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> Arthur Schwartz, Esq. General Counsel National Society of Professional Engineers 1420 King Street Alexandria, VA 22314

Phone: (703) 684-2845 Fax: (703) 836-4875 e-mail: aschwartz@nspe.org

You acknowledge that you have read this agreement, understand it and agree to be bound by its terms and conditions. You further agree that it is the complete and exclusive statement of the agreement between us which supersedes any proposal or prior agreement, oral or written, and any other communications between us relating to the subject matter of this agreement. This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the Controlling Law.

SUGGESTED FORM OF AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT (STIPULATED PRICE) FUNDING AGENCY EDITION

Prepared by

ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

and

Issued and Published Jointly By



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National Society of Professional Engineers Professional Engineers in Private Practice



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This document has been approved and endorsed by

The Associated General Contractors of America



and the

Construction Specification Institute



Knowledge for Creating and Sustaining the Built Environment

This document has been accepted by United States Department of Agriculture Rural Utilities Service, Water and Waste Programs

EJCDC C-521 Suggested Form of Agreement Between Owner and Contractor for Construction Contract (Stipulated Price) Funding Agency Edition Copyright © 2002 National Society of Professional Engineers for EJCDC. All rights reserved. This Suggested Form of Agreement has been prepared for use with the Standard General Conditions of the Construction Contract, Funding Agency Edition (No. C-710, 2002 Edition). Their provisions are interrelated, and a change in one may necessitate a change in the other. The language contained in the Suggested Instructions to Bidders (No. C-200, 2002 Edition) is also carefully interrelated with the language of this Agreement. Their usage is discussed in the Commentary on EJCDC Construction Documents. See also Guide to the Preparation of Supplementary Conditions (No. C-800, 2002 Edition).

Strand

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> American Council of Consulting Engineers 1015 15th Street N.W., Washington, DC 20005 (202) 347-7474

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INTRODUCTION

This Suggested Form of Agreement between Owner and Contractor for Construction Contract, Funding Agency Edition (Stipulated Price) ("Agreement") has been prepared for use with the Guide to the Preparation of Instructions to Bidders ("Instructions")(C-200, 2002 Edition) and with the Standard General Conditions of the Construction Contract, Funding Agency Edition ("General Conditions")(C-710, 2002 Edition). Their provisions are interrelated, and a change in one may necessitate a change in the others. For guidance in the preparation of Supplementary Conditions and coordination with Instructions to Bidders, see Guide to the Preparation of Supplementary Conditions ("Supplementary Conditions")(C-800, 2002 Edition). See also Suggested Bid Form ("Bid Form") (C-410, 2002 Edition). The EJCDC has not prepared a suggested form of Advertisement or Invitation to Bid because such documents will vary widely to conform to statutory requirements.

This form and the other Bidding Documents prepared and issued by the EJCDC assume acceptance of the Project Manual concept of the Construction Specifications Institute which provides for an organizational format for location of all bound documentary information for a construction project, namely: Bidding Requirements (which term refers to the Advertisement or Invitation to Bid, the Instructions, and any Bid Form that may be suggested or prescribed, all of which provide information and guidance for all Bidders) and the Contract Documents (defined in Article 1 of the General Conditions), which include the Agreement, bonds and certificates, the General Conditions, the Supplementary Conditions, the Drawings, and the Specifications. The Bidding Requirements are not considered part of the Contract Documents because much of their substance pertains to the relationships prior to the award of the Contract and has little effect or impact thereafter and because many contracts are awarded without going through the bidding process. In some cases, however, the actual Bid may be attached as an exhibit to the Agreement to avoid extensive retyping. (The terms "Bidding Documents" and "Bidding Requirements" are defined in Article 1 of the General Conditions.) The Project Manual concept is explained in the Manual of Practice issued by the Construction Specifications Institute.

Suggested language is presented herein with "Notes to User" to assist in preparing the Agreement. Much of the language should be usable on most projects, but modifications and additional provisions will often be necessary. The suggested language has been coordinated with the other standard forms produced by the EJCDC. When modifying the suggested language or writing additional provisions, the user must check the other documents thoroughly for conflicts and coordination of language usage and make appropriate revisions in all affected documents.

Refer to the discussions in EJCDC's Recommended Competitive Bidding Procedures for Construction Projects ("Bidding Procedures") (No. 1910-9-D, 1987 Edition) on the particular paragraphs of which frequent reference is made below. For brevity, referenced paragraphs of the Instructions to Bidders are referenced with the prefix "L," those of the Bid Form are referenced with the prefix "BF," and those of this Agreement are referenced with the prefix "A."

