

SANDSTONE CONSTRUCTION STANDARD GENERAL REQUIREMENTS (Rev. Jan 2, 2009) – 18 pages

1. FORM AND DURATION OF PROPOSAL

- 1.1. Proposals shall be submitted on the Bid Form prepared by Sandstone Construction.
- 1.2. In the event of a discrepancy between the prices quoted in words and those quoted in figures in the proposal, the words shall control. The prices are to include the furnishing of all materials, plant, equipment, tools, and all other facilities, and the performance of all labor and services necessary or proper for the completion of the work except as may be otherwise expressly provided in the Contract Documents.
- 1.3. Proposals shall be valid and binding upon the bidder and irrevocable for **sixty (60)** days.
- 1.4. Sandstone Construction and/or the Owner may award the work to another Bidder or may call for new bids under the following circumstances:
 - 1.4.1. Bidder withdraws his bid within **sixty (60)** days after the time and date fixed for receipt of bids.
 - 1.4.2. Bidder fails or refuses to execute the Sandstone Construction Standard Subcontract without any alterations or modifications, provide Payment/Performance Bond or any other required forms within 10 days after receipt.
- 1.5.

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- 1.6. Proposals shall be signed in the space indicated by a person so authorized and his/her title or position shall be clearly indicated.
- 1.7. The award of the subcontract to the lowest responsible bidder will be based upon a detailed scope review, the Bid Amount, Unit Prices and the date of delivery, if applicable. Bidders are required to bid the Base Bid and requested Alternates and Unit Prices per the Bid Form. If a voluntary alternate (or substitute) proposal is submitted, it must be submitted as a separate proposal accompanying the proposal for the work specified. The voluntary alternate (or substitute) proposal will be subject to review by the Owner and Design Consultant. No voluntary alternate (or substitute) proposal will be reviewed or considered if the bidder does not submit a bid on the specified base proposal.

2. ACCEPTANCE OF BIDS

- 2.1. The Owner and Sandstone Construction reserve the right to waive any informality in any bid.
- 2.2. The Owner and Sandstone Construction reserve the right to reject any or all bids without cause.
- 2.3. Disqualification of Bidders: A bidder shall be considered disqualified for any of the following reasons:
 - 2.3.1. Submitting more than one proposal from the same partnership, firm, or corporation under the same or different name.
 - 2.3.2. No bid will be accepted from a bidder who does not hold an active Contractor's license in good standing applicable to the type of work bid upon at the time of opening bids.
- 2.4. Rejection of Proposals: Without limiting the generality of the foregoing, any proposal which is incomplete, obscure, or irregular may be rejected; any proposal which omits a bid for any one or more items in the price sheet may be rejected; any proposal in which unit prices are omitted or in which unit prices are obviously unbalanced may be rejected; any proposal accompanied by an insufficient or irregular certified check, cashier's check, or bid bond may be rejected.

Proposals may be rejected if they show any alteration of form, additions not called for, conditional bids, incomplete bids, erasures, or irregularities of any kind.

The Owner and Sandstone Construction reserve the right to reject any irregular proposal and the right to waive technicalities if such waiver is in its best interest and conforms to local laws and ordinances pertaining to the letting of construction contracts.

When a proposal is signed by an agent other than the officer or officers of a corporation authorized to sign contracts on its behalf, or a general partner of a partnership, a "Power of Attorney" shall be submitted with the proposal, or the proposal may be rejected.

- 2.5. Determination of Lowest Responsible Bid: In making award of contract, the owner and Sandstone Construction reserve the right to take into consideration the plant facilities of the bidders and the bidder's ability to complete the contract within the time specified in the proposal. The owner also reserves the right to evaluate factors that in his opinion would affect the final total cost.

In selecting the lowest responsible bidder, consideration will be given not only to the financial standing but also to the general competency of the bidder for the performance of the work covered by the proposal. When evaluating the competency of the lowest responsible bidder, consideration will be given to the following matters:

- 2.5.1. Past projects shall demonstrate a high quality of workmanship and competence including the ability and willingness to meet the requirements of the contract specifications.
- 2.5.2. The bidder must demonstrate a history of successfully completing projects on time and with a minimum of subcontractor initiated delays.
- 2.5.3. The bidder must demonstrate a record of minimal bidder initiated change orders.
- 2.5.4. The bidder's history of past litigation and license revocation or suspension will be reviewed.
- 2.5.5. Recommendations from the Owners or General Contractors of previous projects should reflect a good working relationship.

Based upon such information as is available, the Owner or Sandstone Construction may reject any bidder which they feel is not qualified or competent to perform the work to the highest standards. To this end, each proposal shall be supported by a statement of the bidder's experience as of recent date on the form entitled "Sandstone Construction Prequalification Form".

