APPENDIX 12

INSURANCE REQUIREMENTS

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APPENDIX 12

OWNER CONTROLLED INSURANCE PROGRAM

INSURANCE REQUIREMENTS

1. Owner Controlled Insurance Program

The City of San Jose ("City") shall sponsor an Owner Controlled Insurance Program ("OCIP") for the projects identified as capital improvement projects to be performed at the Regional Wastewater Facility and as identified with specificity in the contract documents ("Project"). The OCIP is more fully described in the insurance manual (the "OCIP Insurance Manual") for the Project, which is incorporated herein by this reference as a contract document.

The OCIP will include Workers' Compensation and Employer's Liability insurance, Commercial General Liability insurance, and Excess Liability insurance, as summarily described below, in connection with the Project.

The Design-Builder shall include this Appendix 12 in every subcontract issued for the Project and shall not amend, delete, or otherwise modify the terms or condition of this Appendix 12 without having prior, written approval by the City's designated representative. The insurance provided under the OCIP shall be referred to herein as "OCIP Coverages."

2. OCIP Administrator

The City has designated Alliant Insurance Services, Inc. as the OCIP Administrator ("OCIP Administrator") for the Project.

3. Premiums, Deductibles, and Proceeds

The City shall pay all premiums associated with the OCIP Coverages and Other Coverages Provided by the City as identified herein, as well as deductibles or self-insured retentions associated with such policies except as provided herein or unless otherwise stated in the contract documents.

4. Eligible and Enrolled Parties

Parties eligible to enroll in the OCIP are the Design-Builder, and its Subcontractors performing work on the Headworks Facility Site ("Eligible Parties"). Upon enrollment, an Eligible Party shall become an "Enrolled Party."

5. Excluded Parties.

Parties (including all contractors and subcontractors) that are not eligible to enroll in the OCIP, and who are excluded from the OCIP, are:

(a) Hazardous materials remediation, removal and/or transport companies and their consultants;

(b) Architects, surveyors, engineers, and soil testing engineers, and their consultants;

(c) Vendors, suppliers, fabricators, material dealers, truckers, haulers, drivers, and others who merely transport, pick up, deliver, or carry materials, personnel, parts or equipment, or any other items or persons to or from the Headworks Facility Site;

(d) Contractors or subcontractors performing day-to-day maintenance and operation work for Plant operations.

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(e) Any Subcontractor of any tier that does not perform any actual labor on the Headworks Facility Site; and

(e) Any other party or entity not specifically identified herein, that is excluded by the City in its sole discretion, even if such party or entity is otherwise eligible.

6. Summary of OCIP Coverages and Other Coverages Provided by the City

The OCIP Coverages and Other Coverages Provided by the City shall apply on a primary and non-contributory basis only to those operations of each Enrolled Party eligible for the OCIP performed at the Headworks Facility Site and in connection with required Project work. OCIP Coverages and Other Coverages Provided by the City shall not apply to ineligible parties, even if they are erroneously enrolled in the OCIP. An Enrolled Party's operations away from the Headworks Facility Site, including product manufacturing, assembling, or otherwise, shall only be covered by OCIP Coverages and Other Coverages Provided by the City if such off-site operations are identified and are dedicated solely to the Project. OCIP Coverages and Other Coverages Provided by the City shall not cover off-site operations until the Enrolled Party requesting off-site coverage receives written acknowledgment of such coverage from the OCIP Administrator.

The City, the Design-Builder, and all enrolled Subcontractors of every tier agree to waive all rights of subrogation against each other and all insurance companies providing OCIP Coverages and Other Coverages Provided by the City for onsite work regarding any insured loss covered by the OCIP Coverages or the Other Coverages Provided by the City.

A summary of the OCIP Coverages and Other Coverages Provided by the City are set out below.

SUMMARY OF OCIP COVERAGES

A. Workers' Compensation/Employer's Liability Insurance

Worker's Compensation	Statutory Limit
Employer's Liability	
Bodily Injury By Accident, each accident	$1,000,000
Bodily Injury By Disease, each employee	$1,000,000
Bodily Injury By Disease, policy limit	$1,000,000

B. Commercial General Liability Insurance
Form Equivalent to Most Current ISO Occurrence Form

Each Occurrence Limit	$2,000,000
Personal/Advertising Injury Limit (Each Occurrence)	$2,000,000
General Aggregate Limit for all Enrolled Parties (Other Than Products/Completed Operations)	$4,000,000
Products and Completed Operations Aggregate (for all Enrolled Parties)	$4,000,000

Ten (10) Years Products & Completed Operations Extension for the Headworks Project.

C. Excess Liability Insurance (over Commercial General Liability)

Combined Single Limit	$100,000,000
General Annual Aggregate for all Enrolled Parties	$100,000,000

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Products & Completed Operations Aggregate $100,000,000
(for all Enrolled Parties)
Ten (10) Years Products & Completed Operations Extension for the Headwork Project.

SUMMARY OF OTHER COVERAGES PROVIDED BY THE CITY.

A. Contractor's Pollution Liability Insurance

Per Occurrence $10,000,000
Aggregate $10,000,000
Ten (10) Years Products & Completed Operations Extension for the Headworks Project.

B. Builders Risk

The City shall obtain and maintain in force during the term of this Design-Build Contract a Builders' Risk Insurance policy or policies separate from the OCIP, which shall insure against all risks of physical loss and/ or damage including flood and excluding earthquake, subject to the exclusions stated in the City's Builder's Risk policy, to all buildings, structures, materials, and real property on site, which are intended to be, or have already been incorporated into and forming part of the Project, whether or not such buildings, structures, materials, or real property will have been supplied or made available to Contractors by the City.

The Builders' Risk policy shall be endorsed to add Contractors of any tier as additional named insureds', as their interests may appear and to waive the carrier's right of recovery under subrogation against the City and all other Contractors of any tier whose interests are insured under such policy.

Unless required otherwise by the City, claims under Builders' Risk insurance provided are subject to a Contractor Claims Obligation of five thousand dollars ($5,000) per occurrence. If a claim results from any construction activity, the responsible Contractor, Subcontractor, or Sub-Subcontractor shall pay the Contractor Claims Obligation up to $5,000. All Builders' Risk losses will be adjusted with and payable to the City or the Designee for the benefit of all parties as their interest may appear.

The City shall not be responsible for loss or damage to, or obtaining and/or maintaining in force insurance on temporary structures, construction equipment, tool or personal effects, owned or rented to or in the care, custody, and control of a Contractor of any tier.

7. City's Obligations.

The City shall pay the costs of premiums for the OCIP Coverages and Other Coverages Provided by the City. The City will receive or pay, as the case may be, all adjustments to such costs, whether by way of dividends, retroactive adjustments, return premiums, other moneys due, audits or otherwise. The Design-Builder hereby assigns to the City the right to receive all such adjustments. All Subcontractors shall be required, by written contract to assign to the City the right to receive all such adjustments. The City assumes no obligation to provide insurance other than that specified in this Appendix 12 and in the OCIP insurance policies. The City's furnishing of OCIP Coverages and Other Coverages Provided by the City shall in no way relieve or limit, or be construed to relieve or limit, any responsibility, liability, or obligation imposed the Design-Builder or

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any Subcontractor under the Design-Build Contract, the OCIP insurance policies, or by law, including, without limitation, any indemnification obligations which such parties have agreed. The City reserves the right at its option, without obligation to do so, to furnish other insurance coverage of various types and limits provided that such coverage is not less than that specified in this Appendix 12.

8. Design-Builder's Obligations

(a) The Design-Builder shall incorporate by reference the insurance requirements set out in this Appendix 12, into all Subcontracts.

(b) The Design-Builder shall enroll in the OCIP prior to the commencement of construction activities at the Project. The Design-Builder shall ensure that all Subcontractors who are Eligible Parties enroll in the OCIP prior to their commencement of construction activities at the Project, and maintain enrollment during the course of the Project.

(c) The Design-Builder shall comply with all of the requirements of the insurance policies of the OCIP Coverages and Other Coverages Provided by the City and the OCIP Insurance Manual. The Design-Builder shall provide to each of its Subcontractors of every tier a copy of the OCIP Insurance Manual, and ensure Subcontractor compliance with all provisions of the insurance policies of the OCIP Coverages and Other Coverages Provided by the City and the OCIP Insurance Manual.

(d) The Design-Builder shall acknowledge, and require all of its Subcontractors of every tier to acknowledge, in writing, that the City and the OCIP Administrator are not agents, partners or guarantors of any OCIP insurer, that neither the City nor the OCIP Administrator are responsible for any claims or disputes between or among the Design-Builder, its Subcontractors of any tier, and any OCIP Insurer(s), and that neither the City nor OCIP Administrator guarantees the solvency or the availability of limits of any OCIP Insurer(s).

(e) The Design-Builder shall Provide, within five (5) days of the City's request, any information related to the Design-Builder's insurance costs, including but not limited to payroll records, certified copies of insurance coverages, declaration pages of coverages, certificates of insurance, underwriting data, prior loss history information, safety records or history, OSHA citations, construction cost estimates for this Project, or such other data or information as the Owner, the OCIP Administrator, or OCIP Insurers may request in the administration of the OCIP. The Design-Builder shall require its Subcontractors to provide the same information, upon request.

(f) The Design-Builder shall comply, and require all of its Subcontractors to comply with OCIP Administrator's instructions for electronically enrolling in the OCIP.

(g) Bid Methodology - Net Bid. In connection with its Definitive Project Submittal and proposed Guaranteed Maximum Price, the Design-Builder shall submit a proposed insurance pricing 'net' of its insurance costs for OCIP Coverages and Other Coverages Provided by the City. The Design-Builder shall exclude from its proposed insurance pricing "Costs of OCIP Coverages", which is defined as the amount of Design-Builder's reduction in insurance costs due to eligibility for OCIP Coverages and Other Coverages Provided by the City. The Costs of OCIP Coverages includes reduction in insurance premiums, related taxes and assessments, markup on the insurance premiums and losses retained through the use of the self-funded program, self-insured retention, or deductible program. The Cost of OCIP Coverages must include expected losses within any retained risk. The Design-Builder must exclude from its proposed insurance pricing the Cost of OCIP Coverages for all its subcontractors in addition to their own Cost of OCIP Coverages. Following final negotiation of the Definitive

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Contract Amendment, the Design-Builder shall also submit the insurance cost summary form provided in the OCIP Insurance Manual, identifying the amount the Design-Builder would have charged to perform the Design-Build Work had the OCIP not been implemented and the Design-Builder provided its own insurance coverages. For the purposes of preparing the insurance cost summary form, the Design-Builder shall assume it is required to provide all of the insurances required of Excluded Parties, as set out in Section 9 of this Appendix 12. During the course of the project change orders must also be priced to exclude the Cost of OCIP Coverages.

9. Additional Insurance Required From Enrolled Parties And Excluded Parties

The Design-Builder shall obtain and maintain, and shall require each of its Subcontractors of all tiers to obtain and maintain, the insurance coverage specified in this Section 9 in a form and from insurance companies reasonably acceptable to the City. The insurance limits may be provided through a combination of primary and excess policies, including the umbrella form of policy. Each policy required herein, except the Workers' Compensation policy/Employer's Liability and Professional Liability policies, shall name the City, its officials, employees, agents, contractors and any additional entities as the City may request as additional insureds. The additional insured endorsement shall state that the coverage provided to the additional insureds is primary and non-contributory with respect to any other insurance, except OCIP Coverages and Other Coverages Provided by the City available to the additional insureds. The Design-Builder shall provide certificates of insurance evidencing all required coverage prior to commencement of work on the Project. The additional insured endorsement to the general liability policy shall be provided by issuance of both ISO Form CG 2010 1001 and ISO Form CG 2037 1001 additional insured endorsements, or such other endorsement as acceptable to the City.

Enrolled Parties shall provide Worker's Compensation, Employer's Liability, General Liability, and Excess Liability insurance, as set out below, for off-site activities, and Automobile Liability insurance for all activities, both on-site and off-site.

Excluded Parties must provide all insurance set out below for both on-site and off-site activities.

(a) Standard Commercial Automobile Liability Insurance covering all owned, non-owned, and hired automobiles, trucks, and trailers with a combined single limit of not less than $1,000,000 for bodily injury, $1,000,000 for property damage, and with a $1,000,000 policy limit.

(b) Statutory Workers' Compensation Insurance and Employer's Liability insurance with statutory limits as required by law, including Maritime coverage, if appropriate, and Employer's Liability limits of not less than $1,000,000 each accident, $1,000,000 each employee, and with a $1,000,000 policy limit.

(c) Commercial General Liability Insurance in a form providing coverage not less than the standard ISO Commercial General Liability insurance policy ("Occurrence Form"), with limits no less than:

	Enrolled Parties/Excluded Parties
Each Occurrence	$1,000,000/$2,000,000
General Aggregate	$2,000,000/$4,000,000
Products/Completed Operations Aggregate	$2,000,000/$4,000,000
Personal/Advertising Injury Aggregate	$1,000,000/$2,000,000

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(d) If required by the City, Aviation and/or Watercraft Liability Insurance or other insurance, in form and with limits of liability and from an insuring entity reasonably satisfactory to the City.

(e) Professional Liability. In the event any contract specifications requires the Design-Builder to perform professional services, such as, but not limited to, architectural, engineering, construction management, surveying, or design, the Design-Builder shall maintain a Professional Liability policy with limits not less than two million dollars ($2,000,000) per claim and two million ($2,000,000) aggregate with a minimum of five year's tail coverage for work performed. Coverage shall be maintained for five years after the Acceptance Date. Such policy shall have a retroactive date before the commencement of any design, and shall not include any exclusionary language relating to joint ventures or partnerships or both. The Design-Builder shall require all Subcontractors providing professional services to maintain a professional liability insurance policy pursuant to this Section.