NOTES:

1. EJCDC publications may be ordered from:

NSPE headquarters 1420 King Street Alexandria VA 22314-2715 (703) 684-2800 www.nspe.org ASCE headquarters 1801 Alexander Bell Drive Reston, VA 20191-4400 (800) 548-2723 www.asce.org ACEC headquarters 1015 15th Street NW Washington DC 20005 (202) 347-7474 www.acec.org

2. CSI publications may be obtained from:

CSI 99 Canal Center Plaza, Suite 300 Alexandria, VA 22314 (703) 684-0300 www.csinet.org

SUGGESTED FORM OF AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT (STIPULATED PRICE) FUNDING AGENCY EDITION

THIS AGREEMENT is by and between

("Owner") and

"Contractor").

Owner and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

ARTICLE 2 – THE PROJECT

2.01 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows:

ARTICLE 3 – ENGINEER

3.01 The Project has been designed by _____(Engineer), who is to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

- 4.01 Time of the Essence
 - A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.
- 4.02 Days to Achieve Substantial Completion and Final Payment

The Work will be substantially completed within _____ days after the date when the Contract Times commence to run as provided in Paragraph 2.03 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 14.07 of the General Conditions within _____ days after the date when the Contract Times commence to run.

NOTE(S) TO USER

When it is customary to have just one Contract Time – For Substantial Completion, the last three words of the heading, the letter "s" on Times and the text following the first usage of the term General Conditions should be deleted in this paragraph and the last sentence should be deleted from Paragraph 4.03. If such deletions are made, it may require a change in GC 1.01.A.15 and GC 12.02-12.05.

4.03 Liquidated Damages

A. Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay Owner \$______ for each day that expires after the time specified in Paragraph 4.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by Owner, Contractor shall pay Owner \$______ for each day that expires after the time specified in Paragraph 4.02 for completion and readiness for final payment until the Work is completed and ready for final payment.

NOTE(S) TO USER

Where failure to reach a Milestone on time is of such consequence that the assessment of liquidated damages for failure to reach one or more Milestones on time is to be provided, appropriate amending or supplementing language should be inserted here.

ARTICLE 5 – CONTRACT PRICE

- 5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to Paragraphs 5.01.A, 5.01.B, and 5.01.C below:
 - A. For all Work other than Unit Price Work, a Lump Sum of:

(\$____) (figure) (words)

All specific cash allowances are included in the above price and have been computed in accordance with paragraph 11.02 of the General Conditions.

B. For all Unit Price Work, an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the estimated quantity of that item as indicated in this paragraph 5.01.B:

As provided in Paragraph 11.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer as provided in Paragraph 9.07 of the General Conditions. Unit prices have been computed as provided in Paragraph 11.03 of the General Conditions.

UNIT PRICE WORK

Item				Estimated		Total Esti	mated
<u>No.</u>	A	<u>Description</u>	<u>Unit</u>	<u>Quantity</u>	Unit Price	Price	e
Q1)			Â				
ESTIM	ATED TOTAL OF	ALL UNIT PRICE WORK	\$			\$()
				(use word	s)	(figur	e)

C. For all Work, at the prices stated in Contractor's Bid, attached hereto as an exhibit.

NOTE(S) TO USER

If adjustment prices for variations from stipulated Base Bid quantities have been agreed to, insert appropriate provisions. See BF-4.

Depending upon the particular Bid Form used, use A-5.01.A alone, A-5.01.A and A-5.01.B together, A-5.01.B alone, or A-5.01.C alone, deleting those not used and renumbering accordingly. If A-5.01.C is used, Contractor's Bid is attached as an exhibit and listed in A-9.

ARTICLE 6 – PAYMENT PROCEDURES

- 6.01 Submittal and Processing of Payments
 - A. Contractor shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.
- 6.02 Progress Payments; Retainage
 - A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on or about the _____ day of each month during performance of the Work as provided in Paragraphs 6.02.A.1 and 6.02.A.2 below. All such payments will be measured by the schedule of values established as provided in Paragraph 2.07.A of the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements:
 - 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Engineer may determine or Owner may withhold, including but not limited to liquidated damages, in accordance with Paragraph 14.02 of the General Conditions:
 - a. 95 percent of Work completed (with the balance being retainage); and
 - b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
 - 2. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 95 percent of the Work completed, less such amounts as Engineer shall determine in accordance with Paragraph 14.02.B.5 of the General Conditions.

