



AGENDA

LAST FRONTIER HEALTHCARE DISTRICT

BOARD OF DIRECTORS

Thursday, January 25, 2024, 1:00 pm
City Council Chambers; Alturas City Hall; Alturas, California

Parties with a disability, as provided by the American Disabilities Act, who require special accommodations or aids in order to participate in this public meeting should make requests for accommodation to the Modoc Medical Center Administration at least 48 hours prior to the meeting. Board Agenda packets are available to the public online at www.modocmedicalcenter.org or at the MMC Administration offices.

1:00 pm - CALL TO ORDER – J. Cavasso, Chair

1. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA – J. Cavasso, Chair

2. AGENDA APPROVAL - Additions/Deletions to the Agenda – J. Cavasso, Chair

3. PUBLIC COMMENT - This is the time set aside for citizens to address the Board on matters not on the Agenda or Consent Agenda. Comments should be limited to matters within the jurisdiction of the Board. If your comment concerns an item shown on the Agenda, please address the Board after that item is open for public comment. **By law, the Board cannot act on matters that are not on the Agenda.** The Chairperson reserves the right to limit the duration of each speaker to **three minutes**. Speakers may not cede their time. Agenda items with times noted, will be considered at that time. All other items will be considered as listed on the Agenda, or as deemed necessary by the Chairperson.

4. DISCUSSION

A.) K. Kramer – New Finance Committee Member

REGULAR SESSION

5. CONSENT AGENDA - Items under the Consent Agenda heading do not require discussion before a vote. If discussion is needed, that item needs to be moved to the Consideration/Action part of the Agenda where discussion is allowed.

A.) D. King - Adoption of LFHD Board of Directors Regular Meeting Minutes – December 7, 2023

Attachment A

B.) E. Johnson – Policy and Procedures

Attachment B

- Section 504 Grievance Policy

6. CONSIDERATION/ACTION

A.) E. Johnson – Departmental Policy Manuals

Attachment C

- Hospital Pharmacy – Michael Gracza, Pharm.D, Director of Pharmacy Services
- Sterile Compounding - Michael Gracza, Pharm.D, Director of Pharmacy Services
- Pharmacy Long Term Care - Michael Gracza, Pharm.D, Director of Pharmacy Services
- Retail Pharmacy - Michael Gracza, Pharm.D, Director of Pharmacy Services
- Accounting and Business Office – Patrick Fields, CFO
- Critical Access Hospital/Administration– Kevin Kramer, CEO
- Purchasing – Lance Chrysler, Purchasing Manager
- Emergency Management – Jeremy Wills, Hospital Disaster Preparedness Coordinator

B.) P. Fields – December 2023 LFHD Financial Statement (unaudited)

Attachment D

- | | |
|--|--------------|
| C.) K. Kramer – New SNF and Hospital Addition-Design-Build Spending Authority Resolution #24-01 | Attachment E |
| D.) K. Kramer – Approval of Amendment #5 to the Design Build Agreement | Attachment F |
| E.) K. Kramer – Approval of Geothermal Change Order on the New SNF and Hospital Addition Project | Attachment G |
| F.) P. Fields – Hiring for Self-Pay Accounts and Partnering with Social Services | Attachment H |
| G.) A. Vucina – CNA Wage Increase Modification | Attachment I |

7. VERBAL REPORTS

- A.) K. Kramer – CEO Report to the Board
- B.) M. Edmonds – CMO Report to the Board
- C.) E. Johnson – CNO Report to the Board
- D.) P. Fields – CFO Report to the Board
- E.) A. Vucina – CHRO Report to the Board
- F.) A. Willoughby – COO Report to the Board
- G.) Board Member Reports

8. MOTION TO ADJOURN – J. Cavasso – Chair

POSTED AT: MODOC COUNTY COURTHOUSE / ALTURAS CITY HALL / MMC WEBSITE-(www.modocmedicalcenter.org)
ON January 18, 2024.

ATTACHMENT A

LFHD BOARD OF DIRECTORS REGULAR MEETING MINUTES

(draft)

December 7, 2023



REGULAR MEETING MINUTES

LAST FRONTIER HEALTHCARE DISTRICT BOARD OF DIRECTORS

Tuesday, December 7, 2023, at 1:00 pm
City Hall Chambers, 200 W North St.
Alturas, California

Directors present: **Edouard (Jim) Cavasso, Carol Madison, Paul Dolby, Rose Boulade, Mike Mason**
Directors absent:
Staff in attendance: **Kevin Kramer, CEO; Edward Johnson, CNO; Amber Vucina, CHRO; Patrick Fields, CFO; Adam Willoughby, COO; Denise King, LFHD Clerk.**
Staff absent:

CALL TO ORDER

Jim Cavasso, Chair called the meeting of the Last Frontier Healthcare District (LFHD) Board of Directors (Board) to order at 1:00 pm. The meeting location was City Hall, at 200 W. North Street in Alturas, California.

1. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

2. AGENDA – Additions/Deletions to the Agenda

Paul Dolby moved that the agenda be approved as presented, **Rose Boulade** seconded, and the motion carried with all present voting “aye.”

3. PUBLIC COMMENT

4. ANNUAL ORGANIZATIONAL MEETING

A.) K. Kramer - Acknowledgment of LFHD Board Chair, Jim Cavasso

B.) J. Cavasso - Election of Board Officers (*Newly elected officers will begin their tenure in office on January 1, 2024.*)

Carol Madison moved that the election of Board Members be kept the same as appointed in September 2023 be approved, **Rose Boulade** seconded, and the motion carried with all present voting “aye.”

- **Chair -** **Carol Madison** moved to elect **Jim Cavasso** as Chair, **Paul Dolby** seconded, and the motion carried with all voting “aye.”
- **Vice Chair -** **Jim Cavasso** moved to elect **Carol Madison** as Vice Chair, **Paul Dolby** seconded, and the motion carried with all voting “aye.”
- **Secretary -** **Carol Madison** moved to elect **Paul Dolby** as Secretary, **Rose Boulade** seconded, and the motion carried with all voting “aye.”
- **Member -** **Rose Boulade** is Director.

C.) Chair - Appointment of Treasurer

- **Treasurer -** **Mike Mason** was appointed as Treasurer.

D.) Chair - Appointment of Board Members to Standing and Special Board Committees

- **Finance Committee** (*Under Brown Act – Meets every month the Wednesday of the week before the Board meeting at 1:00 pm in the Education Conference Room at MMC.*) **Rose Boulade** was appointed to represent the Board on the Finance Committee.

- **Quality Council** (Meets every other month on the 2nd Wednesday at 1:30 pm in the Education Conference Room at MMC.) **Paul Dolby** was appointed to represent the Board at the Quality Council.
- **Joint Conference Committee** (Education Conference Room at MMC.) **Carol Madison** was asked to represent the Board on this committee. She accepted.
- **New SNF/Hospital Addition Committee** (Education Conference Room at MMC.) **Carol Madison** and **Jim Cavasso** were asked to continue to represent the Board on this committee. They both accepted.

4. DISCUSSION

A.) A. Doss – Risk/Quality Report to the Board

Alicia Doss - presented the most recent Risk Management Report speaking from the information provided in the Board packet and answered any questions the Board had.

REGULAR SESSION

5. CONSENT AGENDA - Items under the Consent Agenda heading do not require discussion before a vote. If discussion is needed, that item needs to be moved to the Consideration/Action part of the Agenda where discussion is allowed.

A.) D. King - Adoption of LFHD Board of Directors Regular Meeting Minutes – October 26, 2023

B.) T. Ryan - Medical Staff Committee Meeting Minutes – November 29, 2023.

- **Medical Staff Committee Meeting Minutes –September 27, 2023.**
- **Pathology Report – July 31, 2023**
 August 1, 2023
 September 5, 2023

Carol Madison moved that the Consent Agenda be approved as presented with the correction of removing Carol Madison from being present for the October 26, 2023 meeting minutes, **Paul Dolby** seconded, and the motion carried with all present voting “aye.”

6. CONSIDERATION/ACTION

A.) P. Fields – October 2023 LFHD Financial Statement (unaudited).

Patrick Fields, CFO presented the *unaudited* Last Frontier Healthcare District Financial Statement for October 2023, from the narratives and financial statements provided in the Board meeting packet.

Carol Madison moved to approve the October 2023 LFHD Financial Statement (unaudited) as presented, **Paul Dolby** seconded, and the motion carried with all present voting “aye.”

B.) K. Kramer – Minimum Wage Transition Proposal Effective 01/01/2024

Kevin Kramer, CEO presented to the Board the proposal of moving all job classes up to \$16.00/hour that would be affected by the minimum wage increase.

Carol Madison moved to approve Minimum Wage Transition Proposal Effective 01/01/2024, **Rose Boulade** seconded, and the motion carried with all present voting “aye”.

C.) K.Kramer – CNA Wage Increase Proposal

Kevin Kramer, CEO presented to the Board the proposal to increase wages for CNAs. This increase would be for a specific class only. Kevin explained to the Board HR gathered market data from six Northern Hospitals and we would need to increase our starting wage to \$21.00/hour to stay competitive with Surprise Valley Hospital.

Mike Mason moved to approve CNA Wage Increase Proposal with a starting wage increase to \$22.00/hour instead of the initial \$21.00/hour, **Carol Madison** seconded, and the motion carried with all present voting “aye”.

7. VERBAL REPORTS

A.) K. Kramer – CEO Report to the Board **Provider Recruitment**

- Still looking for a permanent dentist. Conducted a site visit for a permanent candidate but did not feel the person would be a good fit. Going to extend the current locums’ provider we have.

- Going to post a job for a hospitalist/clinic FNP or PA position to see if others are interested in the same schedule or similar schedule as Dr. Hagge. If any of our clinic providers want to try this schedule, we will place one of them on this type of schedule and backfill with a permanent full-time clinic provider.
- In conversations with local FNP regarding working the walk-in clinic one day per week starting in 2024.

SNF Project

- The building pad was completed with the site work contractor (Liberty). Green stuff is soil stabilizer and is required by California SWPPP, in case you get asked that question.
- Overall, the project is still overbudget by around 4.3 million (assuming Swinerton will use up all the escalation that the contract allows them to use). The contractor and ourselves have been able to drive that overrun down to that number from \$8 million about 6 months ago. Overall rebidding the project seems to have been a good decision in driving the cost down.
- We are in discussions with Swinerton to try to negotiate some middle ground. The market has drastically changed since they submitted their initial GMP on this project. We feel it is in our best interests to try to work with Swinerton on this overrun and not try to force them to build at a \$4 million loss.
- The geothermal system was redesigned to reduce flow. Anderson Engineering is exploring some options for expanding the capacity of reinjection within the system. These options may include drilling our own well and paying for some upgrades to be done to an existing well near the high school that could potentially be used to discharge geothermal water used by the high school.
- USDA has informed us that Davis Bacon will not apply to our project now, since the grant is being used for

Other Items

- Healthcare Minimum Wage analysis is still in process and getting refined.
- Still helping with some revenue cycle items where I can.
- Working through an NHSC recertification so that we can offer loan forgiveness to applicants that want to apply to that program. This has been a fairly in-depth review and we are on our second round of modifications to our program to ensure we are complying with their requirements.
- Working with an external 340B audit firm to verify that our 340B program is in compliance and operating the way it should be. We have identified several areas where our program can be modified to ensure compliance and better performance within the 340B program.
- Will start work on Civil Rights Audit for the USDA which is also scheduled to happen in January 2024.

B.) E. Johnson – CNO Report to the Board

Warnerview

- Dropped at 3-star CMS rating.
- Census is currently at 48.
- Resident activities
 - Christmas Party is scheduled for some time in December – date to be determined.
 - Light Parade scheduled for Saturday, December 2nd.
- We are still working our way through the Cerner Implementation, it is rocky, but we are managing.
- We had a plan of correction that we turned in the CDPH last Friday and they excepted it. The citation we received was for F741 Sufficient/Competent Staff – Behavior Health Needs – Patient-Centered Care Plan, Misconduct in front of resident, dignity, and psychological harm to residents.

Acute

- Census is at six today – we have been running a daily census of four to five patients.
- No active Respiratory Isolation on the floor currently.

ER

- Census is currently at 15.

Lab

- One of our International Lab CLS will be here sometime in January.

Radiology

- The Department Manager is out on leave until March.

Pharmacy

- We are searching for a Retail Pharmacist, due to our current pharmacist putting in his resignation notice as of December 15th.

Physical Therapy

- Searching for a Department Manager for Physical Therapy.

- Stephanie's last day was December 1st.
- We are also losing a part-time Physical Therapist who is leaving with her husband.

PPC

- Save the date for the Christmas Party – December 16th.

B.) P. Fields – CFO Report to the Board

Accounting

- Cost report is complete, expecting a draft of the audit anytime, we are now processing AP through the Cerner/Multiview interface for standard Pos out of purchasing for inventory.
- Deposits are more challenging now with cash needing to be split between HRG and R1 so that accounts receivable can be posted to the appropriate system.
- We all mostly have the workflow dialed in.

Medical Records

- Working through Cerner conversion and the new workflow processes.
- Have also been wrapping up any needs that HRG has on the Centriq and ECW AR.

Revenue Cycle

- Posted Revenue Cycle/Accounting Aide position.
- All efforts have been centered on the Cerner conversion and to making corrections to charges and trying to get registration staff to adapt to the new workflows and accuracy.
 - This has been a very heavy lift with all hands-on deck, department managers, Revenue Cycle, Medical Records, Adam and Kevin involved.
- R1 has been a huge asset through this process bringing their knowledge and expertise.
- HRG continues to work down the legacy AR in Centriq and ECW.

Purchasing

- Cerner conversion and seems to be doing well.

Floater

- Currently have one full-time office worker, four extra office workers, with two on long term assignments.
- Of the other two one is supporting Revenue Cycle and doing a great job.

D.) A. Willoughby – COO Report to the Board

EHR

- Cerner did officially go live as scheduled on 10/23/23.
- Some issues that occurred during the go-live were some general laboratory tests that were still not built by go-live, so outpatient lab didn't technically go-live until the following day, 10/24.
 - This was a huge deal, and we had the Cerner lab Reps working until 2:00 am that morning to get those lab tests built.
- For the most part, our departments are doing okay now but Lab, Radiology, and SNF are going to warrant onsite help from the Cerner team as they are still struggling with cumbersome workflows and knowledge gaps.
- There are peer facilities of ours that went live back in April and are still working through issues so I'm sure we'll be working through issues and workflows for a while moving forward.

PACS

- The PACS implementation project is completely done at this point.
- All loose ends have been taken care of.
- There are still some intermittent issues with the Radiology reports crossing over from Infinitt to Cerner, but those types of issues are made top priority and taken care of as fast as possible.

Ellkay – Archival Solution

- We are in the final stages of implementation.
- The final data extracts from our legacy EMRs were sent over to Ellkay last week and the final patient list extract was completed and sent over to Ellkay the day before Thanksgiving.
 - Ellkay then converts the data to the format that Cerner requires. That should be completed before the end of the month.
- There will be a patient cleanup for the patients that had to be created as new in Cerner and had been created in one of our legacy EMRs after the initial patient list extract.
- The full consolidated archive that incorporates all of our legacy EMRs should be available in January or February.

Canby

- Susan and I are starting to get back to our normal schedule out there, which had changed with the Cerner implementation.
- Dr. Chen is still practicing as our Dentist and his assignment was set to end at the end of this month, but he is planning to extend. The hope is that he would extend for an additional 3 months.
 - Currently, we are not scheduling dental patients into January until we have confirmation that Dr. Chen is going to extend.
- On the medical side, we are going to convert one of the old provider offices (that was designed as a storage room originally) into a draw room (for lab blood draws), which consists of removing the carpet and replacing it with a hard surface flooring that can be cleaned up to infection control standards.
- Maintenance will perform a majority of the work and then we'll have a flooring contractor put in the new flooring if needed.
- Pushing IT to complete the phone upgrade in Canby as well as the current phone system out there is antiquated and cumbersome.

Maintenance

- Working on procuring and setting up a smoking hut at the new facility.
- We are looking at the possibility of implementing a "Maintenance Lead" position.

PPC

- The Christmas Party is scheduled for 12/16 which we are coordinating, and we have a lot of fun activities planned for that event.
- We are at the maximum number of attendees for keeping it to the one big dining room, so we had a good turnout for signups.
- We will also be putting on a cocoa and cookies event just before the year ends for one last offering to the staff after a long, tough year we have just gone through.

C.) A. Vucina – CHRO Report to the Board

Permanent/Travel Staff

- 257 total staff
- 23 travel staff (excluding SNF registry)
- N/A contracted staff – this is located in Admin.

Compliance

- Performance Evaluations 83% compliant
- TB 93% compliant
- Physicals 96% compliant

Union Updates

- Dress Code updated effective 12/1/23.
 - The piercing section was updated, allowing more freedom with piercings.
 - The language regarding shoes was amended to include "tasteful and appropriate"

Legal Updates

- **CA minimum wage**
 - \$16/hr effective 1/1/24.
 - Adjusting our Sitter wage scale to comply with this increase.
- **CA Health Care Minimum Wage (SB 525)**
 - \$18/hr. effective 6/1/24
 - MMC has proposed adding \$2.00 to each job classification at step 1 effective 6/1/24 to comply with this bill (pending Union approval)
 - MMC will increase its minimum wage by 3.5% annually until we hit a minimum of \$25/hr. based on requirements set forth in the bill (pending Union approval)
- **CA Paid Sick Leave (SB 616)**
 - Effective 1/1/24, Paid Sick Leave (PSL) accrual rates and carryover cap will increase. Accrual will update from 3 (24 hrs.) days to 5 days (40 hrs.). Carry over cap will increase to 80 hours.
- **CA Food Handlers (SB 476)**
 - Effective 1/1/24, all food service workers are to be compensated for any cost associated with obtaining a food handler card. This bill considers the time it takes the employee to complete the training and cert program to be compensable as hour worked.
- **CA Reproductive Loss Leave (SB 848)**

- Provide at a minimum 5 days of leave. Not required to be paid leave.
- Time must be used within 3 months of loss event.
- If multiple loss events are present within a 12-month period, time allowed is capped at 20 days.
- Events include failed assisted reproduction, failed adoption, failed surrogacy, miscarriage, still birth, unsuccessful assisted reproduction.

F.) Board Member Reports

- **Jim Cavasso** – Nothing to report.
- **Carol Madison** – Nothing to report. Would like to make a comment on the care her brother received while at Modoc Medical Center and how it was far better than UC Davis.
- **Paul Dolby** – Nothing to report.
- **Mike Mason** – Nothing to report.
- **Rose Boulade** – Attended the Finance Committee Meeting.

Carol Madison moved to close the Regular Session of the Board of Directors, **Mike Mason** seconded, and the motion carried with all voting “aye.”

The Regular Session of the Last Frontier Healthcare District Board of Directors was adjourned at 2:26 pm.

EXECUTIVE SESSION

Executive Session was called to order by **Jim Cavasso, Chair**, at 2:27 pm.

7. CONSIDERATION / ACTION

A.) T. Ryan – Medical Executive Committee Minutes & Credentialing Items – September 27, 2023– (Per Evidence Code 1157).

- **Medical Executive Committee Minutes & Credentialing Items OPPE 2019B –August 30, 2023.**
Based upon character, competence, training, experience and judgment, favorable recommendation by peers and credentialing criteria fulfillments, the Medical Executive Committee recommended the following appointments for Last Frontier Healthcare District Board of Directors’ acceptance:
 - **Matthew Kappen, MD** – Recommend reappointment of Limited Active privileges in the Emergency Medicine category.
 - **Chelsea Pearson, PA-C** – Recommends reappointment of Allied Health status/privileges in the Family Medicine Category.
 - **Bretton Breazeale, MD** – Recommends reappointment of provisional privileges in the Interventional Radiology category.
 - **Dale Syverson, MD** – Recommends reappointment of Courtesy privileges in the General Surgery category.
 - **Lisanne Burkholder, MD** – Recommends appointment of Limited Active privileges in the Hospitalist category.
 - **Joshua McCollam, RPA** – Recommends appointment of Allied Health status/privileges in the Interventional Radiology category.

Carol Madison moved to close the Executive Session and resume the Regular Session of the LFHD Board of Director’s meeting, **Rose Boulade** seconded, and the motion carried with all voting “aye.”

The Executive Session of the Board of Directors was adjourned at 2:36 pm.

RESUME REGULAR SESSION

The Regular Session of the Board of Directors was called back to session by **Jim Cavasso, Chair**, at 2:37 pm.

8. CONSIDERATION / ACTION

A.) T. Ryan – Medical Executive Committee Minutes & Credentialing Items –November 29, 2023. (Per Evidence Code 1157)

- **Medical Executive Committee Minutes & Credentialing Items OPPE 2019B – November 29, 2023.**

Carol Madison moved to approve and accept Minutes, Credentialing, and Privileging items as outlined above, **Rose Boulade** seconded, and the motion carried with all members voting “aye.”

11.) MOTION TO ADJOURN

Carol Madison moved to adjourn the meeting of the Last Frontier Healthcare District Board of Directors at 2:38 pm, **Rose Boulade** seconded, and the motion carried with all present voting “aye.”

The next meeting of the Last Frontier Healthcare District’s Board of Directors will be held on January 25, 2023, at 1:00 pm in the Alturas City Council Chambers at City Hall in Alturas, California.

Respectfully Submitted:

Denise R. King
Last Frontier Healthcare District Clerk

Date

DRAFT

ATTACHMENT B

Policy and Procedures



POLICY REVIEW FORM

This form is to be completed and submitted any time a policy or procedure is submitted for review. Please complete one form per policy submitted. If this is an annual manual review, please summarize substantive changes. Policies submitted for review must be attached to this form. Proposed amendments to existing policies need to be summarized on this sheet.

1. Policy Title: _____

2. Policy Area: _____

3. Date Submitted: _____

Explain any deadline or timeframe issues:

4. This is a: ☐ New Policy ☐ Revision of an Existing policy ☐ Deletion of Existing Policy

5. Briefly explain the reason for adopting or modifying this policy:

6. Identify any policies, regulations or practice guidelines that were relied on in developing this policy:

7. Review and approval, date:

	Printed Name	Signature	Date
Person initiating policy	_____	<i>Kevin Kramer</i>	_____
Department Head	_____	_____	_____
Technical Reviewer	_____	_____	_____
Policy Committee:	_____	_____	_____
Medical Staff Review:	_____	_____	_____
LFHD Board Chair:	_____	_____	_____

SUBJECT: SECTION 504 GRIEVANCE PROCEDURE	REFERENCE #
DEPARTMENT: <u>HOSPITALWIDEADMINISTRATION</u>	PAGE: 1
	OF: 2
APPROVED BY:	EFFECTIVE: <u>5/11</u>
	REVISED: <u>8/12, 12/235/2011</u>

PURPOSE

The purpose of this policy is to establish a policy and procedure to be followed in the event that a patient or staff member feels they have been discriminated against at Modoc Medical Center (MMC).

Policy:- POLICY

It is the policy of Modoc Medical Center (MMC) not to discriminate on the basis of disability. MMC has adopted an internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) of the U.S. Department of Health and Human Services regulations implementing the Act. Section 504 prohibits discrimination on the basis of disability in any program or activity receiving Federal financial assistance. The Law and Regulations may be examined in the office of the Risk Management Coordinator, who has been designated to coordinate the efforts of MMC to comply with Section 504.

~~Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for MMC to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.~~

Procedure:PROCEDURE

Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for MMC to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.

- Grievances must be submitted to the Section 504 Coordinator within one week of the date the person filing the grievance becomes aware of the alleged discriminatory action.
- A complaint must be in writing, containing the name and address of the person filing it. The complaint must state the problem or action alleged to be discriminatory and the remedy or relief sought.
- The Section 504 Coordinator (or their designee) shall conduct an investigation of the complaint. The Section 504 Coordinator will maintain the files and records of MMC relating to such grievances.
- The Section 504 Coordinator will issue a written decision on the grievance no later than 30 days after its filing.
- The person filing the grievance may appeal the decision of the Section 504 Coordinator by writing to the Chief Executive Officer (CEO) within 15 days of receiving the Section

SUBJECT: SECTION 504 GRIEVANCE PROCEDURE	REFERENCE #
DEPARTMENT: <u>HOSPITALWIDEADMINISTRATION</u>	PAGE: 2
	OF: 2
APPROVED BY:	EFFECTIVE: <u>5/11</u>
	REVISED: <u>8/12, 12/235/2011</u>

504 Coordinator's decision. The CEO shall issue a written decision in response to the appeal no later than 30 days after its filing.

- The availability and use of this grievance procedure does not prevent a person from filing a complaint of discrimination on the basis of disability with the U. S. Department of Health and Human Services, Office for Civil Rights.

MMC will make appropriate arrangements to ensure that disabled persons are provided other accommodations, if needed, to participate in this grievance process. Such arrangements may include, but are not limited to, providing interpreters for the deaf, providing taped cassettes of material for the blind, or assuring a barrier-free location for the proceedings. The Section 504 Coordinator will be responsible for such arrangements.

The Risk Management Coordinator has been designated as the Section 504 Coordinator, and can be contacted at:

Alicia Doss
1111 N. Nagle Street
Modoc Medical Center
Alturas, Ca, 96101
530-708-8888

REFERENCE: REFERENCES

<https://www.hhs.gov/civil-rights/for-providers/clearance-medicare-providers/section-504-grievance-procedure/index.html#:~:text=Grievances%20must%20be%20submitted%20to,of%20the%20person%20filing%20it.>

http://www.hhs.gov/ocr/civilrights/resources/providers/medicare_providers/exampleofasection504grievanceprocedure.html

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SUBJECT: SECTION 504 GRIEVANCE PROCEDURE	REFERENCE #
	PAGE: 1 OF: 2
DEPARTMENT: ADMINISTRATION	EFFECTIVE: 5/11
APPROVED BY:	REVISED: 8/12, 12/23

PURPOSE

The purpose of this policy is to establish a policy and procedure to be followed in the event that a patient or staff member feels they have been discriminated against at Modoc Medical Center (MMC).

POLICY

It is the policy of Modoc Medical Center (MMC) not to discriminate on the basis of disability. MMC has adopted an internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) of the U.S. Department of Health and Human Services regulations implementing the Act. Section 504 prohibits discrimination on the basis of disability in any program or activity receiving Federal financial assistance. The Law and Regulations may be examined in the office of the Risk Management Coordinator, who has been designated to coordinate the efforts of MMC to comply with Section 504.

PROCEDURE

Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for MMC to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.