- 2.6. Cancellation of Award: The Owner reserves the right to cancel the award without liability of the bidder, except return of proposal guaranty (if applicable), at any time before a contract has been fully executed by all parties and is approved by the Owner.
- 2.7. Withdrawal of Proposals: At any time prior to the scheduled closing time for receipt of proposals, any bidder may withdraw his proposal, either personally or by telegraphic or written request. If withdrawal is made personally proper receipt shall be given therefore. The request for withdrawal shall be executed by the bidder or his authorized representative.

After the scheduled closing time for the receipt of proposals and before award of contract, no bidder will be permitted to withdraw his proposal unless said award is delayed for a period exceeding sixty (60) days. Negligence on the part of the bidder in preparing his bid confers no rights for the withdrawal of the proposal after it has been opened.

If the bidder claims a mistake was made in his bid, the bidder shall give Sandstone Construction written notice within two (2) days after the opening of bids of the alleged mistake, specifying in the notice in detail how the mistake occurred. Relief will be granted only for clerical errors and at Sandstone Construction's discretion.

- 2.8. Alterations in Proposal: Except as otherwise provided herein, proposals which are incomplete or which are conditioned in any way or which contain erasures not authenticated as provided herein or items not called for in the proposal or which may have been altered or are not in conformity with the law, may be rejected as informal.

The proposal form invites bids on definite plans and specifications. Only the amounts and information asked on the proposal form furnished will be considered as the bid. Each bidder shall bid upon the work exactly as specified and as provided in the proposal.

Unauthorized conditions, limitations, or provisions attached to a proposal will render it informal and may cause its rejection as being nonresponsive. The completed proposal forms shall be without interlineations, alterations, or erasures unless each such correction is suitably authenticated by affixing in the margin immediately opposite the correction the surname or surnames of the person or persons signing the bid.

- 2.9. Discrepancies In Bids: In the event there is more than one bid item in a bidding schedule, the bidder shall furnish a price for all bid items in the schedule, and failure to do so may render the bid non-responsive and may cause its rejection. In the event there are unit price bid items in a bidding schedule and the "amount" indicated for a unit price bid item does not equal the product of the unit price and quantity, the unit price shall govern and the amount will be corrected accordingly by Sandstone Construction, and the bidder shall be bound by said correction. In the event there is more than one bid item in a bidding schedule and the total indicated for the schedule does not agree with the sum of the prices bid on the individual items, the prices bid on the individual items shall govern and the total for the schedule will be corrected accordingly by Sandstone Construction, and the bidder shall be bound by said correction.

3. **BOND**

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4. **GENERAL REQUIREMENTS**

4.1. **ACKNOWLEDGMENT:** Bidders shall acknowledge on the Bid Form the Sandstone Construction General Requirements, Instructions to Bidders and all Addenda or Amendments. It is the Bidder's responsibility to ascertain the existence of any Addenda and/or Amendments prior to submitting a bid.

4.2. **CHANGES:**

4.2.1. **Bidding Phase:**

4.2.1.1. No changes to Drawings and Specifications will be accepted unless they have been authorized and included in an official Addendum or Amendment.

4.2.1.2. **Exclusions:** In the event the bidder chooses to exclude an item of work which is included as a part of his work as described in the Specifications, the Instructions to Bidders, or any other of the Bidding Documents, the bidder agrees to accept Sandstone Construction's evaluation of the cost of the missing item for the purpose of comparing bids.

4.3. **TIME/DELAYS:**

4.3.1. Time is the essence of this Contract. The successful bidder shall closely coordinate his work with Sandstone Construction and the other Subcontractors to achieve timely completion. Any costs of any nature to any party resulting from Subcontractor's failure to comply with the requirements of the schedule shall be charged to the Subcontractor responsible.

4.3.2. Milestone or completion dates of segments of Subcontractors' work within the overall schedule shall be met.

4.4. **SCHEDULE ADJUSTMENTS:** The Bidder acknowledges that Sandstone Construction has the right to make minor adjustments to the project schedule, to incorporate changing project conditions, and the Bidder agrees to accomplish such minor adjustments at no increase in price.

4.5. **JOBSITE CONDITIONS:** It is the responsibility of all Bidders to thoroughly examine all Drawings, Specifications, Addenda, Amendments, Schedules, and other Bidding Documents referred to in the Appendix, and to acquaint themselves with all jobsite conditions.

The failure or omission of any bidder to receive or examine any form, instrument, addendum, or other document shall in no way relieve any bidder from any obligation with respect to his proposal or to the Contract. The submission of a bid shall be taken as prima facie evidence of compliance with this Section.

