



Date: Monday, July 31st, 2017

Subject: Agency Construction Manager Selection
Request for Qualifications
New 3,000 Ton Chillers Project at North Campus Chiller Plant
University Park Campus
PSU Project no. 00-05241.00, DGS no. 800-300

To: Interested Construction Management Firms

The Pennsylvania State University (hereafter referred to as the “University”) intends to build out the existing North Campus Chiller Plant with two (2) nominal 3,000 ton chillers and all associated cooling towers, pumps, electrical equipment, etc. Please see the Project Scope of Work Description provided at the end of this RFQ.

The programming level estimate places the expected construction costs at approximately \$13 million. The design Professional for this project is Trefz Engineering, Inc., and the design progress is currently at 50% completion of construction documentation.

The delivery method for this project is defined by the funding source as design-bid-build with multiple-prime contracts per DGS (Pennsylvania Department of General Services) rules and regulations. This project is delegated to the University, and all contracts will be directly with the University. The selected CM team will act as the agent of the University in procurement and execution of the contract documents. To the extent possible, the University expects that the team will be proactive in utilizing Integrated Project Delivery (IPD) and Lean Construction concepts during all stages of the project. Scope anticipated from the CM-Agent is outlined in the standard CM-A agreement, available for your review.

The current anticipated schedule milestones are:

- Equipment Pre-Purchase: September 2017
- Design Completion: September 2017
- DGS Bid Process: October 2017
- Board of Trustees Approval: November 2017
- Construction Start: December 2017
- Anticipated Construction Completion: July 2018

To be eligible to enter into a CM-Agent agreement with the University for this project, CM firms must be currently placed on DGS’s statewide list of vendors qualified for construction management.

If you are interested in submitting a proposal for this project, please follow the Proposal Submission Requirements listed below. Submissions are due electronically by 3:00 p.m. ET on Tuesday, August 22, 2017 to Todd Webber at tdw16@psu.edu and Nathan Patrick at ntp111@psu.edu using “PSU New 3,000 ton Chillers CM-A RFQ [Insert CM Firms Name Here]” as the subject line. If you have a very large file (over 10MB), please provide a link to a shared site for distribution. If you have any questions regarding this request please contact me via email.

The University will use a qualifications based selection process to select a short list of firms. PSU reserves the right to interview (2) or more shortlisted firms. The shortlist will be notified by close of



business on Thursday, August 24, 2017. Interviews will be held on Tuesday, August 29, 2017. Cost proposals and anticipated staffing breakdowns will be included as part of the interview process.

In order to ensure the teams have consistent information and understanding of our goals and requirements, we will hold an orientation question and answer session on Tuesday, August 8, 2017, at 1:30 p.m. ET at the North Campus Chiller Plant. Team representatives are urged to attend this meeting. Due to time constraints, this will be the only opportunity for visits to the site with University staff.

The CM firm shall review the 1-CM-A form of agreement prior to submitting their proposal. Refer to the "Form of Agreement 1-CM-A" (v. 07312017)) attached to this RFQ.

The University intends to use the agreement, as written, with no changes in the terms and conditions. By submission of a proposal, the CM firm hereby agrees without exception to the terms, conditions, and provisions as contained in the above referenced agreement. Additionally, the CM firm should include a statement with their proposal that the agreement, terms, and conditions are acceptable. The University reserves the right to waive any informality in any or all proposals, and to reject or accept any proposal or portion thereof.

We appreciate your interest in working with Penn State University. If you have questions regarding the project, please contact me via email.

Sincerely,

Nathan T. Patrick, P.E., DBIA
Project Manager
Design and Construction, Office of Physical Plant
The Pennsylvania State University

Proposal Submission Requirements:

The following items of information must be supplied electronically to the University. Please limit all proposals to no more than (2) A3's and (10) 8-½" x 11" pages (all single-sided) for a total of 12 pages (pdf format only).

Please provide the information requested per the requirements below.

- One (1) A3 page, single sided (Project Approach, A).
- One (1) A3 page, single sided (Project Team – Personnel/Experience, B and C).
- Ten (10) 8-½" x 11" pages, single sided (Additional Questions, D-L).

Project Approach and Project Team:

- A. Briefly outline your project-specific CM Agent approach and processes. Include an outline of the estimating and cost control methodology you plan to implement on this project.
- B. List all CM personnel proposed for this project. Provide qualifications and experience of lead team members to be assigned to this project. Provide a clear indication of the roles to be performed by each individual. Please be very specific regarding the personal involvement and amount of on-site participation for each lead individual. An organization chart is preferred as a visual.
- C. Highlight the experience of the team members in the design and construction of facilities similar to the one proposed (college or other), completed or under construction during the past five to ten years. Be very specific about services provided. Identify those specific projects included in the proposed team experience listed in B above.

Additional Questions:

- D. Provide three (3) client references for projects of similar type and scope, utilizing the proposed team members; please ensure their email addresses and telephone numbers are current.
- E. Provide a proposed design and construction milestone schedule for this project in graphic form.
- F. What are the biggest risks/challenges that you feel you will face on this project? Relatedly, what is your plan-of-action to mitigate those risks?
- G. What do you need from the University for this project to be successful?
- H. Describe your team's safety philosophy, indicate any innovative practices in regards to safety management, and provide your firm's EMR for the past five (5) years. Please provide your initial thoughts on site logistics.
- I. How will your firm ensure a truly collaborative Project Team environment and describe the integrated/lean processes and concepts that you plan to employ and what value will they bring to the project?
- J. Outline your strategies to assist the trade contractors to maximize DBE participation on this project.
- K. Please outline your preferred specific tasks/approach in the first (100) days of your engagement as the CM.
- L. In summary, why should we consider your firm as the CM for this project?



Project Scope of Work Description:

The scope of work for this project generally consists of providing or installing the following items:

Mechanical / Piping Scope of Work:

- a. Install (2) nominal 3,000 ton chillers.
- b. Install (3) 4,500 gpm cooling tower cells.
- c. Install (3) 6,000 gpm chilled water pumps.
- d. Install (3) 9,000 gpm condenser water pumps.
- e. Provide chilled water and condenser water header piping, branch piping, and all necessary valves, specialties, and instrumentation.
- f. Replace existing valves.
- g. Provide new davit for existing cooling tower, CT-1.
- h. Provide ventilation equipment including packaged outdoor air handling units, exhaust fans, ductwork, diffusers, and a new chilled water to glycol chilled water hydronic system to support chiller variable frequency drive (VFD) ventilation.
- i. Provide (1) domestic water booster pump added to the existing booster pump package.

Electrical / Controls Scope of Work:

- j. Extend the existing Automated Logic (ALC) controls system, panels, devices, control valves, and refrigerant leak detection and alarming as necessary to support the mechanical and electrical upgrades, monitoring, reporting, and trending requirements.
- k. Relocate the existing electrical equipment and devices necessary to support the expansion.
- l. Provide new lighting fixtures.
- m. Extend existing 4,160V switchgear.
- n. Install new 12,470V-4,160V transformer.
- o. Install (2) new 5kV chiller VFDs; (3) 480V chilled water pump VFDs; (3) 408V Condenser water pump VFDs; and (3) 480V Cooling Tower VFDs.

Structural / Architectural (General Trades) Scope of Work:

- p. Provide miscellaneous starters, VFDs, power wiring, conduit, and other work as necessary to support the expansion.
- q. Provide supplemental steel framing necessary for equipment, piping, and ductwork supports.
- r. Modify and alter existing cooling tower steel dunnage necessary to support new cooling towers.
- s. Alter existing electrical mezzanine level and relocate existing stairs.
- t. Extend and add equipment removal systems for the chilled water pumps and chillers.
- u. Replace and enlarge existing plant doors.

FORM OF AGREEMENT 1-CM-A
THE PENNSYLVANIA STATE UNIVERSITY
OWNER AND CONSTRUCTION MANAGER
AGENCY AGREEMENT

THIS AGREEMENT made this _____ day of _____
in the year Two Thousand _____ by and between

hereinafter called the 'Construction Manager' (CM) and THE PENNSYLVANIA STATE UNIVERSITY, a state-related institution and instrumentality of the Commonwealth of Pennsylvania subject to the Pennsylvania nonprofit corporation laws, hereinafter called the 'Owner' for the following project:

In consideration of the promises set forth herein, and with intent to be legally bound, the parties agree as follows:

ARTICLE 1: THE DOCUMENTS FORMING THE AGREEMENT

The Documents forming the subject of this Agreement are listed in the following documents (Note: All Exhibits are attached and are incorporated hereto):

1. Exhibit A:
2. Exhibit B:
3. Exhibit C:
4. Exhibit D:
5. Exhibit E:

ARTICLE 2: THE PROFESSIONAL

References to the Professional in any of the Contract Documents shall refer to the Professional retained by the Owner whose name appears hereafter:

The Professional shall either be a person or firm lawfully licensed to practice architecture or engineering or the appropriate office of the Owner as noted.

ARTICLE 3: THE CONSTRUCTION TEAM AND GENERAL OBLIGATIONS OF CONSTRUCTION MANAGER

3.1 THE PROJECT TEAM

The Construction Manager, the Owner and the Professional, hereinafter called the Project Team, shall work as a team from the Notice to Proceed for this Agreement through completion of the Work. The Construction Manager shall provide leadership to the Project Team on all matters relating to preconstruction, procurement, construction, and project close-out.

3.2 GENERAL OBLIGATIONS OF CONSTRUCTION MANAGER

The Construction Manager agrees to provide leadership to the Project Team and to furnish all labor, material, tools, machinery, equipment, facilities and supplies to do all things necessary for the completion of Construction Management Services.

The Construction Manager's services consist of those services performed by the Construction Manager, Construction Manager's employees, and Construction Manager's consultants.

The Construction Manager's services shall be expeditiously performed as mutually agreed to between the Construction Manager and the Owner, consistent with appropriate skill, care, and the orderly progress of the work.

By executing this Agreement, the Construction Manager represents to the Owner that the Construction Manager is professionally qualified to act as the Construction Manager for the Project and is licensed to practice by all public entities having jurisdiction over the Construction Manager and the Project. The Construction Manager further represents to the Owner that the Construction Manager will maintain all necessary licenses, permits, or other authorizations necessary to act as Construction Manager for the Project until the Construction Manager's remaining duties hereunder have been satisfied. The Construction Manager assumes full responsibility to the Owner for the negligent acts and omissions of the Construction Manager's consultants or others employed or retained by the Construction Manager in connection with the Project.

Execution of this Agreement by the Construction Manager constitutes a representation that the Construction Manager has become familiar with the Project site and the local conditions under which the Project is to be implemented.

Any and all Basic Services not outlined in Article 5: Construction Manager's Services shall be those contained in the attached proposals (Exhibit E) from the Construction Manager. Construction Manager's proposals are attached for scope-of-work and Construction Manager Responsibilities only. By execution of this agreement, additional terms and conditions that may be included in the Construction Manager's proposal are not considered part of this agreement.

3.3 BEST EFFORTS and COLLABORATION

The Construction Manager, recognizing the relationship of trust and confidence established between the Construction Manager and the Owner by the terms of this Agreement, undertakes to furnish its best skill and judgment and to cooperate loyally with the Professional in forwarding the interests of the Owner, and to have no pecuniary interest, direct or indirect, in the Agreement, or in its performance other than as disclosed in this Agreement.

The Construction Manager agrees to promote a collaborative Project Team environment. By forming a collaborative Project Team, the parties intend to gain the benefit of an open and creative learning environment, where members are encouraged to share ideas freely in an atmosphere of mutual respect and tolerance. Project Team members shall work together and individually to achieve transparent and cooperative exchange of information in all matters relating to the Project and to share ideas for improving project delivery. Team members shall actively promote harmony, collaboration and cooperation among all entities performing on the Project.

ARTICLE 4: DEFINITIONS

The term "Project" shall comprise the Work defined by the Contract Documents and may include Work by the Owner or other separate contractors, Trade Contractors, Sub-Trade Contractors, or the Professional.

The term "Construction Management Services" shall mean whatever is done by or required of the Construction Manager to perform and complete its duties under this Agreement.

The term "day" shall mean calendar day unless otherwise specifically designated.

The Trade Contractor is a person or organization who contracts under the Owner for a portion of the Work defined in the Contract between the Owner and the Professional. The Trade Contract may be directly with the Owner or through a subcontract with another Trade Contractor.

The Drawings are the graphic portion of the Contract Documents generally consisting of plans, elevations, sections, details, diagrams, and schedules of the Work.

The Specifications are the written portion of the Contract Documents generally outlining the requirements for materials, equipment, construction systems, methods, standards, workmanship, and performance necessary to properly complete the work.

The Project Manual is the document assembled consisting of all the written portions of the Work including the Specifications, bidding requirements, sample forms, General Conditions and Special Requirements.

ARTICLE 5: CONSTRUCTION MANAGER'S SERVICES

The Construction Manager will perform the following services under this Agreement.

5.1 PRECONSTRUCTION PHASE

- 5.1.1 Consultation During Project Development: Schedule and attend regular or biweekly meetings with the Professional and Owner during design development to advise on site use and improvements, selection of materials, building systems and equipment. Provide recommendations on construction feasibility, availability of materials and labor, time requirements for installation and construction, and factors related to cost, including costs of alternative designs or materials, preliminary budgets, and possible economies and schedule improvements.
- 5.1.2 Scheduling: Develop a Project Master Schedule that coordinates and integrates the Professional's design efforts with construction schedules. Update monthly the Project Master Schedule, incorporating a detailed schedule for the construction operations of the Project, including realistic activity sequences and durations, allocation of labor and materials, processing of shop drawings and samples, and delivery of products requiring long lead-time procurement. Include the Owner's occupancy requirements showing portions of the Project having occupancy priority.
- 5.1.3 Project Budget: Prepare a Project budget as soon as major Project requirements have been identified, and update periodically for the Owner's approval. Prepare an estimate based on a quantity survey of Drawings and Specifications at the end of the schematic design phase for approval by the Owner as the Project Construction Budget. Update and refine this estimate for the Owner's approval as the development of the Drawings and Specifications proceeds, and advise the Owner and the Professional if it appears that the Project Construction Budget will not be met and make recommendations for corrective action.
- 5.1.4 Building Information Modeling (BIM): Construction Manager shall collaborate with the Professional to establish a BIM execution plan for the project, identifying uses and processes that add value to the project. Construction Manager to determine and outline model protocols with the Professional. At a minimum, Construction Manager shall utilize BIM for the M.E.P. coordination process, and shall provide the Owner with fully coordinated as-builts of the building systems. Construction Manager shall ensure that this BIM process is properly included in the Trade Contractor bid packages, as applicable.

- 5.1.5 Coordination of Contract Documents: Review the Drawings and Specifications with the Professional and Owner as they are being prepared, recommending alternative solutions whenever design details affect construction feasibility, schedules, or create construction conflicts, without assuming any of the Professional's responsibilities for design.
- 5.1.6 Construction Planning: Schedule and recommend for purchase all materials and equipment requiring long lead-time procurement and coordination preparation of necessary Contract documents by the Professional. Expedite and coordinate delivery of the long lead-time purchases and schedule the purchase and coordinate the delivery of Owner-furnished equipment as requested by the Owner.

Determine the appropriate division of documents into fast-track bid packages if requested by the Owner and review the drawings and specifications to: (1) ascertain if areas or jurisdiction overlap, (2) verify that all Work has been included, and (3) allow for phased construction.

After consultation with the Owner and the Professional regarding the division of Work in the Drawings and Specifications, make recommendations to facilitate the bidding and awarding of Trade Contracts, allowing for phased construction, taking into consideration such factors as time of performance, availability of labor, overlapping trade jurisdictions, and provisions for temporary facilities.

Review Drawings and Specification with the Professional to eliminate areas of conflict and overlapping in the Work to be performed by the various Trade Contractors and prepare prequalification criteria for bidders.

- 5.1.7 Cost Control: Develop and monitor an effective system of Project Cost Control. Develop cash flow reports and forecasts as needed. Identify variances between forecasted or actual costs and estimated costs, and advise Owner and Professional whenever projected cost differs from budget. Provide value engineering as needed or when requested by Owner.
- 5.1.8 Special Consultants: If requested, assist the Owner in selecting and retaining the professional services of special consultants (i.e., testing lab, surveyors, etc.) and coordinate the services.
- 5.1.9 Communications: Refer all questions relative to interpretation of the design intent to the Professional in writing and insure communications between the Owner, Construction Manager and Professional.
- 5.1.10 Reports: Record the progress of the Project monthly, and record minutes of all meetings in a format acceptable to the Professional and the Owner and insure distribution to all appropriate parties.
- 5.1.11 Collaboration: The Construction Manager is to establish a collaborative environment with the Project Team.