- Grievances must be submitted to the Section 504 Coordinator within 30 days of the date the person filing the grievance becomes aware of the alleged discriminatory action.
- A complaint must be in writing, containing the name and address of the person filing it. The complaint must state the problem or action alleged to be discriminatory and the remedy or relief sought.
- The Section 504 Coordinator (or their designee) shall conduct an investigation of the complaint. This investigation may be informal, but it must be thorough, affording all interested persons an opportunity to submit evidence relevant to the complaint. The Section 504 Coordinator will maintain the files and records of MMC relating to such grievances.
- The Section 504 Coordinator will issue a written decision on the grievance no later than 30 days after its filing.
- The person filing the grievance may appeal the decision of the Section 504 Coordinator by writing to the Chief Executive Officer (CEO) within 15 days of receiving the Section 504 Coordinator's decision. The CEO shall issue a written decision in response to the appeal no later than 30 days after its filing.

SUBJECT: SECTION 504 GRIEVANCE PROCEDURE	REFERENCE #
DEPARTMENT: ADMINISTRATION	PAGE: 2
	OF: 2
APPROVED BY:	EFFECTIVE: 5/11
	REVISED: 8/12, 12/23

- The availability and use of this grievance procedure does not prevent a person from filing a complaint of discrimination on the basis of disability with the U. S. Department of Health and Human Services, Office for Civil Rights.

MMC will make appropriate arrangements to ensure that disabled persons are provided other accommodations, if needed, to participate in this grievance process. Such arrangements may include, but are not limited to, providing interpreters for the deaf, providing taped cassettes of material for the blind, or assuring a barrier-free location for the proceedings. The Section 504 Coordinator will be responsible for such arrangements.

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Alicia Doss
1111 N. Nagle Street
Modoc Medical Center
Alturas, Ca, 96101
530-708-8888

REFERENCES

<https://www.hhs.gov/civil-rights/for-providers/clearance-medicare-providers/section-504-grievance-procedure/index.html#:~:text=Grievances%20must%20be%20submitted%20to,of%20the%20person%20filing%20it.>

ATTACHMENT C

Departmental Policies Manuals



**Last Frontier Healthcare
District**

Chief Executive Officer
Kevin Kramer

Board Members

Jim Cavasso
Chair

Carol Madison
Vice Chair

Paul Dolby
Secretary

Rose Boulade
Treasurer

Mike Mason
Member

Mailing Address
P.O. Box 190
Alturas, CA 96101

District
1111 N. Nagle Street
Alturas, CA 96101
(530) 708-8801

Hospital
1111 N. Nagle Street
Alturas, CA 96101
(530) 708-8800

Clinic
1111 N. Nagle Street
Alturas, CA 96101
(530) 708-8820

Canby Family Practice Clinic
670 County Road 83
Canby, CA 96015
(530) 708-8830

Warnerview SNF
225 W. McDowell Avenue
Alturas, CA 96101
(530) 708-8840

Physical Therapy
120 S. Main Street, Suite A
Alturas, CA 96101
(530) 708-8860

Medical Staff
1111 N. Nagle Street
Alturas, CA 96101
(530) 708-8810

Last Frontier Pharmacy
1111 N. Nagle Street
Alturas, CA 96101
(530) 708-8850

Support Services
229 W. McDowell Avenue
Alturas, CA 96101
(530) 708-8800

DATE: 13 December 2023
TO: LFHD Board of Directors
FROM: Michael Gracza, Pharm.D. Director of Pharmacy Services
SUBJECT: Review of Departmental Policy Manuals

Following is information regarding the Pharmacy Department Policy Manuals:

- Hospital Pharmacy
- Sterile Compounding
- Pharmacy Long Term Care
- Retail Pharmacy

Hospital Pharmacy

- Reviewed the current manual and updated policies for Cerner roll out.
- Deleted Drug protocols that were outdated and no longer in use.

Sterile Compounding

- Reviewed for future updating new USP 797 requirements.

Long Term Care

- Reviewed for updates and integration with Cerner

Retail Pharmacy

- Reviewed for consistency with actual practices.

Respectfully Submitted:

Michael Gracza, Pharm.D.

Michael Gracza, Pharm.D.
Director of Pharmacy Services



PHARMACY POLICY & PROCEDURE MANUAL 2023

The Pharmacy Policy & Procedure Manual has been reviewed and is approved for use at Modoc Medical Center.

Michael George Ph.D.

Pharmacist

01-19-2024

Date

U L U

Chief Executive Officer

Date

Chief of Staff

Date

Chair, Board of Directors

Date



SKILLED NURSING PHARMACY POLICY & PROCEDURE MANUAL 2024

The Skilled Nursing Pharmacy Policy & Procedure Manual has been reviewed and is approved for use at Modoc Medical Center.

Moder Amey PhD

Pharmacist

01-18-2024

Date

M. E. W.

Chief Executive Officer

Date

Chief of Staff

Date

Chair, Board of Directors

Date



RETAIL PHARMACY POLICY & PROCEDURE MANUAL 2024

The Retail Pharmacy Policy & Procedure Manual has been reviewed and is approved for use at Modoc Medical Center.

Mushel Mungu

Pharmacist

01-18-2024

Date

N E W

Chief Executive Officer

Date

Chief of Staff

Date

Chair, Board of Directors

Date



MEMORANDUM

DATE: 1/18/2024
TO: Last Frontier Board of Directors
FROM: Patrick Fields
SUBJECT: **Policy Manual Review**

I have completed the policy manual review for the Accounting manual. Due to the change to Cerner and operational changes I have identified several policies that need to be updated or added to this manual.

I am beginning the process of editing policies that require updates. Those policies will be submitted back to Policy Committee, and the Board for approval as they are finalized, so you should see some of those come through in future board meeting packets.

Overall, the manual is in good shape and it is my recommendation that the Board approve the manual as is, understanding that a few of these policies will be submitted back through the process in the coming months, as I am able to finalize the edits that need to be made to reflect our current practices and forms utilized to administer and implement some of these policies.




Healing Hands Close To Home

ACCOUNTING POLICY & PROCEDURE MANUAL 2024

The Accounting Policy & Procedure Manual has been reviewed and is approved for use at Modoc Medical Center.


Accounting


Date


Chief Executive Officer

Date

Chief of Staff

Date

Chair, Board of Directors

Date



MEMORANDUM

DATE: 1/18/2024
TO: Last Frontier Board of Directors
FROM: Patrick Fields
SUBJECT: **Policy Manual Review**

I have completed the policy manual review for the Business Office manual. Due to the change to Cerner some of the policies will need to be updated.

I am beginning the process of editing policies that require updates. Those policies will be submitted back to Policy Committee, and the Board for approval as they are finalized, so you should see some of those come through in future board meeting packets.

Overall, the manual is in good shape and it is my recommendation that the Board approve the manual as is, understanding that a few of these policies will be submitted back through the process in the coming months, as I am able to finalize the edits that need to be made to reflect our current practices and forms utilized to administer and implement some of these policies.




Healing Hands Close To Home


LAST FRONTIER HEALTHCARE DISTRICT
A Public Entity

BUSINESS OFFICE POLICY & PROCEDURE MANUAL
2024

The Business Office Policy & Procedure Manual has been reviewed and is approved for use at Modoc Medical Center.



Business Office



Date



Chief Executive Officer

Date

Chair, Board of Directors

Date



Healing Hands Close To Home

LAST FRONTIER HEALTHCARE DISTRICT
A Public Entity

MEMORANDUM

I have completed the policy manual review for the CAH-Administration manual. I have identified several policies that need to be updated or added to this manual. In some cases, the policies are in good shape but the corresponding attachments referenced in the policies have changed and need updated, such as agreements that we hold with clinical vendors, guidance documents for our language assistance policy, and others.

I am beginning the process of editing the policies that require updates. Those policies will be submitted back to Policy Committee, Med Staff (in some cases), and the Board for approval as they are finalized, so you should see some of those come through in future board meeting packets.

Overall the manual is in good shape and it is my recommendation that the Board approve the manual as is, understanding that a few of these policies will be submitted back through the process in the coming months, as I am able to finalize the edits that need to be made to reflect our current practices and forms utilized to administer and implement some of these policies.

Regards,

Kevin Kramer



CAH/ADMINISTRATION POLICY & PROCEDURE MANUAL 2024

The CAH/Administration Policy & Procedure Manual has been reviewed and is approved for use at Modoc Medical Center.

u e u

Chief Executive Officer

Date

Chief of Staff

Date

Chair, Board of Directors

Date



MEMORANDUM

DATE: 01/18/2024
TO: Last Frontier Healthcare District Board of Directors
FROM:
SUBJECT: Review of Departmental Policy Manual

The following manual is submitted for your review and approval:

The Purchasing Manual has been reviewed and will be completed with proper revisions and formatting for approval by 2/29/24.

Respectfully Submitted,

Lance P Chrysler

Purchasing Manager



Healing Hands Close To Home

PURCHASING POLICY & PROCEDURE MANUAL 2024

The Purchasing Policy & Procedure Manual has been reviewed and is approved for use at Modoc Medical Center.

Purchasing Manager

1/18/23

Date

Chief Executive Officer

Date

Chief of Staff

Date

Chair, Board of Directors

Date

ATTACHMENT D

LFHD FINANCIAL STATEMENT December 2023 (unaudited)

ATTACHMENT E

Resolution # 24-01



Resolution #24-01

January 29, 2024

**LAST FRONTIER HEALTHCARE DISTRICT BOARD OF
DIRECTORS CONSIDERATION/ACTION**

**RESOLUTION TO AUTHORIZE KEVIN KRAMER, CEO OF MODOC MEDICAL
CENTER TO ACT ON LFHD'S BEHALF WITH RESPECT TO CONSTRUCTION
SERVICES FOR THE NEW SKILLED NURSING FACILITY AND HOSPITAL ADDITION
PROJECTS TO APPROVE CHANGES UP TO \$250,000 PER CHANGE ORDER AND
A TOTAL CUMMULATIVE AMOUNT OF \$500,000.00.**

WHEREAS, the **LAST FRONTIER HEALTHCARE DISTRICT (District)** has approved construction of a new Skilled Nursing Facility (SNF) and Hospital Addition (Projects).

WHEREAS, the **District** has given **Kevin Kramer**, Chief Executive Officer of Modoc Medical Center (MMC), authority to administer these Projects in the best interests of the District and acknowledging that there may be instances during the course of these Projects that decisions must be made in a timely manner to avoid additional costs during construction.

The District Board hereby authorizes and empowers **Kevin Kramer** to act on the District's behalf with respect to changes in the contracted amount of services provided by the design-build firm responsible for the Projects. By way of this resolution the District Board authorizes **Kevin Kramer** to approve change orders for design-build services up to an amount of \$250,000.00 per change order and up to a cumulative amount of \$500,000.00 without prior approval by the Board. Any single change order above \$250,000.00 or any change order that results in cumulative change orders in excess of a total of \$500,000.00 require the approval of the Board prior to execution and approval.

PASSED AND ADOPTED by the **LAST FRONTIER HEALTHCARE DISTRICT** Board of Directors in the City of Alturas, County of Modoc, California at the meeting held on the 29th day of December by the following vote:

LFHD Board Members	Aye	Nay	Absent	Abstain
Edouard (Jim) Cavasso				
Carol Madison				
Paul Dolby				
Mike Mason				
Rose Boulade				

THE MOTION CARRIES / FAILS.

Jim Cavasso, Chair

LAST FRONTIER HEALTHCARE DISTRICT BOARD OF DIRECTORS

The LAST FRONTIER HEALTHCARE DISTRICT Clerk's Attestation is on the next page and is considered a part of this Resolution #24-01.

ATTACHMENT F

Approval of Amendment #5 to the Design Build Agreement

DESIGN BUILD AGREEMENT

(Amendment 5)

Between District and Design Builder

This Restated Agreement ("Agreement") issued through Amendment 5 incorporates all revisions in Amendments 1 through 4 and further revises and supersedes the terms of the agreement entered into January 27, 2022. The effective date of this Amendment 5 is the same as the original agreement, as stated below. However, the USDA approval requirements included in the Design Build Agreement pursuant to this Amendment 5 will only apply to submission or approvals that occur or are required after October 30, 2023, and will not apply retroactively to Work performed and approved before procurement of USDA financing.

THIS AGREEMENT ("Agreement") is made as of January 27, 2022 ("Effective Date") between Last Frontier Healthcare District ("District") located at 1111 N. Nagle Street, Alturas, CA 96101 and Swinerton Builders ("Design Builder"), a corporation with a principal place of business located at 15 Business Park Way, Suite 101, Sacramento, CA 95828 for programming, design, construction, and commissioning ("Work") of the Modoc Medical Center Skilled Nursing Facility ("Project") in accordance with the Contract Documents.

By executing this Agreement, each of the Signatories represents that he or she has the authority to bind the Party on whose behalf his or her execution is made.

District:
Last Frontier Healthcare District
1111 N. Nagle Street
Alturas, CA 96101

By: _____
(Signature)

Name: Kevin Kramer, Chief Executive Officer

Telephone No. 530-708-8800 ext. 11002

Facsimile No. 530-233-6609

Email. K.Kramer@modocmedicalcenter.org

Design Builder:
Swinerton Builders
15 Business Park Way, Suite 101
Sacramento, CA 95828

By: _____
(Signature)

Name: Scott Grubb
Vice President & Division Manager

Telephone No: (916) 383-4825

Facsimile No. (916) 383-6014

Email. sgrubb@swinerton.com

CA License No.: 92

THE PARTIES AGREE TO THE FOLLOWING TERMS AND CONDITIONS



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Modoc Medical Center Skilled Nursing Facility
Design Build Agreement

Initial: ____/____

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20155099.2

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KEY BUSINESS TERMS SHEET

District Representative	Kevin Kramer, CEO (530) 233-5883 K.Kramer@modocmedicalcenter.org
District's Project Manager	Richard Kasa (775) 720-9685 richard.kasa@kaserv.com
Design Builder's Representative	Henry Meier 916-754-4202 916-870-1286 hmeier@swinerton.com
Design Builder's Superintendent	Steve Harless 916-754-4124 916-870-1523 sharless@swinerton.com
Other Personnel	Project Roster (Tab 1, Project Manual)
Compensation	
SNF	\$47,499,367.00 <u>\$45,236,533</u> [[Amendment1]]
Hospital Addition	\$ 4,463,408.00 <u>\$380,129</u> [[Amendment1]]
Guaranteed Maximum Price (GMP)	\$51,962,775.00 <u>\$49,616,662</u> [[Amendment1]]
Mark-Up on Change Orders:	
Design Builder's Fee Adjustment	4% Fee
Average Daily Rate (GCs and GRs cost / work day for delay only during construction phase)	\$7,385.00
Insurance Mark-Up	1.45%
Subguard Mark-Up	1.15%
Payment and Performance Bond Mark-Up	0.90%
Subcontractors' Adjustment	Cannot exceed 15% overhead & profit
Schedule:	
Adverse Weather Days	20 work days per 12 month period.
Substantial Completion Date—Hospital Addition	January 28 <u>April 7, 2025</u> [[Amendment 5]]
Completion of Construction Work—Hospital Addition	February 26 <u>May 3, 2025</u> [[Amendment 5]]
Substantial Completion Date—SNF	April 7, 2025
Completion of Construction Work—SNF	May 3, 2025
Project Final Completion Date	June 3, 2025
Liquidated Damages:	
Completion of Construction Work—Hospital Addition	
0-15 days past Substantial Completion Date of Construction Work —Hospital Addition <u>[[Amendment 5]]</u>	\$0/calendar day (grace period)



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16-30 days past Substantial Completion Date of Construction Work —Hospital Addition [[Amendment 5]]	\$1,500/calendar day
31-60 days past Substantial Completion Date of Construction Work —Hospital Addition [[Amendment 5]]	\$3,000/calendar day
61 days and beyond past Substantial Completion Date of Construction Work —Hospital Addition [[Amendment 5]]	\$5,000/calendar day
Completion of Construction Work—SNF	
0-30 days past Completion of Construction Work—SNF	\$0/calendar day (grace period)
31-60 days past Completion of Construction Work—SNF	\$1,500/calendar day
61-90 days past Completion of Construction Work—SNF	\$3,000/calendar day
91 days past Completion of Construction Work—SNF	\$5,000/calendar day
Maximum Liquidated Damages	Amount of Lump Sum Fee, as may be adjusted
Interest per Section 17.13 of Agreement	3.5% per annum
<u>Lender for Project</u>	<u>USDA</u> <u>Debbie McCoy</u> <u>Alturas Service Center</u> <u>221 W 8th Street</u> <u>Alturas, CA</u> <u>96101</u>



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TABLE OF EXHIBITS

The Criteria Documents and certain District provided information are in the eFile folder used during the bid process. All Exhibits set forth below are incorporated into the Agreement whether attached or provided electronically.

Exhibit 1	Definitions	Attached [Amendment 5]
Exhibit 2	Supplemental Conditions	Attached [Amendment 5]
Exhibit 3	Agreed Program	
Exhibit 3A	Criteria Documents	eFile
Exhibit 3B	Conceptual Design Documents	eFile
Exhibit 3C	Permitted Drawings and Specifications	By Amendment
Exhibit 3D	Applicable Building Codes	Attached
Exhibit 3E	Other Project Documents	Attached
Exhibit 4	Compensation	
Exhibit 4A	GMP Breakdown, Qualifications & Assumptions	By-Attached [Amendment 1]
Exhibit 4B	Billable Rates and Key Personnel	Attached [Amendment 5]
Exhibit 4C	Contractor Equipment Rates	Attached
Exhibit 4D	General Requirements Spreadsheet	Attached
Exhibit 4E	Schedule of Values	By Amendment
Exhibit 4F	Add Alternates	Attached
Exhibit 5	Schedule and Execution	
Exhibit 5A	Schedule	Attached
Exhibit 5B	Site Logistics Plan	Attached
Exhibit 6	Insurance and Bonding	
Exhibit 6A	Design Builder's Insurance Requirements	Attached
Exhibit 6B	Payment and Performance Bond	By Amendment
Exhibit 6C	District's Project Insurance Requirements	Attached
Exhibit 6D	Non-Collusion Affidavit	Attached
Exhibit 7	District Provided Information	
Exhibit 7A	Site Description	Attached
Exhibit 7B	Separate Consultants and Separate Contractors	Attached
Exhibit 7C	Conflict of Interest Policy and Procedures	Attached
Exhibit 8	Disclosure of Government Positions	Attached
Exhibit 9	USDA Requirements	
Exhibit 9A	USDA Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion –	Attached



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	<u>Lower Tier Covered Transactions [USDA Form AD-1048</u>	
<u>Exhibit 9B</u>	<u>USDA Form RD 400-6 Compliance Statement [Equal Opportunity and Nonsegregated Facilities]</u>	<u>Attached</u>
<u>Exhibit 9C</u>	<u>USDA RD Instruction 1940-Q, Certification for Contracts, Grants, and Loans</u>	<u>Attached</u>
<u>Exhibit 9D</u>	<u>Department of Labor General Wage Determination</u>	<u>Attached</u>



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Design Build Agreement

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PROJECT MANUAL

The following forms and information will be included in the Project Manual and posted to the Project's eFile folder. Certain forms will be developed by the Project Team Members after execution of the Agreement. Design Builder will be responsible for developing most of the forms and information set forth in Tabs 2-6 for approval by the District and Project Manager. Upon approval, those programs and plans will be included in the Project Manual. Design Builder and its Consultants, Subcontractors, suppliers, and equipment vendors will adhere to the Project protocol and procedures while performing their respective portions of the Work. The most current approved Project Manual is incorporated into this Agreement by reference as though set forth in full.

Tab 1	Project Roster
Tab 2	Project Forms
2A	Payment Application Form
2B	California Lien Waivers and Releases
2C	Consent of Surety
2D	Request for Information Form
2E	Submittal Form
2F	Daily Construction Report Form
2G	Field Work Order Form
2H	Change Order Forms
2I	Certificate of Substantial Completion
2J	Warranty Forms
Tab 3	Design Builder's Site Specific Safety Program
Tab 4	Traffic Control Plan
Tab 5	Quality Control Plan
Tab 6	BIM Execution Plan
Tab 7	Environmental Control Plan
Tab 8	Stormwater Control Plan
Tab 9	Indoor Air Quality Management Plan



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Design Build Agreement

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1. GENERAL

1.1 Defined Terms. Defined terms and titles of Exhibits are capitalized throughout the Agreement and the Exhibits. The definitions for this Agreement are set forth in alphabetical order in Exhibit 1. The District and Design Builder will be individually referred to as a Party and may be collectively referred to as the Parties.

1.2 Project Description. The project is a new, modern skilled nursing facility (the "Project"), on the same site as the recently-completed hospital. The Project will provide a new, state-of-the-art skilled nursing facility and will include the ability to expand capacity over time. The Project is subject to California's Department of Health Care Access and Information ("HCAI") jurisdiction, and is designated as an HCAI 2 facility. The new skilled nursing facility will be designed with a building area of approximately 35,000 gross square feet. The Project is further described by the Criteria Documents (Exhibit 3A). Additionally, District has provided Add Alternates in Exhibit 4F for evaluation during the Validation Phase that may be incorporated into the Project.

1.3 Project Delivery. The Project will be delivered using a design-build delivery method per California Health and Safety Code section 32132.7 and California Public Contract Code section 22160, et seq. Governmental Authorities having jurisdiction over the Project include the City of Alturas and HCAI.

2. PROJECT TEAM AND RELATIONSHIP OF THE PARTIES

2.1 Project Team. The Project Team includes the District and its Separate Consultants and Separate Contractors, the Project Manager, and the Design Build Team inclusive of Consultants, Subcontractors, suppliers, and equipment vendors.

2.1.1 District. The District is the owner of the Project. The District is represented by the District Representative identified in the Key Business Terms Sheet and the Project Roster (Project Manual, Tab 1). The District's Separate Contractors and Separate Consultants are identified in Exhibit 7B. The District's role and responsibilities are described in Article 4.

2.1.2 Project Manager's Representative. The Project Manager's representative is identified in the Key Business Terms Sheet and the Project Roster (Project Manual, Tab 1). The Project Manager's role and responsibilities are described in Article 5.

2.1.3 Design Build Team. The Design Builder will lead the Design Build Team and is solely responsible to the District for the sufficiency, quality, adequacy, and completeness of the Work in accordance with the Project Objective. All Design Services will be performed by a licensed architect ("Architect of Record") and other design consultants (collectively "Consultants") or through Design-Build Subcontractors. The Design Build Team is made up of the entities identified in the Project Roster (**Tab 1**).

2.1.4 USDA. The USDA is the lender for the Project. The USDA's representative is identified in the Project Roster (Project Manual, **Tab 1**). In addition to recommendation by the Project Manager and approval by the District, this Agreement, all Change Orders, and payment applications must also be approved by the USDA representative, but neither USDA, nor any of its departments, entities, or employees is a party to this



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Modoc Medical Center Skilled Nursing Facility
Design Build Agreement

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Initial: ____/____

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Agreement. District and Design Builder will furnish District's attorney such evidence as required so that District's attorney can complete and execute the "Certificate of Owner's Attorney" before the District submits the executed Amendment 5 of the Agreement to the USDA for approval. Amendment 5 will not be effective unless and until concurred with in writing by a delegated representative of USDA Rural Development.

2.2 Licensing. Design Builder must be a California state licensed general contractor. Consultants must all possess the appropriate California state design licenses for their particular discipline. Subcontractors must all possess the appropriate California state specialty license for their particular trade. Nothing in this Agreement will require a Design Build Team Member, or any of their respective Consultants or Subcontractors, to perform any portion of the Work outside of their respective licenses or contrary to Applicable Law.

2.3 Standard of Care. Design Builder will perform the Work using its best skill and attention and in a timely, workman-like manner consistent with the degree of care and skill customarily exercised by prudent licensed general contractors performing design and construction services for projects of similar size, scope, quality, and complexity within the State of California.

2.4 Collaboration. Design Builder and its Consultants, Subcontractors, suppliers, and equipment vendors will perform their respective portions of the Work using integrated project delivery tools and methods in accordance with the Project Objective. The Design Build Team will actively participate and collaborate with other Project Team Members to achieve best value based on the Agreed Program (Exhibit 3), optimal design, increased labor efficiency, and elimination of waste and re-work through utilization of Lean Project Delivery Methods and Building Information Modeling ("BIM") as further described in Articles 16 and 17 of the Supplemental Conditions (Exhibit 2), and in accordance with the approved BIM Execution Plan (Project Manual, Tab 6). The Design Build Team Members will make meaningful commitments to the District and the Project Manager, and will honor their respective commitments, regarding timely and proper performance of all Work as required by the Contract Documents.

2.5 Communications. All communications with the District will be through the Project Manager. However, the District Representative must be copied on all written communications to the Project Manager. Design Builder may communicate directly with other Project Team Members in furthering the best interests of the Project but the Project Manager must be kept apprised and copied on all written communications with other Project Team Members. Design Builder does not however have to copy Project Manager on correspondence between Design Builder and the Design Build Team.

2.6 Relationship of the Parties. Although this Agreement establishes a relationship of mutual trust and good faith and fair dealing between the Parties, the Design Builder's relationship with the District is that of an independent contractor whose involvement in the Project is to act solely in the capacity of a California licensed general contractor performing design-build services and not as an agent, fiduciary, partner, member of, subsidiary of, or otherwise affiliated with the District.

2.7 Responsibility. Design Builder acknowledges and agrees that it is solely responsible to the District for the sufficiency, quality, adequacy and completeness of the Work, and that Design Builder is responsible for any acts, errors, or omissions of the Design Builder's



principals, employees, agents, and/or any other parties either directly or indirectly in privity of contract with Design Builder including, but not limited to, the Architect of Record and other Consultants, Subcontractors, suppliers, equipment vendors, and their agents and employees, and other persons performing any portion of the Work on behalf of Design Builder. The Design Builder will collaborate with the District and other Project Team Members in delivering the best value to the District and furthering the best interests of the Project throughout the programming, design, construction, and commissioning process. Design Builder will: (i) use its best skill and judgment in furthering the interests of the District and the Project; (ii) furnish effective and efficient programming, design, construction management, administration, and supervision; (iii) furnish at all times an adequate supply of skilled labor, materials, and equipment; and (iv) perform the Work in an efficient and economical manner using Lean Project Delivery Methods.

3. CONTRACT DOCUMENTS

3.1 Defined. The Contract Documents are defined in Exhibit 1. The portions of the BIM prepared by Consultants or Design-Build Subcontractors are Contract Documents. The portions of the BIM prepared by the Design Builder or its Subcontractors to illustrate means and methods for constructing, fabricating, or installing portions of the Construction Work are Submittals, which are not Contract Documents or Construction Documents.

3.2 Interpretation and Intent. The intent of the Contract Documents is to include all items necessary for proper programming, design, execution and Completion of Construction Work in accordance with the Project Objective. The Contract Documents are intended to be complementary and what is required by one will be construed as being required by all.