6.03 Final Payment

A. Upon receipt of the final Application for Payment accompanied by Engineer's recommendation of payment in accordance with Paragraph 14.07 of the General Conditions, Owner shall pay Contractor as provided in Paragraph 14.07 of the General Conditions the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 14.07, less any sum Owner is entitled to set off against Engineer's recommendation, including but not limited to liquidated damages.

ARTICLE 7 – INTEREST

7.01 All moneys not paid when due as provided in Article 14 of the General Conditions shall bear interest at the maximum legal rate.

ARTICLE 8 – CONTRACTOR'S REPRESENTATIONS

- 8.01 In order to induce Owner to enter into this Agreement Contractor makes the following representations:
 - A. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.
 - B. Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - C. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
 - D. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in Paragraph 4.02 of the General Conditions and (2) reports and drawings of a Hazardous Environmental Condition, if any, at the Site which has been identified in the Supplementary Conditions as provided in Paragraph 4.06 of the General Conditions.

NOTE(S) TO USER

If the reports and/or drawings referred to in A-8.01.D do not exist, either modify A-8.01.D or delete A-8.01.D and renumber accordingly.

E. Contractor has obtained and carefully studied (or assumes responsibility for doing so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents, and safety precautions and programs incident thereto.

NOTE(S) TO USER

If the reports and/or drawings referred to in A-8.01.D do not exist, delete the phrase "additional or supplementary" in the first sentence of A-8.01.E.

- F. Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.
 - Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
- H. Contractor has correlated the information known to Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.
- I. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.



The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions J. for performance and furnishing of the Work.

Juse on

ARTICLE 9 – CONTRACT DOCUMENTS

- 9.01 Contents
 - A. The Contract Documents consist of the following:
 - This Agreement (pages 1 to 7, inclusive). 1.
 - 2. Performance bond (pages ______ to _____, inclusive).
 - 3. Payment bond (pages ______ to _____, inclusive).
 - 4. Other bonds (pages _____ to ____, inclusive).
 - a. ____ (pages ____ to ____, inclusive).

 - b.
 ______(pages ______to _____, inclusive).

 c.
 ______(pages ______to _____, inclusive).
 - 5. General Conditions (pages _____ to ____, inclusive).
 - Supplementary Conditions (pages _____ to ____, inclusive). 6.
 - 7. Specifications as listed in the table of contents of the Project Manual.
 - 8. Drawings consisting of sheets with each sheet bearing the following general title: .
 - Addenda (numbers _____ to ____, inclusive). 9.
 - 10. Exhibits to this Agreement (enumerated as follows):
 - a. Contractor's Bid (pages _____ to ____, inclusive).
 - Documentation submitted by Contractor prior to Notice of Award (pages ______ to _____, inclusive). b.
 - 11. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
 - Notice to Proceed (pages _____ to ____, inclusive). a.
 - Work Change Directives. b.
 - Change Order(s). c.

c.

- B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 9.

D. The Contract Documents may only be amended, modified, or supplemented as provided in Paragraph 3.04 of the General Conditions.

ARTICLE 10 – MISCELLANEOUS

- 10.01 *Terms*
 - A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

10.02 Assignment of Contract

A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.03 Successors and Assigns

A. Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.04 Severability

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- 10.05 Other Provisions

NOTE(S) TO USER

If Owner intends to assign a procurement contract (for goods and services) to the Contractor, see Notes to User at Article 23 of Suggested Instructions to Bidders for Procurement Contracts (EJCDC No. P-200, 2000 Edition) for provisions to be inserted in this Article.

Insert other provisions here if applicable.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement in four copies. One counterpart each has been delivered to Owner, Contractor, Engineer, and Agency. All portions of the Contract Documents have been signed, initialed, or identified by Owner and Contractor or identified by Engineer on their behalf.

NOTE(S) TO USER

See I-21 and correlate procedures for	r format and signing between the two documents.
This Agreement is dated This Agreement sha concurs.	all not be effective unless and until Agency's designated representative
OWNER:	CONTRACTOR
By:	By:
Title:	
[CORPORATE SEAL]	[CORPORATE SEAL]
Attest:	Attest:
Title:	Title:
Address for giving notices:	Address for giving notices:
	Agent for service of process:
	(If Contractor is a corporation or a partnership, attach evidence of authority to sign.)
<u>Agency Concurrence</u> : As lender or insurer of funds to defray the costs of this hereby concurs in the form, content, and execution of thi	Contract, and without liability for any payments thereunder, the Agency is Agreement.
Agency:	By:
Date:	Title: