



**CITY OF CHANDLER, ARIZONA
PUBLIC WORKS & UTILITIES DEPARTMENT
CAPITAL PROJECTS DIVISION**

CONSTRUCTION AGREEMENT

**TUMBLEWEED AQUIFER STORAGE AND
RECOVERY WELLS 11 & 12 DRILLING**

CITY PROJECT NO.: WW2206.402

MAYOR

Kevin Hartke

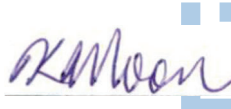
VICE MAYOR

Matt Orlando

COUNCIL

OD Harris Christine Ellis

Mark Stewart Angel Encinas Jane Poston


Digitally signed by Kimberly Moon
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O=City of Chandler, OU=Capital
Projects Division, CN=Kimberly Moon
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**Kimberly Moon, P.E.
CIP City Engineer**

CITY OF CHANDLER, ARIZONA

TUMBLEWEED AQUIFER STORAGE AND RECOVERY WELLS 11 & 12 DRILLING

CITY PROJECT NO.: WW2206.402

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CONSTRUCTION SERVICES AGREEMENT

PROJECT NO.: WW2206.402

This Agreement ("Agreement") is made and entered into on the ____ day of _____, 2023, by and between City of Chandler, an Arizona municipal corporation, hereinafter called "City" and **Layne Christensen Company** the "Contractor" designated below (City and Contractor may individually be referred to as "Party" and collectively referred to as "Parties").

City and Contractor agree as follows:

ARTICLE 1 - PARTICIPANTS AND PROJECT

CITY: CIP City Engineer: Kimberly Moon, P.E.
Public Works & Utilities Department
P.O. Box 4008, Mail Stop 407 Chandler, AZ 85244-4008
Phone: 480-782-3349 Email: kimberly.moon@chandleraz.gov

CITY: Construction Project Manager: Russ Slotnick
Public Works & Utilities Department
P.O. Box 4008, Mail Stop 407 Chandler, AZ 85244-4008
Phone: 480-782-3411 Email: russ.slotnick@chandleraz.gov

Contractor: Legal Company Name: Layne Christensen Company

Mailing Address: 12030 E. Riggs Rd., Chandler AZ 85249

Physical Address: _____

Arizona Roc No.: 071734; 140721

Federal Tax Id No.: 48-0920712

State Where Organized: Delaware

Business Organization: Corporation

Statutory Agent Name: James Housladen

Statutory Agent Mailing Address: 12030 E. Riggs Rd., Chandler AZ 85249

Statutory Agent Physical Address: _____

Contractor's Authorized Project Representative:

Name: Paul McAlpine

Title: Account Manager

Phone: 480-895-9404

Email: paul.mcalpine@gcinc.com

PROJECT DESCRIPTION:

Drilling and installation of two Aquifer Storage and Recovery Wells at Tumbleweed Park

PROJECT LOCATION:

NWC Ryan Road and McQueen Road in Tumbleweed Park

ARTICLE 2 - AGREEMENT DOCUMENTS

2.1 AGREEMENT DOCUMENTS

The Agreement between City and Contractor will consist of the following Agreement Documents:

1. This Construction Services Agreement and all of its Exhibits, including Project Plans and Technical Specifications.
2. General Conditions and General Conditions Appendices, incorporated by reference.
3. Project Specific Special Provisions as set forth in Exhibit A, incorporated by reference.
4. Project Bid Proposal.

2.2 In the event of any inconsistency, conflict, or ambiguity between or among the Agreement Documents, the Agreement Documents will take precedence as described in Section 14.1.4 of the General Conditions.

2.3 DEFINITIONS

The definitions in Section 2 of the General Conditions apply to all the Agreement Documents, including this Agreement.

ARTICLE 3 - CONSTRUCTION SERVICES

3.1 GENERAL

3.1.1 Scope of Work. All terms and conditions are set forth in the Agreement. Any terms and conditions and exceptions noted in the Contractor's proposal or other documents do not apply unless agreed to in this Agreement or an approved addendum.

3.1.2 Contractor agrees this is a Unit Price Agreement. Contractor agrees at its own cost and expense, to do all Work necessary required to fully, timely and properly complete the construction of the Project in strict accordance with the Agreement Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, within the Agreement time.

3.1.3 Contractor must provide all of the labor and materials, and perform the Work in accordance with Section 4 of the General Conditions. Some, but not all, of the major components of the Construction Services and the corresponding subsections of Section 4 of the General Conditions are set forth below.

3.1.4 At all times relevant to this Agreement and performance of the Work, the Contactor must fully comply with all Laws, Regulations, or Legal Requirements applicable to City,

the Project and the Agreement, including, without limitation, those set forth on attached Exhibit A.