3.3 Inconsistencies. If there are conflicting requirements within or between the various Contract Documents, the Design Builder's Representative as well as representatives from the necessary Consultants will meet with the District Representative and the Project Manager to determine which requirements will better achieve the Project Objective. If the group cannot reach an agreement by consensus, the order of precedence set forth in Sections 3.3.1 through 3.3.13 will apply. If a conflict exists between the terms set forth in the Contract Documents or any Applicable Law, the Applicable Law will control. Varying degrees of stringency among the Contract Document terms and conditions and Applicable Law are not deemed conflicts, and the most stringent requirement will govern.

3.3.1 Most recent executed Change Order and Amendment.

3.3.2 Agreement.

3.3.3 Supplemental Conditions.

3.3.4 Specifications.

3.3.5 Drawings (including ACDs).

3.3.6 Building Information Model.

3.3.7 Project Objective.

3.3.8 Written numbers over figures, unless obviously incorrect.



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- 3.3.9 Figured dimensions over scaled dimensions.
- 3.3.10 Specific details over standard or typical details.
- 3.3.11 Large-scale Drawings over small-scale Drawings.
- 3.3.12 Other Exhibits.
- 3.3.13 Project Manual.

3.4 Acknowledgment. Design Builder acknowledges it has carefully examined and understands this Agreement and the other Contract Documents; has investigated the nature, locality, and visually observable features of the Project site and the conditions and difficulties under which the Work is to be performed; and enters into this Agreement on the basis of its own examination, investigation, and evaluation of all such matters and not in reliance upon any opinions or representations of the District, its Separate Consultants, Separate Contractors, or the Project Manager other than those that are expressly set forth in the Contract Documents. Design Builder will immediately report any error, inconsistency, or omission it may discover to the Project Manager. If Design Builder observes that any of the Contract Documents are at variance with any Applicable Law in any respect, or are internally inconsistent, it will promptly notify the Project Manager in writing. If Design Builder performs any Work without having adequately reviewed the Contract Documents, knowing the Contract Documents to be contrary to Applicable Law, or knowing the Contract Documents to be internally inconsistent, and without providing written notice to the Project Manager, it will assume full responsibility and bear all costs attributable to the violation.

4. DISTRICT'S OBLIGATIONS

4.1 District Representative's Authority. The District Representative is authorized to approve changes in the Work that impact the Contract Price and/or affect the Contract Time established in the Schedule up to an amount of \$250,000 per occurrence with a total cumulative amount of \$500,000. Any request exceeding a cumulative amount of \$500,000 will require board of directors approval and must be timely submitted to the Project Manager and District by the Design Builder in order to allow proper consideration during the board's regularly scheduled meetings, or a special board meeting may be called if needed to avoid delays in the Project Schedule. District's Project Manager's representative is authorized to act on the District's behalf with respect to the daily operations of the Project but does not have the authority to bind the District or authorize changes in the Work or Schedule that impact the Contract Price or Contract Time. The District Representative and Project Manager will render decisions in a timely manner pertaining to documents submitted by the Design Builder in order to avoid unreasonable delay in the progress of the Work.

4.2 Information and Documents. The District will provide the Criteria Documents (Exhibit 3A), Applicable Building Codes (Exhibit 3D), Other Project Documents (Exhibit 3E), the Site Description (Exhibit 7A), and information regarding Furniture, Fixtures, and Equipment ("FF&E"). The Design Builder will be able to generally rely on the information provided by District but has performed its own independent site investigation in accordance with Section 3.4.



4.3 Permits and Fees. The District will pay the fees for the HCAI permit(s) and City of Alturas general building permit, required governmental approvals, easements, assessments and fees required for the development, construction, use or occupancy of the Project.

4.4 Third Party Testing and Inspections. District will be responsible for hiring and paying for all third party testing and inspections. However, Design Builder will make arrangements for third party testing and inspection per Article 5 of the Supplemental Conditions (Exhibit 2). Design Builder is responsible for all other inspections and reports required by Applicable Law or by the Contract Documents, and the costs of these inspections or reports are a Cost of the Work.

4.5 Stop Payment Notice. The District will provide the Design Builder with the necessary information for Subcontractors and Consultants who may record a stop payment notice for non-payment in accordance with California law governing public work projects.

4.6 Separate Consultants and Separate Contractors. The District reserves the right to perform work or services related to the Project with the District's own forces, and to award separate contracts in connection with the Project that are not part of the Design Builder's Work. The Design Builder will notify the District if any such independent action will interfere with the Design Builder's ability to perform the Work under this Agreement. When performing separate work or services, the District agrees that its Separate Consultants and Separate Contractors will be subject to similar obligations as the Design Builder with respect to insurance, indemnification, safety, protection, inspections, and non-conforming work or services. The District will remain responsible to the Design Builder for any delays to the Contract Time or cost impacts resulting from work or services performed by Separate Consultants or Separate Contractors. The District's Separate Consultants and Separate Contractors are set forth in Exhibit 7B. Any cost and/or time impacts will be addressed through the Change Order process set forth in Article 10.

4.7 Furniture, Fixtures, and Equipment. The District will timely procure all furniture, fixtures, and equipment in a manner consistent with the deadlines and requirements approved by the District and set forth in the Schedule. The Design Builder is responsible for coordinating with the District and its Separate Consultants regarding procurement and installation of all FF&E per Section 6.14.5(c).

4.8 USDA. This Agreement, all Change Orders, payment applications, and 90% Drawings and Specifications are subject to review and approval of the USDA.

5. PROJECT MANAGER'S ROLE

5.1 Project Manager's Representative's Authority. Project Manager's Representative set forth in the Key Business Terms Sheet is authorized to act on the District's behalf with respect to the daily operations of the Project but does not have the authority to bind the District or authorize changes in the Work or Schedule that impact the Contract Price and/or Contract Time.

5.2 Services. The Project Manager's role is to assist and advise the District during completion of the Agreed Program in accordance with the Project Objective, procurement of the Design Builder and other necessary Separate Consultants and Separate Contractors, and to help the District oversee, facilitate, and manage the design and construction process during all



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phases of the Project, including commissioning. Project Manager is responsible for coordination between Separate Consultants and Separate Contractors and the Design Builder.

5.3 Approvals, Clarifications, Changes, and Claims. The Project Manager will evaluate requests for approvals and clarifications, Claims, Field Work Orders, and Change Order Requests from Design Builder, and draft proposed responses for the District. The Project Manager will coordinate with the USDA for review and approval of Change Orders. Project Manager will coordinate with Separate Consultants to prepare Drawings or Specifications for items of extra work when required unless the extra work is incorporated into the Design Builder's Work through executed Change Order in which case the Design Builder will provide coordination. Project Manager will assist the District in resolving Change Order disputes and other Claims (that do not involve Project Manager), including documentation of the rationale for resolution.

5.4 Site Visits. During the construction phase, Project Manager's Representative will be on-site part-time weekly.

5.5 Payment Application Review. The Project Manager will coordinate with the USDA representative for review and approval of payment applications. The Project Manager will review applications for progress payment and final payment from Design Builder, and make recommendations to the USDA and District regarding payment.

5.6 Schedule Review. The Project Manager will monitor Design Builder's progress against the Design Builder's current work plans and the Schedule, review and analyze all delay and impact requests and make recommendations to the USDA and District, collaborate with the Design Builder regarding recovery plans if required, and meet with the Project Team to determine when critical decisions are needed from the District or others to maintain the Schedule.

5.7 Completion and Close-Out. The Project Manager will facilitate Project Final Completion (which includes commissioning activities, HCAI reconciliation, and patient licensing), and determine including coordination with the USDA in determining whether the Work is substantially complete and tracking punch-list activity, participating in start-up and commissioning, collecting all required close-out documentation and record documents (including but not limited to collecting and reviewing all verified reports, as-built Drawings and Record Model submitted by Design Builder).

6. DESIGN BUILDER'S OBLIGATIONS

6.1 Work. Design Builder will perform all necessary programming, design, construction, and commissioning required for the Project, and will provide all labor, materials, equipment, tools, and appurtenances necessary to complete the Construction Work described in, or reasonably inferable from, the Construction Documents. The Work will be designed and constructed so that it is in strict accordance with the Agreed Program (Exhibit 3) and the Project Objective.

6.2 Legal Compliance. Design Builder represents that it is aware of regulations and laws applicable to its operations and the performance of the Work. At its sole cost and expense, Design Builder will give all notices required by, and comply with, all Applicable Law, including those relating to safety, Hazardous Materials, and equal employment opportunities.



Design Builder will pay all local, state, and federal taxes, and all employee benefits, insurance, and contributions for Social Security and Unemployment which are measured by wages, salaries, or other remunerations paid to Design Builder's employees. Design Builder will require that its Subcontractors also provide notices required by, and comply with, Applicable Law.

6.2.1 Enabling Statutes. The Project is governed by California Health and Safety Code section 32132.7 and California Public Contract Code section 22160, et seq. Design Builder acknowledges that it has reviewed both statutes and is familiar with all provisions and the applicable duties required by the Design Builder.

6.2.2 Hospital Safety Act of 1983. Portions of this Project are subject to the Hospital Safety Act of 1983. Design Builder acknowledges that: (i) it is familiar with all provisions and the applicable duties of a designer and contractor under the Hospital Safety Act of 1983; (ii) the Drawings and Specifications will be reviewed, approved and accepted by HCAI and permitted for construction; (iii) changes in those portions of the Work that are subject to HCAI jurisdiction will not commence without an approved HCAI Amended Construction Document if required.

6.3 Staffing and Key Personnel. Staffing and key personnel for Design Build Team Members, along with their respective Billable Rates will be identified in Exhibit 4B. Unless otherwise requested by the District or the Project Manager, key personnel may not be removed from, or added to, the Project without prior written consent of the District Representative except in the instance of death, disability, or departure of person from employment, or other relationship with the Design Build Team. If a replacement is necessary, the proposed key personnel will have substantially equivalent or better qualifications than the former key personnel, and all candidates are subject to final approval by the District.

6.4 Permits, Fees, and Approvals. The Design Builder will assist the Project Manager with verification that the District has applied for and paid applicable fees and assessments and Design Builder will file all documents required for the approvals by HCAI and other Governmental Authorities, including HCAI Amended Construction Documents requests and Project completion filings. The Design Builder will secure and provide copies to the Project Manager of all permits and approvals required by Governmental Authorities for execution and inspection of the Construction Work. The cost and fees associated with HCAI, the general building permit(s), and third party inspection will be paid by the District per Sections 4.3 and 4.4. All specialty permits will be procured and paid for by the Design Builder and its Subcontractors and are included in the Contract Price.

6.5 HCAI. The Design Builder will be responsible for the submission and coordination of all "Amended Construction Document" (ACD) submissions to HCAI. Design Builder will use the HCAI eServices Portal to make ACD submittals to HCAI and the District will be notified by HCAI through the eServices Portal. All changes in the approved and Permitted Drawings and Specifications (Exhibit 3C) for the Project will be approved and permitted by HCAI before proceeding with the Construction Work. Design Builder will submit Amended Construction Documents to HCAI for review and approval and will state the reason for the change, the difference in construction costs, if any, and include all necessary Drawings, Specifications and other supporting documentation. All Amended Construction Documents must be sealed and signed by the design professional of record and the Architect of Record



before submission to HCAI. The Design Builder's Architect of Record will make all submissions of Amended Construction Documents in a timely manner to avoid delays in Contract Time.

6.6 Taxes and Fees. The Design Builder will pay all sales, consumer, use, gross receipts, and other similar taxes legally enacted at the time of commencement of the Work, and such taxes and fees are included in the Contract Price.

6.7 Subcontract Bidding Process. The Design Builder represents that it has complied with the bidding requirements set forth in Public Contract Code sections 22166 (a) and will comply with the bidding requirements of Public Contract Code section 4100, et seq., for procuring any subcontracts where Subcontractor was not listed by Design Builder in its statement of qualifications and response to the request for bid. In addition, the Design Builder will: (i) develop bidders' interest in the Project and endeavor to have at least 3 bids for all trades; (ii) establish bidding schedules in accordance with the procurement requirements set forth in the Schedule (Exhibit 5A); (iii) develop Subcontractor scopes of work, and package and issue bidding documents to pre-qualified, interested bidders; (iv) collaborate with the District and Project Manager regarding the evaluation of bidder prequalification and bid analysis to determine the best Subcontractor suited for the Project based on either the best value criteria established in the request for proposal and in accordance with Public Contract Code section 20166 (b) (3) or the lowest responsible bidder (as applicable); and (v) enter written subcontract with the most responsive, responsible bidder based on the bid criteria and pursuant to this Section 6.7 and 6.8.2. Design Builder may not knowingly subcontract with a Subcontractor or supplier that prepared portions of the Criteria Documents.

6.8 Consultants and Subcontractors. All agreements between Design Builder and its Consultants and Subcontractors will be in writing and must bind each Consultant and Subcontractor to the Design Builder by the terms and conditions of the Contract Documents and require that each Consultant and Subcontractor assume toward the Design Builder all obligations and responsibilities that the Design Builder assumes toward the District under the Contract Documents. Each Consultant agreement and subcontract will preserve and protect the rights of the District and Design Builder under the Contract Documents with respect to the portion of the Work performed by the party so that subcontracting portions of the Work does not prejudice the District's rights.

6.8.1 Design Services. At a minimum, the Design Builder will pass through to the Architect of Record and each Consultant performing Design Services the provisions set forth in subsections (a) through (m) below.

(a) **License.** All Consultants performing Design Services will be properly licensed for their respective portion of the Design Services.

(b) **Standard of Care.** Consultants will timely perform their portions of the Design Services using the degree of care ordinarily used by other competent licensed architects and engineers designing projects of similar size, scope, quality and complexity within the State of California. Consultants will sign and affix their respective professional seal on their respective portions of the Construction Documents to the extent required by Governmental Authorities.



(c) Compensation. Consultants performing portions of the Design Services will be compensated based on their Billable Rates set forth in Exhibit 4B and up to a not-to exceed amount. Billable Rates must be calculated in accordance with Section 7.2.1(a). All payments must be made in accordance with Section 9.4.

(d) Audit. Each design agreement will include the audit provisions set forth in Section 9.10.

(e) Third Party Beneficiary. The District will be a third party beneficiary with respect to the portion of Design Services provided by Consultant under the design agreement.

(f) Liability and Indemnity. To the fullest extent permitted by law, each design agreement must include similar indemnification and liability so that each Consultant has the same defense and indemnification obligations to Design Builder and the District as the Design Builder has to the District for liability, defense, and indemnification arising or resulting from Consultant's portion of the Design Services. (See, Article 11). For Design Services, defense and indemnification should be on a comparative fault bases for claims arising from acts, errors, or omissions, to comply with Civil Code section 2782.8.

(g) Insurance. Design Builder will cause, through written design agreement, Consultant to carry errors and omissions insurance at appropriate limits, as well as workers compensation, commercial general liability, and automobile liability based on the requirements set forth in Exhibit 6A.

(h) Claims and Disputes. The dispute resolution procedures set forth in Article 15 must be included.

(i) Ownership of Documents. Design Builder will incorporate the provisions in Article 14 into each design agreement.

(j) Assignment. Each design agreement must include an assignment provision. The assignment provision will allow for assignment of the design agreement to the District if Design Builder is terminated and provided that the District accepts assignment by written notification to the Consultant and Design Builder.

(k) Miscellaneous Provisions. The miscellaneous provisions set forth in Sections 17.1 through 17.3, 17.6 through 17.9, and 17.15.

(l) Conflicting Terms. All conflicts arising out of any design agreement will be resolved in accordance with the order of precedence set forth in Section 3.3, and this Agreement will take precedence over any conflicting terms and provisions in the design agreement other than terms and conditions regarding scope of service and amount of compensation.

(m) Exhibits. The following Exhibits must be included in each design agreement: Exhibit 1 through Exhibit 3, Exhibit 5A, and Exhibit 7 through Exhibit 8.

6.8.2 Subcontractors. At a minimum, each subcontract must pass through provisions set forth in subsections 6.8.2(a) through (m) below.



(a) License. All Subcontractors will be properly licensed for their respective trade. In addition, Design-Build Subcontractors must also be properly licensed for their respective portion of the Design Services.

(b) Standard of Care. Subcontractor will timely perform its respective portion of the Work using its best skill and attention in a workman-like manner consistent with the degree of care customarily exercised by prudent licensed specialty contractors performing similar trade work on projects of similar size, scope, and complexity within the State of California. To the extent Subcontractor is performing design build Work, Subcontractor must also timely perform its respective portions of the Design Services using the degree of care ordinarily used by other competent licensed architects and engineers designing work of similar size, scope, quality and complexity within the State of California. Design-Build Subcontractors will sign and affix their respective professional seal on their respective portions of the Construction Documents to the extent required by Governmental Authorities.

(c) Compensation. Subcontractor must be compensated on either a lump sum basis or a cost reimbursable basis subject to a guaranteed maximum price. If Subcontractor is compensated on a cost reimbursable basis with a guaranteed maximum price, the subcontract must include the Cost of the Work set forth in Section 7.2 and specify Subcontractor's billable rates. Subcontractor's billable rates must be calculated in accordance with Sections 7.2.1(a) and 7.2.1(c), as applicable. All payments must be made in accordance with Section 9.4.

(d) Audit. Lump sum and fixed price contracts are not subject to audit. However, subcontracts and consulting agreements will require subcontractors and consultants to be bound to the audit provisions set forth in Section 9.10 with respect to change orders and amendments for additional services.

(e) Third Party Beneficiary. The District will be a third party beneficiary with respect to any Design Services performed by Design-Build Subcontractors.

(f) Liability and Indemnity. Each subcontract must include similar indemnification and liability so that each Subcontractor has the same defense and indemnification obligations to Design Builder and the District as the Design Builder has to the District for liability, defense, and indemnification arising or resulting from Subcontractor's portion of the Work. (See, Article 11).

(g) Insurance. Design Builder will cause, through written agreement, Subcontractors to carry appropriate limits with similar types of coverage based on the insurance requirements set forth in Exhibit 6A.

(h) Claims and Disputes. The dispute resolution procedures set forth in Article 15 must be included.

(i) Ownership of Documents. Design Builder will incorporate the provisions in Article 14 into each subcontract.

(j) Assignment. Each subcontract must include an assignment provision. The assignment provision will allow for assignment of the subcontract to the District if



Design Builder is terminated and provided that the District accepts assignment by written notification to the subcontract and Design Builder.

(k) Miscellaneous Provisions. The miscellaneous provisions set forth in Sections 17.1 through 17.3, 17.6 through 17.9, and 17.15.

(l) Conflicting Terms. All conflicts arising out of any subcontract will be resolved in accordance with the order of precedence set forth in Section 3.3, and this Agreement will take precedence over any conflicting terms and provisions in the subcontract other than terms and conditions regarding scope and compensation.

(m) Exhibits. The following Exhibits must be included in the subcontract: Exhibit 1 through Exhibit 3, Exhibit 5, and Exhibit 7 through Exhibit 8.

(n) Certification of Non-Segregated Facilities. Before an award of subcontract or consultant agreement exceeding \$10,000, Design Builder must receive from the prospective subcontractor or consultants, and submit to the Project Manager, certification required by the May 9, 1967, order (32 F.R. 7439, May 19, 1967, Appendix 2) on Elimination of Segregated Facilities (see Exhibit 9B).

6.9 Validation Phase. Upon execution of the Agreement, the Design Build Team will collaborate with the District and the Project Manager for a period of approximately 12 weeks to provide a preliminary evaluation of the Criteria Documents (Exhibit 3A) to the District and discuss alternative approaches to design and construct the Project taking into account the Target Cost (to the extent the proposed GMP exceeds the Target Cost) or Guaranteed Maximum Price (as applicable), best value recommendations and value engineering proposals, add alternates listed in Attachment 3D of the request for proposal, lifecycle analysis, and sustainability goals. At the conclusion of the Validation Phase, the Design Build Team and District will mutually agree to adjustments in the Conceptual Design Documents and Criteria Documents (subject to peer review by Architectural Nexus) for the Project and the Guaranteed Maximum Price that will be incorporated into this Agreement as Exhibit 4A. The final GMP incorporated into the Agreement cannot exceed the proposed GMP submitted at the time of bid unless the District and the Design Builder agree that the modifications increase the scope and are a District Elected Change per Section 10.2.1. The proposed GMP however, may be reduced during the Validation Phase for adjustments made to the scope in order to deliver best value to the District within the Target Cost. If the District and the Design Builder are unable to agree to the GMP, the District may terminate this Agreement for convenience per Section 16.2 and all work product developed during the Validation Phase will be the District's property per Article 14. To the extent the Criteria Documents or Conceptual Design Documents are modified during the Validation Phase, those modifications will be incorporated into the Agreement through Amendment to Exhibit 3A and Exhibit 3B.

6.10 Development of Design. The Design Builder will actively engage and collaborate with other necessary Project Team Members in the following activities throughout the entire design process and at various stages in the development of the Permitted Drawings and Specifications (Exhibit 3C).

6.10.1 Building Information Model. The Design Build Team will establish a BIM Execution Plan in compliance with Section 16 of Exhibit 2, which will be incorporated into Tab 6



of the Project Manual. The Model will be developed in accordance with the BIM Execution Plan and will be continually updated throughout the design and construction process so that the Model is current with the actual "as-built" condition, and when completed will be the Record Model. To the extent that there are inconsistencies between the 2D Drawings and the Model, the Drawings will govern per Section 3.3.

6.10.2 2-D Working Drawings. The Design Builder will also produce working Drawings throughout the various stages in the development of the Permitted Drawings and Specifications (Exhibit 3C) and subsequent Construction Documents.

6.10.3 Target Value Design. The District and Design Build Team will actively engage in the Target Value Design process to provide optimal value and design during each stage of the design process, and to properly coordinate and integrate the various systems, equipment, and components to increase ease of construction while controlling Project cost and schedule. Set Based Design and Choosing By Advantages will be used to explore design alternatives and reach decisions during the design process. Cost evaluation during the Target Value Design process should include life cycle cost analysis for systems being considered, design details as they are being developed, and portions of the Construction Work that the Project Team deems necessary for accurate cost modeling. The Target Value Design process should include the following:

(a) Set Based Design. The Design Build Team will collaborate with other Project Team Members through the use of Set Based Design and Choosing By Advantages to determine the best design options and whether one design option can be achieved in a different manner for a lower cost or improved schedule without compromising the aesthetic or functional value. Proposals for alternative systems, means, methods, finishes, equipment, and the like must satisfy the Agreed Program (Exhibit 3), and result in savings of time or money in constructing, increased sustainability, or improved facilities, operations or maintenance. Consultants will review all proposals to ascertain design feasibility, satisfaction of the Criteria Documents and design concepts, compatibility and compliance with Applicable Laws and Applicable Building Codes (Exhibit 3D). Design Builder and relevant Subcontractors will review alternative proposals for constructability, schedule, and cost. The District will rely solely on the Design Build Team's representations about the appropriateness and adequacy for implementation on the Project but proposals on design alternatives will not be incorporated into the Permitted Drawings and Specifications without review by the Project Manager and approval of the District and HCAI (as may be required).

(b) Constructability Reviews. The Design Builder and its Subcontractors will provide ongoing constructability reviews during the design process to provide clarity, consistency, constructability, and coordination among the various design disciplines' Drawings and the Subcontractors. The Consultants and other necessary Project Team Members will review and respond in writing to each constructability review comment, either by recommending changes into the design or explaining why such action is unnecessary.

(c) Cost Evaluation. The Design Builder and its Subcontractors will provide continual estimating services as often as necessary to support decisions regarding scope, functionality, and design and to help ensure that the Project design meets or exceeds the Project Objective. Consistent cost evaluation will assist the Design Build Team and District in making decisions on design alternatives.



(d) Life Cycle Analysis. The Design Build Team will provide alternative systems to the District and Project Manager for a 25 year life cycle analysis and evaluation of the significant costs over the life of each alternative. At a minimum, life cycle analysis must be completed for mechanical, electrical, and plumbing ("MEP") equipment, roofing, building envelope, and other required materials using the Federal Energy Management Program's Building Life Cycle Cost Program Model BLCC 5_3_21 as applicable. The analysis will include projected initial cost of the system, projected yearly operational and maintenance costs, projected life expectancy, estimated replacement cost, and anticipated levels of performance. The life cycle analysis is not a design warranty but is part of expected design performance obligations, which are subject to the standard of care set forth in Section 6.8.1(b).

(e) Sustainability. The Design Builder will collaborate with the other Project Team Members early during the design process to determine how to achieve sustainability requirements set forth in the Criteria Documents, if any, or from sustainability recommendations from the Design Build Team regarding energy efficiency, facility operations, and maintenance that are approved by the Project Manager and the District.

6.10.4 HCAI. The Design Builder will coordinate and interface with HCAI throughout performance of the Work. The design may be released in segments in accordance with any HCAI phased review process.

6.10.5 Title 24. The Design Builder will prepare the scope for required testing and inspections per the Testing, Inspection and Observation ("TIO") requirements described in Title 24, Part 1. The TIO requirements will be submitted to Project Manager, with the application for building permit forms. The Design Builder will coordinate with Project Manager and the District regarding when and to what extent tests, inspection and reports are necessary or appropriate under Title 24.

6.11 Schematic Design Documents. The Design Builder will cause its Consultants to prepare Schematic Design Documents based on the Agreed Program set forth in Exhibit 3. Schematic Design Documents will consist of Drawings, outline Specifications and other necessary documents illustrating the scale and relationship of Project components and will include a site plan, preliminary building layout and floor plans, sections and elevations for major building systems, as well as line diagrams and proposed equipment schedules based on the Criteria Documents (Exhibit 3A), Conceptual Design Documents (Exhibit 3B), Applicable Building Codes (Exhibit 3D), and Other Project Documents (Exhibit 3E).

6.11.1 Reconciliation with Agreed Program. Before completing the Schematic Design Documents, the Design Builder will cause the Consultants to evaluate the programmatic requirements and note any discrepancies between the Project requirements and the Schematic Design Documents, and request approval and direction from the Project Manager and the District. Design Builder will also prepare a cost estimate based on the Schematic Design Documents projecting the Contract Price for the Work, and will note any slippage in the Schedule (Exhibit 5A). The projected Contract Price must be within the GMP as part of the reconciliation process and submitted to the District. If the projected Contract Price exceeds the GMP, the Project Team Members will engage in further Target Value Design until the projected Contract Price is within the GMP and meets the design criteria set forth in the Criteria Documents. To the extent that there has been a slippage in the Schedule, the Design Builder



will prepare and submit a detailed recovery plan required by Section 8.6 as part of the reconciliation.

6.11.2 Coordination of MEP. Mechanical, electrical, plumbing, fire protection and fire and life safety work will be coordinated through the BIM, as appropriate, to avoid obstructions, preserve head room, keep openings and other passageways clear, overcome interference with structural, framing, and equipment conditions, and coordinate with other trades. Other trades may also be coordinated through the Model.

6.11.3 Approval Process. The Design Builder will submit and present the following material for review and approval by the Project Manager ~~and~~ the District and USDA: (i) floor plans; (ii) site plan with larger Project site context; (iii) sections and elevations for major building systems; (iv) line diagrams and equipment schedules; and (v) outline Specifications as well as a narrative describing how the design will meet the Agreed Program with respect to building performance and fitness for its intended purpose and use, subject to the standard of care set forth in Section 6.8.1(b). In addition, the Design Builder will submit the reconciliation as required per Section 6.11.1. If the District does not approve the Schematic Design Documents, or aspects of the documents, the Design Builder will modify the Schematic Design Documents and re-submit for approval.

6.12 Design Development Documents. The Design Builder will cause its Consultants to prepare Design Development Documents based on the approved Schematic Design Documents per Section 6.11.3, and any approved adjustments authorized by the District in the Agreed Program or Project Objective. The design development Drawings must include detailed Drawings, Specifications, and narratives necessary to fix and describe the size and character of the entire Project as to design, structural, mechanical, and electrical systems, materials, and such other elements as may be appropriate to allow the District to initiate scope compliance review(s). The Design Development Documents will include, but not be limited to, studies which define fixture and furniture layouts sufficient to coordinate utility and communication service requirements, overall master plan for finishes, and any other items listed in the Criteria Documents (Exhibit 3A), Conceptual Design Documents (Exhibit 3B), and that are in compliance with Applicable Building Codes and the Other Project Documents (Exhibit 3D and Exhibit 3E, respectively).

6.12.1 Reconciliation with Agreed Program. The Design Build Team will be expected to engage in Target Value Design throughout the design process. Before completing the 50% and 100% Design Development Documents, the Design Builder will cause the Consultants to evaluate the programmatic requirements and note any discrepancies between the Project requirements and the Design Development Documents, and request approval and direction from the District Representative and Project Manager. The design will not progress past the applicable design phase until the reconciliation process is complete, and the District has approved the design submission. Design Builder will also prepare a cost estimate based on the Design Development Documents projecting the Contract Price for the Work, and will note any slippage in the Schedule (Exhibit 5A). The projected Contract Price must be within the GMP as part of the reconciliation process and submitted to the District. If the projected Contract Price exceeds the GMP, the Project Team Members will engage in further Target Value Design until the projected Contract Price is within the GMP and meets the design criteria set forth in the Criteria Documents. To the extent that there has been a slippage in the Schedule, the Design



Builder will prepare and submit a detailed recovery plan as required by Section 8.6 as part of the reconciliation.

6.12.2 Design Review. Design Builder will cause its Consultants to prepare the necessary documentation for design review from the local community (to the extent required), USDA and the District, as well as back-check and code compliance from necessary Governmental Authorities, and to attend all design review meetings as required to obtain community, USDA, District, and Governmental Authority design review and approval.

6.12.3 Third Party Peer Review. The District reserves the right to have the Design Development Documents reviewed by a third party licensed architect and engineer (as applicable) for compliance with the Agreed Program (Exhibit 3).

6.12.4 Approval Process. The Design Builder will submit and present the following materials for review and approval by the Project Manager and the District: (i) detailed floor plans; (ii) site plan with larger Project site context; (iii) building sections and elevations; (iv) detailed Specifications as well as a narrative describing how the design meets the Agreed Program with respect to color, finish, materials, and fitness for intended purpose and use, subject to the standard of care set forth in Section 6.8.1(b). The Design Development Documents submittal will either incorporate changes and corrections required by design review and third party peer review under Sections 6.12.2 and 6.12.3, or be accompanied by a written statement from the Design Build Team as to why such changes were not incorporated. The District or Governmental Authority may reject the Design Build Team's explanation and require that changes or corrections to the Design Development Documents as previously requested be made. In addition, the Design Builder will submit the reconciliation as required per Section 6.12.1.

6.13 Construction Documents. The Design Builder will cause its Consultants to prepare Drawings and Specifications to be issued for permit based on the approved Design Development Documents per Section 6.12.2 and 6.12.4, and any approved adjustments authorized by the District in the Agreed Program or Project Objective. The Construction Documents will consist of Drawings and Specifications setting forth in detail all necessary requirements for proper construction of the Project, as well as any subsequent approved revisions, and taking into account the Applicable Building Codes (Exhibit 3D), and Other Project Documents (Exhibit 3E). The Construction Documents will describe the quality, configuration, size, and relationships of all materials, equipment, and components to be incorporated into the Project, and will be the Drawings and Specifications submitted to all necessary Governmental Authorities for approval and permit. Upon receipt of the Construction Documents from Design Builder, the District will not submit the Construction Documents electronically the USDA for permit until receipt of approval by the District. The Permitted Drawings and Specifications must be consistent with the Agreed Program. Subsequent revisions to the Permitted Drawings and Specifications may be subject to HCAI and other Governmental Authority approval depending on building being submitted.

6.13.1 Reconciliation with Agreed Program. Before completing the Drawings and Specifications for permit, the Design Builder will send 90% complete Drawings and Specifications and the Project Manual to the District and USDA Architect for USDA approval (address upon request to Judy Moran, Judy.moran@usda.gov) for review and approval. ~~Design Builder will allow a reasonable amount of time in the Schedule for the District's review.~~ Design



Builder will also cause the Consultants to evaluate the programmatic requirements and note any discrepancies between the Project requirements (including Criteria Documents) and the Construction Documents, and request approval and direction from the Project Manager and the District. The reconciliation of the Drawings and Specifications must include calculations of the gross square footage and the assignable square footage and make a direct comparison of these areas with the Criteria Documents (Exhibit 3A). Design Builder will prepare its proposed Contract Price based on the Drawings and Specifications issued for permit demonstrating that Work can be completed within the GMP, and will note any slippage in the Schedule (Exhibit 5A). To the extent that there has been a slippage in the Schedule, the Design Builder will prepare and submit a detailed recovery plan as required by Section 8.6 as part of the reconciliation.

6.13.2 Submission of Signed and Stamped Drawings and Specifications. In order to obtain necessary permits and to comply with professional registration statutes, 2D Drawings, calculations and Specifications must be generated, reviewed, sealed, and submitted to reviewing Governmental Authorities, USDA, and the District. The responsible member of the Design Build Team will sign and stamp their respective Drawings, Specifications, and calculations. By signing and sealing the Drawings and Specifications, each Consultant and Design-Build Subcontractor represents that its portion of the Design Services are complete, coordinated, accurate, and contain directions that will enable the Design Builder and its Subcontractors to construct the Project.

6.13.3 Permits and Approval. The Design Builder will submit the Drawings and Specifications, a summary of the calculations, and detailed calculations for the structural, HVAC, electrical, plumbing, communications, and other specialized building systems. The applicable Governmental Authorities will be final interpreter of all code requirements, and all such decisions will be final. The Construction Documents will not be considered 100% complete until all required Governmental Authorities, USDA, and District approvals have been received. Upon approval, the Design Builder will provide a copy of the Permitted Drawings and Specifications for the Project to the Project Manager, and will maintain the original Permitted Drawings and Specifications at the Project site and posted as Exhibit 3C in the Project's electronic file sharing application. A list of the Permitted Drawings and Specifications will be amended into the Agreement as Exhibit 3C.

6.13.4 Substitutions. Once the Permitted Drawings and Specifications are issued, no substitutions will be accepted on the Project unless: (i) the specified materials or equipment have been discontinued or if there are supply chain issues and a substitution is necessary to maintain the Project Schedule; and (ii) the District, Project Manager, and necessary Governmental Authorities have approved the substitution in writing. Any requests for substitution are subject to third party peer review at the District's sole discretion. Substitutions that are included in the Work but not approved will be deemed non-conforming Construction Work and subject to correction per Section 5.5 of the Supplemental Conditions (Exhibit 2) and Article 13.

6.14 Construction Services. The Design Builder is solely responsible for all construction means, methods, techniques, sequences, and procedures and for safety precautions and programs in connection with the Construction Work. Those portions of the Construction Work that Design Builder does not customarily perform with its own personnel will be performed by a Subcontractor under written subcontract pursuant to Section 6.8.2.



6.14.1 Preliminary Notice. Design Builder will, within 5 business days of receipt, forward to Project Manager all Preliminary Notices (Civil Code sections 9300 and 9560) served on it by any person or entity entitled to assert a payment bond or stop payment notice claim. Design Builder will maintain a written record of all Preliminary Notices received including the manner of receipt, date of receipt, and name and address of person or entity serving the Preliminary Notice. This written record will be turned over to the Project Manager at Project close-out with a copy to the USDA.

6.14.2 Supervision. The Design Builder will supervise and direct the Construction Work using its best skill and judgment. The Design Builder will be solely responsible for all design, fabrication, shipment, delivery and coordination of all portions of the Work under the Contract Documents. The Design Builder will provide a qualified superintendent at the Project site to properly supervise all of Design Builder's employees, Subcontractors and their agents and employees, and other persons performing Construction Work and to ensure that the Construction Work is carried out in strict accordance with the Contract Documents. Design Builder's superintendent is key personnel and may not be changed without the District's written consent per Section 6.3.

6.14.3 Weekly Subcontractor Meetings. Design Builder will lead weekly Subcontractor meetings while performing Work. The meeting will engage all Subcontractor team members to review prior performance, discuss upcoming Work, discuss any challenges and identify any performance issues, discuss status of problem solving efforts, discuss current staffing, and identify areas for improvement with a goal of continual improvement.

6.14.4 Discipline. The Design Builder will enforce strict discipline and order at all times among Design Builder's employees, Consultants and Subcontractors and will not employ or contract with any unfit or unskilled person(s) or entities on this Project.

6.14.5 Coordination. All Construction Work will be coordinated and performed in accordance with the Contract Documents. The Supplemental Conditions (Exhibit 2) include additional information and requirements for field operations. Before starting each portion of the Construction Work, the Design Builder will: (i) review and compare the various Contract Documents relative to that portion of the Construction Work, as well as the information furnished by the District, Project Manager, Consultants and Subcontractors that may affect proper installation of the Construction Work; (ii) field measure existing conditions related to that portion of the Construction Work; and (iii) observe any conditions at the site directly affecting that portion of the Construction Work.

(a) Field Measurements. The Design Builder will take field measurements to ensure proper matching and fitting of new construction with existing conditions at the Project site.

(b) Submittals. All Submittals will be properly and timely submitted in accordance with Article 3 of the Supplemental Conditions (Exhibit 2).

(c) Furniture, Fixtures, and Equipment ("FF&E"). The Design Builder will cooperate with the Project Manager and the District's Separate Consultants and Separate Contractors regarding coordination and timely procurement of all FF&E to ensure that the FF&E are procured in a timely fashion and in accordance with the Schedule. FF&E will be Design



Builder furnished and installed (CFCI) unless otherwise noted in the Criteria Documents. For CFCI, Design Builder will be responsible for all aspects of such FF&E including, purchase, coordination, backing, utilities, receiving, unloading, unpack/uncrate, moving into position, and installation including anchoring. If the Criteria Documents indicate that FF&E is District furnished Design Builder installed (OFCI), Design Builder will be responsible for coordination, backing, utilities, receiving, unloading, unpack/uncrate, moving into position, and installation including anchoring. If the Criteria Documents indicate that FF&E is District furnished District installed (OFOL) or District furnished vendor installed (OFVI), Design Builder will be responsible for coordination, backing, and utilities.

6.14.6 Site Logistics. The Design Builder, in collaboration with the Project Manager will review the proposed Site Logistics Plan, make adjustments as may be required, submit revisions (if any) to the Project Manager and District for approval. The approved Site Logistics Plan will identify areas of the Project site that will be used for trailers, deliveries, staging, ingress, egress, etc. The approved Site Logistics Plan will be incorporated into the Project Manual as Exhibit 5B. Adjustment to the proposed Site Logistics Plan will not be grounds for an adjustment in the Contract Price. Design Builder acknowledges that this Project is being constructed adjacent to an existing hospital that will remain open and operational throughout the Project, and Design Builder will therefore adhere to the most current, approved Site Logistics Plan at all times.

6.14.7 Layout and Protection. The Design Builder is responsible for all layouts and will preserve and protect all line and grade benchmarks. Any additional surveying or layout caused as a result of Design Builder's or any of its Subcontractors' failure to take the necessary precautions to protect the data will be performed at Design Builder's own cost and expense.

6.14.8 Materials and Equipment. Storage of equipment and materials will be coordinated through the Project Manager and in accordance with the most current, approved Site Logistics Plan. Design Builder will maintain, or cause its Subcontractors to maintain, all storage areas and will keep storage areas clean, safe, and secure.

(a) Long Lead Items. The Design Builder will collaborate with the other Project Team Members to establish a program to expedite ordering and delivery of materials and equipment in a timely manner and consistent with the Schedule.

(b) Shipment and Deliveries. Before shipment, delivery, and installation of materials and equipment, Design Builder will verify the stage of completion of the Project with the Project Manager to determine the availability of facilities for access, delivery, transportation, and storage, and to correlate these observations with the requirements of the Contract Documents. All shipments and deliveries will be scheduled and coordinated in accordance with the most current, approved Site Logistics Plan and Schedule.

(c) Risk of Loss. All Construction Work stored at the Project site, or work related to the preparation or delivery of materials or equipment to the Project site, is performed exclusively at the risk of the Design Builder and will remain at the risk of the Design Builder until Substantial Completion. Materials and equipment stored offsite must be stored in a bonded or insured warehouse, and must be segregated and labeled "Property of Modoc Medical Center" and include the Project name and number. The District, Design Builder and its Subcontractors will be named as an additional insured under the Builder's Risk policy and,



subject to the terms and conditions of that policy, may be insured for some or all of the risk of loss under this provision.

(d) Maintenance. The Design Builder will provide all maintenance and repairs for systems and equipment at its own costs and expense until the Substantial Completion Date.

6.14.9 Cutting and Patching. Design Builder and its Subcontractors will be responsible for all cutting, fitting, or patching required to complete the Construction Work or to make its parts fit together properly. The Design Builder and its Subcontractors will not damage or endanger any portion of the Construction Work, or fully or partially completed Construction Work, by cutting, patching, or otherwise altering the construction. The Design Builder and its Subcontractors will not cut or otherwise alter the construction by Separate Contractors except with the prior written consent of the Project Manager.

6.14.10 Testing and Inspections. Testing and inspections will be completed in accordance with Article 5 of the Supplemental Conditions (Exhibit 2).

6.14.11 Substantial Completion. When the Project or portion of the Project has achieved Substantial Completion, the Project Manager will issue a certificate of Substantial Completion per Section 5.7 of the Supplemental Conditions (Exhibit 2) to be signed by the District and Design Builder. Upon issuance of the certificate of Substantial Completion, Design Builder and its Subcontractors will diligently complete the remaining Construction Work in accordance with the Contract Documents.

6.14.12 Commissioning. Design Builder will schedule and oversee the final testing and start-up of utilities, operational systems, and equipment, and assist the District with building commissioning in conjunction with the Project Manager, IOR, District facility and maintenance personnel, and required Subcontractors. All inspections and testing will be conducted by the IOR, special inspectors, or by other Governmental Authorities (as applicable). During commissioning and before Completion of Construction Work, the Design Builder and Project Manager will oversee Subcontractor operation, adjustment, and balancing of all equipment, and training of District's employees in the correct operation and maintenance of equipment.

6.14.13 Final Inspection and Acceptance. Final inspections and acceptance will be in accordance with Section 5.8 of the Supplemental Conditions (Exhibit 2).

6.14.14 Maintenance of Records. The Design Builder will maintain at the Project site for the District one record copy of the Agreed Program (Exhibit 3), the approved Design Development Documents, the Permitted Drawings and Specifications, all permits, the BIM, all addenda, approved Submittals, Change Orders and other modifications, and RFIs in good order and marked correctly to record changes and selections made to the Construction Documents during design and construction. The Design Builder will maintain records, in duplicate, of principal building layout lines, elevations of the bottom of footings, floor levels, and key site elevations certified by a qualified surveyor or professional engineer. All records will be available in the Design Builder's jobsite office and will be delivered to the Project Manager at the Completion of Construction Work along with any other required close-out documentation required by the Contract Documents.



6.14.15 Close-Out. Before Completion of Construction Work, the Design Builder will transmit to the Project Manager all verified reports, an electronic copy and 1 hard copy of all required as-built Drawings, the Record Model, operation and maintenance manuals, references, warranties, attic stock, keying schedule, etc., as required by the Contract Documents. As Built changes to the Construction Documents will be reflected in the final "As Built" revision of the CAD files and the Record Model. Such files and the Record Model will be turned over to the District with a copy to USDA.

7. COMPENSATION

7.1 Contract Price. The District will pay the Design Builder the Contract Price up to the Guaranteed Maximum Price as described in Section 7.1.1. The Contract Price includes any price adjustments based on fully executed Change Orders. All Work described in the Contract Documents will be included in the Contract Price whether or not specifically itemized in the GMP Breakdown, Qualifications & Assumptions (Exhibit 4A), except for items designated in the Criteria Documents to be performed "by others."

7.1.1 Guaranteed Maximum Price. The GMP will be incorporated into the Agreement after the Validation Phase as Exhibit 4A and includes the Design Builder's Costs of the Work as defined in Section 7.2 and its Fee as further described in Section 7.3. The GMP Breakdown must include separate line items for the categories set forth in subparagraphs (a) through (f) below. There are no line item guarantees in the GMP. The proposed GMP may be modified during the Validation Phase as described in Section 6.9 upon mutual agreement between the District and the Design Builder. All costs which would cause the GMP to be exceeded will be paid solely by the Design Builder, subject only to adjustment through executed Change Order.

(a) Billable rates for Design Services must be calculated in accordance with subparagraph 7.2.1(a) and are set forth in Exhibit 4B. The cost for Design Services will be included as a separate line item in the GMP and will be compensated on a not-to-exceed basis.

(b) Direct Costs for Construction Work. Direct costs for Construction Work will comply with the applicable Cost of the Work requirements set forth in Section 7.2 and must be itemized into separate line items by trade.

(c) Indirect Costs for Construction Work. Indirect costs for Construction Work will include Design Builder's general conditions, general requirements, design and construction contingency, insurance, and payment and performance bond and Fee.

(i) Design Builder's general conditions are described in subparagraph 7.2.1(b). All billable rates must be calculated in accordance with Section 7.2.1(b) and are set forth in Exhibit 4B. The cost for Design Builder's general conditions will be included as a separate line item in the GMP.

(ii) Design Builder's general requirements are described in Section 7.2.3 and are more particularly set forth in Exhibit 4D.

(iii) [[Amendment1]] Design and Construction Contingency. ~~Contingency~~ Design Builder will include contingency for design and construction ~~must be~~



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~~included~~ in separate line items of the GMP ~~and, which~~ may be used by the Design Builder ~~at its discretion~~ as a buffer to the GMP to cover situations such as unanticipated field conditions, scope gaps or subcontractor buy-out overruns, correction of design errors or omissions, re-sequencing of the Work, or acceleration to permit the Design Builder to deliver the Project within the Contract Time. ~~Contingency will not be used for any of the Change Order conditions set forth in Section 10.2.~~ Upon completion of procurement of all Subcontractors, the material escalation allowance will be reconciled, and then the contingency included in the GMP will be reduced to the product of three and a half percent (3.5%) of the sum of the Subcontractor costs as adjusted after buy-out. Any savings realized in the direct construction costs through procurement of the Subcontractors will accrue 100% to the District, including any unused material escalation allowance amounts per Section 7.1.1(d) below. It is agreed that buyout will be substantially complete prior to the issuance of a building permit by HCAI. Adjustments to the Contract Price will be executed through deductive Change Order per Section 10.2.11, and will occur not later than 2 weeks after receipt of a building permit from HCAI and will include the reduction in the contingency to 3.5%, which will be calculated after crediting any buy-out savings to the District along with reconciliation of the material escalation allowance. The remaining 3.5 % in contingency will not be used to cover any other Change Order conditions set forth in Section 10.2. Use of the Design Builder's contingency will be transparent and Design Builder will transfer the amount of contingency used into the appropriate line item in the GMP. Design Builder will ensure that Subcontractors do not carry contingency for the same risks. ~~All unused contingency will accrue to the District. Unused design contingency will be returned to the District by deductive Change Order upon plan approval by the Governmental Authority having jurisdiction.~~ Unused construction contingency will be returned/accrue to the District via deductive Change Order upon Completion of Construction Work.

(d) Material Escalation Allowance and Dead-Band. ~~[[Amendment1]]~~ Material Escalation Allowance and Dead-Band. Because several trades will not be procured until late in the design is completed process, the GMP ~~will include~~ includes a 9% ~~Allowance~~ allowance for material escalation. ~~Materials escalation will be evaluated based on the 2021 RS Means cost index for Northern California.~~ Design Builder must include the estimated cost of materials broken down by material and by trade, in its GMP. Material escalation allowance will be calculated by multiplying 9% times the sum of the estimated material costs for trade Work, which is estimated based on either a material or equipment quote received at the time of bid from Design Build Team members or the third quarter 2021 RS Means cost index ("Cost Index") for Northern California. Material escalation will be calculated as follows: (i) By comparing the actual cost at the time of procurement of the Subcontractor to the price of the material or equipment in the Cost Index; (ii) By comparing the actual cost at the time of procurement to a vendor's material or equipment quote if a Design Build Team member provided a material or equipment quote from a vendor as part of its proposal to Design Builder at the time of the GMP (as adjusted by this Amendment 1); or (iii) By comparison of the actual cost of the material or equipment at the time of procurement to the amount carried in the GMP for the material or equipment if the Cost Index does not have a price for the specific material or equipment. ~~The material escalation allowance will be calculated by multiplying 9% times the sum of the estimated material costs for trade Work. However, material escalation costs will be measured against the cost index, may only be accessed by Design Builder if materials and equipment are timely procured and provided that the cost of the buyout for the Subcontractor exceeds the line item amount carried for that trade in the GMP (Exhibit 4A). The material escalation allowance is subject to reconciliation after all Subcontractor buy-out is completed and after taking into account any direct cost line item savings. If after completion of all~~



~~Subcontractor buy-out, and after taking into account any line item savings, the material escalation Allowanceallowance is exhausted, the Design Builder will absorb further escalated material costs up to 3% ("dead-band") beyond the 9% ("3% dead-band") allowance carried in the GMP (12%) – Design Builder's risk. In other words, there will not be a Change Order to the Design Builder for escalation of material costs until the actual cost of the material rises 12% above the 2021 RS Means cost index. Material costs in excess of 12% will be considered "after completion of all Subcontractor buy-out and only if the actual cost of the cumulative total of all materials and equipment costs, after taking into account line item savings, exceeds the material escalation allowance amount by 3% ("Unusual Material Escalation," which is a condition for Change Order and will adjust the GMP. The adjustment will be calculated by the difference between the cost for that commodity under the cost index as escalated by 12% and the actual price incurred for the commodity. All"). Material escalation requests must be completely transparent and all such increases will be Fee neutral, so no Subcontractor overhead and profit mark-up, and no mark-up may be added for Fee. Unspent 9% material escalation Allowanceallowance will be split 50/50 between the Design Builder and the District. (Any other unspent Allowance amounts accruesaccrue 100% to the District.)~~

(e) Insurance and Security. The cost for Design Builder's insurance and payment and performance bond must be included in separate line items of the GMP. Design Builder's insurance requirements are set forth in Exhibit 6A.

(f) Fee. A lump sum Fee is included in the GMP for Design Builder's home office overhead and profit as further defined in Section 7.3. Design Builder's Fee will be included in a separate line item of the GMP.

7.2 Cost of the Work. The term "Cost of the Work" includes costs necessarily and properly incurred by Design Builder in the performance of the Work. The Cost of the Work will be at rates not higher than the standard paid at the place of the Project except with prior consent of the District. The Cost of the Work includes only those reimbursable items set forth in Sections 7.2.1 through 7.2.4, and only includes the price incurred by the Design Builder without any duplicative charge for items that fit into more than one category, and is subject to the compensation provisions set forth in Section 7.1, and the audit provisions set forth in Section 9.10. Design Builder will include these same provisions in all Consultant agreements and subcontracts where Consultant or Subcontractor is being compensated on either a not-to-exceed basis or a guaranteed maximum price basis. These same provisions will also apply to subcontract change orders, regardless of compensation model. For the purpose of Change Orders, "direct Construction Work" includes the cost of all subcontracted work or self-performed Construction Work but does not include Design Builder's general conditions, general requirements, insurance, bond, or Fee.

7.2.1 Labor and Services.

(a) Design Services. Reimbursable costs for Consultants performing design or consulting services during the design and preconstruction phase and construction phase will be charged per the Billable Rates set forth in Exhibit 4B to the Agreement. Billable rates must be inclusive of any and all costs necessary for performance of the design or consulting services including basic wages, payroll taxes, and employer benefit payments for health and welfare (net of employee contribution withholding), pensions, vacations/holidays, supplemental dues, training, 401K benefits, and other benefits or payments required by law, and



will include overhead, burden, and profit. The Billable Rates will not include annual bonuses or salary adjustments that include annual bonuses. The Billable Rates will be locked through the end of 2022, and subject to an adjustment in January 2023. The salary adjustments will be tied to the Consumer Price Index and cannot include rate adjustments in excess of 5% per year. All rates must be taken into consideration as part of the GMP.

(b) General Conditions. General conditions include Design Builder's employee costs for preconstruction services, project management, superintending, project engineering, safety, accounting, planning and scheduling, purchasing, estimating, and BIM modeler(s) who are specifically assigned to the Project, but only for that portion of employee time required for the Construction Work. Reimbursable costs for Design Builder's employees assigned to the Project during the design and preconstruction phase and construction phase will be charged per the Billable Rates set forth in Exhibit 4B. Billable Rates will include direct labor expenses including employer benefit payments for health and welfare (net of employee contribution withholding), pensions, vacations/holidays, supplemental dues, training and 401(k) benefits, and other benefits or payments required by Applicable Law but will not include home office overhead or profit. The Billable Rates must not include annual bonuses or salary adjustments that include annual bonuses. The Billable Rates will be locked through the end of 2022, and subject to an adjustment in January 2023. The rate adjustments will be tied to the Consumer Price Index and cannot include salary adjustments in excess of 5% per year. All rates must be taken into consideration as part of the GMP.