5.2 PROCUREMENT PHASE

- 5.2.1 Bidding and Award of Trade Contracts: All Work will be competitively bid. The Project Team will determine which trades require prequalification by the Construction Manager. The Construction Manager shall prequalify all bidders per an agreed upon prequalification process by the Project Team. The Construction Manager is to review all bidders lists with Owner and Professional for approval before proceeding, assist in establishing bidding schedules, issue bidding documents, and conduct pre-bid conferences to familiarize bidders with the documents and with any special systems, materials, methods or conditions, and is responsible for bid analyses, bid-verification, and scope-review efforts. The Construction Manager will then make written award recommendations to the Owner and Professional.
- 5.2.2 Minority and Women Business (MBE/WBE Enterprise Program): Develop and implement a system to assist Trade Contractors in attaining the MBE/WBE participation goals that have been established by the Owner. The Owner has set a goal of **10%** combined utilization of MBE and WBE contractors and suppliers. Track and monitor the MBE/WBE participation and submit monthly updates to the Owner. In

coordination with the Owner, conduct an Open House and hold workshops in an effort to increase MBE/WBE participation. Construction Manager to follow all protocol established by the Pennsylvania Department of General Services.

5.3 CONSTRUCTION AND POST-CONSTRUCTION PHASE

- 5.3.1 Project Control: Direct and monitor the Work of the Trade Contractors and coordinate the Work with the activities and responsibilities of the Owner, Professional, and Construction Manager to complete the Project in accordance with the Owner's objectives.
- 5.3.2 Project Staffing: Maintain a competent full-time staff at the Project site to coordinate and provide general direction of the Work and progress of the Trade Contractors on the Project. It is intended that the Project Manager for Construction and the Field Superintendent for Construction indicated on the Construction Management Services Proposal Form and presented at the interview meeting will be considered to be full-time staff at the Project site from start to final completion. Changes in the above-mentioned staff shall only be made with the concurrence of the Owner. A request for change in staff will be presented in writing to the Owner. Establish on-site organization and lines of authority in order to carry out the overall plans of the Project Team.
- 5.3.3 Communication: Establish procedures for coordination among the Owner, Professional, Trade Contractors, and Construction Manager with respect to all aspects of the Project and implement such procedures to insure that all parties receive the correct information.
- 5.3.4 Progress Meetings: Schedule and conduct biweekly progress meetings at which Trade Contractors, Owner, Professional, and Construction Manager can discuss jointly such matters as procedures, progress, problems, and scheduling. Schedule and conduct biweekly meetings with Owner and Professional to discuss progress, resolve problems, and update schedule.
- 5.3.5 Scheduling: Provide regular monitoring of the schedule as construction progresses. Identify potential variances between scheduled and probable completion dates. Review schedule for Work not started or incomplete and recommend to the Owner and Trade Contractors adjustments in the schedule to meet the Contract completion date. Document all changes in schedule. Update schedule on a monthly basis or as needed. Determine the adequacy of the Trade Contractors' personnel and equipment and the availability of materials and supplies to meet the schedule, and take appropriate courses of action with Trade Contractors when requirements are not being met.
- 5.3.6 Change Orders: Develop and implement a system for the preparation, review, and processing of Change Orders. Recommend necessary or desirable changes to the Owner and the Professional, review requests for changes in Scope of Work, submit recommendations to the Owner and the Professional, and assist in negotiating changes in cost and/or time. Maintain a detailed change-order log.
- 5.3.7 Payments to Trade Contractors: Develop and implement a procedure for review of payment applications by Trade Contractors for progress and final payments.
- 5.3.8 Permits and Fees: Assist the Owner and Professional in obtaining a building permit. Assist the Owner and Professional in obtaining all other necessary permits for construction and permanent improvements, including permits and inspection of temporary facilities required to be obtained. Assist in obtaining approvals from all the authorities having jurisdiction.
- 5.3.9 Quality Control and Inspection: Inspect the Work of Trade Contractors for defects and deficiencies in the Work. The Owner and/or Professional will co-inspect as deemed necessary by the Owner. The Construction Manager to establish a Quality Assurance/Quality Control Plan for the project.
- 5.3.10 Safety: Set up a written Site Specific Job Safety Program and review the safety programs of each of the Trade Contractors and make appropriate recommendations. In making such recommendations and carrying out such review, the Construction Manager shall be required to make regular and complete inspections to check safety precautions and programs in connection with the Project. Safety

Program will incorporate on-site review on a weekly basis with Trade Contractors. The performance of such services by the Construction Manager shall not relieve the Trade Contractors of their responsibilities for the safety of persons and property, and for compliance with all federal, state and local statutes, rules, regulations and orders applicable to the conduct of the Work.

Construction Manager and each Trade Contractor shall be obligated to adhere to the safety requirements as outlined in the following: Contractor Safety Requirements, The Pennsylvania State University, Office of Physical Plant, Design and Construction Standards, Division 00, Sub-Section 00 01 00.