- 3.1.5 Contractor must perform the Work under this Agreement using only those firms, team members and individuals designated by Contractor consistent with Contractor's accepted Bid, or otherwise, approved by City pursuant to the General Conditions. No other entities or individuals may be used without the prior written approval of the Project Manager.
- 3.1.6 Contractor must comply with all terms and conditions of the General Conditions.
- 3.1.7 In the event of a conflict between this Agreement and the General Conditions or an exhibit hereto or appendix thereto, the terms of this Agreement will control.
- 3.1.8 Ownership of Work Product. Notwithstanding anything to the contrary in this Agreement, all Work Product prepared or otherwise created in connection with the performance of this Agreement, including the Work, are to be and remain the property of City. For purposes of this provision, "Work Product" will include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product will be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason, any such Work is found not to be a Work Made for Hire, Contractor hereby transfers and assigns ownership of the copyright in such Work to City. The rights in this Section are exclusive to City in perpetuity.

3.2 **CONTRACTOR'S PRE-AGREEMENT AND PRE-WORK DELIVERABLES**

- 3.2.1 The Contractor must provide the Deliverables in accordance with Section 4.2 of the General Conditions.

3.3 **PRE-CONSTRUCTION CONFERENCE**

Contractor must attend the Pre-Construction Conference in accordance with Section 4.3 of the General Conditions.

3.4 **PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)**

Contractor must perform the Work in accordance with Section 4.4 of the General Conditions.

3.5 **CONTROL OF THE PROJECT SITE**

Contractor must control and maintain the Project Site in accordance with Section 4.5 of the General Conditions.

3.6 **PROJECT SAFETY**

Contractor must implement and enforce Project safety in accordance with Section 4.6 of the General Conditions.

3.7 **MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS**

Contractor must provide materials testing and submit substitute materials and Shop Drawings in accordance with Section 4.7 of the General Conditions.

3.8 **PROJECT RECORD DOCUMENTS**

Contractor must maintain and make available the Project Record Documents in accordance with Section 4.8 of the General Conditions.

3.9 **WARRANTY AND CORRECTION OF DEFECTIVE WORK**

Contractor must provide warranties and correct defective Work in accordance with Section 4.9 of the General Conditions.

ARTICLE 4 - CITY RESPONSIBILITIES

- 4.1 City will have the responsibilities, and provide the information specified in, and subject to the conditions set forth in, Section 5 of the General Conditions.

ARTICLE 5 - AGREEMENT TIME

5.1 **GENERAL**

- 5.1.1 The total Agreement Duration is **360** Calendar Days (including Substantial Completion by **330** Calendar Days and Final Acceptance by **360** Calendar Days).
- 5.1.2 The Agreement Time will start with the Notice to Proceed (NTP) and end with Final Acceptance, as set forth in Article 5.4 below.
- 5.1.3 The Agreement Time will be as set forth in the Project Schedule. Contractor agrees that it will commence performance of the Work and complete the Project through Final Acceptance within the Agreement Time.
- 5.1.4 Time is of the essence of this Agreement for the Project, and for each phase and designated Milestone thereof.
- 5.1.5 Failure on the part of Contractor to adhere to the approved Project Schedule will be deemed a material breach and sufficient grounds for termination of this Agreement by City.

5.2 PROJECT SCHEDULE

5.2.1 The Project Schedule will be updated and maintained throughout Contractor's performance under this Agreement in accordance with Section 6.2 of the General Conditions.

5.2.2 Work must be completed to meet the following milestones after the Notice to Proceed:

	<u>Milestone</u>		<u>Time</u>	<u>Liquidated damages for delay</u>	
1.		within	days	\$	per calendar day

5.3 SUBSTANTIAL COMPLETION

Substantial Completion must be achieved no later than the Substantial Completion Date set forth in the Project Schedule. Substantial Completion will be determined in accordance with Section 6.3 of the General Conditions.

5.4 FINAL ACCEPTANCE

5.4.1 Final Acceptance will be obtained within the time period set forth in the Project Schedule.

5.4.2 Final Acceptance will be issued pursuant to Section 6.5 of the General Conditions.

5.5 LIQUIDATED DAMAGES

5.5.1 Substantial Completion Liquidated Damages. Contractor acknowledges and agrees that if Contractor fails to obtain Substantial Completion of the Work within the Agreement Time, City will sustain extensive damages and serious loss as a result of such failure. The exact amount of such damages will be extremely difficult to ascertain. Therefore, City and Contractor agree that if Contractor fails to achieve Substantial Completion of the Work within the Agreement Time, City will be entitled to retain or recover from Contractor, as liquidated damages and not as a penalty, the sum per calendar day as indicated in MAG § 108.9.