(c) Field Labor. Field labor costs are limited to hours of labor performed by workers performing Construction Work on site or at off-site locations. The labor rates must be inclusive of basic hourly wages, payroll taxes, and employer benefit payments for health and welfare, pensions, vacations/holidays, supplemental dues, and training, plus any other benefits or payments required by law or applicable collective bargaining agreements. The labor costs associated with foremen and lead-men are included in field labor and all self-performed Construction Work will be compensated as field labor. The cost of Design Builder's field labor employees (e.g., laborers and carpenters maintaining the site) will be included in Design Builder's General Requirements (Exhibit 4D). Self-performed trade work using field labor will be carried in the GMP under the appropriate direct cost line item for that specific trade. Per diem for union labor will be pursuant to the applicable collective bargaining agreement.

(d) Subcontractor Costs. Subcontractor costs include payments made to subcontractors per their written subcontracts, provided the written subcontract conforms to the requirements of this Agreement. All written subcontracts providing for compensation on a cost-reimbursable basis will include a reimbursable and non-reimbursable section that substantially incorporates the provisions set forth in this Section 7.2 and specifically defines the categories of services or labor and the rates in dollar amount per hour. Subcontracts must include hourly field labor rates per subparagraph (c) above for standard time, overtime, and double time work. Subcontractor's insurance costs are included in overhead. Overhead and profit are not included in billable rates.

7.2.2 Cost of Materials and Equipment Incorporated Into the Project. Cost of materials and equipment under this Section include actual costs for materials and equipment, including transportation and storage of materials and equipment incorporated or to be incorporated into a Project and including costs of materials in excess of those actually installed to allow for reasonable waste and spoilage.



(a) Excess Materials and Equipment. Unused excess materials or equipment, if any, will become District's property at Completion of Construction Work. To the extent that District directs Design Builder to sell excess materials or equipment, any amounts realized from the sales will be credited to District through the payment application process.

(b) Discounts, Rebates and Refunds. Design Builder will notify District of available discounts, rebates and refunds. Cash discounts obtained on payments made by Design Builder will accrue to District.

7.2.3 General Requirements.

(a) The cost of Design Builder's field labor employees.

(b) Costs for computers, copiers, telephones, cell phone charges (which cannot exceed \$125 per month per person), communication radios (direct-connect), digital cameras, postage, office supplies, and equipment. Data processing costs are limited to the cost of personal computer hardware (including servers and printers) used in handling normal day-to-day Project administration, management and control of the Project, internet access. Software license fees incurred specifically for the Project to the extent purchase and previously approved by the Project Manager and District.

(c) Costs for jobsite trailers and field office space.

(d) Costs for temporary facilities for construction operations such as power, water, and sanitary.

(e) Costs for security and fences.

(f) Costs associated with the Design Builder's safety program directly related to the Project, including temporary protection and barricades, signage, and traffic control.

(g) Costs, including transportation and storage, installation, maintenance, dismantling, and removal of construction materials, supplies, machinery, equipment, and hand tools (not customarily owned by field labor and that cost in excess of \$1,500) that are provided by the Design Builder at the site and fully consumed in the performance of the Construction Work. If items are not fully consumed, the cost less salvage value, whether sold to others or retained by the Design Builder, will be included. Salvage value will be the fair market value.

(h) Rental Charges and Design Builder Owned Equipment. All rental charges for temporary facilities and equipment that are provided at the site, whether rented from the Design Builder or others, including costs for transportation, installation, fuel, lubrication, maintenance, minor repairs and replacements, dismantling, and removal. Approved rates for equipment owned by the Design Builder or an affiliate are set forth in Exhibit 4C. All approved equipment rates will be no more than those prevailing in the area. The aggregate rental amounts for any one piece of equipment cannot exceed 80% of its fair market value at the time it is placed in service for this Project. All rented equipment will be subject to the equipment rental terms and conditions approved in advance by the District.



- (i) Costs of removal and disposal of debris from the site.
- (j) Cost for reproducing or printing documents related to the Work.
- (k) Costs for physical models and mock-ups requested and approved, in advance and in writing, by the District.
- (l) Costs for the personal protective equipment required at job site. Design Builder is responsible for acquiring and using the personal protective equipment in an appropriate manner.

7.2.4 Miscellaneous

- (a) Sales, use, or similar taxes imposed by a Governmental Authority that are related to the Work.
- (b) Costs for insurance coverage, including District approved deductibles and self-insured retention, required under this Agreement (excludes District provided insurance).
- (c) [[Amendment1]] Cost of Design Builder's payment and performance bonds and subcontractor default insurance covering all subcontractors.
- (d) Fees and assessments for plan check, permits, licenses and inspections, and laboratory tests required by the Contract Documents and that are not paid directly by the District, except those related to defective or non-conforming Construction Work, or the negligence or fault of the Design Builder, or its Consultants or Subcontractors, for which reimbursement is excluded.
- (e) Deposits lost for causes other than the Design Builder's negligence or failure to fulfill its responsibility under the Contract Documents.
- (f) Royalties and license fees paid for the use of a particular process or product required by the Contract Documents and the cost of defending any suits or Claims for infringement of patent rights arising from specific requirements of the Contract Documents that were prepared by District or its Separate Consultants or Separate Contractors and provided that Design Builder did not know that the use of the particular design, process, or product was an infringement, and that those portions of the Work were not designed by Design Builder or any of its Design-Build Subcontractors.
- (g) Costs incurred in taking action to prevent threatened damage, injury, or loss in case of an emergency that threatens the safety of persons or property.
- (h) Mileage and transit time, if beyond a 50 mile radius from employee residence to the job site, as well as any motor vehicle expenses, will be reimbursed based upon the GSA vehicle mileage rate in force at the time of travel. The maximum reimbursable mileage is 640 miles per round trip. Travel time and mileage for travel related to the Project at locations other than the jobsite (e.g. fabricators yard, special inspector's lab, etc.), will be reimbursed at actual time spent and actual mileage per the GSA vehicle mileage rate. The maximum reimbursement amount for transit time paid may not exceed 8 hours.



(i) Union employees will be reimbursed per their respective collective bargaining agreement based on their craft.

(j) Design Builder's hourly personnel will be reimbursed for actual transit travel time.

(k) Design Builder's salaried personnel will bill their time based on the number of hours working on the Project and may not bill travel time.

(l) Per diem for Design Builder's and its Consultants' personnel as described in Section 7.2.1 (a) and (b) incurred is a lump sum amount of \$50.00 per day provided that the personnel was either physically at the site or in a Project related location, such as a fabrication site, for a minimum of 4 hours in a single day.

(m) Design Builder's lodging expenses are limited to the necessary number of rental properties to house relocated employees. Essential utilities will be reimbursed at actual cost, which will not include internet access or entertainment. All rental property leases must be pre-approved by Project Manager before execution. Any further housing expenses incurred by Design Builder are excluded from the Cost of the Work unless Design Builder receives prior written approval from the District.

(i) Lodging expenditures will be capped at \$150 per night for personnel who are not stationed at the Project site. Design Builder's daily expenditures for state and local taxes associated with the lodging expenditure are included.

7.3 Fee. Design Builder's Fee is a lump sum amount that includes overhead and profit.

7.3.1 Overhead. General home office overhead and burden expenses are included in Design Builder's Fee. Overhead includes full compensation for any home office personnel who are not directly assigned to the Project or included in the billable rates; other reasonable home office overhead expenses such as rent, utilities, office equipment (including software and hardware costs), depreciation on assets, employee recruitment and training, and bonuses, general administrative and payroll costs, business development and marketing, relocation expenses, car allowances and cell phone expenses, postage, severance pay, employee morale programs; and costs of business operations such as small tools or equipment (with purchase price of \$1,500 or less) that is customarily owned by Design Builder and Subcontractors and required for their respective portion of the construction Work, costs for professional dues, licenses, fees and taxes required by any Governmental Authorities to enable the Design Builder to be qualified to do business and/or perform the Work.

7.3.2 Profit. Design Builder's profit for the Project.

7.4 Non-Reimbursable Expenses. The following are not a Cost of the Work and are not compensable:

(a) Any cost resulting from fraud, willful default, or willful misconduct.

(b) Capital expenses, including interest on its capital employed for the

Work.



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(c) Rental costs of machinery and equipment, except as specifically provided in Section 7.2.3(h).

(d) Costs related to warranty incurred after Completion of Construction Work.

(e) Legal fees, settlements, and/or judgments

(f) All other costs not specifically included as a Cost of the Work under Sections 7.2.1 through 7.3.1.

8. SCHEDULING

8.1 Contract Time. The Contract Time is the time allotted in the Design Builder's Schedule (Exhibit 5A) to achieve Completion of Construction Work. The Contract Time may only be extended through executed Change Order for a permitted delay as described under Section 8.5. The Schedule must comply with Section 8.4.

8.2 Prosecution of the Work. Design Builder will commence Work when notified to do so by District and will diligently prosecute and complete the Work pursuant to the Schedule. Design Builder will coordinate its Work with other work and services being performed on the Project in a manner that avoids delays, obstructions, hindrances, or any interference with the commencement, progress, or completion of the whole or any part of the Work, and in accordance with the Contract Time.

8.3 Commencement.

8.3.1 Design Services. The date of commencement of the Schematic Design Documents as described in Section 6.11 will be documented by a notice to proceed issued by the Project Manager.

8.3.2 Construction Work. The date of commencement of the Construction Work will be documented by the notice to proceed issued by the Project Manager and a written concurrence by the USDA.

8.4 Project Scheduling. Design Builder will prepare and maintain a detailed, manpower loaded, critical path method ("CPM") Schedule in precedence diagramming method (PDM) format using Primavera version 6 that coordinates and integrates all Design Services with milestone dates for completion of Schematic Design Documents, Design Development Documents, HCAI incremental deadlines, City of Alturas deadlines, completion of Permitted Drawings and Specifications (Exhibit 3C), procurement of long lead items and subcontracts, and setting forth deadlines for commissioning, punch-list, the Substantial Completion Date, Completion of Construction Work within the Contract Time, and projecting Project Final Completion, as well as any other milestone dates. The Schedule will be broken down by phase, activity and duration and will be used to identify the sequence of activities and to track time and manpower for those activities in order to plan, organize, execute, and monitor the Work. The Schedule will be Design Builder's master schedule and will be used to record and report actual performance and progress, and to outline how the Design Builder plans to integrate design and construction in order to ensure accurate and timely completion of all Work. The Schedule must include sufficient time for design review and approval of Submittals as required under Article 3



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of the Supplemental Conditions (Exhibit 2), and should include the number of Adverse Weather days per year as defined in Exhibit 1. The Project will own all Float and unused Adverse Weather days in the Schedule. The Design Builder will not utilize Float suppression techniques or artificial restraints, constraints, lags or durations to lessen or control the amount of total or free Float contained in the network. All coding included in the Schedule must be transferrable and readable by the Project Manager, and code structure will enable a sort by activity code in the form of a summary schedule. The Schedule must clearly indicate when the District needs to perform necessary District activities such as making critical decisions regarding design and procurement and delivery of District procured FF&E. The Schedule will be updated by the Design Builder to reflect the most current approved Contract Time and other milestone dates per this Section 8.4, and will be used as a management tool to track whether the Project is proceeding within the Contract Time. Day-to-day activities will be planned using work plans as described in Section 8.4.2. The Design Builder is responsible for coordinating with its Consultants, Subcontractors, suppliers, and the District's Separate Contractors and Separate Consultants with respect to all scheduling activities and reporting of delays. However, Design Builder is not responsible for delays caused by Separate Contractors or Separate Consultants.

8.4.1 Lean Phase Planning. Lean Phase Plans will be used to inform the monthly Schedule updates and must be based on collaborative planning through direct communications by all Project Team Members performing work or services in a particular Project phase, who, working backwards from the Schedule milestones, create collaborative Lean phase schedules indicating when their portion of the work or services will be completed. Direct communications among Project Team Members allows the various parties to make reliable promises to each other, and specifically discuss and negotiate the hand-off criteria or other conditions of satisfaction that are mutually understood and agreed upon.

8.4.2 Work Plans. Design Builder in collaboration with the District, Project Manager and other Design Build Team Members will establish a work plan to review upcoming design and construction performance requirements and establish the frequency of look ahead meetings and work plan schedules. The work plan schedules will document all Work performed during the prior week's period and project Work to be performed during the upcoming week(s). The work plans are to be used as a working tool to reflect commitments made in look ahead meetings, evaluate any upcoming constraints or schedule slippages, identify workable backlog, and collaborate on methods for labor efficiency. Work flow will be scheduled to optimize the flow of Work through the Project and reduce bottlenecks and activities that will not advance the Contract Time or other milestone dates that are included in the Schedule.

8.4.3 Record Schedule. Design Builder will prepare and update the Record Schedule from the pull schedules throughout the duration of the Project. The updated Record Schedule will document the as-built schedule and provide an accurate accounting of when the Work was performed, if there were revisions to the Schedule, and why such revisions were made. Design Builder will maintain and update the Record Schedule weekly.

8.5 Permitted Delays. If the Design Builder is delayed in the commencement, prosecution or completion of the Work by the acts or omissions of the District, its Separate Consultants or Separate Contractors or for one of the conditions set forth in Section 10.2, and, as a direct result of the delay, the Completion of Construction Work is extended, then the Contract Time may be extended per Section 10.9, for the same period of time that the Completion of Construction Work was delayed less the duration, if any, for delays caused by the



fault, or neglect, act or, omission of the Design Builder or any of its employees, Consultants, Subcontractors, suppliers, or equipment vendors ("concurrent delays"). If the Contract Time is extended, the Contract Price and Contract Time will be adjusted per Article 10. However, no adjustments to Contract Time or Contract Price will be allowed unless written notice was provided to the Project Manager within 5 business days of commencement of the delay. The notice must briefly describe the circumstance and provide a rough estimate of the delay time per Section 10.4. Prior to any adjustments in Contract Time or Contract Price, the Design Builder must demonstrate the duration of the delay through fragnet analysis after taking into account any concurrent delays, that the delay could not have been anticipated or avoided, and that all commercially available means were taken to mitigate or minimize the consequences of the delay. Delays will be measured from the effective Schedule in place at the time of delay. Delays of non-critical path Work will not be a basis for an extension of Contract Time.

8.6 Schedule Slippage. The Design Builder will notify the Project Manager in writing with a copy to the District Representative within 3 business days of any delay in the Schedule as a result of its Work and must submit a detailed recovery plan to Project Manager for evaluation and District's approval. The detailed recovery plan must be submitted within 2 business days of the notice (so within 5 business days from date of delay). All costs associated with the recovery will be the responsibility of the Design Builder unless the Design Builder is entitled to an extension of time under Section 10.4.

8.7 Acceleration. The District, through Project Manager, may direct the Design Builder and its Subcontractors and Consultants to work overtime. If the Design Builder and its Subcontractors and Consultants are not in default under any of the terms or provisions of this Agreement, their respective subcontracts and/or agreements, or any of the other Contract Documents, the District will pay the Design Builder and its Subcontractors and Consultants for the premium portion of actual wages, and billable rates paid, if any. All overtime wages and billable rates for acceleration are subject to audit.

8.8 Schedule Updates. Design Builder will provide Schedule updates with its monthly progress report per Section 1.9 of the Supplemental Conditions (Exhibit 2).

8.9 Liquidated Damages. The District and Design Builder acknowledge and agree that if Design Builder fails to achieve a Completion of Construction Work deadline within the applicable Contract Time, the District will suffer damages that are both extremely difficult and impracticable to ascertain. Therefore, District and Design Builder agree that, in the event Design Builder fails to achieve Completion of Construction Work within the Contract Time and if as a result of that delay the Completion of Construction Work is extended, Design Builder will pay to District as liquidated damages, and not as a penalty, the applicable amount set forth in the Key Business Terms Sheet until such time that Completion of Construction Work is achieved. The maximum amount of liquidated damages owed is capped at the amount of Lump Sum Fee stated in the Business Terms Sheet, as may be adjusted. Payment of liquidated damages represents a reasonable estimate of fair compensation for the losses that reasonably may be anticipated. District and Design Builder acknowledge and agree that this liquidated damages provision will be District's only remedy for delay damages caused by Design Builder's failure to achieve Completion of Construction Work within the Contract Time. Nothing contained in this Section will preclude the District from recovery for actual damages caused by reasons other than the Design Builder's failure to timely achieve Completion of Construction Work within the Contract Time including, but not limited to, claims for actual losses incurred due to breach of



contract, negligence, errors or omissions in the Design Services, defective Construction Work, injury to persons or property or third party claims. Design Builder acknowledges and agrees that the Liquidated Damages amount is a reasonable amount for the District's consequential damages due to delay under the circumstances and existing at the time of the Effective Date of this Agreement.

9. PAYMENT

9.1 Applications for Payments. Payment applications must include a Schedule of Values per Section 9.1.1 and be prepared in accordance with the Payment Application Form provided in Project Manual Tab 2A. The period covered by each payment application will be one calendar month. The payment application will include an itemized breakdown of the Cost of the Work incurred for that particular calendar month, plus the applicable portion of any approved Change Orders, stored materials and equipment, as well as the applicable portion of Fee. The itemized breakdown for Design Services must include a description of the tasks performed by employee or Consultant and the associated hours expended multiplied by the applicable billable rates (Exhibit 4B). Compensation for Construction Work must similarly include an itemized breakdown and necessary back-up substantiating the amounts billed as Cost of the Work through the date of the application for payment. Each payment application must be signed by an officer of Design Builder attesting to its accuracy. The Project Manager, USDA, and the District will be allowed to rely upon the Design Builder's statement of accuracy.

9.1.1 Schedule of Values. The Schedule of Values will allocate the GMP (Exhibit 4E) among the various portions of the Work and will include separate line items as described in Section 7.1.1. The approved Schedule of Values will be incorporated into the Agreement as Exhibit 4E and will be submitted with each application for payment reflecting the value of the Work performed and the percentage of completion.

9.2 Progress Payments. Design Builder's payment applications will be submitted on the 30th day of the month for initial review by the Project Manager and will be evaluated per Section 9.2.1. A review meeting will be held between the Project Manager and Design Builder within 5 business days of submission to resolve any disagreements regarding amounts, and Project Manager will indicate in writing the reasons for refusing to approve any portions of the payment. The Design Builder will submit its certified application for payment to the Project Manager by the 10th day of the subsequent month for review and approval by the USDA and District. The District will make monthly progress payments on all undisputed Work within 30 calendar day's receipt of a certified application for payment that was properly submitted pursuant to the procedures set forth in this Section and approval by the USDA.

9.2.1 Evaluation. Before submitting the certified application for payment to the District and USDA, Project Manager will review and make recommendations for payment based on the approved Schedule of Values, the updated resource loaded Schedule, Project Manager's and the IOR's observations and evaluation of the Work, and on the data and documentation substantiating the application for payment. Based on that review, Project Manager will forward the certified application for payment to the USDA and District for approval with a recommendation that the District pay all undisputed items. Project Manager will indicate in writing the reasons any portions of the requested payment are disputed. An approval of an application for payment is subject to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to Completion of Construction Work and to



specific qualifications expressed by the IOR, Project Manager, HCAI, USDA, or the District. Project Manager, USDA, the District, and the IOR are entitled to rely on the accuracy and completeness of the information furnished by the Design Builder and approval will not be deemed to represent that a detailed examination, audit, or arithmetic verification of the documentation submitted with the Design Builder's application for payment has been made or that exhaustive or continuous on-site inspections have been made to verify that the Work is in accordance with the Contract Documents. A recommendation for payment by Project Manager or payment by the District does not represent that Project Manager, USDA, or the District has ascertained how or for what purpose the Design Builder has used money previously paid.

9.2.2 Retention. The District will withhold 5% retention on the entire amount for the cost of the Construction Work included in each monthly application for payment under Public Contract Code section 22167. ~~Retention will be withheld until the Project achieves Completion of Construction Work unless the District, in its sole discretion, agrees to release the Design Builder's retention earlier and provided that the Work has been accepted by the District, the Project Manager, IOR, HCAI, and other necessary Governmental Authorities. However, pursuant to Section 22300 of the Public Contract Code, Design Builder has the option to deposit securities with an escrow agent acceptable to the District in substitution for retention, or for the District to pay retentions earned directly to the escrow agent, which the Design Builder may elect by providing notice to the District within 30 days of the Effective Date of the Agreement (No retainage is held on Design Services or preconstruction services.) Section 22300 of the Public Contract Code regarding the investment of retainage is not applicable. Retention will be released within 30 days after the filing of a Notice of Completion with the County Recorder.~~

9.2.3 Change Orders. Applications for payment may include requests for payment on account of changes in the Work that have been properly authorized.

9.2.4 Stored Materials and Equipment. Stored materials may be included in the application for payment provided the materials or equipment are properly stored in accordance with Section 6.14.8 and Design Builder has provided evidence that the materials are securely stored in the agreed upon location. However, payment for materials and equipment stored off-site will only be made if first approved by Project Manager, USDA, and the District beforehand, and provided that Design Builder provides a complete invoice with a bill of sale, proof of insurance, and photographs as part of the back-up in the application for payment. The bill of sale must include the seller's name and address, the buyer's name and address, a detailed description of the materials or equipment procured, the transaction date, and location of the transaction, the amount the buyer paid and the method of payment, and the signatures of both the buyer and the seller.

9.2.5 Supporting Documents. Each payment application will be accompanied by a monthly progress report per Section 1.9 of the Supplemental Conditions (Exhibit 2) and sufficient documentation supporting the Cost of the Work included in the application for payment including, without limitation: (i) receipts, purchase orders, contracts, time reports, and other documentation reasonably required by the Project Manager, USDA, or the District; (ii) executed conditional waiver and release forms complying with California state law covering all Work performed during the billing period by Design Builder, and its Consultants and Subcontractors, suppliers, and equipment vendors (Project Manual, Tab 2B); ~~and~~ (iii) certification and unconditional waivers and releases evidencing that Design Builder has paid all Consultants, Subcontractors, suppliers, and equipment vendors prior amounts due and owing from amounts



previously received from the District and has no knowledge of any recorded stop payment notices with respect to the Work performed, and that all Consultants, Subcontractors, suppliers, and equipment vendors will be paid with the proceeds for Work covered under the certified payment application. The Design Builder will have 2 payment cycles to submit unconditional waiver and release forms.

9.2.6 No Waiver. Payment by District will not constitute approval or acceptance of any Cost of the Work or Fee included in the payment application or final acceptance or approval of that portion of the Work.

9.3 Right to Withhold Payment. The District Representative or USDA may refuse to approve a payment application or, because of subsequently discovered evidence or subsequent observations, may nullify the whole or any part of a prior payment application to the extent the District Representative or USDA determines is necessary to protect the District from loss due to one or more of the conditions listed in Sections 9.3.1 through 9.3.11. When and to the extent the reason for withholding payment no longer applies, the withheld amount will be paid without interest.

9.3.1 Deficient Design Services or nonconforming Construction Work not remedied.

9.3.2 Third-party Claims filed against the District or the Project or reasonable evidence indicating probable filing of Claims, unless security acceptable to the District and USDA is provided.

9.3.3 Failure of Design Builder to provide supporting documentation as required under Section 9.2.5, or to make timely payments to Consultants Subcontractors, suppliers, and equipment vendors for Design Services, labor, materials, or equipment.

9.3.4 Damage to the District or its Separate Consultants or Separate Contractors if the Design Builder, or any of its Consultants, Subcontractors, suppliers, or equipment vendors are potentially liable.

9.3.5 Failure of the Work to progress in accordance with the Schedule, and reasonable doubt (in the District's sole discretion) that the Work can be completed within the Contract Time and/or for the remaining balance of the Contract Price (taking into account any Liquidated Damages under Section 8.9 that would be due and owing from Design Builder as a result of unexcused delay).

9.3.6 Failure to comply with scheduling requirements set forth in Article 8 or provide the District Representative with timely monthly progress reports as required under Section 1.9 of the Supplemental Conditions (Exhibit 2).

9.3.7 Failure of the Design Builder to maintain the BIM or update as-built documentation.

9.3.8 Failure of the Design Builder to maintain the Record Schedule or furnish P6 Schedule file as required under Section 1.9.2 of Exhibit 2.



9.3.9 Disputed amounts included in the application for payment or insufficient documentation, erroneous estimates for value of the Work performed, or other incorrect statements in a payment application.

9.3.10 Failure to keep the site premises clean and safe to the satisfaction of the Project Manager and District Representative.

9.3.11 Failure to carry out the Work in accordance with any term or condition in the Contract Documents.

9.4 Payments to Consultants and Subcontractors. The District does not have an obligation to pay, or to see that payment is made to a Consultant, Subcontractor, supplier, or equipment vendor except as may otherwise be required by Applicable Law. The Design Builder will make payments to its Consultants, Subcontractors, suppliers, and equipment vendors no later than 7 days after receipt of Design Builder's receipt of payment. The District, in its sole discretion, reserves the right to issue joint checks to Design Builder's Consultants, Subcontractors, suppliers, and equipment vendors. The District will require unconditional waivers and releases for previous payment per Section 9.2.5.

9.5 Warranty of Title. Design Builder warrants that title to all Work, materials, and equipment covered by a payment application, whether incorporated into the Project or not, will pass to the District at the time of payment, free and clear of all stop payment notices, Claims, security interests or encumbrances in favor of Design Builder, its Consultants, Subcontractors, suppliers, equipment vendors, and other persons and entities entitled to make a Claim by reason of having provided Design Services, or labor, materials, or equipment relating to the Construction Work. If Design Builder has received payment for the Work at issue, Design Builder will defend, indemnify, and hold the District harmless pursuant to Section 11.4.

9.6 Final Payment. Upon Completion of Construction Work, the Design Builder will prepare and submit a final application for payment. The application for payment will be submitted to the Project Manager for review and recommendation to the District Representative and USDA for approval. Upon approval by the USDA and District Representative, the District will make payment to the Design Builder within 30 days of receipt of a certified final payment application. See Section 9.2.2 regarding release of retention.

9.6.1 Supporting Documents. The Design Builder will provide the same supporting documentation required under Section 9.2.5. The Design Builder will provide the USDA and District with an executed unconditional waiver and release per California state law covering all Work performed by the Design Builder and its Consultants and Subcontractors, suppliers, and equipment vendors within 5 business days receipt of payment. Design Builder will likewise procure executed unconditional waiver and releases from all Consultants, Subcontractors, suppliers, and equipment vendors within 14 calendar days of making final payment.

9.7 Payment Not Acceptance of Work. Approval of an application for payment (final or otherwise) or partial or entire use or occupancy of the Project by the District will not be used as conclusive evidence that the Work was properly performed or constitute acceptance of Work that is not in accordance with the Contract Documents.



