
MEMORANDUM

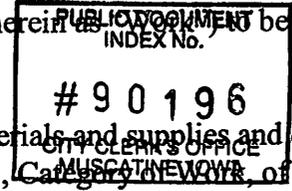
TO: RANDY HILL
FROM: JERRY MCKENZIE
SUBJECT: CITY GENERAL CONTRACTOR RECOMMENDATION
DATE: JULY 17, 2007

The City of Muscatine recently received only one bid proposal for the City General Contractor agreement. It is recommended that the City of Muscatine enter into an agreement with BMW Builders as the City's General Contractor. The agreement would be for a period of three years and would run from July 1, 2007 thru June 30, 2010 with a possible one-year extension. As the past City General Contractor, BMW completed 62 projects totaling \$301,422.63 in a four-year span. BMW has not increased their prices in four (4) years other than electrician fees. We have appreciated the work they have done for the City and look forward to working with them in the future.

CITY GENERAL CONTRACTOR AGREEMENT

1. **AGREEMENT** This agreement is made as of 7-23-07, by and between The City of Muscatine, Iowa ("City") and BMW Builders, Inc. ("Contractor") for certain categories of work (referred to herein as "Public Work") to be performed at Muscatine, Iowa ("jobsite").
2. **WORK** The Work shall consist of furnishing all operations, labor, equipment, materials and supplies and doing all things necessary for the proper performance of such Work described in Article 1, Category A, of Exhibit A or as may be specified by written Work Order.
3. **WORK ORDER** The term "Work Order" shall mean the written order issued by the City to Contractor designating the Work to be performed. Work will not begin until a Work Order has been issued for that specific project. Unless the Work Order expressly provides otherwise, all terms, conditions and provisions of this Agreement shall apply with respect to all Work under that Work Order. A separate Work Order will be issued for each project to be performed pursuant to this Agreement.
4. **TERM** The term of this Agreement shall commence on July 23, 2007 and shall continue in force with contract ending June 30, 2010, and with joint consent, a possible one-year extension unless or until terminated by either party giving the other at least thirty (30) days prior written notice.
5. **START/COMPLETION OF WORK** Unless otherwise stipulated in the Work Order, the Work shall be commenced at the jobsite within five (5) working days after receipt of the Work Order authorizing such Work and shall be completed as soon as practicable under a completion schedule for the Work established by the City.
6. **COMPENSATION** For the proper performance of the Work, City shall pay Contractor in accordance with Article 2, Payment, of Exhibit A, unless a lump-sum amount, unit costs, hourly rates or some other method of computing payments is agreed upon and set forth in the Work Order. Unless otherwise stipulated in the Work Order, the City will make monthly payments to the Contractor for the Work in progress or completed covered by a particular Work Order. Such payments shall be submitted to the City Council for approval on the third Thursday of each month providing that the invoice was received by City by the first Thursday of each month. No payments made prior to acceptance of the Work shall be construed to be an acceptance of the Work in whole or in part.

Worker hours will be computed based on time on jobsite, daily travel time to & from jobsite will not be compensated.
7. **REPRESENTATIVE** The term "Representative" means the employee of the City authorized to represent it with respect to the Work.
8. **SPECIFICATIONS & DRAWINGS** Any specifications and/or drawings which are attached to a Work Order issued pursuant to this Agreement or referred to therein are a part of this Agreement, and the Work shall conform thereto. If ambiguities or conflicts appear in or between specifications and drawings, or if detailed information has been omitted, Contractor shall request interpretation, clarification and/or additional instructions before proceeding with the Work. Any drawings prepared by Contractor in connection with the Work shall become a part of this Agreement when approved by City, however, such approval by City of Contractor's drawings shall be construed to apply only to general arrangement and shall not relieve Contractor of entire responsibility for errors of any sort, for correctness of design, detail or dimensions, or for deviation therein from drawings furnished by



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City. In the event of conflicts or discrepancies between Contractor's drawings and City drawings, the latter shall take precedence and control, unless and to the extent that City shall otherwise specifically direct in writing.

