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This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

**AGREEMENT
BETWEEN OWNER AND CONTRACTOR FOR
CONSTRUCTION CONTRACT (STIPULATED PRICE)**

Prepared by



Issued and Published Jointly by



AGREEMENT
BETWEEN OWNER AND CONTRACTOR
FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)

THIS AGREEMENT or CONTRACT is by and between Town of Nags Head ("Owner" OR "Town") and
A.R. Chesson Construction Company Inc. ("Contractor").

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: *The Project consists of the enclosure of a portion of the existing covered parking area on the north side of the Town Hall Municipal Complex.*

ARTICLE 2 – THE PROJECT

2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: Nags Head Town Hall Sally Port Enclosure

ARTICLE 3 – ENGINEER/ARCHITECT

3.01 The part of the Project that pertains to the Work has been designed by Cahoon + Kasten Architects, 118 W. Woodhill Dr., Nags Head, NC 27959.

3.02 The Owner has retained Cahoon + Kasten Architects ("Architect") to act as Owner's representative, and have the rights and authority assigned to Architect in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

4.01 *Time of the Essence*

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence.

4.02 *Contract Times: Dates*

A. The Work will be substantially completed on or before February 21, 2017, and completed and ready for final payment on or before March 8, 2017.

B. Parts of the Work shall be substantially completed on or before the following Milestone(s):

1. **Milestone 1** Not Applicable

4.03 *Liquidated Damages*

A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the

actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):

1. Substantial Completion: Contractor shall pay Owner \$ 300 for each day that expires after the time (as duly adjusted pursuant to the Contract) of Substantial Completion until the Work is substantially complete.
2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$ 300 for each day that expires after such time until the Work is completed and ready for final payment.
3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.
4. Milestones: Not Applicable.

ARTICLE 5 – CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

- A. For all Work, as authorized by the Town of Nags Head, a lump sum of: **\$65,800**.

All specific cash allowances are included in the above price in accordance with the Specifications and Drawings.

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with the General Conditions. Applications for Payment will be processed by Owner/Architect as provided in the Specifications and Drawings.

6.02 *Progress Payments; Retainage*

- A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on or about the 10th day of each month during performance of the Work as provided in the Specifications, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the Specifications (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.

1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract
 - a. 95 percent of Work completed (with the balance being retainage). If the Work has been 50 percent completed as determined by Architect, and if the character

and progress of the Work have been satisfactory to Owner and Engineer, then as long as the character and progress of the Work remain satisfactory to Owner and Engineer, there will be no additional retainage; and

b. 20 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

B. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 100 percent of the Work completed, less such amounts set off by Owner pursuant to the Specifications, and less 200 percent of Engineer's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment.

6.03 *Final Payment*

A. Upon final completion and acceptance of the Work in accordance with the Specifications, Owner shall pay the remainder of the Contract Price as recommended by Owner/Architect as provided in said Specifications.

ARTICLE 7 – INTEREST

7.01 All amounts not paid when due shall bear interest at the rate of 1% percent per annum.

ARTICLE 8 – CONTRACTOR'S REPRESENTATIONS

8.01 In order to induce Owner to enter into this Contract, Contractor makes the following representations:

- A. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
- B. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
- C. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
- D. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor's safety precautions and programs.
- E. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
- F. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.

- G. Contractor has given Engineer/Architect written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
- H. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
- I. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

ARTICLE 9 – CONTRACT DOCUMENTS

9.01 Contents

- A. The Contract Documents consist of the following:
 - 1. This Agreement (pages 1 to 10, inclusive).
 - 2. Performance bond N/A (pages ___ to ___, inclusive).
 - 3. Payment bond N/A (pages ___ to ___, inclusive).
 - 4. Other bonds.
 - a. N/A (pages ___ to ___, inclusive).
 - 5. General Conditions N/A (pages ___ to ___, inclusive).
 - 6. Supplementary Conditions N/A (pages ___ to ___, inclusive).
 - 7. Specifications as listed in the table of contents of the Project Manual labeled "Specifications and Drawings Town of Nags Head- Town Hall Sally Port Enclosure Re-Bid."
 - 8. Drawings (not attached but incorporated by reference) consisting of 4 sheets with each sheet bearing the following general title: Nags Head Sally Port.
 - 9. Addenda (numbers 1 to 2, inclusive).
 - 10. Exhibits to this Agreement (enumerated as follows):
 - a. Contractor's Bid (pages 1 to 3, inclusive).
 - 11. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.
 - b. Work Change Directives.
 - c. Change Orders.
 - d. Field Orders.
- B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 9.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

ARTICLE 10 – MISCELLANEOUS

10.01 *Terms*

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

10.02 *Assignment of Contract*

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

10.03 *Successors and Assigns*

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

10.04 *Severability*

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

10.05 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 10.05:
 1. "corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
 3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

