

SECTION 3 AWARD AND EXECUTION OF CONTRACT

3-1 AWARD OF CONTRACT - The right is reserved by the City to reject any or all proposals and to waive irregularities in the bid procedure and Proposal.

The award of the Contract, if it is awarded, will be to the lowest responsible bidder whose proposal complies with all the requirements prescribed. Such award, if made, will be made within 90 calendar days after the opening of the proposals, if the lowest responsible bidder refuses or fails to execute the Contract, his bid security is forfeited to the City, and the City may award the Contract to the second lowest responsible bidder. Such award, if made, will be made within 105 calendar days after the opening of proposals. If the second lowest responsible bidder refuses or fails to execute the Contract, his bid security is forfeited to the City, and the City may award the Contract to the third lowest responsible bidder. Such award, if made, will be made within 120 calendar days after the opening of the proposals. The periods of time specified above within which the award of Contract may be made shall be subject to extension for such further period as may be agreed upon in writing between the City and the bidder concerned.

All bids will be compared on the basis of the Engineer's Estimate of the quantities of work to be done, whenever applicable.

3-2 CONTRACT BONDS

3-2.1 General - The successful bidder shall furnish two bonds. The first bond, a "Material and Labor Payment Bond", to secure the payment of laborers, mechanics, and other workers employed on the job and the payment to suppliers for materials to be delivered and placed under the Contract. The second bond, A "Faithful Performance Bond", shall guarantee the faithful performance on the Contract. The bond forms will be furnished by the City to the successful bidder.

When the total contract amount is less than \$5,000,000 the "Material and Labor Payment Bond" and "Faithful Performance Bond" shall both be in an amount equal to 100% of the contract amount. When the total contract amount is \$5,000,000 or more; the "Material and Labor Bond" shall be in an amount equal to at least 100% of the total contact amount, and "Performance Bond" shall be in an amount equal to 100% of the total contract amount.

All alterations, extensions of time, extra and additional work, and other changes authorized by the Standard Specifications, the Contract Special Provisions, or any part of the Contract may be made without securing the consent of the surety or sureties on the Contract Bonds.

3-2.2 Changes in Bonding - When the final Contract Price for which the Contractor has bonded increases by over 25% of the original base bid price due to change orders and/or increases in quantities of Work, Contractor shall be entitled to payment for any additional bonding costs that have been paid to the surety company as a result of the increase. Payment for these costs shall be included on the final project billing statement with supporting documentation from the Contractor. If accepted said costs shall be approved by Engineer via a change order.

When the final Contract Price for which the Contractor has bonded decreases by over 25% of the original base bid price due to change orders and/or decreases in quantities of Work, City shall be entitled to a reimbursement credit equal to the decrease in bonding costs paid by Contractor. The credit shall be memorialized by a deductive change order.

3-3 EXECUTION OF CONTRACT AGREEMENT - The Contract agreement, which is contained in the Special Provisions, shall be signed by the successful bidder and returned, together with the Contract bonds and insurance certificates, within five (5) working days after receipt of Notice of Award and Contract from City. No proposal shall be binding on the City until the execution of the Contract by the City.

3-4 FAILURE TO EXECUTE CONTRACT - Failure of the lowest responsible bidder, the second lowest responsible bidder, or the third lowest responsible Bidder to execute the Contract and file acceptable bonds as provided within ten (10) calendar days after such Bidder has received notice that the Contract has been awarded to him shall be just cause for the annulment of the award and the forfeiture of the bid proposal guaranty. The successful bidder may file with the City a written notice, signed by the Bidder or his authorized representative, specifying that the Bidder will refuse to execute the Contract if presented to him. The filing of such notice shall have the same force and effect as the failure of the Bidder to execute the Contract and furnish acceptable bonds within the time prescribed. The work may then be re-advertised or may be constructed by day labor as the City may decide.

3-5 CONTRACT DOCUMENTS - The documents covering the performance of the work, and the furnishing of labor, materials, and Contractor's plant and equipment in the construction of the work, also referred to herein as the Contract. The Contract Documents include, but are not limited to, the following:

1. Accepted Bid Proposal
2. Notice to Contractors
3. Contract Agreement
4. Bond for Faithful Performance
5. Bond for Labor and Materials
6. Addenda
7. List of Subcontractors
8. These Standard Specifications (General and Technical Provision)
9. Special Provisions
10. Reference Specifications and Drawings
11. Contract Plans
12. Contract Change Orders
13. Permits from Agencies as Required
14. Insurance Certificates

The Contract Documents do not, however, include the logs of geologic test borings and other geologic records, reports and interpretations.

3-6 BOND RENEWAL AND EXTENSION - Should any bond become insufficient, the Contractor shall renew the bond within ten (10) calendar days after receiving notice from the City.

Should any Surety at any time be unsatisfactory to the City, notice will be given the Contractor to that effect. No further payments shall be deemed due or will be made under the Contract until a new qualified Surety shall be accepted by the City.

Changes in the work, or extensions of time, made pursuant to the Contract, shall in no way release the Contractor or Surety from their obligations. Notice of such changes or extensions shall be waived by the Surety.

3-7 RETURN OF BID PROPOSAL GUARANTEES - Within ten (10) days after the award of the contract, the City Clerk will, upon request, return the proposal guarantees accompanying the proposals that are not considered in making the award. Proposal guarantees will be held until the Contract has been finally executed and returned to the Contractor who receives the project award.