9. **OWNERSHIP OF DRAWINGS AND SPECIFICATIONS** All drawings (including sketches, shop drawings and vendors drawings) and specifications, including all copies thereof, furnished to Contractor or obtained or prepared by Contractor for the Work, shall be delivered to City when no longer required for performance of the Work or when requested by City, but in any event, upon completion or termination of the Work, except that one copy of each may be retained by Contractor with the permission of City. All such drawings and specifications shall be the property of City at all times and shall not be used for any other work by Contractor, nor shall Contractor permit such use by others. Contractor shall execute receipts, in a form acceptable to and at any time requested by City, for all such drawings and specifications in its possession.
10. **COMPLIANCE WITH LAWS** Contractor represents that the Work will comply with all applicable state, federal and local laws, rules, regulations and executive orders.
11. **PERFORMANCE OF WORK** Contractor agrees to cooperate with City in every way in performing the Work and to provide competent supervision and direction and to maintain at the jobsite the necessary material, equipment and skilled workers to properly complete the Work.
12. **SAFETY** Contractor acknowledges and recognizes the importance of the safety and health of all persons, including, but not limited to, employees of Contractor, other contractors and City employees and the General Public. Contractor shall strictly and carefully comply with all requirements of this Agreement and its attachments pertaining to safety and health, including, but not limited to, the safety and health provisions of City policies, practices and rules for the jobsite. Contractor agrees to devote special care and attention to, and to exercise its best efforts to attain, the desired objective of having the Work completed without injury to any person.

In addition, all work shall be performed in accordance with Federal, State and OSHA rules and regulations. The contractor shall notify the Project Engineer or Representative immediately, in person or by telephone, of any significant events which did or could endanger the health, safety or well being of anyone involved with a project or the general public. Contractors should maintain a clean and safe work area and promptly contain any dirt, dust or debris that could migrate outside the work area.

13. **WARRANTY** Contractor warrants that the Work will be of high quality with workmanship proper and sufficient for the purpose contemplated and in accordance with the best trade practices and the 2000 INTERNATIONAL BUILDING CODES. Contractor further warrants that the Work shall fulfill the terms of all special guarantees established by this Agreement and that the Work shall be free from defects due to faulty materials, equipment or workmanship, until the expiration of one year from the date of final payment under the applicable Work Order. City shall give notice of observed defects with reasonable promptness. Contractor shall promptly reimburse City for its costs in remedying such defects or, at City option, Contractor shall at Contractor's own expense and with all possible speed remedy such defects. In either case, Contractor shall also pay for any resulting damage to other property and work. Any cost for which Contractor is liable under this Agreement shall be borne by Contractor; and the City, in addition to any other right or rights it may have, may withhold money otherwise due Contractor to cover any such cost.

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14. **CONFIDENTIALITY** For the purposes of this Article 14, should a project ever require confidentiality, upon request by City, the Contractor shall cause such persons involved in the Work on Contractor's behalf as City may designate to sign individual secrecy agreements in a form satisfactory to City.
15. **INSPECTIONS** Contractor shall provide safe and proper facilities for both access to and inspection of the Work by City. If portions of the Work are performed off jobsite premises, Contractor shall make whatever arrangements are necessary to enable City to inspect such portions of the Work when requested by the Representative. If the specifications, the Representative's instructions, laws, ordinances or any public authorities require the Work or any portion thereof to be specially tested or approved, Contractor shall give the Representative timely notice of its readiness for inspection and, if the inspection is by an authority other than the Representative, of the date fixed for such inspection, and Contractor shall secure all required Certificates of Inspection. Any portion of the Work covered up without the approval or consent of the Representative must, if required by the Representative, be uncovered for examination at Contractor's expense.
16. **CHANGES** City, without invalidating this Agreement, may make changes in the specifications or drawings, issue additional instructions, designate itself as a supplier of labor, equipment or materials, or require additions to or deductions from the Work (all of which are hereinafter referred to as a "Change" or "Changes"). The terms, conditions and provisions of this Agreement shall apply to all such Changes with the same effect as if such Changes were a part of this Agreement from the outset, except that any claim for an extension of time caused thereby shall be adjusted at the time such Change is ordered. Contractor shall proceed therewith when so ordered by the Representative. If any such Change is a deduction from the Work which is being performed for a lump sum amount pursuant to a particular Work Order, the value of such Change shall be determined on the basis of a reasonable estimate of the cost of said deduction. Except for minor Changes not involving extra cost, no Changes shall be made except pursuant to a written Work Order from the Representative, and no claim for payment or reimbursement shall be valid without such Work Order.