- 4.6. RETURN OF DOCUMENTS: If requested, all plans and specifications used by the Bidders must be returned within ten (10) days after the Bid Date to Sandstone Construction.
- 4.7. BUILDING CONTROL & LAYOUT: Sandstone Construction will provide line and grade bench marks for offsets to the building corners. All other lines, grades, bench marks, layouts, and engineering (professional or otherwise) required to perform the work in this bid shall be included by each Bidder in his bid. Bidders are responsible for all layout and surveying beyond this initial layout required for your work.
- 4.8. PARKING AND STORAGE: All parking of worker's vehicles, storage of materials, and parking of equipment shall be at areas designated for that purpose by Sandstone Construction.
- 4.9. ELECTRICAL POWER: Electrical power sources supplied by the General Contractor shall be of the capacity for hand tools only. Heavy duty requirements such as, but not limited to, welding of structural steel, miscellaneous iron, metal decking, open web joists, and rebar, shall be met by sources furnished by the Subcontractors involved. Refer to Site Utilization Plan for additional information.
- 4.10. CONSTRUCTION LIGHTING: Sandstone Construction will provide construction lighting in general work areas to meet the requirements of CAL-OSHA. Any and all special lighting, task lighting, etc. required for each contractor's work is the responsibility of that contractor. Each bidder shall include in their bid any and all costs associated with this requirement.
- 4.11. TESTING & INSPECTION: Unless otherwise indicated in the documents, the Owner will select all testing agencies and pay for their costs. Each subcontractor is responsible for their own inspections by the appropriate governing agencies (call for inspections, walking the work with inspectors and obtaining approval). This includes all coordination with other trades. Should the subcontractor fail an initial inspection, all costs, fees, penalties, etc. including fees for re-inspection and re-testing and impacts upon other trades, shall be paid by the subcontractor.
- 4.12. TERM "CONTRACTOR": Wherever in the Contract Documents, the term "Contractor" appears, and the work or requirements referenced thereto pertain in any way to an individual Subcontractor's trade, craft, or type of work, then such work or requirements shall be interpreted to be the responsibility of that Subcontractor. All reference to and requirements of "Contractor" in the Owner contract documents should pertain to subcontractor as well.
- 4.13. REMEDIAL WORK: Cutting, patching, repairing and remedial work (including fireproofing patching) shall be performed by the Subcontractor whose work necessitated such cutting, patching, repairing and remedial work unless otherwise indicated in the Contract Documents. Such work shall comply with all the requirements of new work.
- 4.14. SAFETY:
 - 4.14.1. Safety is Sandstone Construction's number one priority!
 - 4.14.2. The Subcontractor is responsible for the safety and health of his employees and the employees of any sub-tier subcontractor. To assist the Subcontractor with this obligation as well as to maintain required site safety standards for the safety of all job personnel, all Subcontractors shall follow Sandstone Construction's Injury & Illness Prevention (IIP) Program as a supplement to their own company injury and illness prevention program.

Program includes, but is not limited to, the requirements that all persons shall at all times be equipped with and wear hard hats, safety glasses, clothing that protects all parts of the body, and adequate work boots, as well as specialized equipment for specific tasks and/or as required by the customer. Sandstone Construction reserves the right to revise this policy at any time. The Subcontractor must orient all workers to the current IIP Program requirements before starting work onsite, and shall participate in the SCC Citation Program. Adequate safety equipment inventories shall be maintained at the jobsite by each Subcontractor. Subcontractors, when initially moving onto the site, shall identify by name their home office and on-site safety personnel/competent persons including the president of the company who will be involved in actual jobsite safety. Subcontractors will identify their trained equipment operators and supply proof of training to the site upon request. Any person who refuses to follow all safety requirements shall be immediately removed from the Project by the Subcontractor. Sandstone Construction will conduct weekly jobsite Safety Meetings and all subcontractor field personnel must attend.

- 4.14.3. HAZARDOUS MATERIALS: (Refer to California Administrative Code, Title 8, General Industry Safety Orders, Section 5194 - California's Hazardous Substance Information and Training Act.) Subcontractors shall provide a Material Safety Data Sheet for all known hazardous materials to be used or stored on the project prior to the arrival of those materials on site. In addition, the Subcontractor shall submit a separate list of hazardous materials estimated to exceed 500 lbs./55 gallons/200 cubic feet for inclusion in our Community Right to Know Plan. The list is to indicate the maximum estimated quantity of each material expected to be stored site.

Hazardous Materials must be labeled, stored, used and disposed of in accordance with Community-Right-to-Know Law (California State Code 25500 et seq.), CAL/OSHA, EPA, DOHS, Air Quality, local Fire Department and other applicable local, state and federal regulations. As a minimum, all bulk liquid storage areas such as drums, 5 gallon cans, stationary fuel dispensing tanks, etc. shall be constructed with secondary containment in such a way as to prevent accidental discharge onto the ground, into storm or sanitary sewers, rivers, streams, etc. Bulk fuel tanks intended for stationary use will not be used as mobile units. In the event of a threatened or actual spill, the Subcontractor must notify Sandstone Construction immediately. The Subcontractor shall be responsible for all cleanup, site restoration, hazardous waste disposal and penalties and shall coordinate all related activities with Sandstone Construction.