(f) Contractor's Pollution Liability. The Design-Builder or its subcontractors, if involved with the removal of asbestos or lead, the removal/replacement of underground tanks, or use of toxic chemicals and substances, shall purchase and thereafter maintain Contractor's Pollution Liability insurance in the amount of not less than five million dollars ($5,000,000) per claim or occurrence and five million ($5,000,000) aggregate.

(g) All insurance referred to herein to be carried by the Design-Builder or any Subcontractor shall be maintained by such parties at their sole expense, with insurance carriers qualified to do business in California and having a rating of not less than A-, VII from A.M. Best & Co., unless the City, in writing, in its sole discretion, accepts a lower Best's rating.

(h) The City reserves the right to require (1) higher limits and (2) additional insurance coverages if the City determines in its sole discretion that such higher limits and/or additional coverages are reasonably necessary for the protection of the City. Such additional coverages shall be in a form and with limits of liability, additional insured endorsements, and deductibles or self-insured retentions acceptable to the City.

(i) Prior to commencing work at the Project, the Design-Builder shall deliver to the City the endorsements and waivers of subrogation referred to herein, as well as certificates of insurance evidencing the coverages required herein. Promptly upon the City's request after the receipt of notice of an actual or potential claim, the Design-Builder shall deliver to the City a copy of any and all of the insurance policies that extend coverage to the City as an additional insured and other insurance documents required hereunder. In the case of policies expiring while work is in progress, a renewal certificate with all applicable endorsements must be delivered to the City prior to the expiration of the existing policy or policies. Permitting the Design-Builder or any Subcontractor to start work, or continue work, prior to compliance with these requirements shall not constitute a waiver of any of the requirements set forth herein. All certificates of insurance must provide the City with thirty (30) days advance written notice of cancellation, intent to non-renew, or adverse material change in or reduction of coverage. Such notice shall provide for a ten (10) day notice in event of cancellation due to the non-payment of premiums.

10. Representations and Warranties

The Design-Builder represents and warrants to the City, and shall use its best efforts to ensure that each of its Subcontractors of every tier represent and warrant to the City that:

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(a) All information they submit to the City, or to the OCIP Administrator, shall be accurate and complete.

(b) They have had the opportunity to read and analyze copies of the insurance policies of the OCIP Coverages and Other Coverages Providedd by the City that are available on request, and that they understand the OCIP Coverages and Other Coverages Provided by the City. Any reference or summary in this Appendix 12, to the amount, nature, type or extent of OCIP Coverages, Other Coverages Provided by the City and/or potential applicability to any potential claim or loss is for reference only. The Design-Builder and its Subcontractors of all tiers have not relied upon said reference, but solely upon their own independent review and analysis of the OCIP Coverages and Other Coverages Provided by the City in formulating any understanding and/or belief as to amount, nature, type or extent of any OCIP Coverages, Other Coverages Provided by the City and/or their potential applicability to any potential claim or loss.

(c) The Design-Builder shall not include in any request for payment any sums to provide or obtain insurance that is being maintained under the OCIP.

11. Audits

The Design-Builder and all Subcontractors agree that the City, the OCIP Administrator, and/or any OCIP insurer may audit their payroll records, books and records, insurance coverages, insurance cost information, and project cost records to confirm their accuracy, and to ensure that the City has not been billed for any cost of insurance that is being provided under the OCIP Coverages and Other Coverages Provided by the City. In the event any audit reveals that the City has been billed by the Design-Builder or any of its Subcontractors for any cost of insurance that is being provided by the City under the OCIP Coverages and Other Coverages Provided by the City, the City shall have the right to deduct from any amounts payable to the Design-Builder or any Subcontractor such cost, including all expenses and fees of audit.

12. Modification or Discontinuance of the OCIP

The City may, for any reason, modify the OCIP Coverages and Other Coverages Provided by the City, discontinue the OCIP, or request that the Design-Builder or any of its Subcontractors of any tier withdraw from the OCIP upon thirty (30) days written notice. Upon such notice the Design-Builder and/or one or more of its Subcontractors, as specified by the City in such notice, shall obtain and thereafter maintain during the performance of the work on the Project, such insurance as specified by the City. The form, content, limits of liability, cost, and the insurer issuing such replacement insurance shall be subject to the City's approval. The cost of the replacement coverages shall be at the City's expense, but only to the extent of the Cost of such replaced OCIP Coverages or Other Coverages Provided by the City, as applicable.

13. Waiver of Subrogation

Where permitted by law, the Design-Builder hereby waives all rights of recovery by subrogation because of deductible clauses, inadequacy of limits of any insurance policy, limitations or exclusions of coverage, or any other reason against the City, the OCIP Administrator, its or their officers, agents, or employees, and any other Subcontractor performing Work or rendering services

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on behalf of the City in connection with the planning, development and construction of the Project. The Design-Builder also agrees that all additional insurance maintained by the Design-Builder or any Subcontractor under this Appendix 12 shall include clauses providing that each insurer, other than the professional liability policy provider, shall waive all of its rights of recovery by subrogation against the City, the Design-Builder, or any Subcontractor. A waiver of subrogation shall be effective as to any individual or entity even if such individual or entity (a) would otherwise have a duty of indemnification, contractual or otherwise, (b) did not pay the insurance premium directly or indirectly, and (c) whether or not such individual or entity has an insurable interest in the property damaged.

14. Conflicts

In the event of a conflict between the provisions of this Appendix 12, the OCIP Insurance Manual, and the provisions of the insurance policies of the OCIP Coverages and Other Coverages Provided by the City, the terms of the insurance policies of the OCIP Coverages and Other Coverages Provided by the City shall govern, then the provisions of this Appendix 12, then the provisions of the OCIP Insurance Manual.

15. Safety

The Design-Builder is solely responsible for all construction means, methods, safety, techniques, sequences, and procedures. Each subcontractor, of any tier, is responsible for all safety precautions and programs in connection with work under the Design-Build Contract.

The requirements of Cal/OSHA, the State, the City, and laws, statutes, regulations, codes, ordinances, and orders of those governing bodies having jurisdiction over the work, including the OCIP specific safety specifications listed below, establish the guidelines for this project that safety and loss prevention programs must meet or exceed.

In the event of a conflict or inconsistency between safety standards, the most stringent standard will govern.

(a) Project Safety Team Monthly meetings. The Project Safety Team is a safety committee for the project. Each project shall have a committee comprised of the Design-Builder, Subcontractor, Project Manager and/or OCIP Safety Representative. On a monthly basis the group shall meet to discuss the projects safety program. These meetings may be incorporated into project coordination meetings.

(b) Drug Free Work Environment. This project prohibits the use, possession, distribution or sale on its premises or workplace the following substances: alcoholic beverages, intoxicants, drugs and related drug paraphernalia. Employees must not report to work while under the influence of any drug or alcoholic beverage. Any substance, including prescription drugs, that impairs mental or motor function must not be used while working at or on this project. (Because marijuana remains illegal under Federal Law, medical marijuana cards or prescriptions permitting their use will not be allowed by the Design-Builder). The cost of enforcing this policy shall be the responsibility of each employer of the effected employee.

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(c) Safety Representative. Each Contractor shall have a designated Safety Representative with no other duties available at the site assigned the responsibilities of managing all aspects of safety related to employees under their direct control.

Subcontractors may have these duties performed by a Field Superintendent or Foreman having the required training, experience and qualifications listed below. These employees may have duties other than safety provided appropriate adherence to State, Local Laws, Ordinances, Codes, Regulations, and these Safety Specifications are followed by personal under their direct control.

The Design-Builder/Subcontractor Safety Representative must have the following minimum qualifications:

(i) The CSR/SSR shall have a minimum of 3 -5 years of qualified project safety experience on similar type construction projects.

(ii) Evidence of completing the OSHA 10 or 30 Hour Construction Outreach Training or equivalent with the past 3 yrs.

(iii) Current First Aid/CPR certification provided by The American National Red Cross or equivalent training.

(iv) Ability to stop work in the event of a workplace hazard, until corrective action has been implemented.

(v) Understanding of Federal and/or State Safety and OCIP Safety Regulations

(vi) Ability to conduct appropriate incident investigations.

(vii) Ability to communicate with field personal and project staff on relevant Health and Safety items.

(d) Orientation. One of the requirements of all contractors/subcontractors and their safety representative or designees is to ensure that a complete basic safety orientation is conducted for all their employees new to the site. A Project Orientation by the Design-Builderis required before an employee can receive a project ID and enter the field. At a minimum, the orientation shall include:

(i) Employee safety requirements and policies.

(ii) Site Safety and Health rules.

(iii) Permitting procedures, including work permits, excavation, confined space entry, lock-out, etc.

(iv) Hazard communication.

(v) Emergency alarms and evacuation procedures.

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All employees will complete and sign a Safety Orientation form supplied by the Design-Builder. Upon successful the employee will receive a hard hat sticker with an identification number to be worn on the employee's hard hat at all times while on the project.

(e) Fall Protection. 100% Fall Protection shall be implemented by all trades for all fall exposures of six (6) feet or more. (Exception: Work from ladders and work around excavations, within Cal/OSHA specifications)

(f) Excavation. Trenching or excavating activities must be under the supervision of a competent person at all times.

(g) PPE

(i) Employees must at all times wear an ANSI Z89.1 approved hard hat on the jobsite.

(ii) Employers must supply all personal protective equipment.

(iii) Safety glasses with permanently affixed side shields are required at all times. All safety glasses, goggles, and face shields must have the ANSI-Z87 approval.

(iv) Sturdy work boots are required at all times on the jobsite. Employees on the jobsite shall not wear tennis shoes, running shoes, casual street shoes, sandals or shoes made of other thin material.

(iv) At minimum a Class ll High Visibility reflective vest or equivalent shall be worn at all times while on-site.

(h) Hazard Communication. The Design-Builder shall maintain a copy of all Material Safety Data Sheets, and a chemical inventory list, for all hazardous substances used at the jobsite by their firm, as well as for all hazardous substances used at the jobsite by all Subcontractors regardless of tier.

(i) Return to Work Program. Each Employer should have a written Early Return to Work Program that should be implemented on this project.

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APPENDIX 12A

OWNER CONTROLLED INSURANCE PROGRAM

CONTRACTORS' INSURANCE PROCEDURES MANUAL

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San Jose – Santa Clara Regional Wastewater Facility

Capital Improvement Program

Owner Controlled Insurance Program

Contractors' Insurance Procedures Manual

July 13, 2017

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SECTION

1

• 1.0 INTRODUCTION

• 1.1 Overview

The City of San Jose (Sponsor) has elected to use an Owner Controlled Insurance Program (OCIP) for the Regional Wastewater Facility Capital Improvement Program (Project). Under such a program, the Sponsor purchases certain insurance policies for protection of some (but not all) of the insurable risks that exist on a construction project. The insurance purchased by the Sponsor will be endorsed to extend coverage of the policy to any enrolled Contractors, Subcontractors, or Sub-Subcontractors. Contractors of every tier on the Project should carefully consider the OCIP and its implications to their company before executing a contract requiring their participation in the OCIP.

The OCIP provides the following insurance for all Contractors, regardless of tier, that are approved for participation in the insurance program:

- Commercial General/ Excess Liability
- Workers' Compensation

The following additional coverages are provided outside of the OCIP:

- Builders' Risk
- Pollution Liability Insurance

Certain Contractors are ineligible for this program. These parties are identified in the Definitions, Section 3.0 of this manual.

The Sponsor will pay all insurance premiums for the OCIP coverage listed above. You should notify your insurer(s) to delete from your insurance program charges and coverage for the on-site activities of this Project that are covered under the OCIP.

Alliant, the OCIP Program Broker/Administrator, will be administering the program on the behalf of the Sponsor.

Insurance coverage and limits provided under the OCIP are limited in scope and specific to this project only. Your insurance representative should review this information. Any additional coverage you may wish to purchase will be at your own expense and for which costs should be included in your cost proposal at the time of contracting.

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The guidelines in this manual are to be used for informational purposes only. Any conflict between this document and any contract or subcontract, the contract or subcontract will govern. Any difference with the actual OCIP policies will control in the event of any inconsistency or misunderstanding.

• 1.2 About this Manual

This manual is designed to identify, define, and assign responsibilities for the administration of the OCIP. The guidelines in this manual are to be used for informational purposes only.

This Manual:

- Generally describes the OCIP
- Identifies responsibilities of the various parties involved in the project with regards to the OCIP
- Provides a basic description of the OCIP operation
- Describes audit and administration procedures for the OCIP
- Provides answers to basic questions about the OCIP

This manual will be updated throughout the course of the project if necessary

This Manual does not:

- Provide coverage interpretations
- Provide complete information about coverage
- Provide answers to specific claims questions

Specific questions about the OCIP, its administration, or the coverage provided should be referred to the OCIP Administrator identified in the Project Directory section immediately following this introduction.

1.3 Responsibilities Concerning Loss Control & Claim Reporting

It will be the responsibility of all Contractors of any tier to exercise every reasonable action to prevent work related injuries, property and equipment damage at the project site, as well as to minimize the exposure of risk to the public and third party property. All Contractors of any tier will conduct loss control prevention practices according to those requirements set by Federal, State and Local Laws, statutes, and specific project procedures developed for this project.

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In the event of an accident, it will be the obligation of the responsible Contractor of any tier to see that the injured workers or members of the public are given immediate medical treatment. Also, the Contractor is responsible to ensure all appropriate medical and claim forms are filed with the appropriate Authorities, the Primary OCIP Carrier, Site Safety Personnel, and the OCIP Administrator.

