not a claims-made basis, except for professional liability/errors & omissions.
- e. All required insurance coverage as stated herein will be evidenced by a current ACORD Form 25 Certificate(s) of Insurance; such Certificates will include, but will not be limited to, the following:
 - i. All Certificates for each insurance policy are to be signed by a person authorized by that insurer.
 - ii. Each insurance company's rating as shown in the latest Best's Key Rating Guide will be fully disclosed and entered on the required Certificates of Insurance. The insurance companies must have a Best's Rating of at least A- VII or better in the latest edition of Best's Insurance Reports. The adequacy of the insurance supplied by CMAR (or its Subcontractors) including the rating and financial health of each insurance company providing coverage, is subject to the approval of OWNER, approval of which shall not be unreasonably withheld.
 - iii. Said policies, except Worker's Compensation and Professional Liability, shall name OWNER, its agents, employees, and members of the Board of Trustees as additional insureds. The policies will be primary and any other insurance carried by OWNER and/or CONTRACTOR shall be excess and not contributing therewith.
 - iv. Each insurance policy supplied by CMAR (or its Subcontractors) must be endorsed to provide that the coverage will not be canceled or materially changed without prior written notice to OWNER. CMAR shall provide written notice by mail of any material change, suspension, voiding or reduction in coverage or in limits, of any insurance policy, which provides coverage required by this Contract. Said notice must be provided per policy provisions. This notice requirement does not waive the insurance requirements contained herein.
 - v. CMAR (or its Subcontractors) will furnish renewal certificates for the required insurance during the period of coverage required by this Contract.

Failure of Owner to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Owner to identify a deficiency from evidence that is provided shall not be construed as a waiver of CMAR's obligation to maintain such insurance.

Owner shall have the right, but not the obligation, of prohibiting CONTRACTOR or any subcontractor from entering the project site until such certificates or other evidence that insurance has been placed in complete compliance with these requirements is received and approved by Owner.

- vi. CMAR (or its Subcontractors) will furnish renewal certificates for the same minimum coverage's as required by this Contract. The notice for renewal will be submitted forty-five (45) days in advance of the expiration date shown on the Certificate of Insurance. A second request will be mailed if the Certificate is not received within ten (10) days. If, within twenty (20) days from the date of notice of

renewal, the Certificate has still not been provided, OWNER may declare CMAR (or its subcontractors) in default of its obligations under this Article.

- vii. All deductibles and self-insured retentions will be fully disclosed in the Certificates of Insurance. CMAR (or its Subcontractors) is responsible for any deductible or self-insured retention contained within the insurance program.

3. ABSENCE OF INSURANCE:

In the event CMAR fails to provide OWNER with the insurance described in Articles 8.1 and 8.2, no work shall commence. If the coverage required by CMAR is canceled, all Work shall stop immediately, until the problem is resolved.

4. MAINTENANCE OF DEDUCTIBLE:

- a. If the loss is caused by CMAR (or its Subcontractors), CMAR will be responsible for maintenance of the deductible per each occurrence of a loss if arising out of property damage liability, including loss of use thereof, the first \$5,000.
- b. All deductibles under shall be paid by CMAR, directly to OWNER.

5. CLAIM REPORTING:

CMAR shall immediately report any incident or claim, no later than twenty four (24) hours after occurrence, to OWNER.

6. FAMILIARITY WITH COVERAGE:

It is CMAR's responsibility to familiarize itself with the coverages described in this section.

7. OWNER'S INSURANCE:

OWNER will be responsible for purchasing and maintain its own liability insurance and, at its option, may purchase and maintain such insurance as will protect OWNER against claims that may arise from operations under the Contract Documents.

ARTICLE 14

The Owner will be responsible for purchasing and maintaining their own liability insurance and, at their option, may purchase and maintain such insurance as will protect the Owner against claims that may arise from operations under the contract documents.

ARTICLE 15

The CMAR shall neither assign, transfer, nor delegate any rights, obligations, monies or duties under this Agreement without the prior written consent of the Owner.

ARTICLE 16

This Agreement constitutes the entire agreement between the parties and may be modified only by a written endorsement executed by the parties.

ARTICLE 17

This Agreement may be amended or terminated by mutual written consent of the parties hereto. The Owner, however, specifically reserves the right at any time to terminate this Agreement without cause upon seven (7) calendar days' written notice of termination. Upon termination, for other than a breach of this Agreement by the CMAR, the Owner shall make payments to the CMAR as a ratable percentage of the amount of work effort that the CMAR has expended in Current Task (refer to Article 7) versus the total amount of work effort reasonably anticipate as required to obtain task completion for Current Task as of the time of the notice of termination. The making of such payments by the Owner shall constitute a complete release of all the responsibilities of the Owner under the terms of this Agreement. The CMAR waives any and all claims for overhead and profit on the services or work remaining at the time of termination. Otherwise, payment is due and payable at completion of Current Task per Article 7.

ARTICLE 18

Any sketches, reports, studies, photographs, negatives, or other documents prepared by the CMAR in the performance of his obligations under this Agreement shall be the exclusive property of the Owner and all such materials shall be remitted to the Owner by the CMAR upon completion, termination, or cancellation of this Agreement. The CMAR shall not use, willingly allow, or cause to have such materials used for any purpose other than the performance of the CMAR's obligations under this Agreement, without the prior written consent of the Owner. Such instruments and copies shall not be used on any other project, and, with the exception of those sets that have been signed in connection with the execution of the agreement, shall be returned to the Owner on request upon completion of the project.

ARTICLE 19

In connection with the performance of work under this Agreement, the CMAR agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex or age. Such agreement shall include, but not be limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CMAR further agrees to insert this provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials. Any violation of such provision by the CMAR shall constitute a material breach of this Agreement.

ARTICLE 20

The parties agree that the CMAR is an independent contractor and that this Agreement is entered into in accordance with Nevada Revised Statutes 284.173, which statute in pertinent part provides that the CMAR is not a Douglas County School District employee and that the CMAR will not be entitled to any Douglas County School District employee insurance or benefits.

In witness whereof, the parties hereto have caused this Agreement to be signed and intend to be legally bound thereby.

Owner, Douglas County School District

_____ **Date** _____
Holly Luna, CFO, Business Services

Construction Manager at Risk (CMAR)
Construction Company Name

_____ **Date** _____
CMAR Representative, Title