When Contractor receives an authorizing Work Order as set forth herein, it shall proceed with the Change and shall be compensated therefore in accordance with Exhibit A of this Agreement.

17. **PHYSICAL CONDITIONS** Contractor shall promptly, and before such conditions are disturbed, notify the Representative in person or by telephone of:
- (a) - subsurface or latent physical conditions at the site differing materially from those indicated in this Agreement or the applicable Work Order, or
 - (b) - unknown physical conditions at the site, of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in Work of the category provided for in this Agreement.

The Representative shall promptly investigate the above-mentioned physical conditions. If the Representative finds that such conditions do so materially differ, and that the same cause an increase or decrease in Contractor's cost of, or time required for, performance of the Work, an equitable adjustment shall be made and the Work Order modified accordingly. No claim of Contractor for adjustment hereunder shall be allowed unless it has given notice as herein required.

18. **TERMINATION** City may, by giving written notice to Contractor, terminate this Agreement or any Work Order issued pursuant hereto at anytime. Except if terminated pursuant to the provisions of Article 4, if City terminates this Agreement or any Work Order for reason other than Contractor's breach of any of the provisions hereof, City shall pay Contractor for Work performed by Contractor in accordance with this Agreement prior to the effective date in the notice of termination, plus for Work performed in accordance with this Agreement after

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the effective date of the notice of termination, which is specifically authorized in writing by City to orderly and expeditiously bring the Work or any part thereof which was terminated, to conclusion. Upon any termination as set forth herein, City shall be entitled to defer payment to Contractor to the extent of all bona fide claims it may have against Contractor under or arising out of this Agreement until such claims have been settled.

19. **SUSPENSION OF WORK** Contractor agrees that City may, by oral or written notice, suspend, delay or interrupt all or any part of the Work at any stage of its progress for the period hereinafter provided. Any oral notice given pursuant hereto shall be confirmed in writing within three (3) days thereafter. If the Work is suspended, delayed or interrupted by City for a period of ninety (90) days, and unless Contractor agrees in writing to a longer period, Contractor may, at any time thereafter and upon not less than thirty (30) days prior written notice to City, terminate this Agreement or the applicable Work Order issued pursuant hereto and recover from City for that portion of the Work completed as if City had terminated this Agreement pursuant to Article 18 hereof. If Contractor is authorized to resume the Work that was suspended, delayed or interrupted, the Agreement shall be equitably adjusted in writing to provide for any necessary increase in the time required for, or the cost properly allocable to, the performance of the Work; provided however, that Contractor submits a claim for such adjustment within thirty (30) days after such resumption of the Work.
20. **PATENTS/COPYRIGHTS** Contractor shall defend all suits or claims for infringement of any patent rights or copyrights arising out of the Work and shall save City harmless from loss on account thereof: provided, however, that City shall be responsible for all such loss when it or the Representative specifies any particular equipment, material, or the product of a particular manufacturer, which is an infringement of a patent or copyright; provided further, however, that if the Contractor has information indicating that any such designated equipment, material, or the product of a particular manufacturer, or the use thereof, might constitute an infringement of a patent or copyright, Contractor shall promptly inform the Representative in writing and unless Contractor does so inform the Representative, Contractor shall be responsible for any loss suffered by City as a result of such omission.
21. **LIENS AND CLAIMS** No payment under this Agreement shall become due and payable until Contractor, if required, has delivered to City complete releases of all liens and all other claims of whatever nature which have arisen or which could arise as a result of any operations related to the Work or this Agreement, or receipts in full in lieu thereof, and if required in either case, an affidavit that so far as Contractor has knowledge or information the releases and receipts include all operations, labor, equipment, materials and all things for which a lien or other claim could be filed or made. Said releases shall be effective as to liens and claims existing as of the date payment is requested. If any lien or other claim remains unsatisfied after all payments are made, Contractor shall refund to City all monies that City may be compelled to pay in discharging such a lien or claim, including all costs and reasonable attorneys' fees.
22. **ASSIGNMENT** Contractor shall not assign this Agreement or sublet it as a whole nor shall Contractor assign any monies due or to become due to it hereunder, without the prior written consent of City. Any attempt to so assign or sublet shall be void. Assignment or subletting with such consent shall in no way relieve Contractor of any of its obligations under this Agreement.
23. **TITLE TO WORK** The title to all Work completed or in the course of construction at the jobsite shall be in City, title to all materials, supplies and equipment intended for incorporation into the Work shall pass to City upon delivery at the jobsite; provided however, that such passage of title shall in no way relieve Contractor of any of its obligations under this Agreement. Contractor will be responsible for securing and protecting all materials and equipment on jobsite.