During and after job completion, all Subcontractor Hazardous Materials shall be removed and disposed of properly, in accordance with applicable regulations, by the Subcontractor. Residual potentially hazardous materials will only be allowed to remain onsite if specifically directed in writing by Sandstone Construction.

- 4.14.4. RAILINGS AND FLOOR/ROOF OPENING COVERS: Railings and hole covers shall be installed solely for the protection of personnel on each project. Cable railings shall meet or exceed 5,400 lbs. holding strength. They shall not be removed, changed, used for equipment support or abused in any manner. If Subcontractors need railing or covers removed for access, they will first contact Sandstone Construction for approval and immediately replace railings and/or covers when work is complete. Any railing or covers removed without the approval of Sandstone Construction or any railing damaged due to negligence on the part of a Subcontractor shall be replaced by the responsible Subcontractor. In addition, any damage to

- persons, material, or equipment, occurring during or as a result of such removal, shall be the sole responsibility of the Subcontractor who removed the handrail or cover. If replaced by Sandstone Construction, the responsible Subcontractor will be charged for the cost of replacement.
- 4.14.5. PRETASK SAFETY PLANNING: All potentially hazardous work activities - to include, but not limited to - demolition, steel erection, heavy equipment hoisting, trenching excavation greater than 5' in depth, confined space entry, epoxy flooring or painting operations, etc., will require a jobsite safety planning meeting with Sandstone Construction jobsite supervision prior to the start of the hazardous activity. The Subcontractor will be expected to have developed and be prepared to discuss the required safety procedures that will be implemented and enforced to assure jobsite safety. Proof of notifications and required safety related permits will be reviewed at this meeting.
- 4.14.6. SAFETY ORIENTATION: Prior to start of the construction activities this subcontractor is required to have a jobsite planning safety meeting with Sandstone Construction. This includes management personnel as well as sub-subcontractors working under your contract. This orientation is conducted by Sandstone Construction personnel and will require approximately 30 minutes.
- 4.14.7. WEEKLY SAFETY MEETINGS: Attendance at a weekly jobsite safety meeting is mandatory for all field employees. This includes sub-subcontractors working under your contract. This meeting is conducted by Sandstone Construction personnel and will require approximately 30 minutes per week. Bidders are to include all costs to comply with this program in their base bid.
- 4.14.8. WORK SEQUENCE AND BARRICADES: Each Subcontractor shall sequence their work and provide all necessary traffic control signage/barricading of their work in order to provide for the complete safety of the public and all construction personnel and minimize interference with the normal flow of pedestrians and autos. These steps shall include, but not be limited to, signage, traffic plates, K-rails, covered walkways, railings, etc. to provide uninterrupted traffic flow. All such barricading, flagmen, etc. shall have prior approval of Sandstone Construction. All flaggers will be trained, oriented, and equipped with all necessary Personal Protective Equipment (PPE) prior to starting the flagging operations. All traffic control is to be in accordance with all Department of Transportation and local codes and regulations. Refer to the "Work Area Traffic Control Handbook" for specific requirements
- 4.14.9. DUST CONTROL: It is the responsibility of each Bidder to include all costs for providing dust control (including but not limited to water truck, operator, water meter, cost of water, permit, etc.), as may be needed for his work. If a justified complaint is received from the Owner, Air Quality Management District, or neighbor, the Subcontractor shall immediately take whatever steps are necessary to correct the situation. If a second justified complaint is received, Sandstone Construction shall have the option of correcting the problem with all costs to be charged to the Subcontractor responsible. Sandstone Construction shall be the sole judge as to the validity of the complaint and as to which Subcontractor is responsible.
- 4.14.10. DAILY CLEAN UP: Daily clean up is essential to achieving the project's safety and quality goals. It will be the responsibility of each individual Subcontractor to keep the premises clear and clean of his debris on a daily basis and to provide equipment, labor,

containers, and/or debris boxes necessary to remove all debris and surplus material from the site on a daily basis in a timely fashion and the cost to be included in the Subcontractor's base bid. Work areas are to be maintained in a broom clean condition. Subcontractor is advised that Sandstone Construction will furnish trash containers / dumpsters for normal clean-up debris. If, in the opinion of Sandstone Construction, this requirement is not met, Subcontractors will be given twenty-four (24) hours notice to comply. At the end of this time, Sandstone Construction will provide whatever labor or equipment is necessary and the charges will be deducted from the Contract of the Subcontractor responsible. All hazardous materials will be removed/disposed of by the subcontractor in accordance with all laws, prior to or upon completion of the Subcontractor's work, unless otherwise specified in the contract.

4.14.11. GENERAL BUILDING COMBINED-CREW CLEAN-UP:

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4.14.12. HOISTING, SCAFFOLDING, MOBILE EQUIPMENT: The Subcontractor shall include in his Bid all costs for hoisting of material and equipment, scaffolding, lifts, clean-up, protection, cutting, and patching required by that part of the work he will perform. All mobile equipment shall be in good condition and free from leaks. All rigging, scaffolding, and mobile equipment shall be inspected daily by a subcontractor's trained "competent person". Only "trained" personnel, with the required documentation, shall operate motorized equipment. All forklifts will be equipped with operating electronic backup alarms. All equipment operating on public roads will be equipped with all necessary warning devices, lights, signage and mufflers.