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SECTION

2

• 2.0 PROJECT DIRECTORY

OCIP ADMINISTRATOR
Alliant Insurance Services Construction Services Group 701 B St, 6th Floor San Diego, CA 92101

PROGRAM MANAGER	PROGRAM ADMINISTRATOR
Mike Davidson Office: 619-849-3858 mdavidson@alliant.com	**Katie Gatti** Office: 619-849-3896 Katie.Gatti@alliant.com

WORKERS' COMPENSATION CLAIMS REPORTING
WC DIRECT CLAIM REPORTING TO: **Old Republic** **WC Reporting Claims Kits may be obtained from the General Contractor in the event of a claim**

OCIP PORTAL – ALLIANT WRAPX	
OCIP Document Submission Email:alliantwrapx@alliant.com	**Online Enrollment, Payroll Reporting & Document Management** Website: http://alliantwrapx.alliantinsurance.com/contractorportal ***Contact Project Administrator for User Access**

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OCIP Coverages

INSURANCE COMPANIES	POLICIES
Old Republic	Workers' Compensation
Old Republic	General Liability
Allied World, Endurance, Ironshore, American Fire & Casualty	Excess Liability

Additional Coverages

INSURANCE COMPANIES	POLICIES
Liberty Mutual	Builders' Risk
Ironshore Specialty	Pollution

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SECTION

3

3.0 PROJECT DEFINITIONS

The following definitions apply to this project and to the descriptions of the Project Coverage used in this manual:

Approved Off-Site Locations:
Storage yards or staging areas used solely in connection with performing work at the Project Site. All locations must be approved by the Sponsor and insurer.

Certificate of Insurance:
A Document providing evidence of the existence of coverage for a particular insurance policy or policies.

Contract:
A written agreement between the Sponsor and the Contractor for specific work and also includes an agreement between a Subcontractor and any tier of Subcontractor.

Contractor Claims Obligation:
The amount Contractors of every tier are responsible for paying as their contribution for settlement of an insured loss.

Employer:
Any individual, firm, or corporation that provides direct construction labor for work performed at the Project Site.

Enrolled:
Applies to those eligible Contractors, Subcontractors, and Sub-Subcontractors that have submitted all necessary enrollment forms and have been accepted into the OCIP as evidenced by a Certificate of Insurance. *Also described in this manual as a Participating Contractor.*

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Ineligible:
Applies to Contractors of any tier excluded from participation in the OCIP, including those involved in loading, transporting, and unloading materials, personnel, parts, or equipment, or any other items to, from or within the Site. *Also described in this manual as an Excluded Contractor.*

Insured:
The Sponsor, Participating Contractors, and any other party so named in the insurance policy.

Insurer:
The insurance company named on a policy or certificate of insurance that provided coverage for the OCIP.

Participating Contractor: See *Enrolled*

Project Site:
Project Site shall mean those areas designated in writing by Sponsor for performance of the Work and such additional areas as may be designated in writing by Sponsor for Contractors use in performance of the Work. Subject to notification and other requirements for off-site locations, the term Site shall also include (a) field office sites, (b) property used for bonded storage of material for the Project approved by Sponsor, (c) staging areas dedicated to the Project, and (d) areas where activities incidental to the Project are being performed by Contractors covered by the workers' compensation policy included in the OCIP, but excluding any permanent locations of Contractors.

Sponsor:
City of San Jose

Work:
Operations as fully described in the Contract, performed at, or emanating directly from the Project Site. Also, the entire completed construction or the various separately identifiable parts required to be furnished under the Contract documents.

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• 4.0 CONTRACTOR RESPONSIBILITIES

Contractors of any tier are required to cooperate fully with the Sponsor and its OCIP Administrator in all aspects of OCIP operation and administration. All Contractors of any tier will be required to provide information necessary to bind coverage under the OCIP on a "per contract" basis. Responsibilities of the Contractor include:

- Identifying the cost of insurance which is excluded from their bid as appropriate; submits the Contractors Insurance Cost Worksheet (Form B) at the time of OCIP enrollment
- Completion of all OCIP enrollment forms
- Include the OCIP provisions in all subcontracts as appropriate
- Notifying the OCIP Administrator of all subcontracts awarded and to provide all necessary enrollment forms
- Notifying the OCIP Administrator of all lower tier subcontracts awarded by providing the Notice of Award Form (Form F) and ensuring eligible lower tier subcontractors enroll in the OCIP
- Maintaining and reporting monthly payroll records
- Cooperating with the OCIP Administrator's requests for information
- Complying with insurance, claim, and safety procedures
- Paying Contractor Claims Obligation within 10 business days of notification from Sponsor
- Notifying the OCIP Administrator immediately of any insurance cancellation or non-renewal (contractor-required insurance)
- Complying with any Return to Work Program requirements

• 4.1 Alliant WrapX

Alliant WrapX (WrapX) is a proprietary Risk Management Information System (RMIS). All relevant OCIP information will be captured and stored online in a "paperless" format through WrapX. Information to be stored includes award notifications, enrollment information, OCIP payroll, and notice of work completions for all contractors on a per contract basis. Alliant Insurance will provide all OCIP Eligible Contractors a project welcome letter detailing instructions for utilizing the WrapX contractor portal upon receipt of a Notice of Award for the awarded contractor.

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Submission of all OCIP related documents should be sent by e-mail to: alliantwrapx@alliantinsurance.com

If you should have any questions or require additional information about this process or other matters related to the OCIP, please contact your OCIP Administrator identified in Section 2: Project Directory of this Manual.

• 4.2 Contractor Bids

Each bidder is required to **exclude from the bid/contract price** its normal cost for the insurance coverages provided by the OCIP. Contractors of any tier shall submit an Insurance Cost Worksheet (see Section 8) to the OCIP Administrator, which will identify the estimated Cost of OCIP Coverages. Insurance Cost Worksheet will be due during the OCIP enrollment process, following contract award.

The "Cost of OCIP Coverages" is defined as the amount of Contractors' reduction in insurance costs due to eligibility for OCIP Coverages, as determined by using the Alliant WrapX system which includes the Enrollment Form and the Insurance Cost Worksheet. Instructions for access to Alliant WrapX are located in Section 8 of this Insurance Manual. The Cost of OCIP Coverages includes reduction in insurance premiums, related taxes and assessments, markup on the insurance premiums and losses retained through the use of the self-funded program, self-insured retention, or deductible program. The Cost of OCIP Coverages must include expected losses within any retained risk.

Contractor must deduct the Cost of OCIP Coverages for all lower tier subcontractors, in addition to its own Cost of OCIP Coverages. If, upon verification by the OCIP Administrator, it is found by the Sponsor that the Cost of OCIP Coverages were not excluded from the contract, a deductive change order will be issued to remove these costs.

Upon award of a contract, Contractor will receive access to the OCIP Administrator's website, for online data submission. (see instructions in Section 8) Contractor shall submit their Insurance Cost Worksheet online, including copies of their Workers' Compensation, General Liability and Excess Umbrella rate and declaration pages. Contractor must include any deductible or Self Insured retention (SIR) amounts for Costs of OCIP Coverage verification purposes.

In the event the Sponsor elects not to include a Contractor of any tier's work under the OCIP, the standard terms and conditions regarding insurance listed in the Contract

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Document will then apply. The OCIP Administrator will advise a Contractor of any tier, which has submitted an enrollment form, if excluded from the OCIP.

Contractor shall cooperate fully with the OCIP Administrator in providing the necessary insurance data and information as required in the bid specifications and associated documents furnished by the Sponsor and/or OCIP Administrator as and when required during the duration of the project or until Sponsor-furnished insurance coverages are terminated.

4.3 Enrollment

Enrollment in the OCIP is required but not automatic. Eligible Contractors must complete the enrollment form online (see instructions in Section 8), and participate in the enrollment process for the OCIP coverage to apply. Access to the project site will not be permitted until the enrollment is complete.

Each Contractor of any tier shall provide details about its lower tier subcontractors via the Notice of Contract Award Form F (contained in Section 8). This form must be completed and submitted to the OCIP Administrator prior to mobilization. Each Contractor is responsible to complete their Enrollment online to obtain coverage under the OCIP.

A separate online Enrollment and Contractor's Insurance Cost Work Sheet is required for each Contract which you are performing Work; however, only one Workers' Compensation policy will be issued for your firm.

4.4 Assignment of Return Premiums

The Sponsor will pay the cost of the OCIP insurance coverage. The Sponsor will be the sole recipient of any return OCIP premiums or dividends. All Participating Contractors shall assign to Sponsor all adjustments, refunds, premium discounts, dividends, credits, or any other monies due from the OCIP insurers.

4.5 Payroll Reports

Each Participating Contractor must submit a Monthly Payroll Report online identifying man-hours and payroll for all work performed at the Project Site on a "per contract" basis to the OCIP Administrator. This information will be used to provide the insurance company with the information required to determine the premium for the OCIP.

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The monthly man-hour reports shall certify all Work performed at or emanating directly from the Project Site, including supervisory and clerical personnel on site.

Payroll shall be unburdened and allocated by Workers' Compensation Classification(s), and shall exclude the excess or premium paid for overtime (i.e., only the straight time rate shall apply to overtime hours worked). Furthermore, such records shall limit the payroll for Owners and Executive Officers as stated in manual rules.

A Separate Monthly Payroll is required for each Contract for Work you are performing.

4.6 Insurance Company Payroll Audit

Each Participating Contractor is required to maintain payroll records for the Project Site in accordance with the Basic Manual of Rules, Classifications, and Experience Rating Plan for Workers' Compensation and Employers Liability Insurance. Each Participating Contractor is required to participate in any audit conducted by the insurers for the OCIP, the OCIP Administrator, Sponsor, external or internal auditors of Sponsor, the State and to cooperate with the auditor(s) conducting such audit.

4.7 Completion of Work

When a Participating Contractor has completed its work, each Participating Contractor shall complete a Notice of Work Completion online and submit it to the OCIP Administrator. The Sponsor will not release final payment until all required data has been submitted to and approved by the OCIP Administrator. It is the upper-tier Contractor's responsibility to assure that each of their lower-tier subcontractors completes this form. This form must be completed separately for each contract.

Any Contractor Claims Obligation that Contractors of any tier are responsible for will be considered at the time of the Contract close-out unless the actual cost of the claim has been established and considered prior to close-out.

4.8 Approved Off-Site Locations

The Contractor is responsible, on behalf of itself or its lower tier subcontractors or sub-subcontractors, for applying for approval to have off-site locations covered by the OCIP. The Contractor, prior to the use of the site, shall notify the OCIP Administrator of the need and shall request approval of the site. The request should include the location address, description of the site, intended use, and the duration of the work to be performed at the site. The off-site location must be dedicated 100 % to the Project. The OCIP Administrator will notify the Contractor in writing if and when the off-site location is

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approved by the OCIP Insurer. Contractor shall not assume OCIP coverage is provided for the off-site location until Contractor has received written confirmation from the OCIP Administrator.

4.9 Safety

Contractors of any tier are required to establish a written safety program and to provide a full-time qualified Safety Manager or designated competent safety representative who shall be onsite when any work is in progress. Non-compliance with Project Loss Control Requirements could be considered to be the same as non-compliance with another contractual condition. Minimum standards for Contractor programs are outlined in the Project Safety Manual.

The Sponsor or its loss control representatives will have the right to “Stop Work” when serious defective conditions, unsafe work activities, or life threatening hazards are identified. In accordance with contract requirements, if deemed necessary, the Sponsor may remove any contractor and/or contractor employees that blatantly violate these requirements. The Sponsor, at its discretion, will designate an individual to act on its behalf, in all matters relating to work site safety and health.

4.10 Claims Reporting

Please refer to section 7 of this Manual.

4.11 Change Order Procedures

All change orders submitted by Contractor of any tier will be priced to **exclude** their normal cost of insurance for the coverage(s) that are provided by the OCIP. The final adjustment will take into account all insurance charges associated with any approved change orders. The Sponsor reserves the right to adjust the initial insurance deductive change order for any significant change orders.

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SECTION

5

5.0 INSURANCE COVERAGE

• 5.1 Covered Parties

Contractors of any tier must enroll in the OCIP before coverage is available to them for any loss. No Contractor of any tier shall begin work on site until they have properly enrolled in the OCIP. All insurance, underwriting, payroll, rating or loss history information (including evidence of other insurance required under Section 5 requested by the Administrator) must be provided to the Administrator by Contractor of any tier within five (5) Business Days of the request. *A Contractor of any tier shall not be deemed to be a Participating Contractor and shall not be permitted to work on the project until enrolled in the OCIP by the Administrator. Enrollment will be established only upon issuance by the Administrator of a OCIP Certificate of Insurance to the Participating Contractor.* Every Participating Contractor shall, at all times during and after the Project, cooperate with the Sponsor, the Administrator, and the OCIP insurers and adjusters concerning matters relating to the OCIP.

• 5.2 Parties Not Covered

Contractors of any tier who will not be included in participation in the OCIP (Nonparticipating Contractors) shall include all vendors, suppliers, truckers, material dealers, and delivery services companies- regardless of contract size. Nonparticipating Contractors shall not be permitted to work on the Project until they have provided to the OCIP Administrator evidence of their compliance with the insurance requirements as outlined in the Contract document.

• 5.3 Exclusion of Contractors from the OCIP

The Sponsor has the exclusive right to exclude other Contractors of any tier from participating in the OCIP. Such Nonparticipating Contractors, who will not be covered under the OCIP, must comply with the insurance requirements as outlined in the Contract document.

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• 5.4 Evidence of OCIP Coverage

Each Participating Contractor will be issued an individual Workers' Compensation policy including Employer's Liability coverage. The OCIP Administrator will also provide a Certificate of Insurance evidencing General Liability, and Excess Liability insurance to each Participating Contractor, each of whom will be a named insured on the policy. Other documentation including forms, posting notices, if any, will be furnished to each Participating Contractor. A complete copy of the policy will be furnished to an authorized representative of each Participating Contractor upon written request.