- 5.3.11 Document Interpretation: Assist in the coordination of all Requests for Information (R.F.I.). Maintain a log of R.F.I.'s and responses.
- 5.3.12 Shop Drawings and Samples: In collaboration with the Professional, establish and implement procedures and schedules for expediting the processing and approval of shop drawings and samples in accordance with the procedures outlined in the General Conditions of the Trades Contracts. Maintain a detailed shop-drawing, submittal, and samples log.
- 5.3.13 Reports and Project Site Documents: Record the progress of the Project. Submit written progress reports to the Owner and the Professional including information on the Trade Contractors' Work and the percentage of completion. Maintain a written daily construction log and make available to the Owner and/or Professional when requested. The daily log shall include but not be limited to the following: record of weather, Trade Contractors' work at the site, the number and type of workers on site, work accomplished, problems encountered, unusual events, and other relevant data that the Owner and Professional may reasonably require. Record job progress monthly using photographs and written reports. Maintain at the Project site, on a current basis, records of all necessary Contracts, Drawings, samples, purchases, materials, equipment, maintenance and operating manuals and instructions, and other construction-related documents, including all revisions. Obtain data from Trade Contractors and maintain on site a current set of As-Built Drawings, Specifications and operation manuals. At the completion of the Project, deliver all such records to the Professional for the Professional's review and submittal to the Owner in the preferred format approved by the Owner. The Construction Manager is to assist the Owner in the assembly of monthly project reports, as required by and outlined in the DGS Delegation Agreement pertaining to the project.
- 5.3.14 Commissioning and Start-Up: With the Owner's operating/maintenance personnel, direct the checkout of utilities, operations systems and equipment for readiness and assist in their initial start-up, testing, demonstration and instruction by the Trade Contractors. Schedule all of these with the Owner and the Professional. Provide coordination of Commissioning Agent services.
- 5.3.15 LEED: Assist the Professional in reviewing, assembling, and submitting all documentation required for achieving the LEED target certification level that has been established for the project.
- 5.3.16 Close-Out: Participate in Substantial Completion and Final Inspections of all trades contracts. Coordinate with the Professional in the production of the appropriate punch-lists, and provide follow-up to ensure that all items are completed to the satisfaction of the Owner. Assist, as needed, in the acquisition of the Certificate of Occupancy. Participate in the commissioning process, the level of involvement of which is indicated in the attached proposal of the Construction Manager.

5.4 ADDITIONAL SERVICES

- 5.4.1 Additional services, if requested by the Owner, will be provided by the Construction Manager only upon written agreement between the Owner and Construction Manager defining the extent of such additional services and the amount and manner in which the Construction Manager will be compensated for such additional services.

ARTICLE 6 - OWNER'S RESPONSIBILITIES

- 6.1 The Owner shall provide full information regarding the Owner's requirements for the Project to the best of the Owner's ability.
- 6.2 The Owner shall designate a representative who shall be fully acquainted with the Project and has authority to approve revisions to the project construction budgets, approve Change Orders, render decisions promptly and furnish information expeditiously.
- 6.3 The Owner shall furnish for the site of the Project all necessary surveys describing the physical characteristics, soil reports and subsurface investigations, legal limitations, known utility locations and a legal description as may be necessary.
- 6.4 The Owner will furnish to the Construction Manager reproducible drawings and specifications necessary for the execution of the work.
- 6.5 The Owner shall provide Builder's Risk insurance for the Project.
- 6.5.1 If the Owner becomes aware of any fault or defect in the work or nonconformance with the drawings and Specifications, the Owner shall give prompt written notice thereof to the Construction Manager. The Construction Manager shall take immediate steps to correct such fault or defect.
- 6.7 The Owner shall communicate with the Trade Contractors through the Construction Manager or per agreed upon protocols by the Project Team.

ARTICLE 7 – CONSTRUCTION MANAGER'S EXPENSES

7.1 BILLABLE HOURLY RATES

- 7.1.1 Billable rates per hour are agreed upon rates for the principals, associates and employees of the firm who are assigned to and are productively engaged on the Project, including clerical employees. Billable rates for the Construction Management staff are listed in Exhibit A. Billable rates are not subject to audit.
- 7.1.2 The billable rates per hour for the Construction Manager's employees shall include mandatory and customary benefits such as employment taxes, statutory employee benefits, insurance, sick leave, holidays, vacations, pensions and similar contributions and benefits.

7.2 REIMBURSABLE EXPENSES

Reimbursable expenses include those expenses as follows for which the Construction Manager shall be reimbursed a not-to-exceed amount for his direct "out of pocket" costs (Note: Mark-ups on reimbursable expenses shall not be permitted).

- 7.2.1 Out-of-town and out-of-state travel expenses, long-distance communications and any necessary fee or permit payment required and paid to any governing body or authority having jurisdiction over the Project.
- 7.2.2 Expenses incurred for setting up, operating and maintaining, and disassembling a project office at the site. All costs are to be approved in advance.
- 7.2.3 Expense of reproductions, postage and handling of drawings and other documents.
- 7.2.4 Costs for legal services arising from the prosecution of the services for issues not resulting from negligence by the Construction Manager. Prior to incurring any legal cost, Construction Manager must obtain written authorization from the Owner which will not be unreasonably withheld.

ARTICLE 8: COMPENSATION

8.1 FEE COMPENSATION

The Owner agrees to pay the Construction Manager as compensation for those Basic Services described in Article 5 a fee amount not to exceed _____ Dollars (\$ _____).

8.1.2 Payment for Basic Services will be made monthly by the Owner in proportion to the service actually performed.

8.2 GENERAL CONDITIONS COMPENSATION

The Owner agrees to pay the Construction Manager as compensation for the **General Conditions**, as outlined in the attached Proposal submitted by the CM an amount not to exceed _____ Dollars (\$ _____). Note: All backup/substantiation of such costs shall be included with each request for payment.

8.2.1 CM STAFF COMPENSATION (Preconstruction and Construction Phase Services)

The Owner agrees to pay the Construction Manager as compensation for **CM Staff Costs** an amount not to exceed _____ Dollars (\$ _____). Note: All backup/substantiation of such costs shall be included with each request for payment.

8.2.2 TOTAL COMPENSATION

Total Compensation payable to the Construction Manager under this agreement shall not exceed _____ Dollars (\$ _____).

8.3 ADDITIONAL PROVISIONS

8.3.1 Payments are due and payable forty-five (45) days from the date of receipt of complete and appropriate invoice.

8.3.2 Submission of the Construction Manager's invoice for final payment and reimbursement shall further constitute the Construction Manager's representation to the Owner that, upon receipt from the Owner of the amount invoiced, all obligations of the Construction Manager to others, including its consultants, incurred in connection with the Project, will be paid in full.