4.15. PROGRESS BILLING, AFFIDAVIT, AND LIEN WAIVER REQUIREMENTS:

4.15.1. BILLING FORMS AND DUE DATES: The Sandstone Construction "Subcontractor Payment Application" shall be used for submitting your Progress and Retention Billings. Your own invoice form may be attached thereto. Progress billing for labor, material and/or equipment installed shall also include the amount of work you anticipate completing by the end of the month. All billings shall be received at our jobsite office (unless directed elsewhere in the Instructions to Bidders) by the 25th day of each month. If the 25th day of the month occurs on a Saturday, Sunday, or holiday, the progress billing shall be delivered on the last working day prior to that date.

- 4.15.2. Successful Bidder will be required to submit a schedule of values breakdown for their own work within ten (10) working days of award. This breakdown shall be in an AIA G703 format and be in sufficient detail to assist the Owner, Architect and Sandstone Construction in reviewing subcontractor's monthly invoice. Monthly billings will not be accepted until Sandstone Construction has approved the schedule of values.
 - 4.15.3. Each allowance in the subcontractor's scope shall be a separate line item in the schedule of values. Allowances required to be included are shown in the Bid Form to be submitted with the bid.
 - 4.15.4. AFFIDAVIT OF SUBCONTRACTOR: The Sandstone Construction "Affidavit of Subcontractor" found on the reverse side of the "Subcontractor Payment Application" shall be properly executed and submitted with each billing.
 - 4.15.5. LIEN WAIVER REQUIREMENTS: Before payment is made, subcontractor shall obtain Lien Waivers from material/equipment suppliers and sub-subcontractors. The Sandstone Construction Lien Waiver Form entitled "CONDITIONAL WAIVER AND RELEASE UPON PROGRESS PAYMENT" shall be used for this purpose. Before final payment is made, when the supplier's shipments and/or sub-subcontractor's work is completed, the "CONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT" shall be used. The Lien Waivers shall cover payments made by the Subcontractor, to his suppliers and sub-subcontractors, for monies received from Sandstone Construction for the billing period.
- 4.16. STORED MATERIALS:
- 4.16.1. Stored Materials procedures are dictated by the terms and conditions as set forth in the Owner's Contract. Therefore, the procedures are likely to be different from project to project. Where the Owner's Contract allows for reimbursement for Stored Materials, the following summary and minimum requirements (except as modified by the Owner) will apply and serve as a guideline.
 - 4.16.2. Reimbursement for Stored Materials is to be approved by the Owner.
 - 4.16.3. Stored Materials are long lead or prefabricated assemblies; they are not to be raw materials or generic in nature. Reimbursable cost shall not include profit or overhead until the materials are installed.
 - 4.16.4. Bidder shall submit a written request for reimbursement for Stored Materials. See Sample Letter for Stored Materials Payment, as well as the Summary of Stored Materials form.
 - 4.16.5. Stored materials shall be stored onsite and protected from damage including that caused by moisture or mold growth, unless directed otherwise by Sandstone Construction. All costs associated with this protection shall be included in the base bid.
 - 4.16.6. If approved by Owner and Sandstone Construction, Offsite Stored Materials are to be maintained in a bonded or other acceptable public warehouse, unless directed otherwise by Sandstone Construction. Additional insurance requirements will apply for Offsite Stored Materials.
 - 4.16.7. Stored Materials shall be labeled "Property of Owner's Name".
 - 4.16.8. An accurate inventory of the Stored Materials shall be maintained by the Bidder.
 - 4.16.9. Special insurance coverage shall be maintained by the Bidder for Stored Materials.