• 5.5 Description of Insurance Coverages

The following coverage is provided by the OCIP:

- Commercial General/ Excess Liability
- Workers' Compensation and Employer's Liability

The following additional coverages are provided outside of the OCIP:

- Builders' Risk
- Pollution Liability Insurance

Non-Workers' Comp Insurance Policies: Master policies will be endorsed to include the Sponsor and any of their affiliates, or subsidiary companies or corporations, as well as the Contractors enrolled in the OCIP as a Named Insured.

The following coverage summaries are provided for informational purposes only. The actual terms and conditions of the coverage provided are contained in the insurance policies under the OCIP, and the Sponsor and others shall not rely upon this summary in lieu of the policies themselves. Copies of the policies will be made available to all potential Participating Contractors upon written request.

5.5.1 Workers' Compensation and Employer's Liability Insurance

Workers' Compensation and Employer's Liability

Part One:	Workers' Compensation	Statutory Limit
Part Two:	Employer's Liability	Annual Limits Per Insured
	Bodily Injury by Accident, each accident	$1,000,000
	Bodily Injury by Disease, each employee	$1,000,000
	Bodily Injury by Disease, policy limit	$1,000,000

Each Enrolled Contractor will be issued a separate workers' compensation policy

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5.5.2 Commercial General Liability Insurance

	Limits of Liability Shared by All Insureds for All Projects
General Aggregate (Reinstates Annually)	$ 4,000,000
Products/ Completed Operations Aggregate	$ 4,000,000
Personal/ Advertising Injury	$ 2,000,000
Each Occurrence Limit	$ 2,000,000
Fire Damage Legal Liability (any one fire)	$ 100,000
Medical Payments (any one person)	$ 10,000
Products/Completed Operations Tail	10 years/Statute of Limitation
Deductible	Paid for by Sponsor

The deductible will apply only to loss covered by insurance policies in the OCIP. The deductible does not impose upon the Sponsor any duties of an insurer toward Participating Contractor. A Single General Liability policy will be issued covering all insureds.

5.5.3 Excess Liability Insurance

	Limits of Liability Shared by All Insureds for All Projects
Each Occurrence Limit	$100,000,000
Annual General Aggregate Limit	$100,000,000
Follow Form Excess Policy	

5.5.4 Builders' Risk Insurance

The Sponsor shall obtain and maintain in force during the term of this Agreement, a Builders' Risk Insurance policy or policies separate from the OCIP, which shall insure against all risks of physical loss and/ or damage including flood and excluding earthquake, subject to normal policy exclusions, to all buildings, structures, materials, and real property on site, which are intended to be, or have already been incorporated into and forming part of the Project, whether or not such buildings, structures, materials, or real property will have been supplied or made available to Contractors by Sponsor.

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The Builders' Risk policy shall be endorsed to add Contractors of any tier as additional named insureds', as their interests may appear and to waive the carrier's right of recovery under subrogation against City of San Jose and all other Contractors of any tier whose interests are insured under such policy.

Unless required otherwise by Sponsor, claims under Builders' Risk insurance provided are subject to a Contractor Claims Obligation of five thousand dollars ($5,000) per occurrence. If a claim results from any construction activity, the responsible Contractor, Subcontractor, or Sub-Subcontractor shall pay the Contractor Claims Obligation up to $5,000. All Builders' Risk losses will be adjusted with and payable to the Sponsor or the Designee for the benefit of all parties as their interest may appear.

The Sponsor shall not be responsible for loss or damage to, or obtaining and/or maintaining in force insurance on temporary structures, construction equipment, tool or personal effects, owned or rented to or in the care, custody, and control of a Contractor of any tier.

5.5.5 Pollution Liability Insurance

a.	**Insurer:**	Ironshore Specialty
b.	**Terms of Insurance:**	7/30/17 – 3/20/2023
c.	**Policy Limits:**	$10,000,000 Per Occurrence $10,000,000 Aggregate
d.	**Policy Form:**	Pollution Liability-Occurrence Based
e.	**Coverage Extension:** - Microbial Matter Coverage Endorsement - Wrap-Up Endorsement - Products Completed Operations Extension - 10 Years	
f.	**Premium Payments**	By Sponsor
g.	**Deductibles/ SIR**	By Sponsor

• 5.6 OCIP Termination or Modification

The Sponsor reserves the right to terminate or modify the OCIP or any portion thereof. If the Sponsor exercises this right, Contractors will be provided notice as required by the terms of their individual contracts. At its option, Sponsor may procure alternate coverage or may require the Contractors to procure and maintain alternate insurance coverage.

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6.0 CONTRACTOR REQUIRED COVERAGE

Contractors of any tier are required to maintain insurance coverage that protects the Sponsor from liabilities arising from the Contractor of any tier's operations performed away from the project site, for types of coverage not provided by the OCIP, and for operations performed in connection with excluded parties operating under Contractor or any tier's operations control or direction.

Verification of insurance shall be submitted in the form of a Certificate of Insurance on a standard ACORD Form 25-S and the required and applicable endorsements to the listed policies. A sample of an acceptable Certificate of Insurance and other documentation is provided in the Appendix.

Contractors are responsible for monitoring their lower tier subcontractors insurance documents, whether enrolled or excluded. Sponsor reserves the right to disapprove the use of Contractors and their lower tier subcontractors unable to meet the insurance requirements. Certificates evidencing compliance shall be submitted to Sponsor.

The limits of liability shown for the insurance required of the Contractor is not intended to restrict the liability imposed on the Contractors for Work performed under their Contract or any indemnification provisions in Contract.

At Contractors sole cost and as shall be included in any proposals, Contractors of any tier agree to obtain and maintain during the life of this contract the following minimum insurance requirements:

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• 6.1 Workers' Compensation

All Participating Contractors shall maintain Workers' Compensation Insurance applicable to all employees and subcontractors hired by the insured, who are not covered under the OCIP workers' compensation policy. The insurance shall provide limits as follows:

Workers' Compensation and Employer's Liability

Part One:	Workers' Compensation	Statutory Limit
Part Two:	Employer's Liability	Annual Limits Per Insured
	Bodily Injury by Accident, each accident	$1,000,000
	Bodily Injury by Disease, each employee	$1,000,000
	Bodily Injury by Disease, policy limit	$1,000,000

Enrolled Contractors *shall provide evidence of workers' compensation applicable to "off-site" activities.* ***Excluded Contractors*** *shall provide evidence of workers compensation applicable to "on-site" and "off-site" activities.*

A certificate of insurance evidencing this coverage shall be provided to the Sponsor.

• 6.2 General Liability

This insurance shall include coverage for bodily injury, property damage, and personal injury with no less than the following limits:

General Liability and/or Excess Liability

	Enrolled Parties	Excluded Parties
General Aggregate	$ 2,000,000	$ 2,000,000
Products/ Completed Operations Aggregate	$ 2,000,000	$ 2,000,000
Personal/ Advertising Injury	$ 1,000,000	$ 4,000,000
Each Occurrence Limit	$ 1,000,000	$ 4,000,000

Enrolled Contractors *shall provide evidence of general liability insurance for "off-site" activities.* ***Excluded Contractors*** *shall provide evidence of general liability insurance applicable to "on-site" and "off-site" activities.*

A certificate of insurance evidencing this coverage shall be provided to the Sponsor. This insurance shall be endorsed to name Sponsor as additional insureds and evidence of such status via additional insured endorsement(s).

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• 6.3 Business Auto Liability

Contractors of every tier will maintain at their own expense Automobile Liability Insurance covering the operations, maintenance, use and loading and unloading of all owned, non-owned, and hired vehicles. As such, all Contractors of any tier shall furnish to the Sponsor a Certificate of Insurance showing such coverage with the following minimum limits of liability. This insurance shall be endorsed to name Sponsor as additional insureds and evidenced of such status via additional insured endorsement(s):

Business Auto Liability	
Combined Single Limit: Bodily Injury and/or Property Damage	$1,000,000

All Contractors shall provide evidence of automobile liability. The OCIP does <u>not</u> cover automobile liability.

• 6.4 Construction Equipment Insurance

Any policies maintained by the Participating Contractors on their owned and/or rented equipment and materials shall contain a provision requiring the insurance carriers to waive their rights of subrogation against the Sponsor and all other indemnities named in their contract documents. ***The OCIP does <u>not</u> cover contractor's property.***

6.5 Professional Liability Insurance (Errors & Omissions)

In the event any contract specifications requires a Participating Contractor, including any professional service provider, to perform professional services, such as, but not limited to, architectural, engineering, construction management, surveying, design, etc., a certificate of insurance must be provided to the [SPONSOR] prior to commencing work:

Professional Liability	
Each Claim	$ 1,000,000

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Aggregate	$ 1,000,000

Change in limits, coverage, or loss of aggregate limit due to outstanding claims must be reported to the Sponsor within thirty (30) days of any such event. ***The OCIP does <u>not</u> provide Professional Liability insurance.***

6.6 Aviation Insurance

In the event any fixed or rotary aircraft are used in connection with this Agreement and/or execution of the work, a minimum of five million ($5,000,000) of aviation liability insurance must be maintained with the following requirements:

a) The Sponsor must be named as an "additional insured" and a waiver of hull damage must be provided in favor of the Sponsor.

b) Also, if any aircraft is to be used to perform lifts at the project site, a "slung cargo" endorsement must be included to cover the full replacement value of any equipment or material being lifted. All such lifts must be coordinated with the Sponsor for approval prior to lift execution.
The OCIP does <u>not</u> provide Aviation insurance.

6.7 Pollution Liability

If this Agreement involves the removal / hauling of waste or hazardous materials, the removal/replacement of underground tanks, or use of toxic chemicals and substances, the Contractor will be required to provide coverage no less than the following limits, for such exposures subject requirements and approval of the Sponsor:

Pollution Liability	
Each Claim/Per Occurrence	$ 5,000,000
Aggregate	$ 5,000,000

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6.8 Conditions of Understanding

The amount and types of insurance coverage required herein shall not be construed to be a limitation of the liability on the part of the Sponsor, Participating Contractors, Nonparticipating Contractors, or any lower-tier Subcontractors. Any type of insurance, or any greater limits of liability than described above, which the Contractor requires for their own protection or on account of statute, shall be the Contractor's own responsibility and at its own expense. The carrying of the insurance described shall in no way be interpreted as relieving a Contractor of any tier, whether Participating or Non-Participating, of any responsibility of liability under this Contract.

6.9 Other Insurance Required of All Contractors

Participating Contractor shall file certificates of such insurance with the Sponsor, which shall be subject to the Sponsor's approval for adequacy of protection, including the satisfactory character of any Insurer. If requested by the Sponsor, a certified copy of the actual policy(s) with the appropriate endorsement(s) and other documents shall be provided to the Sponsor.

Contractor shall immediately provide written notice to the Sponsor of any notice of cancellation, notice of non-renewal, or any other material modification of the insurance coverages required to be provided by the Contractor.

In the event of failure of any tier to furnish and maintain said insurance and to furnish satisfactory evidence thereof, the Sponsor shall have the right to take out and maintain same coverage for all parties on behalf of the Contractor of any tier who also agrees to furnish all necessary information thereof and to pay the cost thereof to the Sponsor immediately upon presentation of a premium invoice.

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SECTION

7

7.0 CLAIM PROCEDURES

This section describes the basic procedures for reporting various types of claims. A claim kit will be provided to all Participating Contractors. It will include details about claim reporting and is intended for use at the job site.

• 7.1 Workers' Compensation Claims

The main responsibility for any Contractor is first to see that the injured worker receives immediate medical care. Next, you should notify the on-site Contractor's Safety Supervisor immediately in the event of a serious injury or accident.

An Employers First Report of Injury (Form 5020) must be completed and submitted to the on-site safety representative and the OCIP Administrator, along with the DWC-1 (Employee's Claim) and the Supervisors Report of Injury Form.

The employer of the injured employee must report all Workers Compensation claims to the OCIP insurer within 24 hours of the event.

The Sponsor and their insurer will arrange with preferred medical providers for treatment of all minor or non-life threatening injuries. A list of the providers will be provided to all Participating Contractors.

Participating Contractors must designate a representative at the site to take injured employees to the medical center, and to report the claim. This individual should remain with the injured employee at the center while he/she is being treated. The treating physician should provide a written description of whether or not the injured worker can return to work, a list of restrictions, if any, and the estimated length of time he/she will stay on modified duty.

Participating Contractors must report all Workers Compensation injuries as applicable to their employees to the OCIP insurer as soon as is practical within 24 hours of the incident. Contractor shall ensure that it or any of its subcontractors comply with any return to work policy requirements.

• 7.2 General Liability Claims

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Accidents at or around the job site resulting in damage to property of others (other than the Work itself), or personal injury or death to a member of the public, must be reported immediately to the on-site Contractor's Safety Supervisor. A General Liability Loss Notice (Accord Form 3) shall be completed and delivered within 24 hours to the OCIP Administrator.

Contractors shall not voluntarily admit liability and shall cooperate with the Sponsor or insurer representatives in the accident investigation.

If your firm receives notice of a claim, or forthcoming lawsuit, or is served with a lawsuit arising out of your involvement with this project, please forward a copy of the documentation to the OCIP Administrator *(See Section 2.0: Project Directory for Contact Information)*

• 7.3 Property Claims

Immediately report any damages to your Work or the Work of any other Contractor to the on-site Contractor's Safety Supervisor. In addition, complete the Property Loss Notice (Accord Form 1) and submit it to the OCIP Administrator within five days of the occurrence.

• 7.4 Automobile Claims

No coverage is provided for automobile accidents under the OCIP. It is the sole responsibility of each Contractor to report accidents involving their automobiles to their own insurers.