8.3.3 The Owner, the U.S. Dept. of Commerce's Economic Development Administration, the Comptroller General of the United States, the Inspector General of the Department of Commerce, or any of their duly authorized representatives, shall have access to any documents, books, paper, and records of the CM (which are directly pertinent to a specific grant program) for the purpose of making an audit, examination, excerpt and/or transcriptions. The Construction Manager shall maintain all required records for at least three years after the Owner makes final payment.

8.4 OWNER'S RIGHT TO WITHHOLD PAYMENT

8.4.1 In the event that the Owner becomes credibly informed that any representation of the Construction Manager provided pursuant to Article 8 is wholly or partially inaccurate, the Owner may withhold payment of sums then or in the future otherwise due to the Construction Manager until the inaccuracy, and the cause thereof, is corrected to the Owner's reasonable satisfaction.

8.5 CONSTRUCTION MANAGER'S RECORDS

Documentation accurately reflecting the time expended by the Construction Manager and its personnel and records of Reimbursable Expenses shall be maintained by the Construction Manager and shall be available to the Owner for review and copying upon request.

All Construction Manager's accounting records and associated back-up documentation shall be available for audit upon request by the Owner.

ARTICLE 9 - TERMINATION OF THE AGREEMENT

9.1 TERMINATION BY OWNER

Prior to, or during the performance of the Work, the Owner reserves the right to terminate the Contract for unforeseen causes including but not limited to court orders, real or perceived CM breach-of-contract, loss of funding, acts of the federal government to discontinue the Work, or any other reason the Owner deems necessary. Upon such an occurrence, the following procedures will be adhered to:

- 9.1.1 The Owner will immediately notify the Professional and the Construction Manager in writing, specifying the effective termination date of the Contract.
- 9.1.2 After receipt of the notice of termination, the Construction Manager shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due at that point in the Contract:
- (1) Stop all work.
 - (2) Place no further trade contracts or orders.
 - (4) Cancel all material and equipment orders as applicable.
 - (5) Take action that is necessary to protect and preserve all property related to this Contract which is in the possession of the Construction Manager.
- 9.1.3 Within one hundred eighty (180) days of the date of the notice of termination, the Construction Manager shall submit a final termination settlement proposal to the Owner based upon costs up to the date of termination, reasonable profit on Work done only, and reasonable demobilization costs. All costs submitted under an Owner Termination shall be actual, measurable, and subject to audit. No reimbursement shall be made for home-office labor or overhead in any case after the date the contract is terminated. If the Owner agrees to pay for demobilization labor costs, those costs shall be at ACTUAL cost of labor plus actual payroll taxes, insurance, and non-discretionary fringe benefits with no markup for profit, overhead, multipliers or any other markup allowed. If the Construction Manager fails to submit the proposal within the time allowed, the Owner may determine the amount due to the Construction Manager because of the termination and shall pay the determined amount to the Construction Manager. Such compensation shall be the Construction Manager's sole and exclusive remedy for termination.
- 9.1.4 If the Construction Manager and the Owner fail to agree on the settlement amount, the matter will be handled as a dispute.

9.2 TERMINATION BY CONSTRUCTION MANAGER

If the Work is stopped for a period of ninety (90) days under an order of any court or other public authority having jurisdiction, or as a result of an act of government, such as a declaration of a national emergency making materials unavailable, through no act or fault of the Construction Manager or a Trade Contractor or their agents or employees or any other persons performing any of the Work under a contract with the Construction Manager, then the Construction Manager may, upon ten (10) additional days written notice to the Owner and the Professional, terminate the Contract and the Owner shall pay the Construction Manager for all Work executed, including Construction Management fee earned to date associated with such Work or losses and reasonable expenses resulting from such termination.

If the cause of the work stoppage is removed prior to the end of the ten (10) day notice period, the Construction Manager may not terminate the Contract.

9.3 SUSPENSION OF WORK

The Owner may, at any time, direct the Construction Manager to suspend all work on the Project, or on any part thereof, pending receipt of further notice from the Owner. In all such cases, the Owner and the Construction Manager shall agree upon an appropriate phasing out of the work in such a manner that the work may be resumed with a minimum of added cost to the Owner.

9.4 WRITTEN NOTICE

Written notice shall be considered to have been duly given if delivered in person to the individual or member of the firm or to an officer of the corporation for whom it is intended, or if delivered at or sent by United States mail to the last business address known.

ARTICLE 10 - MISCELLANEOUS PROVISIONS

10.1 APPLICABLE LAW

The interpretation and construction of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. In the event litigation arises out of this Contract, the parties agree to submit any claim to the competent courts of Centre County, Pennsylvania.

10.2 SUCCESSORS AND ASSIGNS

This Agreement shall be binding on the successors and assigns of the parties hereto.

10.3 ASSIGNMENT

Neither the Owner nor the Construction Manager shall assign or in any manner transfer any right, duty or obligation under this Agreement.

10.4 ENTIRE AGREEMENT

This Agreement represents the entire agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements. This Agreement shall not be superseded by any provisions of the documents for construction and may be amended only by written instrument signed by both the Owner and the Construction Manager.

10.5 SUSPENSION OF WORK

The Owner may, at any time, direct the Construction Manager to suspend all Work on the Project, or on any part thereof, pending receipt of further notice from the Owner. In all such cases, the Owner and the Construction Manager shall agree upon an appropriate phasing-out of the Work in such a manner that the Work may be resumed with a minimum of added cost to the Owner, but in no event shall the Work be continued beyond the completion of the Preliminary Phase. If Work is suspended, compensation shall be paid for all Construction Manager Services provided to the date of suspension but no additional compensation shall be paid during the period of suspension.