5.5.2 Final Acceptance Liquidated Damages. For the same reasons set forth in Article 5.5.1 above, City and Contractor further agree that if Contractor fails to achieve Final Acceptance of the Work within the Agreement Time, City will be entitled to retain or recover from Contractor, as liquidated damages and not as a penalty, the sum per calendar day as indicated in MAG § 108.9 commencing from the actual date of Substantial Completion or Final Acceptance as required under the Agreement.

5.5.3 MAG Liquidated Damages. Liquidated damages provisions in MAG § 108.9 will apply.

5.5.4 City may deduct liquidated damages described in this Article 5.5 from any unpaid amounts then or thereafter due Contractor under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due Contractor will be payable to City at the demand of City, together with interest from the date of the demand at the highest lawful rate of interest payable by Contractor.

5.6 MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES ONLY

5.6.1 Contractor and City waive claims against each other for consequential damages arising out of or relating to this Agreement. This mutual waiver includes.

1. Damages incurred by City for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
2. Damages incurred by Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

5.6.2 This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement. Nothing contained in this Article 5.6 will be deemed to preclude an award of liquidated damages, when applicable, in accordance with Article 5.5 above.

5.6.3 Nothing herein will be deemed to constitute a waiver of any other remedy available to City in the event of Contractor's default under this Agreement prior to full performance of the Work including, as applicable, specific performance or completion of the Work on behalf of Contractor, the cost and expense of which will be offset against any monies then or thereafter due to Contractor (if any) and otherwise immediately reimbursed to City by Contractor.

ARTICLE 6 - AGREEMENT PRICE

6.1 AGREEMENT PRICE

6.1.1 In exchange for Contractor's full, timely, and acceptable performances and construction of the Work under this Agreement, and subject to all of the terms of this Agreement, City will pay Contractor the "Agreement Price," which is **\$3,121,710**.

6.1.2 The Agreement Price is all-inclusive and specifically includes all fees, cost, insurance and bond premiums, and taxes of any type necessary to fully, properly and timely perform and construct Work.

6.2 CHANGES TO AGREEMENT PRICE

Shall be determined under Section 9 of the General Conditions.

ARTICLE 7 - PAYMENT

Payments will be made to Contractor in accordance with Section 8 of the General Conditions.

ARTICLE 8 - CHANGES TO THE AGREEMENT

Changes to the Agreement may be made in strict accordance with Section 9 of the General Conditions.

ARTICLE 9 - SUSPENSION AND TERMINATION

This Agreement may be suspended or terminated in accordance with Section 10 of the General Conditions.

ARTICLE 10 - INSURANCE AND BONDS

- 10.1 Contractor must provide insurance in accordance with Sections 11.1 through 11.3 of the General Conditions. Contractor must provide proof of such insurance and all required endorsements in forms acceptable to City prior to commencing any Work under this Agreement.
- 10.2 Contractor must provide performance and payment bonds to City in Accordance with Section 11.4 of the General Conditions and A.R.S. § 34-222.
- 10.3 Failure to provide proof of insurance and the required endorsements, or the required bonds, in forms acceptable to City, will be a material breach and grounds for termination for cause of this Agreement.

ARTICLE 11 - INDEMNIFICATION

Contractor must have and assume the indemnity obligations set forth in Section 12 of the General Conditions.

ARTICLE 12 - DISPUTE RESOLUTION

Any claims or disputes relating to this Agreement will be resolved according to the dispute resolution process set forth in Section 13 of, and Appendix 6 to, the General Conditions.

ARTICLE 13 - FORCED LABOR OF ETHNIC UYGHURS PROHIBITED By entering into this Agreement, Contractor certifies and agrees Contractor does not currently use and will not use for the term of this Agreement: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement through their duly authorized representatives and bind their respective entities as of the effective date.

"CITY" CITY OF CHANDLER

"CONTRACTOR"

Layne Christensen Company

MAYOR

Signature 6/27/2023
Date

RECOMMENDED BY:


Digitally signed by Kimberly Moon
DN: C=US,
E=Kimberly.Moon@ChandlerAZ.gov, O=City
of Chandler, OU=Capital Projects Division,
CN=Kimberly Moon
Date: 2023.06.27 10:26:09-07'00'

Kimberly Moon, P.E.
CIP City Engineer

Kent M. Wartick
Print Name

Vice President
Title

kent.wartick@gcinc.com
Signer Email Address

APPROVED AS TO FORM:

City Attorney 

ATTEST:

City Clerk Seal