In addition to reporting the claim to its own insurer, each Contractor shall report all accidents occurring in or around the job site to the on-site Contractor's Safety Supervisor. These accidents will be investigated with regard to any liability arising out of the Project construction activities that could result in future claims. Each Contractor shall cooperate in the investigation of all automobile accidents.

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8.0 APPENDIX

- **Enrollment:** Alliant WrapX Online Enrollment Instructions
- **Insurance Cost Worksheet**
- **Monthly On-Site Payroll Report** – **ONLINE SUBMISSION REQUIRED**
- **Notice of Work Termination**
- **Notice of Contract Award**

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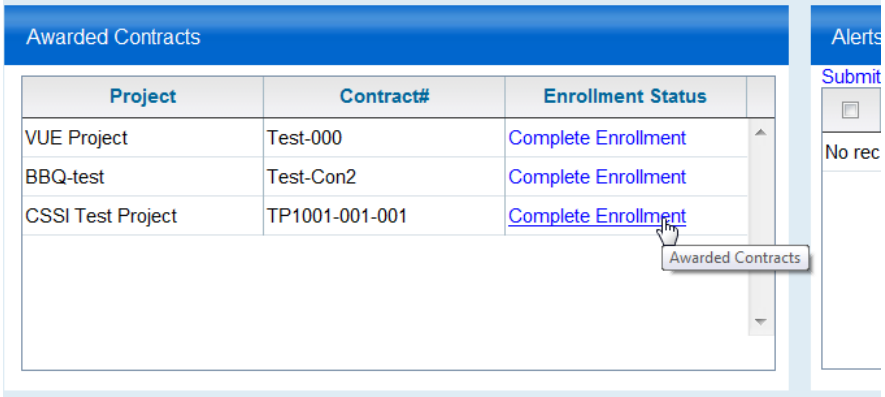
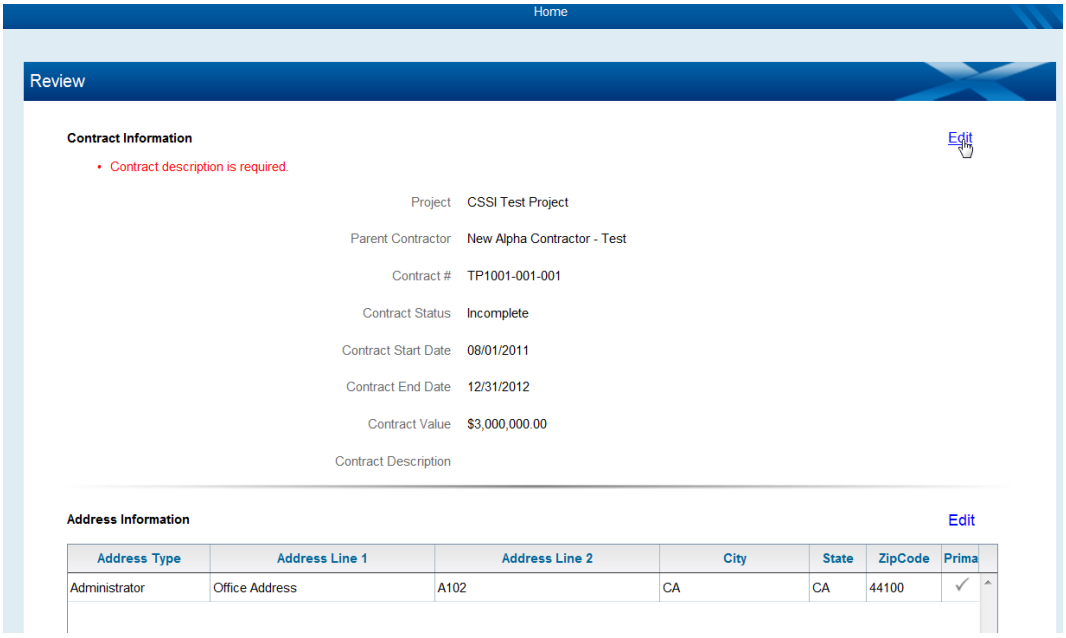
Alliant WrapX Enrollment Process

- **Enrollment into the project will be completed online.**
- **You will receive access to the online system: Alliant WrapX, within three days after Alliant has been notified of your awarded contract.**
- **Please contact the Wrap Administrator if you have not been given a login ID and Password**
- **Link to the Contractor Portal:** https://alliantwrapx.alliantinsurance.com/ContractorPortal
- **After logging into the system, find your newly awarded contract under the Awarded Contracts window.**



- **Click on Complete Enrollment to begin the process**
- **The enrollment wizard will start on the Review page. Any section that is not compliant will be listed in Red. Click Edit to begin updating that section, and continue through the enrollment wizard by clicking Next**



- **Please see the required information listed below so you can have all the information ready when you are attempting to enroll.**

Required Information for Online Enrollment

	Required Information	Help
1	Contractor name	May include type of company: Corporation, LLC, etc…
2	Parent contractor name	Name of company you are contracted with
3	Contractor Federal ID Number	Check Alliant data and update
4	Start Date at project site	Day physical work starts at jobsite
5	Estimated completion date	Can be an estimate
6	Contract Value	
7	Contract Description	Scope of work
8	Contractor Address	Physical address of office. Any P.O. Box should be entered under Mailing address
9	Contractor Main Phone and Fax numbers	
10	Contractor Primary Contact Name	
11	Contact position	
12	Contact phone and fax numbers, and email address	Email is preferred method for communication
13	Contractor Payroll Contact Name	Can be the same as the Primary Contact
14	Payroll Contact phone and fax numbers, and email address	Email is preferred method for communication
15	Workers' Compensation Class Codes to be used on job	Can be found in your company WC rate pages
16	Estimated Man hours and Payroll	Required for enrollment
17	Risk ID #	Also called Rating Board file #
18	Rating Bureau	NCCI or WCRIB or similar name
19	Experience Modifier (EMR)	Can be found in your company WC rate pages
20	WC Offsite Carrier	Corporate WC carrier name
21	WC Offsite Policy #	Corporate WC policy number
22	WC effective date	Corporate WC effective date
23	Policy Expiration Date	Corporate WC expiration date
24	If any work is being subcontracted out, please include information about subcontractors so enrollment can be started for each contractor	At a minimum: Contractor name; estimated start date; contact name, email and phone number; and contract value for subcontracted work.

FORM – A
CONTRACTOR ENROLLMENT FORM

Section I

Company Name:	**Address:**
Main Phone#:	**Main Fax#:**
Federal ID#:	**Company Entity Type (Circle):** Corporation Partnership Sole Proprietor Limited Partnership JV LLC LLP other_____

Primary Contact Name:	**Primary Contact Phone#:**	**Primary Contact Email:**
Payroll Contact Name:	**Payroll Contact Phone#:**	**Payroll Contact Email:**

Work Description:	**Project Location/ Project Name:**
Estimated Start Date:	**Estimated Completion Date:**
Who are you contracted with?	**Contract Value**
Are you subcontracting out any work?	☐Yes* ☐No

Section II

Your Workers' Comp Carrier:		
WC Policy #:	**Eff Date:**	**Exp Date:**
Rating Board File#:		
Rating Date:	**Experience Modifier:**	

State	WC Class Code	Description	Est. Manhours	Est. Payroll
		Totals		

Insurance Agent/Broker Information:

Agency Name:	**Phone:**
Contact:	**Fax:**
Email:	

Note: City of San Jose reserves the right to determine who participates in the Wrap-Up Insurance Program. I agree that the following insurance charges will be added to my base bid if I am excluded from the Wrap-Up.

***Note: Please complete a Notice of Subcontractor Award, for each of your subcontractors. All contractors MUST complete forms A and B in order for them to commence work on site. ENROLLMENT IS NOT AUTOMATIC.**

Signature: _____ Date: _____
Name: _____ Title: _____

FORM – B
INSURANCE COST WORKSHEET

Section I

Contract/Bid Information

Contractor Name:	**Alliant Assigned Contract #**
Gross Contract Value(including insurance cost): $	**Net Contract Value(excluding insurance Cost): $**
Estimated On Site Payroll: (Auto-fill from Section II) $	**Estimated Work Hours: (Auto-fill from Section II)**

Section II

Calculate your insurance premium.

WC Trade Classification	WC Class Code	Work Hours	Estimated Payrolls	Current WC Rate	Premium = Est. Payrolls x WC Rate
			$		$
			$		$
			$		$
			$		$
			$		$

Attach separate worksheet if more codes apply.

*** Use Project Site Payroll only to calculate Total Insurance cost.**

Total Manual Premium	$
x Experience Mod	
= Modified Premium	$

Description		Rate	Modified $	Running Total
	+ or -		$	$
	+ or -		$	$
	+ or -		$	$
	+ or -		$	$
= Total WC Premium				**$**
WC Premium Rate (Cost/Payroll)				**$**

General Liability **Do you have a Large Deductible Program?** ☐Yes

Current Rate	Factor 100/1000	Payroll OR Receipts	Premium
		$	$
Deductible Amount:	$		

Excess Liability **Is your Excess coverage Non-auditable (Flat)?** ☐Yes

Current Rate	Factor 100/1000	Payroll OR Receipts	Premium
		$	$

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Your O & P % (Overhead and Profit Percentage)	%	$
TOTAL INSURANCE COST		$
Insurance Rate **(Cost/Payroll)**		$

I hereby warrant that this worksheet reflects the projected insurance cost that would apply in the event that my regular insurance program was in force at this location. I also recognize that the **Sponsor or their Representative - Wrap-Up Administrator, Alliant** may request copies of my actual policies to confirm these costs.

***Attach your applicable WC, GL and XS rate pages for rate verification.**

Signature: _____ Date: _____

FORM – D
MONTHLY ON-SITE PAYROLL REPORT

THIS REPORT MUST BE SUBMITTED TO ALLIANT INSURANCE SERVICES ON A MONTHLY BASIS

Report#: Month Ending:

☐ Check if this is your First Payroll report. ☐ Check if payroll is $0 for the month.

Contractor Name:	Contract#

Name of Project:

Complete a separate form for each contract.

Workers' Compensation Class Code	Work Description	Number of Employees	Total Monthly Man Hours	Reportable Payroll*
TOTAL				

☐ Check if this is your Last Payroll Report. Complete Form E, Notice of Work Completion and send with this payroll report.

I certify that the above information is correct.

Signature:	Date:
Name:	Title:

Do not include overtime wages, use straight time wage rates only. No fringe benefits, sick time or holiday pay.

Please return by Email, Fax or Mail to:

Katie Gatti
Alliant Insurance Services
701 B St. 6th Floor
San Diego, CA 92101

Email: Katie.Gatti@alliant.com
Fax: 619-699-2111
Phone: 619-849-3896

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FORM – E
NOTICE OF WORK TERMINATION FORM

Company Name:	**Address:**
Contact for Audit:	**Federal ID#:**
Name of Project:	
First Day on Site:	**Last Day on Site:**
Final Total Payroll:	**Original Contract Value:**
Change Order Amount:	**Final Contract Value (including change orders):**

Complete for all subcontractors

Subcontractor Name	Completion Date	Final Contracting Value (including change orders)
		$
		$
		$
		$

We hereby verify that all contract work, including the work of subcontractors, has been completed and all on-site payrolls have been submitted.

Signature:_____
Print Name:_____Date:_____

TO BE SUBMITTED TO CONTRACTOR FOR COMPLETION:

The above referenced contractor has completed their work at the project site under their contract without firm on the above date.

General Contractor:_____

Signature:_____Date:_____

As per your contract, your final payment may not be released until all payroll has been submitted and payroll audits are performed, including your subcontractor's work of every tier.

Please return by Email, Fax or Mail to:

Katie Gatti
Alliant Insurance Services
701 B St. 6th Floor
San Diego, CA 92101

Email: Katie.Gatti@alliant.com
Fax: 619-699-2111
Phone: 619-849-3896

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FORM F: NOTICE OF SUBCONTRACT AWARD

SUBCONTRACTOR MAKING AWARD:	Alliant Assigned Contract #

BY:	TITLE:
PHONE:	FAX:
EMAIL ADDRESS:	DATE:

WE HAVE AWARDED A SUBCONTRACT AS FOLLOWS:	
SUBCONTRACTOR NAME:	
ESTIMATED PROJECT START DATE:	CONTRACT VALUE:
SCOPE OF WORK	
SUBCONTRACTOR ADDRESS:	
CONTACT NAME:	EMAIL ADDRESS:
PHONE:	FAX:

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APPENDIX 13

KEY PERSONNEL AND APPROVED SUBCONTRACTORS

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APPENDIX 13

KEY PERSONNEL AND APPROVED SUBCONTRACTORS

13.1. PURPOSE

The purpose of this Appendix is to identify (1) the key management and supervisory personnel proposed to be used by the Design-Builder in performing the Contract Services and (2) those Subcontractors that the City has approved for use by the Design-Builder in performing the Contract Services.

13.2. KEY PERSONNEL

As referenced in Section 7.1 (Management) of this Design-Build Contract, certain key management and supervisory personnel were proposed by the Design-Builder and shall be used by the Design-Builder in connection with the performance of the Contract Services (the "Key Personnel"). The Key Personnel and their primary responsibilities are identified in Attachment 13A to this Appendix. Any change in the Key Personnel shall be subject to review and approval of the City in accordance with Section 7.1 (Management).