- 4.16.10. Stored Materials shall be inspected by a representative of the Owner.
- 4.16.11. Evidence of payment to the supplier(s)/sub-subcontractor(s) for the material and/or equipment in the form of an “Conditional Waiver and Release Upon Progress Payment” shall be submitted by the Bidder. The Lien Waiver(s) submitted shall cover the monetary value of those materials/equipment being stored. In some circumstances, a Bill of Sale may also be required.
- 4.16.12. The Bidder shall provide Sandstone Construction with above requirements prior to the 15th day of the billing month, in order to invoice for Stored Materials for the current month. Should the Bidder fail to comply with the requirements and indicated due dates, the Bidder will be required to invoice the Stored Materials in the following month, should they want reimbursement for Stored Materials.
- 4.16.13. Upon award of Subcontract, obtain a detailed Stored Materials Information Package from the specific project site.
- 4.17. DOCUMENTS: The Subcontractor shall receive one copy of contract drawings for their use. If additional sets of contract documents are required, it is the responsibility of the Subcontractor to include these costs in their bid and request such sets of Sandstone Construction.
- 4.18. WEEKLY MEETING: There will be weekly Subcontractor Meetings at the site which will include site safety coordination. Subcontractors working on the project and those scheduled to start work the following week will be required to attend these meetings. The person representing the subcontractor shall be a qualified Foreman or Superintendent and have the ability to make decisions and commitments for the Company. The primary purpose of these meetings is for scheduling, safety and on-site coordination.
- 4.19. DAILY REPORTS: Each Subcontractor’s Foreman shall be required to complete the “Subcontractor’s Daily Activity Report” and Safety Inspection forms for each day’s activities. The report will include an attachment to indicate personnel and major equipment employed as well as major material deliveries. The Subcontractor’s Foreman will be required to submit the completed forms by 10:00 a.m. each day for the preceding day’s activities. Sandstone Construction reserves the right to withhold a subcontractor’s monthly progress and final invoices for the cumulative number of days during the month that the subcontractor has submitted late daily reports.
- Man hour reporting/projections: Subcontractors will be required to submit, in writing, every Monday morning the hours expended the previous work week, the total hours worked to date, and a four-week projection of man-hours expected.
- 4.20. QUALITY CONTROL: The Subcontractor acknowledges that the satisfaction of the Owner is of utmost importance to the success of the project. For the purpose of this document, quality is defined as meeting or exceeding the Owner’s expectations. Each Subcontractor is required to participate in the Sandstone Construction “Quality Improvement Program” outlined below in general terms. Participation in the Quality Improvement Program is mandatory for all subcontractors. Special requirements for each bidder’s work will be listed in the respective Amendments to the Instructions to Bidders.

The key components to the Quality Improvement Program are: Testing and Inspections, Mock-ups, First-Installed Work and Samples, Design & Coordination Meetings, and Zero Punch list.

- 4.20.1. TESTING, INSPECTIONS, MOCK-UP, FIRST-INSTALLED WORK & SAMPLES: Sandstone Construction will develop a list of mock-ups and special reviews at bid time. This list is part of the Quality Improvement Plan, which is based on the Project Specifications, Instructions to Bidders, and the Project Manager’s assessment of the issues that will require additional review. Subcontractor’s bid shall include all costs associated with such requirements.
- 4.20.2. DESIGN AND COORDINATION MEETINGS: The purpose of these meetings is to identify areas where the scopes of different subcontractors will interact, and then define how to facilitate the necessary coordination and communication. Examples include structural system and skin; or skin, roofing, and waterproofing; etc. Attendance requirements are set by the Project Manager in the Bid Instructions.
- 4.20.3. ZERO PUNCH LIST: It is Sandstone Construction’s goal to have all punch list items resolved and completed prior to the Client occupying the building. In general, subcontractors are expected to remedy defective work within one week after the Sandstone Construction issues the punch list. Sandstone Construction and subcontractors acknowledge that client-mandated changes may require greater flexibility, requiring additional manpower and shorter turnaround periods.
- 4.20.4. Sandstone Construction realizes that Subcontractors play an integral role in the success of a project. Therefore, it is expected that Subcontractors bring to the attention of Sandstone Construction any construction methods, materials, or other proposals which may enhance the success of the project.

4.21. INSURANCE REQUIREMENTS:

Within ten (10) calendar days of signing the Subcontract Agreement, and prior to commencing any work, Subcontractor shall furnish an executed Certificate of Insurance to Contractor specifying that Subcontractor and any sub-Subcontractors have obtained and are covered by a Commercial General Liability policy, an Automobile Liability policy, and, unless specifically exempted by law, a Workers' Compensation and Employer Liability policy, applicable to the Work under this Agreement, issued by one or more properly licensed insurance companies, each of which shall be rated A-VIII or higher by AM Best in at least the amounts set forth below:

General Liability---Commercial General Liability (occurrence-based)

General Aggregate	\$2,000,000
Products- Comp/Ops Agg	\$2,000,000
Personal & Adv Injury	\$1,000,000
Each Occurrence	\$1,000,000

- Policy shall not contain exclusions for mold and/or fungus damage. If policy contains such an exclusion, provide Contractor’s Pollution Liability (see below).
- Sandstone Construction, the Owner, and any other entity required by the prime contract shall be named as additional insured for both ongoing operations and completed operations with respect to liabilities arising out of the Subcontractor's performance and prosecution of the Work.
- An endorsement stating that the Subcontractor's General Liability insurance shall be primary with respect to the additional insureds, and the insurance of the additional insureds shall be

- non-contributory. The insurance required by virtue of this provision must be fully collectible prior to any other insurance the Contractor may have or be entitled to.
- Provide "Per Project" limit for the General Aggregate, to provide a separate General Aggregate limit for each project or location on which your forces perform work

Automobile Liability

- Any Auto, Hired Autos, Non-Owned Autos - \$1,000,000 (combined single limit)
- Subcontractor and all sub-tiers thereof shall maintain and provide proof of \$1,000,000 combined single limit of auto liability insurance, to provide insurance coverage for all owned, non-owned, scheduled, and hired automobiles brought to the project site, and for the Work emanating from the site.