10.6 RELEASE OF INFORMATION

The Construction Manager understands and agrees that the Owner may release to taxing authorities any and all information relating to the Work.

With prior written consent of the Owner, the Construction Manager shall have the right to include representation of the Project among the Construction Manager's promotional and professional materials. The Construction Manager shall not issue or disclose any information relating to the Project without prior written consent of the Owner.

10.7 THIRD PARTY

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against the Owner or the Construction Manager.

10.8 OWNERSHIP AND USE OF DOCUMENTS

All studies, special requirements, cost estimates, and all other data compiled by the Construction Manager under this Agreement, shall become the property of the Owner, and may be used for any purpose desired by the Owner. The Construction Manager shall not be liable for any reuse of these documents by the Owner.

10.9 BACKGROUND CHECK POLICY

The Construction Manager confirms that all employees (including the employees of any subconsultants/subcontractors) assigned to this project, and who conducted their work on Penn State premises, have had background checks that meet or exceed the University's standards for the type of work being performed. All background checks should be in accordance with the background check process for third-party employees outlined in Penn State Policy HR99 Background Check Process (<http://guru.psu.edu/policies/OHR/hr99.html>).

10.10 TAXES

The Construction Manager shall pay sales, consumer, use and similar taxes for the Work on portions thereof provided by the Construction Manager which are legally enacted when bids are received, whether or not yet effective or merely scheduled to go into effect.

The Construction Manager is obligated to pay all Pennsylvania sales tax with the exception of those items for which an exemption might be claimed under Sales and Use Tax Regulation (S31.11--SS31.16).

The Construction Manager and each Trade Contractor shall agree to assign and transfer to the Owner all its rights to sales and use tax which may be refunded as a result of a claim for refund for material purchased in connection with this contract. The Construction Manager and each Trade Contractor further agrees that it will not file a claim for refund for any sales or use tax which is the subject of this assignment. The Construction Manager and each Trade Contractor shall incorporate this Owner's right to any and all Subcontracts.

ARTICLE 11 - SCHEDULE

The Work to be provided under this Contract shall be in accordance with the following schedule:

Start of Construction	_____
Substantial Completion	_____
Final Completion (completion of all punch list items)	_____

ARTICLE 12 - INSURANCE

12.1 CONSTRUCTION MANAGER'S LIABILITY INSURANCE

12.1.1 General Liability Insurance

The Construction Manager shall secure and maintain, at its sole cost and expense, adequate General Liability Insurance to protect the Owner and the Owner's respective officers, agents, servants, and employees against claims arising out of the Construction Manager's services during the Project for damages in law or equity for property damage and bodily injury, including wrongful death. The Owner shall be named as an additional insured in the policy, and the Professional shall submit a Certificate of Insurance to the Owner prior to execution of the Agreement. The limits of coverage shall be not less than \$2,000,000. The Construction

Manager is required to secure and maintain General Liability Insurance, up to and including Final Completion of the Project.

12.1.2 Certificate of Insurance

The Construction Manager shall furnish to the Owner annually, unless otherwise requested, during the active terms of this Agreement, a Certificate from an Insurance Carrier authorized to do business in Pennsylvania indicating: (1) the existence of the insurance required under this Article; (2) the amount of the deductible; and (3) the amount of coverage of such insurance.

Certificates of Insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. These Certificates and the insurance policies required by this Paragraph shall contain a provision that coverages afforded under the policies will not be cancelled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment. Information concerning reduction in coverage shall be furnished by the Construction Manager with reasonable promptness in accordance with the Construction Manager's information and belief.

12.1.3 Failure to Comply with Insurance Requirements

During any period in which the Construction Manager is not in compliance with the terms of this Article, no compensation shall be paid by the Owner to the Construction Manager.

ARTICLE 13 – PROVISIONS REQUIRED BY PENNSYLVANIA OR FEDERAL LAW

13.1 Nondiscrimination: So long as this Agreement is in effect, the Construction Manager agrees to the terms of the Nondiscrimination Clause attached hereto as Exhibit "A".

13.2 Construction Manager Integrity Provisions and Disclosure of Financial Interest: So long as this Agreement is in effect, the Construction Manager agrees to the Construction Manager Integrity Provisions attached hereto as Exhibit "B".

13.3 Construction Manager Debarment Provisions: Included in and made a part of this Agreement is Exhibit "C", Certification and Stipulations Related to Debarment.

13.4 Tax Liability Provisions: Included in and made part of this Agreement is Exhibit "D", Tax Liability Provisions.

THIS AGREEMENT entered into as of the day and year written above.

**THE PENNSYLVANIA STATE UNIVERSITY
OWNER**

Title

ATTEST, Secretary

(Insert Name of CM Firm here)
CONSTRUCTION MANAGER

By: _____
Signature

ATTEST, Secretary

Name: _____
(Please print name of person signing above)

Title: _____
(Please print title of person signing above)

Federal ID Number: _____

EXHIBIT A

NONDISCRIMINATION CLAUSE

During the term of this contract, the Construction Manager agrees as follows:

1. Construction Manager shall not discriminate against any employee, applicant for employment, independent consultant, or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Construction Manager shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Professional shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this nondiscrimination clause.
2. Construction Manager shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex, or handicap.
3. Construction Manager shall send each labor union or workers' representative with which it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or workers' representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source of recruitment regularly utilized by Construction Manager.
4. It shall be no defense to a finding of noncompliance with this nondiscrimination clause that Construction Manager had delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the Construction Manager was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.
5. Where the practice of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so that Construction Manager will be unable to meet its obligations under this nondiscrimination clause, Construction Manager shall then employ and fill vacancies through other nondiscriminatory employment procedures.
6. Construction Manager shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of Construction Manager noncompliance with the nondiscrimination clause of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and Construction Manager may be declared temporarily ineligible for further contracts, and other sanctions may be imposed and remedies invoked.