9.8 Waiver of Claims. Acceptance of final payment by the Design Builder will constitute a waiver of Claims by Design Builder and its Consultants, Subcontractors, suppliers, and equipment vendors except for those previously made in writing in accordance with the terms of Articles 10 and 15, and identified by the Design Builder as unsettled at the time of final application for payment.

9.9 No Right to Stop Work. If Design Builder disputes any determination with respect to any payment application, it will nevertheless expeditiously continue to prosecute the Work, provided that undisputed amounts are timely paid. The District will not be deemed to be in default or breach of contract for withholding of any payment under Section 9.3. Design Builder may submit unresolved payment disputes as a Claim under Article 15.

9.10 Audit Rights.

9.10.1 In accordance with Government Code Section 8546.7, records of both the District and the Design Builder will be subject to examination and audit by the State Auditor General for a period of 3 years after final payment. Design Builder will make available to the District any of the Design Builder's other documents related to the Work immediately upon request of the District as set forth in Section 9.10.3.

9.10.2 The District, and agencies designated by the District (including the USDA) may audit Design Builder's Project records at any time throughout the duration of the Project and for a period up to 3 years after Completion of Construction Work upon 10 business days' written notice. The audit will take place during normal business hours and will be coordinated with Design Builder. Lump sum and fixed price contracts are not subject to audit. However, subcontract change orders are subject to audit. The Project Manager or District may also conduct verifications including, but not limited to, counting employees at the Project site, witnessing the distribution of payroll, verifying information and amounts through interviews and written confirmations with employees, Consultants and Subcontractors, suppliers, and equipment vendors. Should the audit indicate that Design Builder's records were fraudulently or negligently prepared or maintained, the District reserves the right to seek damages and legal remedies from Design Builder in accordance with Applicable Law.

9.10.3 Availability of Records. Upon notice of audit, Design Builder will produce all Project records related to: (i) establishing the Contract Price and Schedule, as amended; (ii) Costs of the Work and all job-cost reports; (iii) procurement of Consultants, Subcontractors, suppliers, and equipment vendors (subject to Section 6.8.2(d)); (iv) payment applications; (v) Change Orders and any back-charges, and subcontractor and consultant change orders (inclusive of all back-up); (vi) Subcontractor or Consultant that are reimbursed on a cost reimbursable basis in accordance with the Cost of the Work; (vii) insurance cost information, as well as any information that Design Builder, its Consultants, or Subcontractors provide to the USDA, District or Project Manager for the purpose of confirming the accuracy of such information; and (viii) any other supporting evidence deemed necessary by the District to substantiate charges related to the Work.

9.10.4 Medicare. Upon written request of the District, the Design Builder and any entity providing Design Services, labor, materials, or equipment to the Project will make available to the Secretary of Health and Human Services or the Comptroller General, or any of their duly authorized representatives, this Agreement and all Exhibits, books, documents and



records that are necessary to verify the nature and extent of the Cost of the Work for a period of 4 years after Completion of Construction Work when required by Section 952 of the Omnibus Budget Reconciliation Act of 1980. The Design Builder will require each Consultant, Subcontractor, supplier, and equipment vendor to comply with this provision regardless of how the party is being compensated.

10. CHANGES

10.1 General. Changes in the Work will only be authorized by a minor change in the Work per Section 10.7, a Field Work Order issued per Section 10.6, or executed Change Order, and must be performed under the applicable conditions of the Contract Documents. A Change Order signed by the Signatories for the Design Builder, USDA, and the District documents an agreement to an adjustment in Contract Price or Contract Time or both. An executed Change Order fully and completely resolves any Claim by Design Builder, its Consultants, Subcontractors, suppliers, and equipment vendors for additional compensation or time arising from or related to the subject of the Change Order. Timely submission of a Change Order Request ("COR") per this Article 10 is a condition precedent to Design Builder's and any of its Consultants', Subcontractors', suppliers', and equipment vendors' ability to recover for a changed condition.

10.2 Conditions for Change. Change Orders are limited to the following circumstances:

10.2.1 District Elected Changes.

10.2.2 Adverse Weather.

10.2.3 Force Majeure.

10.2.4 Unforeseen and Differing Site Conditions.

10.2.5 Suspension of the Work by District under Section 16.1.

10.2.6 Pre-permit delays caused by Governmental Authorities having jurisdiction over the Project, provided that the change or delay is not due to a lack of coordination, negligence, errors, or omissions in the Design Services, or any act or omission of the Design Builder or its Subcontractors or Consultants in timely and properly completing and submitting the necessary documentation to the applicable Governmental Authorities.

10.2.7 Post Permit Changes.

10.2.8 Field Work Order per Section 10.6.

10.2.9 Unusual Material Escalation.

10.2.10 Change in Applicable Law that modifies taxes and fees identified in Section 6.6.

10.2.11 [[Amendment 1]] Adjustment in the Contract Price after procurement of all Subcontractors, inclusive of reconciliation of the material escalation



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allowance per Section 7.1.1(d) above, and in accordance with the terms set forth in Section 7.1.1(c)(iii) above.

10.3 District Initiated Changes. Design Builder must submit a rough order of magnitude of the change to Project Manager with a copy to the District Representative within 3 business days of receipt of the request for change. A complete Change Order Request ("COR") with necessary back up must be submitted to the Project Manager and District Representative within 10 business days' receipt of a District request for change or a Field Work Order. The COR must be in a format acceptable to the Project Manager and include a detailed cost breakdown based on one of the pricing methods set forth in Section 10.8 for adjustments in Contract Price, and a fragnet analysis per Section 8.5 for adjustments in Contract Time.

10.4 Design Builder Initiated Changes. Design Builder must provide the Project Manager and the District with written notice and a rough order of magnitude within 5 business days of discovering facts or circumstances giving rise to the applicable condition for change as described in Section 10.2, or if Design Builder believes that a Field Work Order impacts cost or time. Within 10 business days of discovery, Design Builder will provide a COR, including a detailed cost breakdown based on one of the pricing methods set forth in Section 10.8 for adjustments in Contract Price, and a fragnet analysis per Section 8.5 for adjustments in Contract Time, and complete and detailed justification for all items addressed by the Change Order.

10.5 Submission. All CORs must be presented to the Project Manager with a copy to the District Representative, and either a Change Order or a Field Work Order must be executed before the expense is incurred. The Project Manager will review all CORs with the District Representative and USDA within 10 business days of receipt and may request additional information and back up from the Design Builder or make recommendations to the USDA and District for approval or denial. If Project Manager recommends that the USDA and District deny the COR, it must provide the Design Builder with a written explanation with a copy to the USDA and District Representative. If the COR is neither accepted or denied within the 10 business day period, it will be deemed denied by the USDA and District unless the Project Manager provides written notice to the Design Builder that the time for review is being extended. If written notice is provided, the notice will expressly state the date by which the review will be completed. All decisions rendered by the USDA and District will be final and binding unless a formal Claim is timely noticed per the dispute resolution procedures in Article 15.

10.6 Field Work Orders. A Field Work Order may or may not constitute a changed condition as defined under Section 10.2, and may be issued by the Project Manager when Work must proceed before the COR can be either submitted or approved. The Field Work Order should indicate whether the Project Manager believes the condition constitutes a change. If the Project Manager believes that the Field Work Order constitutes a changed condition, the Field Work Order must include either an estimated lump sum amount for the change or an estimate for the Cost of the Work associated with changed condition with a not-to-exceed amount (prepared by Design Builder), and an estimate for the number days of adjustment to the Contract Time subject to the conditions set forth in Section 8.5. Field Work Orders must be signed by the District Representative, Project Manager, and Design Builder in order to be valid. The Design Builder cannot exceed the estimated lump sum amount or estimated not-to-exceed adjustment for cost or the estimated number of days' time without providing written notice to the Project Manager requesting further approval from the District, or submission of COR per Section



10.3. If a Field Work Order states that it does not constitute a changed condition and Design Builder disagrees, the Design Builder must notify the Project Manager and District Representative immediately, and submit a COR per Section 10.4. Regardless of whether a Field Work Order is issued, failure to provide a COR as required by Sections 10.3 and 10.4 constitutes a waiver of Claim.

10.7 Minor Changes in the Work. The Project Manager may order minor changes in the Work provided such changes do not impact the Contract Price or Contract Time and are consistent with the Construction Documents. Minor changes will be implemented through a Field Work Order per Section 10.6.

10.8 Pricing Methods. Methods used for determining adjustments to the Contract Price include: (i) mutual acceptance of a lump sum supported by sufficient substantiating data to estimate the Cost of the Work described in Section 7.2 plus Fee; or (ii) on a time and material basis based on actual Costs of the Work plus Fee. Under either pricing method, Work must be broken down by Design Services (§ 7.2.1(a), direct costs for trade portions of the Work, and indirect costs such as additional general requirements and general conditions (§10.8.2), insurance (§ 10.8.4), bonds (§ 10.8.3), and Fee (§ 10.8.5). If Construction Work is performed on a time and material basis, Design Builder will keep and present an itemized accounting based on daily time tickets executed by the Project Manager, material and equipment invoices, and other supporting data substantiating the amount of the Change Order.

10.8.1 Subcontractor Adjustments. Subcontractor adjustments for Change Orders is limited to the Cost of the Work as defined in Sections 7.2.1 through 7.2.4 multiplied by percentages for overhead and profit as determined by subcontract. All Subcontractor field labor rates for straight time, over time, and double time must specifically be set forth in their respective subcontract. Under no circumstances will Subcontractor overhead and profit on changes exceed 15% for self performed portions of the Work plus 5% if Subcontractor has tiers (combined overhead and profit cannot exceed 20%).

10.8.2 Average Daily Rate for Delay. If the Contract Time is extended per Section 10.9, the Average Daily Rate will be used in lieu of additional general conditions per 7.2.1(b) and general requirements per Section 7.2.3 during the construction phase. If the Contract Time is extended during the preconstruction phase, compensation will be per the Billable Rates in Exhibit 4B. (The Average Daily Rate does not provide compensation for time impacts to Subcontractors and Consultants.) If the change condition includes an extension of Contract Time during the construction phase, Design Builder will be entitled to additional general conditions as described in Section 7.2.1(b) and general requirements as described in Section 7.2.3 per the Average Daily Rate set forth in the Key Business Terms Sheet multiplied by the number of days of extension in the Contract Time. Note that additional general conditions and general requirements are not allowed unless the Contract Time is impacted by one of the changed conditions set forth in Section 10.2. The Average Daily Rate will not be used for deductive Change Orders unless there is a scope reduction that reduces the Contract Time.

10.8.3 Payment and Performance Bond. Mark up for Design Builder's payment and performance bond will be based on the payment and performance bond percentage set forth in the Key Business Terms Sheet multiplied by the Cost of the Work as defined in Section 7.2.1 through 7.2.4.



10.8.4 Insurance. Mark up for Design Builder's insurance will be based on the percentage set forth in the Key Business Terms Sheet multiplied by the cumulative sum of the Costs of the Work set forth in Section 7.2.

10.8.5 Fee. Design Builder's Fee will be calculated based on the percentage of Fee mark-up for Change Orders set forth in the Key Business Terms Sheet multiplied by the applicable Cost of the Work as defined in Sections 7.2.1 through 7.2.4, subject to Section 10.8.1 through 10.8.3.

10.9 Contract Time. Design Builder will only be entitled to an extension of time and additional compensation for its general conditions and general requirements if the Contract Time is extended due to a permitted delay under Section 8.5. Calculation for additional compensation will be based on the total number of additional work days of extension granted by District after evaluation of the fragnet analysis as required under Section 8.5 multiplied by the Average Daily Rate per Section 10.8.2. Design Builder does not reserve a right to assert any delays in the Contract Time, cumulative impact costs, extended job site costs, extended overhead, constructive acceleration, and/or actual acceleration beyond what is allowable under Sections 8.5 or 8.7 and timely claimed in a COR.

10.10 Deductive Change Orders. The amount of credit for deductive Change Orders will be the net decrease in the Cost of the Work based on the Cost of the Work as defined in Sections 7.2.1 through 7.2.4 plus Fee. The amount of credit will be determined based on one of the pricing methods set forth in Section 10.8. When both additions and credits covering related Work are involved in a proposed change, the Change Order will be determined based on the net increase or decrease.

10.11 Continued Performance. No Work will be allowed to lag pending the adjustment through Change Order, but will be promptly executed as directed, even if a dispute arises. Disputes regarding Change Orders will be resolved in accordance with Article 15. Failure to promptly execute Work as directed by the District or Project Manager will constitute a material breach of contract.

10.12 Omitted Work. If Design Builder omits Work that is included in the Contract Documents, the District will have the right to withhold payment in an amount which, in the Project Manager's or District's opinion, is equal to the value of Work that was omitted until the Work is performed.

10.13 Surety. All changes, additions, or omissions in the Work ordered through a Field Work Order or Change Order are part of the Work and will be performed and furnished in strict accordance with all of the terms and provisions of the executed document and other Contract Documents. The Design Builder will keep its surety informed of all modifications to this Agreement. The obligations of Design Builder's surety are not to be reduced, waived, or adversely affected by the issuance of Change Orders even if the Design Builder fails to inform the surety of the Change Order(s), and the District will not be required to obtain consent of the surety to the Design Builder or any of its Subcontractors.

11. LIABILITY, INDEMNIFICATION, AND DEFENSE

11.1 Negligent Design. Design Builder is liable for all damages to the extent proximately caused by design errors and omissions that do not meet the standard of care and



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will be liable to the same extent for any bodily injury or physical property damage caused by the defect(s). Design Builder and its Consultants performing Design Services will correct deficiencies in the design documents without charge to District. If correction is performed after the Construction Work is completed, the statute of limitations for causes of action arising out of negligent Design Services will recommence upon completion of the corrective Design Services but only for that portion of the Work required to correct the negligent design errors or omissions. Correction for deficient Design Services will not limit any other legal remedies that may be available to District to recover damages arising out of, or resulting from deficient Design Services.

11.2 Indemnification. To the fullest extent permitted by law, Design Builder will defend (with counsel acceptable to District), indemnify and hold the District and its officers, board members, agents, directors, partners, members, employees, affiliates, parents and subsidiaries, inspectors, and the Project Manager ("Indemnitees") harmless from and against any and all Claims, demands, causes of action, damages, costs, expenses (including legal, expert witness, and consulting fees and costs), losses or liabilities, in law or equity, arising out of, or resulting from, actual or alleged negligent or willful acts or omissions in the performance of the Work by the Design Builder, its employees, Consultants, Subcontractors, suppliers, equipment vendors, or anyone for whom any of them may be liable. The indemnification obligations set forth in this Section will not be limited in any way by the amount or type of damages, compensation, or benefits payable by or for Design Builder under the Workers' Compensation Acts, disability benefit acts, or other employee benefit acts. Notwithstanding the above, Design Builder will not be required to defend, indemnify, and hold harmless the Indemnitees to the extent of their active negligence, sole negligence, or willful misconduct. Design Builder's indemnification and defense obligations will survive termination of the Agreement and include, but are not limited to, the following types of Claims:

11.2.1 Personal Injury and Property Damage. Personal injury, including bodily injury, sickness or disease, or death to any persons, employees, or agents of Indemnitees or any third parties and/or damage to tangible property of anyone (other than the Construction Work itself and including loss of use) caused or alleged to be caused by strict liability or any actual or alleged negligent act or omission of the Design Builder, its Consultants, Subcontractors, or suppliers, equipment vendors, or anyone directly or indirectly employed by any of them for whose acts they may be liable.

11.2.2 Breach of Contract. Breach of any material term or condition of the Contract Documents that causes damage, cost, or expense solely to the District.

11.2.3 Violations of the Law. Penalties, fees, and costs imposed on account of the violation of any Applicable Law and caused by the act or omission of the Design Builder, its Consultants, Subcontractors, suppliers, equipment vendors, or anyone directly or indirectly employed by any of them for whose acts they may be liable.

11.2.4 Safety. Bodily injury, sickness, disease, death, injury, or tangible property damage (other than to the Work itself) caused, in whole or in part, from actual or alleged failure to train, initiate, maintain, or supervise safety precautions and programs in connection with the Construction Work.



11.2.5 Infringement of Intellectual Property. Infringement of any intellectual property right including patents, copyrights, or license, which may be brought against Indemnitees as a result of the Work.

11.2.6 Stop Payment Notice. Stop payment notice Claims for Work performed on the Project, including incidental or consequential damages suffered by the District as a result of the Claim, and provided that District has paid Design Builder for the portion of the Work at issue.

11.2.7 Insurance. Failure of Design Builder or its Consultants, Subcontractors, or equipment vendors to comply with the insurance provisions under this Agreement and other Contract Documents.

11.2.8 Hazardous Materials. Claims, liability, or damages arising out of, or resulting from, Design Builder's or its Consultants', Subcontractors', suppliers', or equipment vendors' negligent acts or omissions that cause or permit any Hazardous Materials to be generated, released, disposed, discharged, exacerbated (if pre-existing condition), or Hazardous Materials brought onto, or stored at, the Project site or used in the Work unless specified, and only if there is not a reasonable substitute for the specified material.

11.3 Duty to Defend. Design Builder will defend all Claims (with counsel acceptable to District) as defined in Section 11.2 at its own cost and expense and satisfy any judgment or decree that may be rendered against any Indemnatee arising out of a Claim, and reimburse Indemnatee(s) for any and all attorney's, expert witness, and consulting fees and expenses incurred in connection with the Claim or in enforcing the indemnity and defense granted by Sections 11.2 and 11.3. To the extent the Project Manager is sued as a result of the Design Builder's acts or omissions under Section 11.2, Design Builder will defend the Project Manager for such Claims (with counsel acceptable to District) per this Section 11.3.

11.4 Stop Payment Notice Free Obligation. If any of Design Builder's Consultants, Subcontractors, supplier, or equipment vendors records or files, or maintains any action on or respecting, a Claim of stop payment notice relating to the Work, the Design Builder will immediately procure, furnish, and record appropriate statutory release bonds that extinguish or expunge the stop payment notice provided that District has paid the Design Builder for that portion of the Work. If Design Builder does not timely pay its Consultants, Subcontractors, suppliers, or equipment vendors as required, then District may settle or bond over those Claims, or take other actions necessary to prevent a default under any other agreement affecting the Project, and District will withhold payment to Design Builder or demand reimbursement for any substantiated amounts that were necessary to satisfy Design Builder's obligation to satisfy, discharge, or defend against the Claim. Nothing contained in this Section requires the Design Builder to provide release bonds for any valid stop payment notice or other Claim due to District's non-payment or a valid dispute between District and Design Builder.

11.5 Enforcement. Nothing contained in this Article 11 will be construed to impose any obligation in conflict with current California state law. In the event of a conflict with Civil Code section 2782, et seq., as may be amended, this Agreement will be modified to allow indemnification and defense by Design Builder to the greatest extent permitted by law.



11.6 District's Indemnification. The District will defend, indemnify and hold the Design Builder, and its respective employees, Consultants, Subcontractors, and equipment vendors harmless from any claims or liability, including future exposure claims made by third parties, arising out of, or resulting from pre-existing Hazardous Materials or Hazardous Materials brought onto the site by District's Separate Contractors, Separate Consultants, or anyone directly or indirectly employed by any of them but only to the extent that liability did not arise from any negligent acts, errors, or omissions of, exacerbation of the pre-existing condition, or Work performed by, a Design Build Team Member or their respective employees, Subcontractors or Consultants, or anyone directly or indirectly employed by any of them for whom they may be liable.

12. INSURANCE AND BONDING

12.1 Required Insurance. The Design Builder will carry the insurance required in Exhibit 6A. Design Builder will require through written agreement that its Consultants and Subcontractors carry similar types of insurance coverage at appropriate limits for their portion of the Work, as submitted and approved by the Project Manager. Proof of appropriate insurance, including endorsements of additional insureds for all separate policies, except for errors and omissions policies and workers compensation policies, must be submitted to the Project Manager before commencement of the Work. Design Builder and its Consultants and Subcontractors will provide additional insured per Section 2.5.1 of Exhibit 6A on all required coverage except errors and omissions coverage.

12.2 Builder's Risk. The District will carry the insurance required in Exhibit 6C.

12.3 Payment and Performance Bond. Design Builder will execute and furnish to District a payment and performance bond for one hundred percent (100%) of the cost of the Construction Work (minus the cost of preconstruction services) in accordance with Public Contract Code section 22165, before commencement of construction. The bonds will be in accordance with the forms set forth in Exhibit 6B, and will be amended into this Agreement as Exhibit 6B. After Completion of the Construction Work, the performance bond will be reduced to 10% of the final cost of the Construction Work (minus the cost of preconstruction services) during the 2 year warranty period. The surety providing the payment and performance bonds must be an admitted surety insurer, as defined in Code of Civil Procedure section 995.120, authorized to do business in the State of California, and named on the current list of "Surety Companies Acceptable on Federal Bonds" as published by the Treasury Department Circular Number 570. Failure to provide the required payment and performance bonds will constitute a default under this Agreement. The cost of the bonds will be included in the Contract Price. All changes, additions, or omissions in the construction portions of the Work ordered through a Change Order under Article 10 are part of the Construction Work and will be performed and furnished in strict accordance with all of the terms and provisions of the executed Change Order and other Contract Documents. Design Builder will keep its surety informed of all modifications to this Agreement. The obligations of Design Builder's surety are not to be reduced, waived, or adversely affected by the issuance of Change Orders even if Design Builder fails to inform the surety of the Change Order(s), and District will not be required to obtain consent of the surety on behalf of Design Builder or its Consultants or Subcontractors. (see also 10.13)

12.4 Payment of Subcontractors. Without limiting the responsibilities of Design Builder and its surety under the terms of this Agreement, Design Builder and its surety agree to



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promptly pay all lawful claims of Subcontractors, materialmen, laborers, persons, firms or corporations for labor or services performed or materials, supplies, machinery equipment, rentals, fuels, oils, tools, appliances, insurance and other items furnished, used, or consumed in connection with the prosecution of the Construction Work including Change Orders, and will indemnify and save harmless the District and Project Manager from and against all liability loss, damage and expense, including interest, costs, attorneys' fees, and expert witness fees, which the District and Project Manager may sustain by reason of Design Builder's or its surety's failure to do so. (See also 11.2.6.)

13. WARRANTY

13.1 Warranty and Correction of Work. Design Builder warrants that the Construction Work will be of good quality, free from defects, and conforming to the Construction Documents, Applicable Building Codes, and Applicable Law. For a period of 2 years commencing from the Substantial Completion Date, and for longer periods specified in the Contract Documents for certain equipment manufacturers or suppliers, the Design Builder will repair or replace at its own expense any and all deficient or defective Construction Work together with any other work that is damaged during repair or replacement. District will give notice of observed defects with reasonable promptness. If the District's operations or use are impaired by the nonconforming Construction Work or its correction, the Design Builder and its Subcontractors will use off-hours labor and timesaving procedures as the District may request. If the District should fail to make such repairs, adjustments, or other work that may be made necessary by such defects, the District may do so and charge Design Builder the cost thereby incurred. The warranty excludes improper or insufficient maintenance, improper operation, normal wear and tear, and normal usage. The Design Builder will procure Subcontractors' and manufacturers' express warranties required under the Contract Documents on the District's behalf and will transmit the warranties to the District through the Project Manager before Completion of Construction Work and Project close-out. Establishment of the 2 year express warranty period for correction of Construction Work relates only to the Design Builder and its Subcontractors specific obligation to correct defective or non-conforming Construction Work, and has no relationship to statute of limitations periods for legal claims arising from Contract Documents. All warranties will comply with the Warranty Forms set forth in Tab 2J of the Project Manual.

14. OWNERSHIP OF DOCUMENTS

14.1 Design Development and Permitted Drawings and Specifications. The Design Development Documents and Permitted Drawings and Specifications are being developed and furnished for use solely with respect to this Project. As such, provided that the District has complied with the payment provisions set forth in Article 9 or Section 16.2, the District will own and have all rights, title, and interests under Applicable Law in the Project's overall design, including the Conceptual Design Documents (Exhibit 3B), Schematic Design Documents, Design Development Documents, and Permitted Drawings and Specifications (inclusive of all HCAI changes orders and changes to the documents) ("Design Documents"). The Design Builder, Consultants and Design-Build Subcontractors will not own or claim a copyright in the Design Documents prepared for the Project, and may not use such documents on other projects outside the scope of the Work without written consent of the District. The Design Builder, Consultants, and Design-Build Subcontractors may each retain a record set of

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each of the approved Design Documents for the purpose of defense of any subsequent claims or disputes involving the Project.

14.2 Building Information Model. The Record Model and subsidiary models used for design and construction of a Project are the property of the District. The Design Builder and its other Design Build Team Members agree to provide the Project Manager, as a deliverable before Completion of Construction Work, the Record Model and any other BIM files that the Project Manager deems necessary. Despite the above, design elements that were created by any Design Build Team Member, before execution of this Agreement, as extensions to commercially available BIM software will remain the property of the respective party that created the extension, regardless of whether it was used in a Model for Work performed under this Agreement, and the District will hold a perpetual, non-exclusive, royalty-free license to those design elements for purposes of designing, constructing, renovating, operating, and maintaining the Project for which the Model was created.

14.3 Licensing. The Design Build Team Members are each granted a limited, non-exclusive, royalty-free license to use and reproduce applicable portions of the Design Documents and other documents prepared for use in the performance of the Work. The District grants the Design Builder, Consultants, and Design-Build Subcontractors a non-exclusive, royalty-free, perpetual license for use or display of the Model or 2-D information solely for educational purposes, and the Model may be used for promotional purposes upon written approval by District.

14.3.1 Copies. All copies made under the license will bear the statutory copyright notice, if any, shown on the Permitted Drawings and Specifications as well as any other Design Documents prepared by the Design Builder, Consultants, and Design-Build Subcontractors. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with a Project will not be construed as publication in derogation of the District's copyright or other reserved rights and interests.

14.4 Exception. Nothing contained in Article 14 limits the rights, title, and interest of the Design Builder, Consultants, or Design-Build Subcontractors to continue to own their respective general design details, layouts, and general concepts that each of them uses or has used on multiple projects, or new standard design details that were developed during design under this Agreement.

14.5 Termination. Termination of the Design Builder or other member of the Design Build Team does not affect the rights of the District under this Article 14. However, if Design Builder is terminated per Sections 16.2 or 16.3 before approval of Permitted Drawings and Specifications and the District later proceeds with the Project and uses design materials prepared by Design Builder's Consultants, or Design-Build Subcontractors for continuation of the Project with different design professionals or Design-Build Subcontractors, then the District will release, indemnify, defend, and hold harmless the terminated parties (as applicable) from any liability arising from the District's further use of the design materials.

15. CLAIMS AND DISPUTE RESOLUTION

15.1 Disputes. Disputes, Claims, or other matters in question between the Design Builder and the District arising out of the Contract Documents, including breach of contract, will



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be subject to Public Contract Code sections 9204 and 20104-20104.6. Notice of Claim must be in compliance with Section 17.5, as well as any statutory requirements, and compliance with all Change Order procedures is a condition precedent to filing a Public Contract Code Claim pursuant to this Article 15. Any Claim submitted by Design Builder will be in writing and include the documents necessary to substantiate the Claim. All Claims must be submitted by certified mail with return receipt requested to the District Representative, with a copy to Project Manager. Failure to timely or properly submit a Claim per this Article 15 will be deemed a waiver of all right to do so.

15.1.1 Required Documentation. Design Builder's reasonable documentation in support of the Claim must, at a minimum include: (i) a clear, concise recital of the basis of the Claim asserted, including a designation of the provisions of the Contract Documents upon which the Claim is based; (ii) a statement as to the amount of time and/or compensation sought pursuant to the Claim; (iii) a statement regarding whether the Claim arises from an ongoing occurrence, and if so a description of the specific Work activities affected by the Claim; (iv) a fragment analysis per Article 8 if Design Builder is requesting a time extension; (v) full and complete cost records supporting the amount of any Claim for additional compensation; and (vi) a notarized certification by the Design Builder and each Consultant and Subcontractor included in the Claim as follows: "Under the penalty of law for perjury or falsification and with specific reference to the California False Claims Act, Government Code Section 12650 et seq., the undersigned hereby certifies that the information contained herein is a true, accurate, and complete statement of all features relating to the Claim asserted." Failure by the Design Builder and its Consultants and Subcontractors included in the Claim to provide sufficient documentation will result in denial of the Claim. The District reserves the right to request additional documentation, or clarification of the documentation provided.

15.2 District's Response. Upon receipt of a Claim, the District will conduct a reasonable review and provide a written statement to the Design Builder identifying what portion of the Claim is disputed and what portion is undisputed within 45 days of receipt of the Claim. The District and Design Builder may, by mutual agreement, extend the 45 day time period. For any undisputed portion of a Claim, the District will make payment within 60 days of the District's issuance of the written statement. Failure of the District to respond to a Claim from Design Builder within the time periods described in this Section will be deemed rejection of the Claim in its entirety.

15.3 Dispute District's Response. If the Design Builder disputes the District's response, or the District fails to respond within the time prescribed, the Design Builder may demand an informal conference to meet and confer for settlement of the issues in dispute within 30 days of the District's response or failure to respond. Within 10 business days following the meet and confer conference, the District will provide a written statement identifying the portion of the claim that remain in dispute. Any payment due on an undisputed portion of the claim will be made within 60 days of the meet and confer conference. In the event that the meet and confer conference is unsuccessful, the matter will be submitted to nonbinding mediation within 60 days unless the Parties mutually agree to waive, in writing, mediation and proceed directly to the commencement of judicial arbitration pursuant to Code of Civil Procedure section 1141.10 et seq.



15.3.1 Failure of the District to respond to a Claim within the time periods described above will result in the Claim being deemed rejected in its entirety. Unpaid Claim amounts will bear interest at 7 percent per year.

15.3.2 If mediation is unsuccessful or if the Parties decide to proceed directly to judicial arbitration, Design Builder must file a government claim pursuant to Government Code section 910 et seq. in order to initiate a civil action.

15.3.3 The Civil Discovery Act (Title 4 commencing with Section 2016.010 of Part 4 of the Code of Civil Procedure) will apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

15.4 Trial De Novo. Any party who after receiving an arbitration award requests a trial de novo but does not obtain a more favorable judgment will, in addition to payment of costs and fees, pay the attorney's fees of the other party arising out of the trial de novo.

15.5 Joinder. Design Builder acknowledges that the Project is being constructed under a design-build project delivery method where the Design Builder is under direct contract with the District. The District and Design Builder consent to the joinder of other necessary Project Team Members in any dispute resolution procedure, if Claims for or against the Design Builder or District arise from the same, substantially the same, or interrelated facts, issues, or incidents relating to the Project, or where separate dispute resolution processes create a risk of inconsistent awards or results.

16. TERMINATION AND SUSPENSION

16.1 Suspension. The Project may be suspended upon written notice from the District. The written notice of suspension will set forth the reason for suspension and the effective date of suspension. If the Project is suspended by the District and not due to any fault of the Design Builder or any of its Consultants, Subcontractors, suppliers, or equipment vendors, the Design Builder will be compensated per the compensation and payment terms set forth in Articles 7 and 9 for all Work properly performed through the effective date of the suspension. If Construction Work has commenced by the effective date of suspension and the suspension requires demobilization of the Design Builder, the Design Builder will also be entitled to an additional 15 work days to cease all operations and secure the Project site. The Design Builder will be compensated for its general conditions and general requirements for the additional 15 work days per the Average Daily Rate set forth in the Key Business Terms Sheet. If the Project is resumed, and provided that the suspension was not caused or due to any fault or neglect of the Design Builder or any of its Consultants, Subcontractors, suppliers, or equipment vendors, then the Design Builder's compensation will be equitably adjusted through Change Order under Article 10 and the Contract Time will be equitably adjusted for the additional time required to achieve Completion of Construction Work. If the Project has ceased for more than 120 consecutive calendar days or if all Construction Work has ceased for a period of 60 consecutive calendar days, the Design Builder may terminate the Agreement under Section 16.4.

16.2 District's Termination for Convenience. [[Amendment 1]] The District may terminate this Agreement for convenience upon 15 calendar days' written notice during the Validation Phase, or upon 30 calendar days' written notice at any time thereafter. The notice



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will state the extent and effective date of termination. The Design Builder will be entitled to receive payment for all Work properly performed as of the effective date of termination based on the compensation and payment provisions set forth in Articles ~~77~~ and ~~99~~. If Construction Work has commenced as of the effective date of termination, the Design Builder will also be entitled to up to an additional 15 work days multiplied times the Average Daily Rate set forth in the Key Business Terms Sheet for additional general conditions and general requirements necessary to cease all operations and secure the site. The additional general conditions and general requirements will not apply if the District already suspended the Work under Section ~~46-416.1~~ and the Design Builder already received compensation for demobilization and securing the site. Upon termination, Design Builder will provide a credit to the District through deductive Change Order for the cost of subcontractor default insurance. The credit will be the product of the percentage for SDI set forth in the Business Terms Sheet multiplied by the remaining cost of the Construction Work. Design Builder expressly waives any Claims for consequential damages, including anticipated lost profits and unabsorbed overhead. Any dispute over the amount to be paid upon termination will be resolved in accordance with the dispute resolution procedures set forth in Section ~~46-15~~. The District's right to use design materials after termination is set forth in Article ~~44~~14.

16.3 District's Termination for Cause. The District may terminate this Agreement upon not less than 7 calendar days' written notice and an additional 7 calendar days to commence curing if the Design Builder is in material breach of any term or provision of the Contract Documents, including breach of Exhibit 2 Section 24.7 ("Prohibited Interests"). The notice will set forth the reason for termination and the effective date of termination. If the District terminates this Agreement for cause, the Design Builder will not be entitled to any further payments until all Work is completed and the Project achieves Completion of Construction Work. Nothing stated in this paragraph will prevent the District from pursuing and recovering any damages allowed by Applicable Law from Design Builder arising out of a breach of the Contract Documents. If through judicial arbitration per Article 15, the arbitrator deems that termination of the Design Builder was wrongful or otherwise improper, the termination will be deemed a termination for convenience under Section 16.2. The District's right to use design materials after termination is set forth in Article 14.

16.4 Design Builder's Termination for Cause. The Design Builder may terminate this Agreement upon 15 calendar days' written notice and an additional 15 calendar days' opportunity to commence curing, if the District fails to make payment to the Design Builder in accordance with this Agreement, and cannot provide evidence substantiating that financial arrangements have been made to make payment, or if the Project is suspended for more than 120 consecutive calendar days, or if all Construction Work has ceased for a period of 60 consecutive calendar days. The Design Builder will be compensated for all Work properly performed through the effective date of termination in accordance with the compensation and payment provisions set forth in Articles 7 and 9. If the Agreement is being terminated due to failure to make payment and provided that the Construction Work has commenced before the effective date of termination, the Design Builder will also be entitled to an additional 15 work days multiplied times the Average Daily Rate set forth in the Key Business Terms Sheet for additional general conditions and general requirements necessary to cease all operations and secure the site.

17. MISCELLANEOUS PROVISIONS



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17.1 Confidentiality. Design Builder will keep information provided by the District or made available to Design Builder during performance of the Work confidential, and will not disclose confidential information to persons or entities other than as necessary to perform the Work.

17.2 Governing Law. This Agreement will be governed and construed under the laws of the State of California without giving effect to any choice of law or rule of conflict that would cause the application of the laws of any other jurisdiction. Each of the Parties agrees that the exclusive venue for any dispute resolution proceeding or action will be in Modoc County, California.

17.3 Commencement of the Statute of Limitations. The Parties must commence all claims and causes of action against the other arising out of or related to the Work in accordance with the requirements of the dispute resolution process set forth in Article 15, and within the time period specified by Applicable Law.

17.4 Assignment. The District and Design Builder respectively bind themselves, their partners, successors, assignees, and legal representatives to the other Party to this Agreement. Design Builder may not assign this Agreement. Upon notice, the District may assign this Agreement to any lender in obtaining Project financing, and Design Builder and its Consultants, Subcontractors, suppliers, and equipment vendors will cooperate with the District and execute required assignment and subordination agreements.

17.5 Notices. Any notice required to be given by this Agreement will be in writing and deemed effective upon: (i) the date of personal delivery, or fax, if received by the addressee before 5:00 p.m. local time on a business day; (ii) 5 business days after being sent via registered or certified mail with a return receipt requested; or (iii) 2 business day after being sent by overnight commercial courier providing next-business-day delivery. Fax delivery must be evidenced by an automated fax confirmation. Notices will be addressed to the following respective parties:

District:	Design Builder:
Kevin Kramer, Chief Executive Officer Last Frontier Healthcare District 1111 N. Nagle Street Alturas, CA 96101	Scott Grubb, Vice President Swinerton Builders 15 Business Park Way, Suite 101 Sacramento, CA 95828
With a copy by email to: Richard Kasa richard.kasa@kaserv.com	

17.6 Interpretation and Severability. This Agreement's terms and conditions will be interpreted according to their plain meaning, and not strictly for or against either the District or Design Builder. Any contrary rule of construction or interpretation will be of no force or effect with respect to this Agreement. If a court of competent jurisdiction finds any term or provision of this Agreement to be void or unenforceable for any reason, the term or provision will be amended to comply with Applicable Law. If a term or condition is severed, the remainder of the



HansonBridgett

Modoc Medical Center Skilled Nursing Facility
Design Build Agreement

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Initial: ____/____

FINAL Amendment 5 - Restated Agreement
20155099.2

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Agreement will remain in full force and effect to the maximum extent permitted by law and consistent with the District's and Design Builder's overall intent.

17.7 Third Party Beneficiaries. The Parties acknowledge and agree that the obligations of the Design Builder are solely for the benefit of the District and are not intended in any respect to benefit any third parties. The District, however, is a third party beneficiary to all Consultant agreements and subcontracts. There are no other third party beneficiaries to this Agreement.

17.8 Time is of the Essence. Time is of the essence with respect to each and every provision of the Contract Documents and any subsequent Change Orders.

17.9 Rights and Remedies. All rights and remedies under the Contract Documents will be cumulative and in addition to, and not in limitation of, all other rights and remedies of the Parties under the Contract Documents or otherwise available at law or in equity.

17.10 Survival. The following provisions will survive termination of this Agreement or completion of the Work: Sections 2.2, 2.3, 9.10 and Articles 11 through 17.

17.11 Waiver. Unless otherwise indicated in this Agreement, the District's and Design Builder's action or failure to act will not waive any right or duty it has under the Agreement, and such action or failure to act will not be an approval of or acquiescence in a breach of the Agreement unless specifically agreed to in writing by the Party.

17.12 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original. When proving this Agreement, it will only be necessary to produce or account for the counterpart signed by the Party against whom enforcement is sought. Electronic copies or photocopies of this Agreement showing the true signatures may be used for all purposes as originals.

17.13 Interest. Payments due and unpaid under this Agreement that do not constitute a Claim will bear interest from the date payment is due at an annual rate equal to the most recent prime rate published by the Wall Street Journal, or 3.5% per annum, whichever is less. If Design Builder has submitted a Claim per Article 15, interest on unpaid Claim amounts will be pursuant to Section 15.3.1.

17.14 Attorneys' Fees. If the District or Design Builder commences an action or dispute resolution process in accordance with the terms and provisions of this Agreement against the other Party for Claims arising out of or in connection with the Contract Documents, the prevailing Party will be entitled to recover all reasonable attorneys' fees and costs (including charges and expenses related to the suit, expert witness, and consultants' fees) as may be determined by a court with competent jurisdiction.

17.15 Conflict of Interest. Design Builder will comply with the District's Conflict of Interest Policy and Procedures set forth in Exhibit 7C.

17.16 Exhibits. The Exhibits listed in the table of exhibits are incorporated into this Agreement by reference as though set forth in full.



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Modoc Medical Center Skilled Nursing Facility
Design Build Agreement

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Initial: ____/____

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17.17 Electronic Signature. The Parties agree that a "Digital Signature" as defined under Government Code section 16.5 and California Code of Regulations section 22000 is an acceptable form of signature for written communications with the District and will have the same force and effect as the use of a manual signature provided that the Digital Signature is: (i) unique to the person using it; (ii) capable of verification; (iii) under the sole control of the person using it; and (iv) linked to the data in such a manner that if the data are changed, the Digital Signature will be invalidated. In order to be valid, the Digital Signature must be created by an acceptable technology as defined in California Code of Regulations section 22001 et. seq.

17.18 Legal Citations. Legal citations to statutory requirements are included in the Agreement for convenience and an omission of any statutory requirement will not relieve the Design Builder from compliance with Applicable Law.

17.19 Entire Agreement. The Contract Documents form the entire contract between the District and Design Builder and supersede all prior oral and other written negotiations, representations, or agreements between the District and Design Builder with respect to the Work performed for this Project.



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Modoc Medical Center Skilled Nursing Facility
Design Build Agreement

Initial: ____/____

~~FINAL~~Amendment 5 - Restated Agreement
20155099.2

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ATTACHMENT G

Approval of Geothermal Change Order on the New SNF and Hospital Addition Project

To: Last Frontier Healthcare District

Project Name: Modoc Medical Center Skilled Nursing Facility and Hospital Addition

All Change Orders are subject to the terms and conditions set forth in Article 10 of the Agreement.
Defined terms are set forth in Exhibit 1 to the Agreement.

Identify event(s) giving rise to this Change Order:

- ☒ District Elected Changes
- ☐ Adverse Weather
- ☐ Force Majeure
- ☐ Unforeseen and Differing Site Conditions
- ☐ Suspension of the Work by District per §16.1 of the Agreement
- ☐ Pre-permit delays
- ☐ Post permit Changes by AHJ
- ☐ Field Work Order per §10.6 of the Agreement
- ☐ Unusual Material Escalation per Section 7.1.1(d)
- ☐ Change in Applicable Law that modifies taxes and fees identified in Section 6.6
- ☐ Cost neutral Change Orders for use of contingency, line item transfers, scope swaps, etc.
- ☐ Adjustment in the Contract Price after procurement of all Subcontractors, inclusive of reconciliation of the material escalation allowance per Section 7.1.1(d) above, and in accordance with the terms set forth in Section 7.1.1(c)(iii) above

PCI#	Description	Total Amount
020	Redesign geothermal system for reduced geothermal flows and optimize.	\$298,609.00
Total		\$298,609.00

Original Contract Price was.....	\$49,616,662.00
Previously Approved Changes.....	<i>\$-242,723.00</i>
Contract Price Before This Change Order was.....	<i>\$49,373,939.00</i>
Contract Price will increase by.....	\$298,609.00
New Contract Price Including This Change Order.....	<i>\$49,672,548.00</i>
Original Contract Time.....	05/03/2025
Time Changes Before this Change Order was.....	0 Calendar Days
Revised Contract Time Before this Change	05/03/2025
Contract Time Adjusted By.....	0 Calendar Days
Revised Contract Time including this Change	05/03/2025
Project Final Completion Date.....	June 03, 2025

The obligations of Contractor's surety are not reduced, waived, or adversely affected by the issuance of this Change Order regardless of whether Design Builder notified surety of the Change Order.

Reviewed and Recommended By: _____
Richard S Kasa, Sr. Project Manager

Execution of this Change Order constitutes full and final settlement of any and all claims Contractor, its Consultants, Subcontractors, suppliers, and equipment vendors have, or may have, for additional compensation or time arising from or related to the Work included herein.

DATE ACCEPTED:

Swinerton Builders, Inc.	Last Frontier Healthcare District
By: _____ D. Scott Grubb, Vice President	By: _____ Kevin Kramer, Chief Executive Officer

USDA Rural Development
Attachment Contract Change Order

Project: _____

Change Order Number: _____ Change Order Amount: _____

The Referenced Change Order is not valid until signed by the Owner, Architect, Contractor and Agency.

Requested by: _____ Date: _____
(Owner)

Recommended by: _____ Date: _____
(Owner's Architect / Engineer)

Accepted by: _____ Date: _____
(Contractor)

Agency Concurrence: _____ Date: _____



SWINERTON

Last Frontier Healthcare District
1111 N. Nagle Street
Alturas, CA, 96101

Attn: Kevin Kramer

Subject: Swinerton Builders Job 22044005 - Modoc Med Center Skilled Nursing Facility
PCI No. 0020

Dear Mr. Kramer,

We request a Change Order to our contract for the following:

Redesign geothermal system to account for reduced flows and optimize use of geothermal resource. Changes include added coils at AHUs and CAVs, added/resized pumps, additional BAS points, resized/added heat exchangers and added piping.

Phase	Category	Description	Subcontractor	Quote
230010	71140	HVAC	FRANK M. BOOTH, INC.	268,032.00
007480	71160	Subcontractor Default Insurance	1.15%	3,082.00
999999	79999	Contractor Fee	4%	11,383.00
007420	71160	Contingency	3.5%	9,381.00
007510	71160	Payment and Performance Bond	0.9%	2,664.00
007420	71160	General Liability Insurance	1.45%	4,067.00
			Markup Subtotal	30,577.00
			PCI Total	298,609.00

TOTAL AMOUNT OF THIS CHANGE ORDER REQUEST: **298,609.00.**

Please NOTE:

- » The incorporation of this revision in to the contractual scope of work may have an impact on our schedule, which is yet to be finalized. Once determined, the job schedule will be adjusted accordingly to show the effect of this revision on the final project completion date..
- » The terms (cost and schedule impact) of this change order request are subject to review and a requote if not accepted within days of its issuance.
- » This request does not include additional cost or delay due to late approval.

☒ We **HAVE** proceeded with this revised work per your instructions. Please issue a change order.

If you have any questions or comments pertaining to this matter, please contact the undersigned.

Sincerely,
Swinerton Builders

Keith McCurry
Senior Project Manager
Date: 12/12/2023

Quotation accepted by:
Last Frontier Healthcare District

By: _____

Date: _____



4220 Douglas Blvd., Granite Bay, CA 95746
TEL (916)784-0777 FAX (916)784-0707
CA License No. 793419

December 7, 2023

Swinerton Builders
15 Business Park Way, Suite 101
Sacramento, CA 95828

Attention: Keith McCurry
Reference: FMB Job No. 2208
Subject: Geothermal modification implementing consultant Engineers ECMs
FMB C/O # 90-000-03 rev-2

PM- Steve Sousa

Attached and below is the narrative and pricing for the above referenced change order:

Hydronic system modification to accomdate geothermal limitations.

Cost of construction including GC's & OH&P	\$	268,032.00
Engineering Cost: Lump Sum Fee	\$	8,500.00
Total Change Request	\$	268,032.00
Additional Time required as a result of this change		2.00 Days

Please forward written change order at your earliest convenience or call with any questions.

Sincerely,

Steve Sousa
Project Manager
Frank M. Booth, Inc.

The price quoted for the above described Scope Change is subject to the following conditions:

- (1) A direction to proceed by the Contractor will entitle us to progress payments for Work covered above.
- (2) If this change decreases, extends, or otherwise affects our completion time, our cost of performance will thereby increase.
We reserve all rights to recover these added costs and rely on Contractor to keep us fully informed regarding changes in the completion time.
- (3) The cost provided is directly related to the timeliness of the work performed. If the change order is not executed with the timeframe stated, costs will need to be re-estimated.

CHANGE VALID FOR: 10 Days

MMC SNF BUILDING - GEOTHERMAL IMPACTS
HVAC

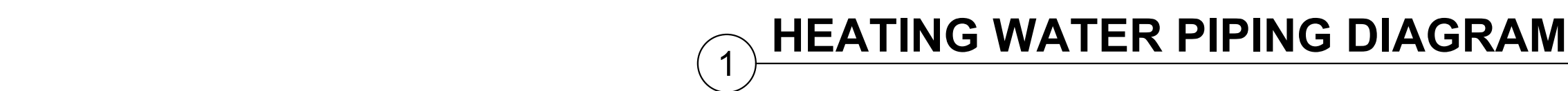
10/16/23



Breakout Number	Description	Units	Unit of Measure	Production Factor	Unit Cost	Total
1	Coil changes at RTU Units	5	EA	N/A	\$5,784	\$28,922
2	Coil changes at MAU Unit	1	EA	N/A	N/A	\$1,531
3	Coil changes at Terminal Boxes	50	EA	N/A	\$178	\$8,899
4	Add/Resize Boilers and hookups	1	EA	N/A	N/A	\$64,173
5	Add/Resize Pumps w/ VFD's and hookups	4	EA	N/A	\$17,002	\$68,006
6	Add/Resize Heat Exchangers and hookups	1	EA	N/A	N/A	\$20,299
7	Subs: Insulation @ additional hookups	1	LS	N/A	N/A	\$15,533
8	BAS: Additional equipment scheduled and shown on P&ID	1	LS	N/A	N/A	\$60,669
9	Engineering	1	LS	N/A	N/A	\$8,500

Grand Total	\$276,532
--------------------	----------------------

268,032



300 Knollcrest Drive
Redding, CA. 96002
(530) 222-3300 (530) 222-3538 Fax
www.nmrdesign.com

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FMB **FRANK M. BOOTH, INC.**
OUR PERFORMANCE BUILDS RELATIONSHIPS®

AGENCY APPROVAL

HCAI #I230002-25-03

LICENSE STAMPS

PROJECT NAME

A PROPOSED

INCREMENT 3: WARNERVIEW SKILLED NURSING FACILITY

FOR

**MODOC MEDICAL
CENTER**

1111 N. NAGLE STREET
ALTURAS, CA 96101

SHEET TITLE

HEATING WATER
PIPING DIAGRAM

DRAWING STATUS

100% CONSTRUCTION DOCUMENT

Drawn By	
Date Issued	01/20/2023
Scale	As indicated
Project No.	2208

SHEET No.

M500

ROOFTOP UNIT SCHEDULE																																			
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	AREA SERVED	SUPPLY FAN				RETURN FAN				OUTSIDE AIR (CFM)	HEATING PERFORMANCE								COOLING PERFORMANCE						ELECTRICAL DATA			WEIGHT (LBS)	REMARKS				
				FAN QUANTITY	DESIGN CFM	ESP (IN WG)	MOTOR POWER (HP)	FAN POWER (BHP)	FAN QUANTITY	DESIGN CFM	ESP (IN WG)		MOTOR POWER (HP)	FAN POWER (BHP)	COIL ROWS/FPI	DESIGN CFM	EDB (°F)	UNIT LDB (°F)	TC (MBH)	WATER FLOW (GPM)	EWT (°F)	LWT (°F)	COIL ROWS/FPI	DESIGN CFM	EDB (°F)	EWB (°F)	LDB (°F)	LWB (°F)	TC (MBH)			SC (MBH)	VOLTS/ PHASE	MCA	MROPD
RTU 1	DAIKIN DPS020A	ROOF	PATIENT ROOMS	1	7,835	3.0	10	7.6	1	5,480	1.0	8	1.4	2,355	2/12	7,835	49	62	95	1.7	155	95	4/15	7,835	83.2	63.3	52.1	47.4	215	215	460/3	62.6	90	6,000	12345678910
RTU 2	DAIKIN DPS020A	ROOF	PATIENT ROOMS	1	7,835	3.0	10	7.6	1	5,480	1.0	8	1.4	2,355	2/12	7,835	49	62	95	1.7	155	95	4/15	7,835	83.2	63.3	52.1	47.4	215	215	460/3	62.6	90	6,000	12345678910
RTU 3	DAIKIN DPS016A	ROOF	PATIENT ROOMS	1	5,925	3.0	7.5	5.5	1	4,145	1.0	8	0.92	1,780	2/12	5,925	49	62	75	1.2	155	95	4/15	5,925	83.2	63.3	51.7	47.6	167	167	460/3	50.8	70	6,000	12345678910
RTU 4	DAIKIN DPS028A	ROOF	BUILDING GENERAL	1	10,990	3.0	15	10.6	1	7,040	1.0	8	2.19	3,950	2/12	10,990	43	62	178	4.3	155	95	4/15	10,940	85.4	63.2	52.2	47.2	330	330	460/3	77.4	100	6,000	12345678910
RTU 5	DAIKIN DPS025A	ROOF	BUILDING GENERAL	1	8,080	3.0	15	8.8	1	5,655	1.0	8	1.97	2,425	2/12	8,080	49	62	100	1.7	155	95	4/15	8,080	83.2	63.4	50.2	47	228	228	460/3	77.4	100	6,000	12345678910

- ① PROVIDE SINGLE POINT 400V/3-PHASE CONNECTION.
- ② PROVIDE SINGLE POINT 120V/1-PHASE CONNECTION FOR GFI RECEPTACLE.
- ③ PROVIDE PREMIUM EFFICIENCY VARIABLE SPEED MOTORS WITH SHAFT GROUNDING.
- ④ PROVIDE FACTORY MOUNTED/WIRED VFDs FOR SUPPLY AND RELIEF FANS.
- ⑤ PROVIDE WITH MINIMUM OUTDOOR AIRFLOW MONITORING STATION.
- ⑥ PROVIDE 100% ECONOMIZER AND RELIEF.
- ⑦ PROVIDE 2" MERV 8 FILTERS. FINAL FILTER IN DUCT.
- ⑧ PROVIDE ROOF CURB WITH 20" BASE CURB, 1" SPRING ISOLATION, AND FIRE RATED NAILERS
- ⑨ PROVIDE INTERNALLY-ISOLATED FANS.
- ⑩ INCLUDE 1.0" WG DIRTY FILTER PRESSURE DROP IN TSP.