24. **INDEMNIFICATION** Except as hereinafter set forth in this Article 24, and except to the extent prohibited by law, Contractor shall indemnify and save City and its employees harmless against any and all liabilities, penalties, demands, claims, causes of action, suits, losses, damages, costs and expenses (including cost of defense, settlement and reasonable attorneys' fees) which any or all of them may hereafter suffer, incur, be responsible for or pay out (whether the same arise out of or in connection with the Work, or from any operations under or in connection with this Contract) as a result of bodily injuries (including death) to any person or damage (including loss of use) to any property occurring to, or caused in whole or in part by, Contractor (or any of its employees), any of its subcontractors (or any employee thereof), or any person, firm or corporation (or any employee thereof) directly or indirectly employed or engaged by either Contractor or any of its subcontractors, including those injuries and property damages caused by the joint or concurring negligent act or omission of City or its employees. Upon the request of City, Contractor shall promptly defend any such demand, claim, cause of action or suit.

City agrees that Contractor shall not be liable to City under this Article 24 for liabilities, penalties, demands, claims, causes of action, suits, losses, damages, costs and expenses arising out of bodily injury (including death) to any person or damage (Including loss of use) to any property caused by or resulting from the sole negligence of City or its employees.

25. **INSURANCE CERTIFICATES** Contractor shall not begin the Work under this Agreement until:

- (a) - it has obtained all the insurance required herein,
- (b) - it has furnished certificates of insurance satisfactory to City, and
- (c) - such Insurance and the certificates have been approved by City.

All certificates of insurance evidencing the coverages required herein shall provide that no reduction, cancellation or expiration of such insurance coverage shall become effective until thirty (30) days from the date written notice thereof is mailed to the name and address of the person designated in Article 29 hereof as the recipient of notices to City. Additionally, during the term of this Agreement, Contractor shall provide further certificates to City at least thirty (30) days prior to expiration dates shown on certificates furnished pursuant to subparagraph 25.(b) above evidencing that the insurance required herein is in effect after said dates.

26. **INSURANCE REQUIREMENTS** Contractor shall purchase and maintain for the term of this Agreement such insurance as will protect the contractor (and City where applicable) from claims arising out of contractor's operations under the contract, including operations by subcontractors or by anyone directly or indirectly employed by any of them or by anyone for whose acts any of them would be liable.

All such insurance will be at the expense of the contractor unless agreed to in advance in writing that the City will share in the expense. All insurance will be purchased from an insurance company authorized to do business in the state of Iowa either by virtue of being a licensed carrier or authorized under Iowa's excess & surplus lines laws. All insurance companies will carry a rating from A.M. Best of B+ or better or its equivalent.

CITY GENERAL CONTRACTOR AGREEMENT

The following are minimal acceptable limits for each line of coverage required:

A. WORKER'S COMPENSATION:

State of Iowa	Statutory
Federal (If applicable)	Statutory
Employers Liability	
1. Per Accident	\$500,000
2. Occupational Disease Policy Limit	\$500,000
3. Occupational Disease Each Employee	\$500,000

B. COMPREHENSIVE GENERAL LIABILITY:

General Aggregate (Other than Products & Completed Operations)	\$2,000,000
Aggregate Products & Completed Operations	\$2,000,000
Personal & Advertising Injury Limit Each Occurrence Limit	\$1,000,000
Medical Expenses - Any one Person	\$ 5,000
Fire Damage Limit - Any one Fire	\$ 100,000