Workers' Compensation and Employer's Liability

- | | |
|------------------------------------|------------------------------------|
| Workers' Compensation | statutory coverage limits |
| Employer's Liability | \$1,000,000 (each accident) |
| \$1,000,000 (disease-policy limit) | \$1,000,000(disease-each employee) |
- Include a Waiver of Subrogation in favor of Sandstone Construction and Owner.
 - If Subcontractor believes that it is exempted by law from the obligation to provide Workers' Compensation Insurance, Subcontractor shall submit evidence satisfactory to Contractor to establish its entitlement to such an exemption as a condition precedent to performance of Work under this Agreement.

Contractor's Pollution Liability

- | | |
|-----------|-------------|
| Per Claim | \$1,000,000 |
|-----------|-------------|
- Provide Contractor's Pollution Liability if the Commercial General Liability policy contains an exclusion for mold and/or fungus damage.

Installation Floater or Personal Property of Others (if needed)

Furnish policy for replacement value of project-specific materials and/or equipment stored at the jobsite or in an approved location or facility (bonded warehouse), or your company site, or in transit to the jobsite. Policy shall be written on a "Special" Broad Perils Form, covering "all risks" of direct physical loss or damage to the property. Include a Waiver of Subrogation endorsement in favor of Construction and Owner.

Suppliers Insurance:

Material and/or equipment suppliers (furnish only) who receive a purchase order from Sandstone Construction shall provide proof of \$2,000,000 Products Liability insurance coverage (aggregate and occurrence), naming Sandstone Construction and the Owner as additionally insured.

Subcontractor Equipment

Subcontractor's equipment shall be insured by an "all risk" contractor's equipment policy covering value of equipment used at jobsite. Include a Waiver of Subrogation in favor of Sandstone Construction and Owner.

- Neither Sandstone Construction nor the Project Owner is responsible for, or assumes any liability for any damage, however caused, to Subcontractors' (and sub-tiers thereof) equipment used at the project site to perform work.
- This exclusion extends to owned, rented, leased, borrowed or hired equipment the Subcontractor or any sub-tiers thereof bring onto the project site. This exclusion does not include equipment intended to be incorporated into the completed Work.
- The Subcontractor and sub-tiers thereof shall be responsible for providing proof of "all risk" contractor's equipment insurance coverage to insure loss and/or damage to the equipment they bring onto the site. Any such policy purchased and maintained by the Subcontractor to insure said equipment shall contain a Waiver of Subrogation provision, allowing the Subcontractor to waive its rights of action against any party. Proof of such Waiver of Subrogation shall be provided prior to arrival of said equipment onsite.

Professional Liability Insurance

- E&O and Professional Liability \$1,000,000 (per claim, and in the aggregate)
- If you are required by the specifications to furnish engineered drawings and calculations stamped by a qualified licensed design professional, the licensed design professional and the subcontractor (if they are separate entities) shall provide Design Errors and Omissions/Professional Liability insurance. The insurance must be provided in limits of not less than one million dollars (\$1,000,000) per claim and in the aggregate. The policy must be in place before design starts and must be maintained for four (4) years after completion of the project.

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- 4.21.1. All Subcontractor's and their sub-tiers thereof shall provide certificates of insurance that include a clause giving Sandstone Construction and Owner, as certificate holders, 30 days written notice prior to termination, cancellation or reduction of any of the insurance policies and limits required in this section. For non-payment of premium written notice shall be given ten (10) days prior.
 - 4.21.2. Subcontractor guarantees that such notice shall be given to Sandstone Construction as specified in this section without qualification or limitation by the producer or carrier.
 - 4.21.3. Subcontractor and/or their sub-tiers' failure to procure or maintain the required insurance policies during the entire term of the Subcontract shall constitute a material breach of the Subcontract agreement between Subcontractor and Sandstone Construction.
 - 4.21.4. All self-insured retentions or deductibles will be the responsibility of Subcontractor. In no event shall any deductible or self-insured retention exceed \$50,000 for any line of insurance required herein, unless agreed to in writing by Sandstone Construction.
 - 4.21.5. Acceptance of any certificate of insurance or additional insured endorsement showing proof of the insurance coverage and limits required in this section and the Contract Documents does not constitute approval or agreement by Sandstone Construction that the insurance requirements have been met or that the insurance policies referenced on the certificate and endorsement are in compliance with the contractual requirements.