13.3. SUBCONTRACTORS

13.3.1 Required Subcontractors.

As provided in Section 7.4(J) (Required Subcontractor) of this Design-Build Contract, the Subcontractors with whom the City requires the Design-Builder to enter into a Subcontract for the performance of certain aspects of the Design-Build Work are the following: **[Note: To be completed on the Definitive Contract Amendment Date.]**

	Subcontractor	Role
1.	ABB, Inc. or Technical Systems, Inc.	Software Systems Integrator

13.3.2 Approved Subcontractors.

As of the Contract Date, there are no Approved Subcontractors. Potential Subcontractors shall be proposed by the Design-Builder and approved by the City for any Early Work Packages and for the balance of the Design-Build Work in accordance with Section 5.8 (Early Work Packages), Section 7.4 (Self-Performance and Subcontractor Selection), and Attachment 13C (Subcontracting Plan) to this Appendix 13. **[Note: The names and roles of all Approved Subcontractors as of the Definitive Contract Amendment Date shall be reflected in the table below as part of the Definitive Contract Amendment.]** Approved Subcontractors

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proposed by the Design-Builder and approved by the City after the Definitive Contract Amendment Date shall be reflected in a Contract Administration Memorandum.

	Subcontractor	Role
1.	Kiewit Infrastructure West Co.	General Contractor
2.	[Insert Name/Entity]	[Insert Role]
3.	[Insert Name/Entity]	[Insert Role]

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ATTACHMENT 13A

SUBCONTRACTING PLAN

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ATTACHMENT 13A

KEY PERSONNEL CHART

Key Personnel/ Role	Staff Responsibilities
Joe Glicker, PE **Dennis Nelson** **Project Executives**	**Responsibilities:** • Ensure that the DB Manager and Design Manager have all the resources necessary to successfully complete Preliminary Services • Maintain a successful relationship with the City of San Jose through communication and achievement of performance goals • Reinforce the project priorities of safety, quality, cost, and schedule adherence and ensure they are effectively and continuously conveyed to all personnel • Act as an executive level contact for the City and provide the resources to fulfill CH2M's "client for life" philosophy • Provide overall leadership and monitor project progress to ensure consistent progress is maintained against key deliverables and strategic milestones • Maintain successful relationship through communication and achievement of performance and project objectives across design, construction, and operations • Reinforce the project priorities of safety, quality, cost, and schedule adherence and ensure they are effectively and continuously conveyed to all personnel
Joe Broughton **Design-Build Manager**	**Responsibilities:** • Interface with the City to maintain collaborative communication and addresses management and contract issues for the design and construction phases of the project • Build and maintain the core DB team and maintain its effective working relationship with the City's project leadership • Ensure integration of key project functions-design, construction, startup, and project support-to successfully achieve project goals • Direct the team in achieving project goals, metrics, and critical success factors • Monitor the quality and safety programs and reviews program performance with quality and safety managers and City leadership • Lead team activities for Cost Model and Risk Management
Dave Green, PE **Principal Engineer**	**Responsibilities:** • Provide overall direction and management of all project engineering functions • Ensure the availability of the engineering resources needed for the project • Coordinate ongoing constructability and operability input to the design process • Oversee the work of the major design segment leads and establishment of all design procedures and policies

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Key Personnel/ Role	Staff Responsibilities
Doug Cayko, PE **Preconstruction Manager**	**Responsibilities:** • Ensure that all facets of design engineering services are closely coordinated with preconstruction and that good communication exists among all organizational elements and subconsultants • Oversee all engineering services costs/schedule and scope control monitoring systems and takes appropriate corrective action when needed • Coordinate design production and design schedules with overall project schedule and preconstruction activities • Provide oversight to preconstruction activities for estimating, procurement, scheduling, constructability reviews, value engineering, and scope management • Support team activities for cost model and risk management
Mark Bertolero **Construction Manager**	**Responsibilities:** • Coordinate all constructability reviews • Participate in all construction estimating efforts and procurement efforts • Prepare a workable construction schedule and monitor construction schedule, cost, and quality to ensure project goals are met • Coordinate multi-phase construction tasks to ensure project is completed on time, while meeting goals for safety, quality, and budget • Monitor scope, schedule, and budget and analyze impact of potential change orders
Ashley Currey **Startup & Commissioning Manager**	**Responsibilities:** • Prepare performance guarantee approaches and contractual language • Prepare acceptance testing approaches and contract language • Prepare startup and commissioning plan in conjunction with design, construction, and operations personnel • Lead startup, commissioning, and acceptance testing of all facilities
Jason Krumsick, PE **Mechanical Lead**	**Responsibilities:** • Design sizing and selection of process and mechanical equipment • Detailed mechanical design
Alex Firth, PE **Structural Lead**	**Responsibilities:** • Design sizing and selection of structural components balancing safety, efficacy, and aesthetics • Detailed structural design
Ryan Harbert, PE **Electrical Lead**	**Responsibilities:** • Responsible for leading the electrical engineering, electrical supply and distribution • Detailed electrical design

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Key Personnel/ Role	Staff Responsibilities
Jerry Nordal, PE **Instrumentation & Control Lead**	**Responsibilities:** • Develops SCADA hardware and software design • Finalizes process and instrumentation diagrams • Detailed instrumentation and control design
Gary Magee **Quality Manager**	**Responsibilities:** • Prepare QA/QC plan, define QA/QC requirements, and document QA/QC testing procedures • Direct experienced engineers and construction professionals in quality control inspections • Provide construction related quality issue feedback to designers • Confirm corrective actions and follow-up inspections based on findings of QA personnel
Kelly Roberts **Safety Manager**	**Responsibilities:** • Leads project personnel in compliance of OSHA, EPA, and all other environmental health and safety (H&S) federal regulations • Assigns additional H&S personnel as needed • Creates and reviews detailed task hazard analysis and the associated H&S measures to be undertaken by the field staff in accordance with all applicable rules and regulations, including the client's policies and procedures
Neil Gibson **General Contractor Safety Manager**	**Responsibilities:** • Leads general contractor personnel in compliance of OSHA, EPA, and all other environmental health and safety (H&S) federal regulations • Creates and reviews detailed task hazard analysis and the associated H&S measures to be undertaken by the field staff in accordance with all applicable rules and regulations, including the client's policies and procedures
Joel Rife, PE **Senior Technical Consultant**	**Responsibilities:** • Assist Principal Engineer with senior review • Assist with development of the design criteria and specifications for process equipment • Assist with equipment design, evaluating process equipment procurement results, developing test plan, equipment installation, and operational oversight
John Ryan, PE **On-Site Engineering Liaison**	**Responsibilities:** • Serves as the local, on-site engineering manager to assist with design coordination • Oversees environmental permitting activities and integration with City's projects and studies

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Key Personnel/ Role	Staff Responsibilities
Enrique Ramos **On-Site Construction Manager**	**Responsibilities:** • Leads and monitors all construction activities onsite • Prepare a workable construction schedule and monitor construction schedule, cost, and quality to ensure project goals are met • Establish and implement the field safety program during design and construction • Implement all contracts and monitor subcontractor compliance with contract stipulations • Coordinate multi-phase construction tasks to ensure project is completed on time, while meeting goals for safety, quality, and budget • Monitor scope, schedule, and budget and analyze impact of potential change orders

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ATTACHMENT 13B

SUBCONTRACTING PLAN

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ATTACHMENT 13B

SUBCONTRACTING PLAN

[Note: The Subcontracting Plan anticipated as of the Contract Date will be included in this Attachment 13B. A proposed final Subcontracting Plan shall be proposed by the Design-Builder as part of the Definitive Project Submittal, and negotiated and agreed upon by the parties as part of the Definitive Contract Amendment.]

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San José-Santa Clara
Regional Wastewater Facility

CIP Program
Headworks Facility #7701
Subcontracting Plan

Draft for use in Design-Build Contract

April 2018

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HEADWORKS FACILITY AT THE SAN JOSÉ –
SANTA CLARA REGIONAL WASTEWATER FACILITY
CITY PROJECT NO. 7701

Subcontracting Plan

Prepared for

City of San José, California

Rev 00
September 13, 2016

Jacobs
1737 N 1st Street, Suite 300
San Jose, CA 95112-4524
US
408-436-4936

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Revision History

Revision No.	Date	Description/Amendment	Author	Reviewed	Approved
Rev00	2018-04-18	Draft for use in Design-Build Contract	Joe Broughton		

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Attachments

A Subcontracting Plan and Procurement Plan Package Strategy List

B Sample Advertisement

C Request for Proposal

D Evaluation Template

Tables

1-1 Subcontracting Plan Requirements and Cross-References

2-1 Proposal Types

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Acronyms and Abbreviations

City	City of San José
Contract	Design-Build Contract
Design-Builder	JACOBS (Jacobs)
EPA	United States Environmental Protection Agency
General Contractor	Kiewit Infrastructure West (Kiewit)
GMP	Guaranteed Maximum Price
Project	Cogeneration Facility
RWF	San José – Santa Clara Regional Wastewater Facility
SWRCB	State Water Resources Control Board

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SECTION 1

Introduction

1.1 Introduction, Background, and Purpose

The Design-Build Contract includes Attachment 13A – Subcontracting Plan. As required by the Contract, the Design-Builder shall further develop the Subcontracting Plan (the "Plan"), during the Preliminary Services Period. This Subcontracting Plan provides an overview of the Design-Builder's proposed approach to engage Subcontractors to support the Design-Builder in the execution of the Project. The Subcontracting Plan identifies the type of work or trades that will be required to complete the Project by the Scheduled Acceptance Date, describes the methods the Design-Builder will utilize to engage local subconsultants and subcontractors, and describes the methods the Design-Builder will utilize to engage with subconsultants and subcontractors classified as disadvantaged business enterprises. The Design-Builder recognizes the critical importance of safe, experienced, financially solid, and competitive Subcontractors to ensuring the success of the Project. The Subcontractor selection process will be transparent and "open book". This Plan identifies how Subcontractors will be selected to participate on the Project. The Plan is intended to be a living document and will be modified as the Project progresses and is subject in all respect to the provisions of Article 7 - Management, Labor and Subcontractors of the Design-Build Contract.

The Design-Builder intends to maximize, to the greatest extent possible, local San José and Santa Clara County firms' participation in the Project through an outreach program that will be coordinated with the City of San José's (City) existing outreach program. The Design-Builder intends to ensure that local firms and small, disadvantaged and women-owned business enterprises are made aware of all opportunities available to them to subcontract on the Project in-line with their interest, capabilities and areas of expertise, and to utilize such firms to the maximum extent possible consistent with this Plan. This Plan is intended to provide sufficient information on Project opportunities that will be available and communicate how local firms can participate or express an interest in bidding for those opportunities.

The Project will be delivered with a progressive design-build approach whereby the Design-Builder will first proceed with Preliminary Services Period, followed by the Design Build Period. The requirements of Appendix 2 indicate the Subcontracting Plan is required to be submitted with the Definitive Project Submittal, after 60% Design. With that approach, the Subcontracting Plan will be focused on the Design Build Period. However, Jacobs will update this Subcontracting Plan earlier in the Preliminary Services Period, to gain alignment on proposal activities during Preliminary Services. Having alignment early, allows the team to conduct bidding activities that support design decisions, and that improve cost certainty included in the Guaranteed Maximum Price (GMP). Additionally, the plan recognizes and discusses opportunities to turn early bidding activities into Early Work Packages, which provide greater surety on delivery schedule.

1.2 Subcontracting Plan

The Design-Build Contract requires that several items be addressed in the Subcontracting Plan. These items, along with a cross reference of where they can be found within this document, are provided in Table 1-1 – Subcontracting Plan Requirements and Cross-References.

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Table 1-1. Subcontracting Plan Requirements and Cross-References

Subcontracting Plan Requirement	Subcontracting Plan Reference
Introduction, background and purpose	Section 1
Self-performed work versus subcontracted work	Section 2
Local participation and outreach	Section 3
Subcontractor prequalification process	Section 4
Subcontractor selection process	Section 5
Procurement plan for subcontractors and vendors	Section 6
Skilled and trained workforce and Labor peace plan	Section 7

1.3 California Senate Bill 785 and Public Contract Code 22166

With the enactment of California Senate Bill 785, the State of California authorized state and local agencies to use design-build. It passed both houses in August 2014 and was signed by the Governor at the end of September 2014. The new law became effective on January 1, 2015, with a January 1, 2025 sunset. By way of California Public Contract Code 22160-22169, local agencies for public works are permitted to use the Design-Build model. Public Contract Code 22160 states “The Legislature finds and declares that the design-build method of project delivery, using a best value procurement methodology, has been authorized for various agencies that have reported benefits from such projects”.

In addition to authorizing the Design-Build process, Public Contract Code authorizes Design-Builder actions. Public Contract Code 22166 includes the following requirements:

- Following award of the design-build contract, the design-build entity shall proceed as follows in awarding construction subcontracts with a value exceeding one-half of 1 percent of the contract price allocable to construction work.
  - Provide public notice of availability of work to be subcontracted in accordance with the publication requirements applicable to the competitive bidding process, including a fixed date and time on which qualifications statements, bids, or proposals will be due.
  - Establish reasonable qualification criteria and standards.
  - Award the subcontract either on a best value basis or to the lowest responsible bidder. The process may include prequalification or short-listing. The foregoing process does not apply to construction subcontractors listed in the original proposal.

With this Subcontracting Plan, the Design-Builder will show compliance with SB 785 and Public Contract Code 22166. Numerous actions by the City began compliance with SB 785 and Public Contract Code and the Design-Builder and Subcontractors will continue adherence, including but not limited to the following actions:

- Work will be competitively procured through best value or lowest responsive processes.
- Design-Builder and Subcontractors will use skilled and trained workforce to perform all work on the project that falls within an apprenticeable occupation in the building and construction trades.

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- Design-Builder shall provide payment and performance bonds to the City. Design-Builder shall require bonds and/or contractor default insurance from Subcontractors.
- Design-Builder retention on Subcontractors shall not exceed 5 percent.

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SECTION 2

Self-Performed Work vs Subcontracted Work

This section of the Plan describes approaches to self-performed work, as well as subcontracted work. The Design-Builder's approach to self-performance, subcontracting, and procurement is based on these key attributes:

- Ensuring high-quality work, on time, and within budget
- Meeting the requirements of California Public Contracting Code 22166 concerning subcontracting on design-build (DB) projects.
- Ensuring and demonstrating competitive pricing for all aspects of the work.
- Maximizing participation of local, qualified business, and labor community in the project.
- Ensure all costs are completely transparent, with all commodity pricing, equipment packages, and labor rates fully disclosed to the City

2.1 Design-Builder Self-Performance

Design-Build Contract Section 7.4 (A) – Self-Performed Construction Work Generally prohibits the Design-Builder or its Affiliates to self-perform construction work, except with the approval of the City. Jacobs does not intend to self-perform construction work, unless it becomes a necessary best value path forward for the project. As the design-builder and lead designer, Jacobs will self-perform the following.

- Project management, including overall construction management and superintendence
- Project safety
- Quality assurance and quality control
- All design and engineering activities, including design services during construction
- Permitting and regulatory approvals
- Process equipment purchase and expediting
- Startup, testing, commissioning, and operator training

In preparation of the Cost Models and GMP, Jacobs shall prepare open-book format estimates for the self-performance work. These estimates will include labor rate calculation sheets, equipment rate calculation sheets, miscellaneous materials pricing and quotes on procurement packages.

2.2 General Contractor Self-Performance

The general contractor for the Project, Kiewit, will self-perform the following, subject to Design-Build Contract Section 7.4 (J) - Kiewit.

- Yard piping and under slab piping
- Structural concrete
- Miscellaneous metals
- Installation of process equipment

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- Aboveground process piping and valves
- Assistance with overall construction management and superintendence

In preparation of the Cost Models and GMP, Kiewit shall prepare open-book format estimates for the self-performance work. These open-book estimates, which will be made available for review by the City, will include labor rate calculation sheets, equipment rate calculation sheets, miscellaneous materials pricing and quotes on procurement packages. Upon execution of the Design-Build Contract, the Kiewit estimate shall be converted to a lump sum Subcontract.

2.3 Remainder of Work

The remainder of the work, including electrical, site, civil, concrete-reinforcing steel, structural, HVAC, plumbing, bridge crane, architectural building trades (building envelope, miscellaneous metals, masonry, plumbing, roofing, drywall, etc.), sidewalks and curb and gutter, and miscellaneous trades such as paving, painting, landscape, and fencing will be competitively bid out by procurement package, in accordance with Design-Build Contract Section 7.4 – Self-Performance and Subcontractor Selection, using the approaches outlined in this Plan. These trades will be bid out by the Design-Builder or General Contractor and subcontracts will be held by the party that has best ability to ensure success. Materials and equipment (such as electrical switchgear) that are not process equipment, will be procured as part of the subcontracting package that is responsible for its installation. While both the Design-Builder and General Contractor personnel will work together as one team in overall management of the construction work, because of the size and nature of the electrical subcontract, it will be held directly by the Design-Builder, while the majority of the remaining subcontracts will be held by General Contractor because of the integral relationship of those elements of the work.

2.4 Procurement Package Strategy

When evaluating self-performance work, general contractor work, and the remainder of the work, the Design-Builder develops an overall Procurement Package Strategy, included as Attachment A – Subcontracting Plan and Procurement Plan Package Strategy List (Package Strategy). The Package Strategy is the guiding document for use by the full project team, when discussing how the project will be divided into portions of work and the strategy for procuring those portions. The Package Strategy table includes Package Number, Package Description, who is responsible for procuring or Purchased By, Competitive Basis, and Selection Criteria as further discussed in this Plan under Subcontractor Selection Process. Proposal Type is also a key component of the Package Strategy. Additional information is included within the table to ensure the project team is aware of packages that are a potential candidate for Early Work Packages.

As with many project management tools and templates, the Package Strategy will be updated as the project progresses.

2.4.1 Package Numbering

The Design-Builder utilizes a procurement system that divides the portion of work into Package Number but arranges those packages within a group. These groups are arranged by agreement type, as per the following:

- 1000 series – Consulting Agreements
- 2000 series – Purchase Orders (Process Equipment)
- 3000 series – Lease and Rental Agreements

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- 4000 series – Subcontracts (Subcontractors)
- 5000 series – Consumables and Site Operations

2.4.2 Proposal Types

During the Preliminary Services Period, the Design-Builder will seek Subcontractor pricing in two proposal types, including Indicative and Formal. The Indicative proposal type will be informal, based on limited information, contain little commercial guidelines and will be utilized to obtain general pricing understanding that leads early decisions. The Formal proposal type will be more rigorous, formal in nature, will include both technical and commercial requirements, and will be the basis for selection of a Subcontractor. Formal Proposals will be conducted so that the team may make a definitive technical decision or commercial decision. Certain differences between the proposal types are noted below in Table 2-1 – Proposal Types.

Table 2-1. Proposal Types

Topic	Indicative Proposal	Formal Proposal
Best Use	Preliminary Pricing, Budget Estimating	Firm Estimating, Basis of Selection and Contract, Early Work
Advertisement	No	Yes
Pre-Bid or Open House	No	Yes
Request for Proposal (RFP)	No	Yes
Communications	By Email, Phone	Only by Addendum, In Writing
Formal Bid Date and Time	No	Yes
Reviewed with City	Potentially in an informal setting	Yes, in a presentation to City

Information contained within this plan is related to Formal Proposal type activity.

2.4.3 Timing of Proposal Activity

Capitalizing on the delivery nature of Progressive Design-Build, the Design-Builder will administer Formal Proposal activity during the Preliminary Services Period, as well as the Design Build Period. With procurement recommendation and selection driving both technical and commercial decisions, it is important to receive proposals at the opportune time. The critical dates for the project and key procurement milestones are identified in the Project Schedule.

The Package Strategy table indicates when Indicative and Formal Proposal activity will be conducted. These actions will be aligned to the major milestone deliverables, including:

- Basis of Design Report
- 30% Design
- 60% Design
- Definitive Project Submittal

2.4.3.1 Use of Preliminary Design Deliverable

As indicated above, the Design-Builder will align procurement activities to major milestone deliverables. Appendix 2 – Preliminary Services discusses the required Cost Model deliverables, which are to include

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procurement results. A Formal Proposal period, as identified above and further discussed in the forthcoming sections of this plan, will require 30 to 60 days to administer. To receive proposals, evaluate them, and have the outcome useful within a Cost Model, the Design-Builder will release the procurement proposal package information, as outlined below in section 5.2 – Request for Proposal Package, well in advance of the schedule cut-off date for a design deliverable. As an example, the current submission of the 30% Design and associated Cost Model is anticipated to be in middle of December 2016 and the draft preparation of drawings and specs are targeted for completion in middle of November 2016. To conduct a Formal Proposal process, the Design-Builder may elect to utilize preliminary 30% Design documents for use in the procurement package. In taking this approach, there is a risk that the preliminary deliverable is altered later in that design deliverable period. To minimize this risk, Jacobs will conduct a design gap analysis and scope gap review of the design deliverable, adjust bids accordingly and carry appropriate contingency to cover any unforeseen cost growth.

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SECTION 3

Local Participation and Outreach

Local participation and outreach will be important to ensure project and procurement objectives are met, the project is delivered on time and delivered within budget. To increase local business enterprise participation specific to the Project, the Design-Builder will conduct local outreach during Preliminary Services and will continue throughout the Design-Build period.

3.1 Contact Lists and Databases

The Design-Builder and General Contractor both maintain contact lists and databases of local vendors, contractors, and suppliers capable of performing construction and construction-related services. These lists and databases organize all companies according to trade, so that the capabilities of each can be evaluated when soliciting quotes. Furthermore, they are continually updated to ensure that newly identified local businesses are included in our outreach for subcontracting opportunities of the project. As the project scope is defined, a project specific list will be generated, reviewed, and updated.

3.2 Publication Notification

In order to reach a broad audience and to make the bidding opportunities known to the public, the Design-Builder will publish information in local publications, including:

- Local Newspapers
  - San José Mercury News
  - Santa Clara Weekly
  - Silicon Valley Business Journal
- Local Business Associations
  - Black Chamber of Commerce of Silicone Valley
  - Hispanic Chamber of Commerce of Silicone Valley
  - Western Regional Minority Supplier Development Council (WRMSDC)
- Small Business Administration (Regional Office)
- Minority Business Development Agency (MBDA)
- Small Business Development Center (SBDC)

These publication notifications will serve two major purposes. First, the Design-Builder and General Contractor will inform all interested parties of Open House sessions, where additional project information will be communicated. To promote attendance at the workshop, we will place notices in local publications, and send direct invitations to local firms. Secondly, all official bidding activities will be made known through the publications.

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3.3 Open Houses

In order to further augment contact lists from the database, and as part of the local participation and outreach, the Design-Builder and General Contractor will hold an open house workshop in the community. The open house workshops provide an opportunity for the Design-Builder and General Contractor to network, while at the same time conveying important information to local businesses about subcontracting opportunities and teaming possibilities with larger firms. The Design-Builder will discuss the specific scopes of work and associated bid packages that will be developed. The Design-Builder will also provide information about the subcontractor prequalification process and bid evaluation process that will be used.

3.4 BidSync

The City of San José has consolidated all procurement solicitations to post on BidSync. BidSync is a cloud hosted environment, where bidding information is made available to the public. The Design-Builder will also explore using available features of BidSync, in lieu of internally hosted systems. The Design-Builder will post instructions to BidSync, so that vendors, suppliers, and subcontractors, who are familiar with San José approaches, will be notified of opportunities. The Design-Builder shall work with the City of San José to develop a posting to BidSync, in accordance with the publication requirements applicable to the City's competitive bidding processes.

3.5 Subcontractor Capacity

The Design-Builder is committed to capacity building and helping local subcontractors overcome obstacles to project participation. We will work with individual subcontractors to help them meet the requirements of our prequalification process and will offer assistance based on the individual circumstance of each subcontractor as appropriate for the project. For example, to meet the needs of small, minority, or local subcontractors, on a case by case basis the Design-Builder may:

- Adjust bond and insurance coverage requirements
- Implement a prompt payment plan to establish a dependable cash flow
- Provide project controls assistance
- Pre-purchase materials on behalf of the subcontractor

3.6 Preliminary Subcontractor, Supplier and Vendor List

The result of the outreach program will be to expand our existing database of potential subcontractors, suppliers, and vendors for this project, shown below.

- Abe's Trucking Inc
- Aguilar Trucking
- Air Systems Inc
- Aircom Mechanical
- Albert Aguilar Jr Trucking
- Alcaraz Transportation Inc
- Alliance Roofing
- Amland Corp
- Ampco North Inc
- Appian Engineering, Inc.
- Bains Brothers Trucking
- Bauer Concrete
- Broom Service Inc
- BT Mancini Co Inc
- Caldwell Trucking Inc
- CB Roadways Inc
- Central Concrete Supply Co Inc
- Cleansweep Services Inc

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- Columbia Specialty Company Inc.
- Core & Main formerly HD Supply Waterworks Ltd
- Critchfield Mechanical Inc
- Custom Flatbed Services Inc.
- Dasco Construction & Drywall, Inc.
- DLR Sales, Inc.
- Doaba Enterprises Inc
- Dolan Concrete Construction
- Dominguez & Sons Trucking, Inc.
- Duran & Venables Inc
- DVBE Trucking & Construction Co., Inc.
- EJ Pires Trucking
- Gagliasso Trucking
- Granite Rock Company - Construction
- Guerra Construction Group
- Harwinder Singh Dba Nabha Trucking
- Jimenez & Sons Trucking
- JJ Albanese
- John Shelton Inc
- Lord & Sons Inc
- Mageba USA - (West Office)
- McWane and Associates
- Metal Fab
- Milpitas Material Co
- Monterey Bay Masonry Inc
- MRB California Enterprises Inc
- O C McDonald
- Omni Sheet Metal, Inc.
- Pipe Rite Systems Co
- Platinum Roofing, Inc.
- R & B Company
- Rebar International
- Rich Voss Trucking
- Robert A Bothman Inc
- Rodriguez Concrete
- Rodriguez Sheet Metal
- Ron Paris Construction Co., Inc.
- San Jose Concrete Pipe
- San Jose Transport

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SECTION 4

Subcontractor Prequalification Process

Engaging subcontractor participation includes a formal prequalification process to screen potential subcontractors to ensure all firms that work on the Project share the Design-Builder's values for health and safety, responsiveness, on-time/on-budget performance, quality construction, and environmental protection. The Design-Builder will include a subcontractor Prequalification Package questionnaire to be completed by the subcontractor. This package will be made available at Open House sessions, sent directly to the prospective subcontractors or made available as part of the Request for Proposal Bid Package. Although the Design-Builder will seek to prequalify subcontractors ahead of the official bid periods, at a minimum the completed Prequalification Package will be due with the bid.

4.1 Prequalification Package

The Prequalification Package questionnaire is used to initiate a thorough review of safety performance; company history; project experience; and financial, insurance, and bonding information. The Design-Builder will thoroughly investigate references provided by potential subcontractors, as well as other sources of project performance information. The evaluation criteria for prequalification follows.

Safety. Most importantly, potential subcontractors must demonstrate a commitment to safety. Subcontractors must provide lost work day incident rates, number of fatalities, OSHA recordable incident rates, including EMR, TRIR, and DART for the last 3 years. Subcontractors that do not work safely will not work on the Project. Higher-risk work requires more advanced safety processes and tools and a better safety performance record.

Experience. To be prequalified, all subcontractors must demonstrate capabilities, experience delivering projects of similar size and scope, and an understanding of similar work. In addition, subcontractors will be evaluated for current workload, capacity, and competitive nature.