Policy to be written on an "occurrence" form; Policy will include coverage for:

1. Premises & Operations
2. Products & Completed Operations
3. Independent Contractors
4. Contractual Liability
5. Personal & Advertising Injury
6. Property Damage Underground or by Explosion or Collapse (XCU)
7. City of Muscatine to be named as an additional insured
8. The additional insured status will be on a primary basis with the City of Muscatine's insurance being non-contributory and excess over the contractor's coverage

Contractor will advise the City of any claim paid or reserved that might significantly impact the aggregate limit.

C. COMPREHENSIVE AUTO LIABILITY:

1. Bodily injury liability per Accident	\$1,000,000
2. Property Damage Liability per Accident	\$ 500,000
OR	
3. Combined Single Limit	\$1,000,000

CITY GENERAL CONTRACTOR AGREEMENT

Comprehensive Auto Liability to include all licensed vehicles to be used in connection with the project whether owned, non-owned, or hired.

D. UMBRELLA LIABILITY:

- 1. Per Occurrence \$1,000,000
- 2. Annual Aggregate \$1,000,000

The umbrella liability to provide excess protection over the primary coverages, general liability, auto liability & employers liability of the Workers Compensation policy.

GENERAL PROVISIONS:

- 1. A certificate of insurance documenting full compliance with each required coverage will be delivered to the City for approval by the City’s Agent of Record prior to beginning any work under this agreement.
- 2. The certificate will contain a provision that the City of Muscatine will be given not less than thirty (30) days advanced written notice in the event of cancellation, termination, non-renewal, or reduction or any other material change or alteration of coverage.
- 3. Contractor assumes full responsibility for the safe keeping of all contractor’s or contractor’s employees and subcontractor’s vehicles, tools, equipment & supplies and will not attempt to hold the City of Muscatine responsible for any loss to such property without regard to any actual or alleged negligent acts of either omission or commission on the part of the City of Muscatine, any employee or anyone else acting for or in behalf of the City of Muscatine.
- 4. Contractor shall be responsible for the safe keeping of all materials & supplies to be used in any job until such material or supplies have been installed or utilized and accepted by the City, and if any of it is damaged or destroyed from any cause the contractor will replace at his own expense.

SUBROGATION/HOLD HARMLESS:

To the extent that such insurance is in force and collectible and to the extent permitted by law, City and contractor each hereby release & waives all right of recovery against the other or anyone claiming through or under each of them by way of subrogation or otherwise.

The City of Muscatine will be held harmless for any claim involving bodily injury to contractor or a any partner or employee of either whether or not workers compensation coverage is in effect.

- 27. SUBCONTRACTORS Contractor shall bind all its subcontractors to the terms of this Agreement which are applicable to the Work sublet. Nothing contained in this Agreement is intended to nor shall the same create any contractual relation between any subcontractor and City or any obligation on the part of City to pay or to see to the payment of any monies due any subcontractor.

28. **SURVIVAL OF OBLIGATIONS** The obligations of Contractor under this Agreement which, by their nature, would continue beyond the termination, cancellation, or expiration of this Agreement shall survive termination, cancellation or expiration of this Agreement, or the suspension, completion and/or acceptance of the Work or any part thereof, or final payment to Contractor, it being agreed between Contractor and City that said obligations shall be of a continuing nature and effect.

29. **NOTICES** Any notices required or permitted to be given by this Agreement shall be in writing and delivered in person, which delivery recipient agrees to acknowledge in writing, or sent by fax, with a copy by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier service, addressed as follows:

City	<u>City of Muscatine</u>	Contractor:	_____
Attention:	<u>Jerry McKenzie</u>	Attention:	_____
Address:	<u>1459 Washington St.</u>	Address:	_____
	<u>Muscatine, IA 52761</u>		_____
Phone:	<u>(563) 263-8933</u>	Phone:	_____
Facsimile:	<u>(563) 263-2127</u>	Facsimile:	_____

Either party, by written notice to the other party, may change the person and/or address to which notice shall be given. Both parties agree to acknowledge in writing the receipt of any notice delivered in person.

30. **INDEPENDENT CONTRACTOR** Contractor is and shall remain an independent contractor in its performance of the Work and neither Contractor nor anyone directly or indirectly employed or engaged by Contractor shall make any representations to the contrary.

31. **HEADINGS** Headings of particular articles are inserted only for convenience and are in no way to be construed to be a part of this Agreement or as a limitation of the scope of the articles to which they refer.

32. **MISCELLANEOUS** This Agreement (including the attached Exhibit(s) 'A' through "D" and the Work Orders issued pursuant hereto set forth the entire agreement between Contractor and City with respect to the subject matter hereof. All prior negotiations and dealings regarding the subject matter hereof are superseded by and merged in this Agreement. All time limits stated in this Agreement or any Work Order issued pursuant hereto are of the essence thereof.

33. **GOVERNING LAW** This Agreement shall be construed and interpreted in accordance with the laws and judicial decisions of the State of Iowa.

34. **SPECIAL PROVISIONS** Each working day the Contractor will be required to submit a timesheet to the Representative for his approval and signature. (see Exhibit "B").

Under this agreement the Contractor will be expected to pick up or purchase project materials that will be direct billed to the City. Receipts for such materials will be coded by the Work Order number and submitted promptly to the Representative for his review. Approval by the Representative is required before any significant purchases (single items over \$500) are made. The Contractor will be required to submit a materials list for review and at the Representatives request the Contractor may be required to pursue multiple price quotes on selected items.

CITY GENERAL CONTRACTOR AGREEMENT

Each work day the Contractor will be required to call-in and report the work plans for the day. (see Exhibit "D")

IN WITNESS WHEREOF. Contractor and City have executed this Agreement effective as of the date set forth at its beginning and continuing in effect for one (1) year thereafter.

City of Muscatine
By: 
Name: A. J. Johnson
Title: City Administrator

Co. BMW Builders LLC
By: 
Name: Brian Wolfe
Title: Manager

1. Category of Work - General Description:

Work to encompass miscellaneous City projects as directed by Work Order. Work to include, but not limited to: plumbing, carpentry, electrical, general labor, concrete, masonry, excavation and hauling.

2. Payment In the event a Work Order designating work to be performed does not set forth a lump-sum amount, unit costs, hourly rates or some other method for computing Contractor's compensation for such work, Contractor's total compensation for performing such work shall be computed as follows:

(a) - Contractor shall be reimbursed for the straight-time and /or overtime (approved by Representative) hourly rates listed by category. Listed rates to be actual total charge to City.

<u>Category</u>	<u>Straight-time Rate</u>	<u>Over-time Rate</u>
Project Manager	\$ <u>36.50</u>	\$ <u>50.75</u>
Project Superintendent	\$ <u>34.00</u>	\$ <u>47.00</u>
General Foreman	\$ <u>34.00</u>	\$ <u>47.00</u>
Licensed Plumber	\$ <u>50.40</u>	\$ <u>79.20</u>
Apprentice Plumber	\$ <u>N/A</u>	\$ <u>N/A</u>
Licensed Electrician	\$ <u>48.00</u>	\$ <u>68.50</u>
Apprentice Electrician	\$ <u>N/A</u>	\$ <u>N/A</u>
Carpenter	\$ <u>32.00</u>	\$ <u>44.00</u>
Laborer	\$ <u>29.50</u>	\$ <u>42.50</u>
Painter	\$ <u>32.00</u>	\$ <u>44.00</u>
Iron Worker	\$ <u>32.00</u>	\$ <u>44.00</u>
Backhoe with operator	\$ <u>52.00</u>	\$ <u>66.00</u>
Dump truck with operator	\$ <u>45.25</u>	\$ <u>56.00</u>
Welder with operator	\$ <u>45.00</u>	\$ <u>57.00</u>
Unloader with operator	\$ <u>44.75</u>	\$ <u>55.26</u>
Engineering	\$ <u>115.50</u>	\$ <u>115.50</u>
Professional Engineering	\$ <u>115.50</u>	\$ <u>115.50</u>

BMW Builders LLC.

Please List Subcontractors & Licensed Trade Holders

Electrician:

Company Name: Jeff Hackett Electric Inc.

Address: 2310 Burlington Rd.

City, State Zip: Muscatine, Iowa 52761
563-262-8185

Plumber:

Company Name: Kirk Butcher Plumbing & Heating

Address: 1553 Washington St.

City, State Zip: Muscatine, Iowa 52761
563-264-6105

Other _____:

Company Name: _____

Address: _____

City, State Zip: _____

CITY GENERAL CONTRACTOR AGREEMENT

Specialized categories not listed, to be individually defined/classified (approved by Representative) and charged as one of the above categories. Worker hours will be computed based on productive time on jobsite, daily travel time to & from jobsite will not be compensated.

(b) - For material not direct billed to City the Contractor shall be reimbursed for the actual cost of material (including freight charges and state and local sales, use or consumption taxes, if any, less trade and cash discounts) necessarily expended on the Work, plus a fee of ____% of said cost for overhead expense and profit. After delivery of materials, the Contractor shall submit to the City, at the end of the project, a statement of all taxes of the foregoing descriptions which he has paid on materials and equipment incorporated in the completed projects. (Where possible all materials should be purchased by, or billed directly to, the City)

(c) - Contractor shall be reimbursed for the usage of equipment (with an individual purchase price in excess of \$1,000) on the Work. The rental charges for such equipment rented by Contractor from third parties shall be in accordance with the terms of rental schedules previously approved by the Representative. The charge for the usage of such equipment which is owned by Contractor shall be in accordance with a schedule of rates previously approved by the Representative or as set forth in an exhibit (if any) to the Agreement. No fee (mark-up) shall apply to any such charges for the usage of Contractor owned or rented equipment.

(d) Contractor shall be reimbursed for the actual payments necessarily made by Contractor to its subcontractors for Work performed pursuant to subcontracts which have been approved by the Representative. No fee (mark-up) shall apply to any such subcontracts. (Where possible all materials should be purchased by, or billed directly to, the City)

When payments to Contractor under this Agreement are on other than a lump-sum basis, Contractor shall check all labor and equipment incorporated into the Work and shall keep such full and detailed accounts as may be required for proper financial management under the Contract, including submittal of daily timesheets for Representatives' approval. Contractor's accounting system shall be in accordance with generally acceptable accounting principles and practices and such as is acceptable to the Representative. The Representative and other representatives of City shall be afforded access to the Contractor's books, records, correspondence, instructions, drawings, receipts, vouchers, memoranda, etc., relating to this Agreement or to the Work; and Contractor shall preserve all such records for a period of two (2) years after the final payment for the Work covered by a particular Work Order.

Should Contractor neglect or refuse to pay, within thirty (30) days after it falls due, any bill legitimately incurred by it in connection with the Work (and for which Contractor is to be reimbursed under paragraph 2 hereof), City after giving Contractor twenty-four hours' written notice of its intention to do so, shall have the right to pay such bill directly. In such event, said payment shall not be included in the cost of the Work either with respect to reimbursement or for the purpose of calculating Contractor's fee.

EXHIBIT "B"

Each project will be assigned via a Work Order, similar to sample:

Work Order No. _____
CITY OF MUSCATINE - WORK ORDER (Ref. Purchase Order No. xxxxxxxx)
Project Name: _____
Description of Work: _____ _____ _____ _____ _____
Estimated Value of Work: \$ _____
City Person in Charge of Project: _____ Phone No: _____
Work Order Issued by: _____ Date: _____

EXHIBIT "D"

Each working day it is a requirement for the Contractor to call in daily and leave a work plan. To do this it will be necessary for you to call 263-8938, Ext. 225 and at the tone leave your message.

You will need to call daily by 7:00 am or you could also call the night before. All contractor messages will be erased daily around noon. Your brief message should include your company name, if you are (or are not) working on a City project that day, where you will be working and anything unusual that might be pertinent or could require our follow-up, i.e. closing a street, or maybe blocking businesses, or causing excessive noise/dust etc.

The Representative will be checking your messages as necessary along with any other City employees having an interest in your activities. Of course, this system should not preclude your need for individual personal contact relating to specific issues.