- 4.21.6. The fact that Subcontractor has obtained the insurance required herein shall not lessen his liability or obligations as set forth in these General Requirements or the Sandstone Construction Standard Subcontract Agreement and all attachments thereto.
- 4.21.7. The insurance requirements in this section shall be considered the minimum standards to be met. In the event there is any difference between the requirements herein and those in the prime (Owner) contract or the Bid Documents, the more stringent shall always apply and become a part of the Contract and the Subcontract.
- 4.21.8. In the event Contractor has not received the Certificate of Insurance within the ten (10) calendar day period after Subcontract signing, or in the event that Contractor receives written notice from the Insurer(s) that Subcontractor's insurance has been cancelled, Subcontractor agrees that Contractor may procure the required insurance and charge Subcontractor for all premiums, plus twenty-five percent (25%) for Contractor's overhead, and that Contractor may deduct such sums from any amounts due Subcontractor. However, nothing contained in this paragraph shall in any way relieve Subcontractor from the complete and absolute responsibility of obtaining and maintaining the insurance as specified in this section.

4.22. COORDINATION DRAWINGS:

Refer to the Instructions to Bidders, Amendments and Specifications for additional information and specific requirements. The following instructions shall supersede any lesser related requirements for the specifications.

- 4.22.1. No subcontractor shall make cuts, notches, holes, or borings in the framing that are beyond those shown on the Contract Documents, manufacturer's recommendations, or as allowed in the Building Code, unless coordinated with Sandstone Construction.

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4.23. CHANGE ORDERS: All bidders shall list on the Bid Form, or attach a separate sheet to the Bid Form if required, providing additive and deductive unit prices for change order items for use on all future change orders. These unit prices will be utilized on all applicable change orders on the project. If a circumstance arises where a change order item is not covered by a requested unit price, a complete breakdown of the estimated costs for the changed work is to be submitted to Sandstone Construction for approval. If Sandstone Construction does not agree with the additional costs submitted, Sandstone Construction reserves the right to direct the work to be performed on a not-to-exceed time and material basis with a cap determined by Sandstone Construction. The Sandstone Construction superintendent shall verify the hours and material expended on the changed work on a daily basis. Refusal to perform directed additional work under a T & M not-to-exceed basis will be considered a breach of contract.

No charges for additional or revised scope will be accepted without being authorized and acknowledged by the Sandstone Construction Superintendent or Project Manager in writing before work is performed. Time and material tickets are required to be signed by a Sandstone Construction representative the day the work is performed. Time and material tickets not signed the day the work was performed will not be acknowledged. All change order pricing is to include a detailed cost breakdown including all unit costs applicable. Lump sum change order pricing will not be accepted.

Unit prices are required to be submitted for each bid package as listed in each trade's specific Amendment to the Instructions to Bidders.

4.23.1. All subcontractor change forms shall be countersigned and dated by a representative with the authority to bind and commit the subcontractor. Acceptance of the change order acknowledges that "Execution" of this change order by Subcontractor constitutes a binding agreement that no adjustment and compensation or time performance shall be made as a result of the foregoing changes as except provided herein. Subcontractor acknowledges that the amounts set forth in the Change Order are full and final compensation that is due as a result of the change and scope of work detailed in this Change Order and that no delay, acceleration, ripple or other impact costs are due to Subcontractor as a result of this Change Order. Additionally, the undersigned acknowledges it is given as a general release and expressly, voluntarily, knowingly and advisably WAIVES any and all rights granted under California Civil Code Section 1542 which reads as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in its favor at the time of executing the release, which, if known by him, must have materially affected his settlement with the debtor.”

4.24. ADDITIONAL INFORMATION REQUIRED:

4.24.1.

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- 4.25. AS-BUILT DRAWINGS: Subcontractors are to provide as-built drawings documenting the actual installation of their work. Copies of these drawings shall be submitted monthly for review by Sandstone Construction. Sandstone Construction reserves the right to withhold payment for non-compliance.
- 4.26. LAWFUL HIRING: Subcontractor shall comply with all Federal, State and local laws with respect to the hiring, retention and payment of its employees. In particular, Subcontractor shall comply with the terms of the 1986 Immigration Reform & Control Act. Subcontractor shall not hire any illegal alien for the performance of any work under the terms of this Agreement. Subcontractor shall be responsible for the review and certification of its employees with respect to their right to legally work and remain in the United States. Subcontractor hereby indemnifies and holds harmless Contractor from any liability or responsibility which may occur as a result of Subcontractor's failure to comply with Immigration Act requirements. If, as a result of such failure by Subcontractor, Contractor is cited or otherwise charged, Subcontractor shall, at its own expense, actively defend and protect Contractor against such citation or charge. Further, in the event that, as a result of such failure by Subcontractor, Contractor is required to pay any fine, penalty or forfeiture, said fine, penalty or forfeiture shall be paid by Subcontractor.
- 4.27. JOB SPECIFIC BIDDING REQUIREMENTS: See Sandstone Construction's Instructions to Bidders, Amendments, Bid Forms, Appendices, Schedules, etc. for Job Specific Bidding Requirements.

**END OF
GENERAL REQUIREMENTS**