Labor. All potential subcontractors must have approved Equal Employment Opportunity (EEO) Plans and be in compliance with those plans. The Design-Builder requests descriptions of their labor relations and trades with which they have contracts or a working agreement and for commitment with compliance to required California labor codes.

Commercial and Financial. The financial stability of the subcontractor will be assessed to ensure that the firms will remain financially healthy companies throughout the Project duration. Claims history will also be evaluated.

Bonding. Bonding limits and bonding capabilities are examined in addition to whether a potential subcontractor has had any payment or performance bond claims or if they have been refused a bond by a surety company and, if so, the justification. This information will be evaluated for prequalification purposes only. Contractor Default Insurance will be used in lieu of subcontractor bonding.

Insurance. All potential subcontractors must have the ability to obtain and maintain insurance coverage for public liability and property damage within limits sufficient to protect the City and the Design-Builder from damages.

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4.2 Prequalification Package Evaluation

Upon receipt of the Prequalification Package, the Design-Builder has the documentation reviewed by multiple departments, including Health and Safety, Commercial, and Project Management. All three departments make an evaluation and determine if a potential subcontractor is deemed prequalified. If there are concerns or missing information, the team will try to reconcile or gain answers to questions before disqualifying a subcontractor.

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SECTION 5

Subcontractor Selection Process

Once package lists are established, technical documents are prepared, in order to support procurement processes, and bidder's lists are developed, the Design-Builder will administer a procurement selection process, which begins with the early stage of advertisement and concludes with the final step of selection.

5.1 Advertisement

The Design-Builder will place advertisements in local media outlets. This notification must be published thirty (30) days ahead of bid opening, at a minimum. The Design-Builder will often post the advertisement thirty days ahead of releasing the Request for Proposal, in order to ensure there is adequate interest in the package. A sample advertisement is included in Attachment B – Sample Advertisement.

5.2 Request for Proposal

Establishing solid Request for Proposal (RFP) documents is essential to administering a successful procurement selection process. It is important to provide all information in a manner that the market understands and responds to the request for proposal accurately. The Design-Builder will include the below documents with the Request for Proposal. A sample Request for Proposal set of documentation is included within Attachment C – Request for Proposal. Many of the documents provided in Attachment C are preliminary in nature. As one example the Sample Contract is included within the attachment but not all agreement components are included at this time. Although the sample RFP documents are provided with this Subcontracting Plan, the Design-Builder will work with the City to tailor the full RFP documents to the specific procurement period and package. Prior to releasing RFP documents to the market, the Design-Builder will submit the RFP documents to the City for review and the City shall complete review and comment within 14 days, as per Contract section 18.5 (C) – City Approvals and Consents.

5.2.1 Inquiry

The Inquiry document is the instruction to proposers and includes information on bid date and time, bid submission instructions, and selection criteria. In addition, the Inquiry outlines what each proposer must provide with their proposal, and directs proposers how to ask questions.

Within the Inquiry document is where the Design-Builder will clearly communicate reasonable qualification criteria and standards, as well as selection criteria. As permissible by Public Contract Code 22166, the Design-Builder will utilize Lowest Responsive, Responsible or Best Value as the selection criteria strategy.

5.2.1.1 Lowest Responsive, Responsible

Use of Lowest Responsive, Responsible shall be utilized on procurement packages with limited proposal period risk.

5.2.1.2 Best Value

Where proposal risk is greater, due to technical or performance requirements, limited bid period information on scope, or commercial challenges, the Design-Builder will use Best Value as selection

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criteria strategy. The team will work with the City to define Best Value approaches ahead of each procurement package. In all cases the Design-Builder will utilize a strategy that meets requirements of Public Contract Code 22166.

5.2.2 Sample Contract or Term Sheet

A Sample Contract or Term Sheet will be included in the Request for Proposal. The Design-Builder provides to Proposers and requests them to provide objections to terms or conditions with their bid submission. In this manner, the team will understand potential commercial challenges, as the evaluation process is ongoing. In order to streamline review and feedback from the proposers, the team may utilize a Term Sheet. The Term Sheet is a short list of key terms and conditions from the Contract. The decision on whether to use a sample contract or term sheet will be determined by the Design-Builder and will depend on the complexity of the procurement package.

For construction subcontractors and suppliers, the basis of all agreements shall be lump sum, unless there is a compelling business reason to deviate. Additionally, the sample contract or term sheet shall make it known that the Design-Builder will include prime contract flow down provisions, to include coverage from prime contract to subcontract or purchase order.

5.2.3 Scope of Work

For all procurement packages, a Scope of Work is required to communicate what work the subcontractor shall include in its proposal. In design-build delivery the Scope of Work is more important than traditional design-bid-build delivery, because subcontractors and suppliers are preparing proposals based on technical documents that are often less than 100% Design Documents. Each procurement package will contain a Scope of Work prepared by the delivery team experienced in communicating scope. In addition to providing the Scope of Work within the RFP package, the documents will ask each proposer to provide a detailed Scope of Work in return, along with any drawings or other technical information that clearly substantiates their proposal and lists all exclusions or exceptions to the bid package.

5.2.4 Bid Form

Evaluating pricing is challenging when each proposer is allowed to develop the format in which they provide pricing. The Design-Builder will facilitate a more consistent approach by providing the bid form to the proposers, which will aid in evaluating difference between submitted proposals along with a comparison to Jacobs internal estimate. Each proposer must use the Bid Form with submission of their proposal.

5.2.5 EPA Forms

Disadvantaged Business Enterprise information is required at bid time. The Design-Builder will provide the proposers the mechanism to provide this information, by requiring EPA forms to be completed and submitted with their proposal. For additional information on these requirements, see section 6 – State Revolving Fund Requirements. Failure to include the forms with the formal proposals may be considered grounds for rejection per SRF procurement requirements.

5.2.6 Prequalification Package or Supplier Questionnaire

If a subcontractor has not been previously prequalified, they must submit the Prequalification Package or Supplier Questionnaire with their bid. For additional information on the prequalification procedures, see Section 4 – Subcontractor Prequalification Process.

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5.2.7 W-9

The Design-Builder requires a W-9 prior to issuance of a contract. In order to ensure this step is not overlooked at contract time, a W-9 is required with the proposal.

5.3 Proposal Period

For each procurement package the Design-Builder will establish an appropriate proposal period. For less complex packages the proposal period may be only 2 weeks, where more complex packages may have a proposal period of 4 weeks. During the proposal period, informal communication will not be conducted. All questions must be submitted in writing and all changes to proposal documents will be communicated by Addendum. If the proposal package is complex, a Pre-proposal Meeting will be held after release of the Request for Proposal, with sufficient time left for the subcontractor to submit questions, prior to the proposal due date. All proposals will be submitted by email.

5.4 Evaluation and Recommendation

Proposals are considered confidential and sensitive, and distribution will be limited to those authorized. Proposals will be received and opened by the Design-Builder Procurement lead and separated, so that cost and non-cost reviews may be evaluated independently. Upon receipt of the proposal information, the Design-Builder team members will perform the evaluation. The evaluation approach will be based upon the Selection Criteria identified in the Request for Proposal, outlined above. Each team member will be asked to provide input to the evaluation, which may include Technical Review, Cost and Commercial Review, Additional Factors Review, Scope Adjustment Analysis, and Terms and Conditions Review. A sample Evaluation document is included within Attachment D – Evaluation Template. If required, a meeting will be conducted with proposers to resolve questions and clarifications. Depending on those meetings, an official Bid Addendum may be issued, prompting a secondary proposal period. Revised proposals will be evaluated against the Selection Criteria. Collectively the team will select the Lowest Responsive Responsible or the Best Value proposer.

With the internal selection made, the Procurement lead will then prepare a Recommendation Package, which will include all required backup information.

5.5 Selection

All Recommendation Packages, which are advanced during the Preliminary Services Period will be presented to the City in a workshop setting. Best Value analysis or Lowest Responsive, Responsible comparison will be presented and all backup documentation made available. The Design-Builder will bring appropriate team members to these workshops, where the City may seek answers to both technical and commercial questions.

Based upon Best Value analysis or Lowest Responsive, Responsible comparison and considering the input from the City, the Design-Builder will make the selection and the Subcontractor shall be approved by the City, as per Design-Build Contract Section 7.4 (F) - Competitive Procedures for Subcontracting Work. The selected proposals shall be utilized within the estimates, which form the Cost Models.

During the Design-Build Period, this process will be adjusted, to remove the presentation workshop. The Design-Builder will make the selection of a subcontractor and the City will approve per sub section 7.4 (F) (5).

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5.6 Issuance of Contracts

The Design-Builder will issue agreements as part of an Early Work Package, as defined in 5.8 (B) Early Work Packages, and as part of the Design-Build Period. Prior to issuance of the contract agreement, the Design-Builder will hold a final negotiation session, to resolve any remaining scope gaps, and commercial terms and conditions objections. The Design-Builder will approach issuance of contracts in the following manners.

5.6.1 Contract Based on Less than 100% Design

Many procurement packages must advance ahead of the 100% Design deliverable. In this contract manner, the Design-Builder will execute an agreement based on the most current available design documents. Once the 100% Design deliverable documents are available, the Design-Builder will make an opportunity for the subcontractor or supplier to confirm pricing. If both parties agree to adjustments, the Design-Builder will provide a change order to incorporate the 100% Design deliverable documents as the basis of contract. If the subcontractor or supplier seeks unjustified changes, the Design-Builder will take appropriate steps to mitigate overruns.

5.6.2 Contract Based on 100% Design

If the construction delivery schedule allows, the Design-Builder may wait until 100% Design deliverable documents are prepared and utilize them as the basis of contract.

Within every Subcontract valued at over $10,000, the Design-Builder will include specific requirements from Design-Build Contract Section 7:

- From Section 7.2(E), the Design-Builder will require Non-Discrimination in Equal Employment.
- From Section 7.2(D), the Design-Builder will require Drug-Free Workplace.

After resolving all remaining issues, the Design-Builder will issue the agreement, and advance execution by all parties. Once fully executed, the Design-Builder will then manage subcontractors and suppliers per the agreement. Following notification of award of an agreement, a pre-construction (kick-off) meeting will be conducted with the successful subcontractor or supplier. An Agenda will be prepared for each kick-off meeting. Each pre-construction meeting will include as a minimum, a review of the job rules, the safety requirements, the quality plan and site-specific inspection and test plan as applicable, the coordination requirements, the reporting requirements, and the mobilization plan.

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SECTION 6

Procurement Plan for Subcontractors and Vendors

The Design-Builder has taken into account several aspects of the Project in the development of this Subcontracting Plan and also the Procurement Plan, in order to meet the City's project goals.

- To support the targeted material, fabrication, and workforce communities, the Design-Builder will identify potential contractors and/or local workers to participate in the work identified, as well as technical and financial assistance efforts to induce further participation.
- The objective of the prequalification process is to conduct sufficient outreach and provide assistance to local firms so that the Project meets its established business utilization goals.
- An ongoing effort to advertise upcoming opportunities via publications, direct contact, BidSync, and pre-scheduled events will be performed during construction. The Design-Builder will notify agencies, exchange local listings and databases with local unions, local apprenticeship agencies, and City of San José Office of Contract Compliance and Employment Services of bid opportunities.
- Sub-contractor capacity – We will work to provide contracting opportunities to local subcontractors, vendors, and professional service providers, at all tiers. This will increase the number of certified businesses.
- Selections of subcontractors and suppliers will be based upon Best Value or Lowest Responsive, Responsible selection criteria.
- SRF requirements will be met, including Federal Conditions and Cross-Cutters, DBE Requirements, Davis-Bacon, and American Iron and Steel.
- Meet all requirements of design-build Senate Bill 785 and Public Contract Code 22166.

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SECTION 7

Skilled and Trained Workforce and Labor Peace Plan

The Design-Builder and General Contractor are committed to using a skilled and trained work force at every level and will comply with the requirements of Section 22164(c) of the California Public Contract Code, as required in Section 7.2(F) – Skilled Workforce Requirements. Public Contract Code 22164 defines Skilled Workforce Requirements and obligates the Design-Builder to use a skilled workforce in performing the Design-Build Work. The Design-Builder will provide the City with evidence, monthly during the term of this Design-Build Contract that the Design-Builder and its Subcontractors are complying with the requirements of Public Contract Code Section 22164.

Avoiding labor disputes and disruptions is a significant factor in delivering the project in a timely manner. The Design-Builder will adhere to the prevailing wage requirements for this Project set forth in Section 7.2(D) - Prevailing Wage Rate of the Design-Build Contract. Labor work stoppages and labor disputes occur infrequently and whenever possible; if necessary, the Design-Builder will set up a dual gate system as an alternative designated access point, to avoid any labor conflicts between companies. Whenever possible during the Preliminary Services Period, the Design-Builder will discuss any potential Project interruptions, disruptions, or work stoppages that can occur and implement strategies to avoid any potential issues. As required by 7.2(C) - Notice of Labor Disputes of the Design-Build Contract, the Design-Builder will provide Notice to the City of any knowledge of actual or potential labor disputes and shall take reasonable steps to ensure labor disputes to not affect the performance of the Contract Services.

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Attachment A
Subcontracting Plan and Procurement Plan Package Strategy List (to be developed during Preliminary Services period)

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Attachment B
Sample Advertisement (to be developed during Preliminary Services period)

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Attachment C
Request for Proposal (to be developed during Preliminary Services period)

DRAFT--Contact the Office of the City Clerk at (408) 535-1260 or CityClerk@sanjoseca.gov for final document.

Attachment D
Evaluation Template (to be developed during Preliminary Services period)

DRAFT--Contact the Office of the City Clerk at (408) 535-1260 or CityClerk@sanjoseca.gov for final document.