7. Construction Manager shall furnish all necessary employment documents and records to, and permit access to its books, records and accounts by the contracting agency and the Office of Administration, Bureau of Affirmative Action, for purposes of investigation to ascertain compliance with the provisions of this clause. If Construction Manager does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting agency or the Bureau of Affirmative Action.
8. Construction Manager shall actively recruit minority consultants or consultants with substantial minority representation among their employees.
9. Construction Manager shall include the provisions of this nondiscrimination clause in every agreement so that such provisions will be binding upon each Consultant.
10. Construction Manager obligations under this clause are limited to the Construction Manager facilities within Pennsylvania.

EXHIBIT B

CONSTRUCTION MANAGER INTEGRITY PROVISIONS

1. Definitions.
 - a. Confidential Information means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring a contract with the Owner.
 - b. Consent means written permission signed by a duly authorized officer or employee of the Owner, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Owner shall be deemed to have consented by virtue of execution of this Agreement.
 - c. Construction Manager means the individual or entity that has entered into this Agreement with the Owner, including directors, officers, partners, managers, key employees, and owners of more than a five percent (5%) interest.
 - d. Financial Interest means:
 - (1) Ownership of more than a five percent (5%) interest in any business; or
 - (2) Holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.
 - e. Gratuity means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.
2. The Construction Manager shall maintain the highest standards of integrity in the performance of this Agreement and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Owner.
3. The Construction Manager shall not disclose to others any confidential information gained by virtue of this Agreement.
4. The Construction Manager shall not, in connection with this or any other agreement with the Owner, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Owner.
5. The Construction Manager shall not, in connection with this or any other Agreement with the Owner, directly or indirectly, offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Owner.
6. Except with the consent of the Owner, neither the Construction Manager nor anyone in privity with the Construction Manager shall accept or agree to accept from, or give or agree to give to, any

person, any gratuity from any person in connection with the performance of work under this Agreement except as provided therein.

7. Except with the consent of the Owner, the Construction Manager shall not have a financial interest in any other Consultant, contractor, subcontractor, or supplier providing services, labor, or material on this project.
8. The Construction Manager, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Owner in writing.
9. The Construction Manager, by execution of this Agreement and by the submission of any bills or invoices for payment pursuant thereto, certifies and represents that the Construction Manager has not violated any of these provisions.
10. The Construction Manager, upon the inquiry or request of the Owner, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Owner to the Construction Manager's integrity or responsibility, as those terms are defined by the Commonwealth's statutes, regulations, or management directives. Such information may include, but shall not be limited to, the Construction Manager's business or financial records, documents, or files of any type or form which refer to or concern this Agreement. Such information shall be retained by the Construction Manager for a period of three (3) years beyond the termination of the contract unless otherwise provided by law.
11. For violation of any of the above provisions, the Owner may terminate this and any other Agreement with the Construction Manager, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another Construction Manager to complete performance hereunder, and debar and suspend the Construction Manager from doing business with the Owner. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Owner may have under law, statute, regulation, or otherwise.

EXHIBIT C

CERTIFICATION AND STIPULATIONS RELATED TO DEBARMENT

1. By execution of this contract, the Construction Manager certifies that neither it nor its principals are presently debarred, suspended, or voluntarily excluded from participation in this transaction by any other state government or by any federal department or agency.
2. In addition, the Construction Manager may not enter into any subcontract with any person or firm which has been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any other state government or any federal department or agency. By execution of this contract, the Construction Manager agrees that it will terminate any subcontract with any person or firm which has been debarred or suspended immediately upon finding out of the debarment or suspension.
3. Further, the Construction Manager agrees that it will incorporate this provision for certification without modification in each subcontract and in all lower tier subcontracts. The Construction Manager may rely upon the certification of a prospective consultant unless it has knowledge that the certification is erroneous.
4. The Construction Manager shall provide immediate written notice to the Owner if the Construction Manager learns that its certification or that of a Consultant was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. This certification is a material representation of fact upon which reliance is placed in entering into this contract. If it is later determined that the Construction Manager knowingly rendered an erroneous certification, or did not provide the Owner with notice of an erroneous certification as provided by this provision, the Owner may find the Construction Manager in default and terminate the contract. Erroneous certification may also be grounds for the initiation of civil or criminal proceedings.
6. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith, the certification required by this provision. The knowledge and information of a Construction Manager is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
7. The Construction Manager agrees that it will be responsible for reimbursing the Owner for all necessary and reasonable costs and expenses incurred relating to an investigation of the Construction Manager's compliance with the terms of this or any other Agreement between the Construction Manager and the Owner which results in the suspension or debarment of the Construction Manager.

EXHIBIT D

TAX LIABILITY PROVISIONS

1. Offset of Tax Liability

The Construction Manager, by execution of the contract:

- a. Certifies that the Construction Manager has no outstanding tax liability to the Commonwealth of Pennsylvania;
- b. Authorizes the Department of Revenue to release information related to its tax liability to the Department of General Services; and
- c. Authorizes the Commonwealth to offset any state and local tax liabilities of the Construction Manager or any of its subsidiaries, as well as any other amount due to the Commonwealth and/or Owner from the Construction Manager, against any payment due to the Construction Manager under a contract with the Commonwealth and/or Owner.

2. The certification of no outstanding tax liability is a material representation of fact upon which reliance is placed by the Commonwealth and/or Owner in entering into the contract. If it is later determined that the Construction Manager knowingly rendered an erroneous certification, the Commonwealth and/or Owner may find the Construction Manager in default and terminate the contract. Erroneous certification may also be grounds for the initiation of civil or criminal proceedings.