10.06 *Town of Nags Head Provisions*

- A. *Performance of Government Functions.* Nothing contained in this Agreement shall be deemed or construed so as to in any way estop, limit, or impair the Town from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.
- B. *Independent Contractor.* Both the Owner and Contractor and its subcontractors, if any, agree that the Contractor and its subcontractors, if any, shall act as an independent contractor and shall not represent itself as an agent or employee of the Town for any purpose in the performance of the Contractor's duties under this Agreement. Accordingly, the Contractor shall be responsible for payment of all Federal, State, and local taxes arising out of the Contractor's and sub consultants, as applicable, activities in accordance with this Agreement, including by way of illustration but not limitation, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, and any other taxes or business license fees as required.
- C. *Insurance and Indemnity.* The Contractor and its subcontractors, if any, shall indemnify and save harmless the Town, its agents and employees from and against all actions, liability, claims, suits, damages, cost or expenses of any kind which may be brought or made against the Town or which the Town must pay and incur by reason of or in any manner resulting from injury, loss or damage to persons or property resulting from negligent performance of or failure to perform any of its obligations under the terms of this Agreement.
1. The Contractor and its subcontractors, if any, shall be fully responsible to the Town for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by it, as the Contractor is for the acts and omissions of persons directly employed by it.
 2. The Contractor and its subcontractors, if any, shall comply with the North Carolina Worker's Compensation Act and shall provide for the payment of workers' compensation to its employees in the manner and to the extent required by such Act. In the event the Contractor and subcontractors, if any, are excluded from the requirements of such Act and does not voluntarily carry workers' compensation coverage, the Contractor shall carry or cause its employees to carry adequate medical/accident insurance to cover any injuries sustained by its employees or agents during the performance of Services and in accordance with the limits specified in the General Conditions.
 3. The Contractor and its subcontractors, if any, agrees to furnish the Town proof of compliance with said Act or adequate medical/accident insurance coverage upon request and in accordance with the limits specified in the General Conditions.
1. The Contractor and its subcontractors, if any, upon request by the Town shall furnish a Certificate of Insurance from an insurance company, licensed to do business in the State of North Carolina and acceptable to the Town verifying the existence of any insurance coverage required by the Town and in accordance with the limits specified in the General Conditions. The Certificate will provide for sixty (60) days advance notice in the event of termination, reduction, or cancellation of coverage.
- D. *Health and Safety.* The Contractor and its subcontractors, if any, shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work. The Contractor and its subcontractors, if any, shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to all employees from the work and other persons who may be affected thereby.

- E. *Non-Discrimination in Employment.* The Contractor or its subcontractors, if any, shall not discriminate on any basis prohibited by applicable Federal or State Law against any employee or applicant for employment. The Contractor or its subcontractors, if any, shall take affirmative action to ensure that applicants are employed and that employees are treated during employment in accordance with applicable Federal or State Law. In the event the Contractor or its subcontractors, if any, is determined by the final order of an appropriate agency or court to be in violation of any non-discrimination provision of federal, state or local law or this provision, this Agreement may be cancelled, terminated or suspended in whole or in part by the Town, and the Contractor may be declared ineligible for further contracts.
- F. *E-Verification of Employees:* The Contractor represents and warrants that it has ensured and will ensure for itself and each subcontractor that it uses to perform obligations under this Agreement, that either:
1. The Contractor or subcontractor employs less than 25 employees; or
 2. The Contractor or subcontractor: (a) employs 25 or more employees who are employed for 9 months or more during a 12-consecutive-month period; and (b) has used the E-Verify program, which program is operated by the United States Department of Homeland Security and is defined in N.C. Gen. Stat. § 64-25 (5), to verify the work authorization of each employee.
- G. *Other Provisions.* This Agreement is subject to such additional provisions as are set forth in any addendum executed separately by each party and attached hereto.
1. *Contract Documents/Amendments.* This document together with the purchase order, as applicable, and any incorporated exhibits and addendums constitutes the entire Agreement between the said two parties and may only be modified by a written mutual agreement signed by the parties and attached hereto. In the event of any conflict between this Agreement and any attached documents, the Agreement language will prevail.

H. DISPUTE RESOLUTION

A. Methods and Procedures

1. Disputes Subject to Final Resolution: The following disputed matters are subject to final resolution under the provisions of Rules for Implementing Mediated Settlement in North Carolina Public Construction Projects, adopted February 26, 2002 and in accordance with N.C.G.S 143-128(g), 143-135.26(11):
2. A timely appeal of an approval in part and denial in part of a Claim, or of a denial in full; and
3. Disputes between Owner and Contractor concerning the Work or obligations under the Contract Documents, and arising after final payment has been made.
4. Final Resolution of Disputes: For any dispute subject to resolution under this Article, Owner or Contractor may:
 - a. elect in writing to invoke the dispute resolution process Specifications; or
 - b. agree with the other party to submit the dispute to another dispute resolution process; or

c. if no dispute resolution process is provided for in the Specifications or mutually agreed to, give written notice to the other party of the intent to submit the dispute to a court of competent jurisdiction.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on November 1, 2016 (which is the Effective Date of the Contract).

OWNER:

CONTRACTOR:

City of

A.R. Chesson Construction Co., Inc.

By: CLIFF OGBURN

By: Mr Chesson

Title: TOWN MANAGER

Title: Vice President

Attest: Candyn Williams

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest: Billie Wilson

Title: TOWN CLERK

Title: Vice President of Contract Management

Address for giving notices:

Address for giving notices:

TOWN OF NABS HEAD, CO DAVID RYAN
P.O. Box 99
NABS HEAD, NC 27954

P.O. Box 1147
315 West Main Street
Williamston, NC 27892

License No.: 13540
(where applicable)

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act."

[Signature]
Finance Officer