TAG	MANUFACTURER MODEL NO. (OR EQUAL)	UNIT LOCATION (AREA SERVED)	AIRFLOW (CFM)	FRAME SIZE (IN.)			MAX. FACE VEL. (FPM)	ELEMENT SIZE	QTY.	MERV	INITIAL P.D. IN. WG.		OPER WT. LBS.		REMARKS
				FINAL	PRE @400 FPM	POST @400 FPM									
<div>FB</div> <div>1-1</div>	AFF SS-2-20H25W-SP2-GM2	RTU-1 ROOF (PATIENT ROOMS)	7,835	51.0	60.125	22.5	400	24x24x12 12x24x12	4 2	13	0.325	1	250	①	
<div>FB</div> <div>1-2</div>	AFF SLB-2-20H25W-SP2-GM3	RTU-1 ROOF (PATIENT ROOMS)	7,835	51.0	65.125	27	400	24x24x12 12x24x12	4 2	HEPA	1.15	2	550	②	
<div>FB</div> <div>2-1</div>	AFF SS-2-20H25W-SP2-GM2	RTU-2 ROOF (PATIENT ROOMS)	7,835	51.0	60.125	22.5	400	24x24x12 12x24x12	4 2	13	0.325	1	250	①	
<div>FB</div> <div>2-2</div>	AFF SLB-2-20H25W-SP2-GM3	RTU-2 ROOF (PATIENT ROOMS)	7,835	51.0	65.125	27	400	24x24x12 12x24x12	4 2	HEPA	1.15	2	550	②	
<div>FB</div> <div>3-1</div>	AFF SS-2-20H20W-SP2-GM2	RTU-3 ROOF (PATIENT ROOMS)	5,925	51	48.75	22.5	400	24x24x12	4	13	0.325	1	250	①	
<div>FB</div> <div>3-2</div>	AFF SLB-2-20H20W-SP2-GM3	RTU-3 ROOF (PATIENT ROOMS)	5,925	51	51.56	27	400	24x24x12	4	HEPA	1.15	2	450	②	
<div>FB</div> <div>4-1</div>	AFF SS-2-25H30W-SP2-GM2	RTU-4 ROOF (PATIENT ROOMS)	10,940	62.875	70.125	22.5	400	24x24x12 12x24x12	6 3	13	0.325	1	350	①	
<div>FB</div> <div>5-1</div>	AFF SS-2-20H25W-SP2-GM2	RTU-5 ROOF (PATIENT ROOMS)	8,080	51.0	60.125	22.5	400	24x24x12 12x24x12	4 2	13	0.325	1	250	①	

TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	AREA SERVED	FAN				DRIVE	MOTOR			OPER. WT. LBS.	REMARKS
				CFM	ESP (in WG)	RPM	LWA		BHP HP	RPM	VOLTS/ PHASE		
REF 1	G-120-VG (GREENHECK)	ROOF	GENERAL EXHAUST FOR RTU-1	1,465	0.5	1,474	76	DIRECT	0.26 0.5	1,725	115/1	125	①②
REF 2	G-140-VG (GREENHECK)	ROOF	GENERAL EXHAUST FOR RTU-2	1,850	0.5	1,256	73	DIRECT	0.35 1	1,725	115/1	150	①②
REF 3	G-100-VG (GREENHECK)	ROOF	GENERAL EXHAUST FOR RTU-3	920	0.5	1,462	67	DIRECT	0.15 0.25	1,725	115/1	100	①②
REF 4	G-140-VG (GREENHECK)	ROOF	GENERAL EXHAUST FOR RTU-4	1,750	0.5	1,283	73	DIRECT	0.38 1	1,725	115/1	150	①②
REF 5	G-140-VG (GREENHECK)	ROOF	GENERAL EXHAUST FOR RTU-5	1,825	0.5	1,246	72	DIRECT	0.34 1	1,725	115/1	150	①②
REF 6	G-099-VG (GREENHECK)	ROOF	MECHANICAL ROOM (COOLING)	850	0.3	1,391	70	DIRECT	0.11 0.25	1,725	115/1	100	①②⑤
DEF 1	CUE-160HP-VG (GREENHECK)	ROOF	DISHWASHER EXHAUST	2,000	0.75	1,376	77	DIRECT	0.46/0.75	1,650	115/1	150	①②③
KEF 1	USGF-200HP-30 (GREENHECK)	ROOF	KITCHEN HOOD EXHAUST	4,526	1.25	1,460	86	BELT	2.09/3.0	1,725	460/3	500	①③④⑥

ROOF VENT SCHEDULE										
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	AREA SERVED	USE (RELIEF, INTAKE)	AIRFLOW (CFM)	SP (in WG)	THROAT SIZE		OPER. WT. LBS.	REMARKS
							WIDTH (IN)	LENGTH (IN)		
 RV 1	GREENHECK FGI	ROOF	CLEAN LAUNDRY (DRY)	INTAKE	3,300	0.028	32	32	150	①②
 RV 2	GREENHECK GRSI - 18	ROOF	MECHANICAL ROOM	INTAKE	850	0.036	20	20	50	①②

MAKE-UP AIR UNIT SCHEDULE																												
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	AREA SERVED	SUPPLY FAN					HEATING PERFORMANCE							COOLING PERFORMANCE						ELECTRICAL DATA				WEIGHT (LBS)	REMARKS	
				FAN QUANTITY	DESIGN CFM	ESP (IN WG)	MOTOR POWER (HP)	FAN POWER (BHP)	COIL ROWS/FPI	EDB (°F)	UNIT LDB (°F)	TC (MBH)	SC (MBH)	WATER FLOW (GPM)	EWT (°F)	LWT (°F)	COIL ROWS/FPI	EDB (°F)	EWB (°F)	LDB (°F)	LWB (°F)	TC (MBH)	SC (MBH)	VOLTS/ PHASE	MCA			MROPD
MAU 1	DAIKIN DPS016A	ROOF	KITCHEN MAKEUP AIR	1	4,526	0.75	3.0	1.53	3/12	-10	70	380	380	15.7	110	70	4/15	105	62	59.4	44.9	192	192	460/3	38.3	60	3,709	12345678910
SCHEDULE NOTES 1. OUTDOOR/REAR, CONSTANT AIR VOLUME UNIT.																							REMARKS 1. BQ/WIDE SINGLE POINT 450V/3/5. POWER CONNECTION.					

SPLIT SYSTEM SCHEDULE																									
INDOOR UNIT													OUTDOOR UNIT												
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION (ROOM #)	AREA SERVED	TYPE	NOMINAL CAPACITY (MBH)	SENSIBLE CAPACITY (MBH)	AIRFLOW (CFM)	ESP	ELECTRICAL DATA				OPER. WT. LBS.	TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	NOM. TONS	ELECTRICAL DATA				OPER. WT. LBS.	SEER EER	REMARKS	
									FAN FLA	MCA	MOP	VOLTS/ PHASE						FLA	MCA	MOPC	COMP. QTY				VOLTS/ PHASE
SU1	MTSUBISHI PKA-A36KA7	MDF ROOM (BS102)	MDF ROOM	WALL MOUNT	36	24.2	810	N/A	0.6	1.0	N/A	208/1	60	SOU1	MTSUBISHI PUZ-A36	ROOF	3.0	1.0	25.0	31	1.0	208/1	250	18.8 10.8	①②③④⑤
SU2	MTSUBISHI PKA-A24NHA7	IDF ROOM (SN136)	IDF ROOM	WALL MOUNT	24	17.8	705	N/A	0.4	1.0	N/A	208/1	60	SOU2	MTSUBISHI PUZ-A24NHA7	ROOF	2.0	0.4	19.0	26	1.0	208/1	225	21.4 12.2	①②③④⑤

NICHOLS MELBURG & ROSSETTO
ARCHITECTS + ENGINEERS
300 Knollcrest Drive
Redding, CA. 96002
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INCREMENT 3: WARNERVIEW SKILLED NURSING FACILITY

**MODOC MEDICAL
CENTER**


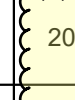

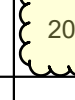


MECHANICAL SCHEDULES

100% CONSTRUCTION DOCUMENT

Drawn By	
Date Issued	01/20/2023
Scale	As indicated
Project No.	2208

SHEET No.

M001




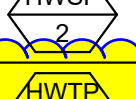
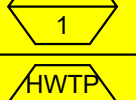


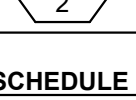
VARIABLE FREQUENCY DRIVE SCHEDULE									
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	SERVICE	ENCLOSURE	VOLTS/ PHASE	HP	OPER. WT. LBS.	REMARKS	
 VFD 1	ABB ACH580	MECHANICAL ROOM	HEATING WATER	NEMA-1	460/3	 20	50	①②	
 VFD 2	ABB ACH580	MECHANICAL ROOM	HEATING WATER	NEMA-1	460/3	 20	50	①②	
 VFD 3	ABB ACH580	MECHANICAL ROOM	SNOWMELT PUMP	NEMA-1	460/3	1.5	50	①②	
 VFD 4	ABB ACH580	MECHANICAL ROOM	SNOWMELT PUMP	NEMA-1	460/3	1.5	50	①②	
SCHEDULE NOTES					REMARKS				
1. SCHEDULE REFLECTS VFDs THAT DO NOT COME INTEGRAL TO EQUIPMENT SCHEDULED ELSEWHERE.					① PROVIDE BacNet MS/TP INTERFACE AND BLUETOOTH CONTROL PANEL.				
2. VFDs ARE SIZED BASED ON TOTAL MOTOR AMPS.					② PROVIDE WITH INTEGRAL CIRCUIT BREAKER DISCONNECT.				
3. PROVIDED BY DIVISION 23 AND INSTALLED BY DIVISION 26.									
4. FOR MOUNTING REFERENCE, SEE M003.									




ELECTRIC UNIT HEATER SCHEDULE								
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	AIRFLOW (CFM)	HEATING CAPACITY (KW)	MOTOR HP	VOLTS/ PHASE	OPER. WT. LBS.	REMARKS
<div><div>EUH</div><div>1</div></div>	REZNOR EGW - 2	FIRE RISER ROOM	300	1.5	1/30	208/1	30	
SCHEDULE NOTES						REMARKS		
1. 24V CONTROL VOLTAGE.						① -		
2. FOR MOUNTING REFERENCE, SEE M003.								

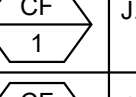
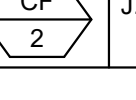
HYDRONIC UNIT HEATER SCHEDULE												
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	AIRFLOW (CFM)	WATER FLOW (GPM)	WATER ΔP (FT HEAD)	OUTPUT CAPACITY (MBH)	VOLTS/ PHASE	FLA	MOCp	MOTOR (HP)	OPER. WT. LBS.	REMARKS
<div><div>HUH</div><div>1</div></div>	MODINE HSB 47	MECHANICAL ROOM	730	2.0	0.4	22.3	115/1	4.3	15	1/12	60	①
SCHEDULE NOTES						REMARKS						
1. 24V CONTROL VOLTAGE AT 1 AMP.						① PROVIDE WITH FACTORY INSTALLED THERMOSTAT						
2. FOR MOUNTING REFERENCE, SEE M003.												





DIFFUSERS, REGISTERS AND GRILLES SCHEDULE					
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	MOUNT	OBD	FINISH	REMARKS
S1	PRICE SMCD	24x24 LAY-IN	NO	WHITE	MODULAR CORE
S2	PRICE SMCD	SURFACE	NO	WHITE	MODULAR CORE; BEVELED FRAME
S3	PRICE S20L	SURFACE	YES	WHITE	FRONT BLADES PARALLEL TO LONG DIMENSION, DOUBLE DEFLECTION
S4	PRICE S30L	SURFACE	SEE PLANS	WHITE	1/2"x1/2"x1/2" LATTICE CORE
R1	PRICE 80	24x24 LAY-IN	NO	WHITE	1/2"x1/2"x1/2" LATTICE CORE (NO SCREW HOLES)
R2	PRICE 80	SURFACE	NO	WHITE	1/2"x1/2"x1/2" LATTICE CORE
R3	PRICE S30L	SURFACE	YES	WHITE	FRONT BLADES PARALLEL TO LONG DIMENSION, DOUBLE DEFLECTION
E1	PRICE 80	24x24 LAY-IN	NO	WHITE	1/2"x1/2"x1/2" LATTICE CORE (NO SCREW HOLES)
E2	PRICE 80	SURFACE	NO	WHITE	1/2"x1/2"x1/2" LATTICE CORE
T1	PRICE 80	24x24 LAY-IN	NO	WHITE	1/2"x1/2"x1/2" LATTICE CORE (NO SCREW HOLES)
T2	PRICE 80	SURFACE	NO	WHITE	1/2"x1/2"x1/2" LATTICE CORE
SCHEDULE NOTES:					
1. NECK SIZE AND DEFLECTION SHOWN ON FLOOR PLANS. ALL ARE 4-WAY BLOW PATTERN UNO.					
2. SEE 2/M003 FOR MOUNTING DETAIL.					

BOILER SCHEDULE													
TAG	MFR MODEL NO. (OR EQUAL)	LOCATION	GAS		WATER			WATER ΔP (FT HEAD)	VOLTS/ PHASE (FLA)	MCA	% EFF	OPER WT (LBS)	REMARKS
			INPUT (MBH)	OUTPUT (MBH)	GPM	EWT (°F)	LWT (°F)						
<div><div>B</div><div>1</div></div>	CLEAVER BROOKS CFC-E 2000	MECHANICAL ROOM	2,000	1,900	75	100	155	2.0	120/1	5.6	96	4,000	①②③④⑤⑥⑦⑧
<div><div>B</div><div>2</div></div>	CLEAVER BROOKS CFC-E 2000	MECHANICAL ROOM	2,000	1,900	75	100	155	2.0	120/1	5.6	96	4,000	①②③④⑤⑥⑦⑧
SCHEDULE NOTES								REMARKS					
1. FOR MOUNTING REFERENCE, SEE M003.								① LPG FIRED, INDOOR RATED FOR HIGH ALTITUDE. ② CONDENSING BOILER, LOW NOX OPERATION. ③ E-POWER REQUIRED. ④ PROVIDE CONDENSATE NEUTRALIZATION KIT. ⑤ PROVIDE WITH 75 PSIG RELIEF VALVE. ⑥ PROVIDE WITH BAS MSTP CARD. ⑦ STANDBY BOILER, (PRIMARY HEATING VIA GEOTHERMAL) ⑧ PROVIDE WITH CONCENTRIC KIT.					

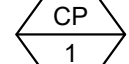

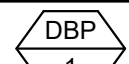
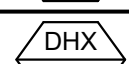
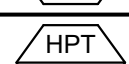
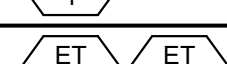
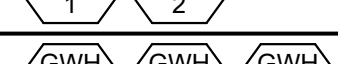
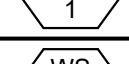
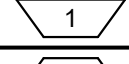
PUMP SCHEDULE											
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	MOUNTING	MINIMUM SUCTION SIZE	FLOW (GPM)	TDH (FT)	BHP HP OR (W/1A)	RPM	VOLTS/ PHASE	OPER. WT. LBS.	REMARKS
 HWPP 1	-	MECHANICAL ROOM	INLINE	3"	75	30	12.0	-	460/3	-	2 4
 HWPP 1	-	MECHANICAL ROOM	INLINE	3"	75	30	12.0	-	460/3	-	2 4 5
 HWSP 1	-	MECHANICAL ROOM	BASE	3"	125	90	17.5	-	460/3	-	1 2 3 4 6
 HWSP 2	-	MECHANICAL ROOM	BASE	3"	125	90	17.5	-	460/3	-	1 2 3 4 6 8
 HWTP 1	-	MECHANICAL ROOM	INLINE	2"	30	30	11.5	-	460/3	-	2 3 4
 HWTP 2	-	MECHANICAL ROOM	INLINE	2"	30	30	11.5	-	460/3	-	2 3 4 5
 GSP 1	GRUNDFOS CR 10-2	MECHANICAL ROOM	BASE	2"	30	80	1.5	3,520	460/3	200	1 2 3 6 7
 GSP 2	GRUNDFOS CR 10-2	MECHANICAL ROOM	BASE	2"	30	80	1.5	3,520	460/3	200	1 2 4 5 6 7
SCHEDULE NOTES						REMARKS					
1. MAX WORKING PRESSURE 175 PSI.						1. END SUCTION CENTRIFUGAL PUMP.					
2. FOR MOUNTING REFERENCE, SEE M003.						2. INDOOR PUMP.					
						3. VFD RATED MOTOR WITH SHAFT GROUNDING.					
						4. E-POWER REQUIRED.					
						5. REDUNDANT PUMP.					
						6. PUMP TO OPERATE WITH 40% GLYCOL.					
						7. VERTICAL MULTISTAGE CENTRIFUGAL PUMP.					
						8. PROVIDE SUCTION DIFFUSER.					

HEAT EXCHANGER SCHEDULE														
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	SYSTEM	HEAT TRANSFER (MBH)	HOT				COLD				OPER. WT. LBS.	REMARKS
					EWT (°F)	LWT (°F)	GPM	ΔP (PSI)	EWT (°F)	LWT (°F)	GPM	ΔP (PSI)		
 HX 1	DANFOSS --	MECHANICAL ROOM	HEATING WATER	4,300	165	90	115	--	85	155	125	--	--	①
 HX 2	DANFOSS --	MECHANICAL ROOM	GLYCOL SYSTEM	615	115	75	30	--	70	110	30	--	--	②③
 HX 3	DANFOSS --	MECHANICAL ROOM	GLYCOL SYSTEM	615	115	75	30	--	70	110	30	--	--	②③④
SCHEDULE NOTES					REMARKS									
1. COUNTER CURRENT.					① PLATE AND FRAME HEAT EXCHANGER.									
2. RATED FOR MIN 195PSI (TEST).					② BRAZED PLATE HEAT EXCHANGER.									
3. FOR MOUNTING REFERENCE, SEE M003.					③ PROVIDE 40% GLYCOL ON COLD SIDE.									
					④ REDUNDANT HEAT EXCHANGER.									

CHEMICAL FEEDER SCHEDULE						
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	SYSTEM	CAPACITY (GAL)	OPER. WT. LBS.	REMARKS
 CF 1	J.L. WINGERT CO. DB-SHD	MECHANICAL ROOM	HEATING WATER	5	100	1 2 3 4 5
 CF 2	J.L. WINGERT CO. DB-SHD	MECHANICAL ROOM	SNOW MELT	5	100	1 2 3 4 5 6
SCHEDULE NOTES			REMARKS			
1. MAX OPERATING PRESSURE 200 PSI.			1. PROVIDE CARBON STEEL VESSEL.			
2. MAX OPERATING TEMPERATURE 200 °F.			2. PROVIDE FPT CONNECTIONS.			
3. FOR MOUNTING REFERENCE, SEE M003.			3. PROVIDE FUNNEL PACKAGE.			
			4. PROVIDE VALVE PACKAGE.			
			5. PROVIDE PEDESTAL MOUNTING.			
			6. FOR 40% GLYCOL SYSTEM.			

DOOR AIR CURTAIN SCHEDULE									
TAG	MANUFACTURER MODEL NO. (OR EQUAL)	QTY.	WIDTH (IN)	CFM	MOTOR		OPER. WT. LBS.	REMARKS	
					HP	VOLTS/ PHASE			AMPS
 DAC 1	MARS STD2	2	48	1418	1/2	115/1	5.1	100	①②
 DAC 2	MARS STD2	1	72	2758	(2) 1/2	115/1	10.2	150	①②
 DAC 3	MARS PH10	2	48	1580	1/2	115/1	5.1	100	①
 DAC 4	MARS PH10	1	72	2920	(2) 1/2	115/1	10.2	150	①
<u>SCHEDULE NOTES</u>					<u>REMARKS</u>				
1. SEE MECHANICAL FLOOR PLANS FOR LOCATIONS.					① PROVIDE WITH PEARL WHITE FINISH.				
2. FOR MOUNTING REFERENCE, SEE M003.					② PROVIDE ADJUSTABLE MOUNTING BRACKET.				


















PLUMBING EQUIPMENT SUPPORT / MOUNTING MATRIX

TAG	DESCRIPTION	ISOLATOR TYPE	STATIC DEFLECTION	MOUNT TYPE	MOUNTING DETAIL REFERENCE
	CIRCULATION PUMP	NONE	-	INLINE	5/P502
	CIRCULATION PUMP	NONE	-	INLINE	9/P503
	DOMESTIC BOOSTER PUMP	NEOPRENE PAD	-	BASE	7/P502
	DOMESTIC HEAT EXCHANGER	NONE	-	BASE	5/P502
	HYDRO PNEUMATIC TANK	NONE	-	BASE	5/P501
	EXPANSION TANK	NONE	-	BASE	2/P501
	DOMESTIC WATER HEATER	NONE	-	BASE	1/P501
	WATER SOFTENER	NONE	-	BASE	6/P501
	WATER FILTER SYSTEM	NONE	-	BASE	6/P502

SCHEDULE NOTES

- HOUSEKEEPING PADS AS SHOWN IN DETAILS UNO.
- REFER TO EQUIPMENT SCHEDULES FOR WEIGHTS.

PLUMBING EQUIPMENT SCHEDULE

TAG	EQUIPMENT TYPE	MANUFACTURER MODEL NO. (OR EQUAL)	LOCATION	AREA/SYSTEM SERVED	DESCRIPTION	ELECTRICAL			OPER. WT. LBS.	REMARKS
						POWER REQUIREMENT	VOLTS/ PHASE	E-POWER		
 CP 1	DOMESTIC HOT WATER CIRCULATION PUMP	B&G PL-36B (1BL003LF)	MECHANICAL	SNF	INLINE CENTRIFUGAL PUMP. FLOW: 4 GPM, HEAD: 15 FT	1/8 HP 2.1 AMPS	120/1	YES	14	LEAD-FREE BRONZE, EPDM, ODP
 CP 2	DOMESTIC HOT WATER CIRCULATION PUMP	B&G PL-30B (1BL013LF)	MECHANICAL	KITCHEN	INLINE CENTRIFUGAL PUMP. FLOW: 1 GPM, HEAD: 6 FT	1/12 HP 1.4 AMPS	120/1	YES	14	LEAD-FREE BRONZE, EPDM, ODP
 CP 3	HEAT EXCHANGER CIRCULATION PUMP	B&G PL-30B (1BL013LF)	MECHANICAL	SNF	INLINE CENTRIFUGAL PUMP. FLOW: 1 GPM, HEAD: 2 FT	1/12 HP 1.4 AMPS	120/1	YES	14	LEAD-FREE BRONZE, EPDM, ODP
 DBP 1	DOMESTIC WATER BOOSTER PUMPS	FLOWTHERM FMV2-1.9	MECHANICAL	SNF	DUPLEX DOMESTIC BOOSTER PUMP. FACTORY ASSEMBLED. FLOW: 174 GPM, HEAD: 140 FT. MOTOR SPEED: 3500 RPM	2 @ 7.5 HP	460/3	YES	1,400	(2) 2-1/2" SILENT CHECK VALVES, ISOLATION BUTTERFLY VALVES, THERMAL PURGE VALVES, AQUA STAT AND INTERCONNECTING PIPE & WIRE, 4" 304SS HEADERS WITH GROOVED CONNECTIONS
 DHX 1	DOMESTIC HEAT EXCHANGER	DANFOSS ADW220-IG150	MECHANICAL	SNF	OSHA COMPLIANT SAFETY SHROUD, AHRI LLHE 400 CERTIFIED, ASME SEC VIII DIV 1 STAMP FLOW RATE: 50 GPM, OUTLET TEMP.: 149°F, HEAT LOAD: 425 TONS	N/A	N/A	N/A	530	DOUBLE WALL PLATE HEAT EXCHANGER
 HPT 1	HYDRO PNEUMATIC TANK	WESSELS CO FX-300V	MECHANICAL	DOMESTIC WATER BOOSTER PUMP	TANK VOLUME: 80 GALLONS, ACCEPTANCE VOLUME: 80 GALLONS. PRECHARGE SETTING: 60 PSIG	N/A	N/A	N/A	975	NSF LISTED, 1-1/2" CONNECTION
 ET 1	EXPANSION TANK	AMTROL ST-30V	MECHANICAL	WATER HEATER	TANK VOLUME: 14 GALLONS, ACCEPTANCE VOLUME: 11.3 GALLONS.	N/A	N/A	N/A	160	
 ET 2	EXPANSION TANK	AMTROL ST-25V	MECHANICAL	WATER HEATER	TANK VOLUME: 10.3 GALLONS, ACCEPTANCE VOLUME: 10.3 GALLONS. FACTORY PRE-CHARGED	N/A	N/A	N/A	140	
 GWH 1	DOMESTIC WATER HEATER	AOSMITH BTH-300(A)	MECHANICAL	SNF	GAS CONDENSING BOILER: 300,000 MBH, 119 GALLONS TANK, RECOVERY AT 100°F RISE: 349 GPH	11 FLA	120/1	YES	-	PROVIDE CONDENSATE NEUTRALIZER, CONCENTRIC KIT
 GWH 2	DOMESTIC WATER HEATER	AOSMITH BTH-300(A)	MECHANICAL	SNF	GAS CONDENSING BOILER: 300,000 MBH, 119 GALLONS TANK, RECOVERY AT 100°F RISE: 349 GPH	11 FLA	120/1	YES	-	PROVIDE CONDENSATE NEUTRALIZER, CONCENTRIC KIT
 GWH 3	DOMESTIC WATER HEATER	AOSMITH BTH-150(A)	MECHANICAL	LAUNDRY	GAS CONDENSING BOILER: 150,000 MBH, 100 GALLONS TANK, RECOVERY AT 110°F RISE: 162 GPH	11 FLA	120/1	YES	-	SET AT 165°F. PROVIDE CONDENSATE NEUTRALIZER, CONCENTRIC KIT
(1)  HT 1	HEATING CABLE	RAYCHEM WINTERGARD WET H622	EXTERIOR	SNF	MINIMUM STARTUP TEMPERATURE 0°F UP TO 200 FT MAX. IN LENGTH PER CIRCUIT	15 AMPS	240/1	NO	N/A	GUTTER AND DOWNSPOUT, SEE ROOF PLAN FOR LOCATIONS, SEE 8/P501
(5)  HT 2	HEATING CABLE	RAYCHEM WINTERGARD WET H622	EXTERIOR	SNF	MINIMUM STARTUP TEMPERATURE 0°F UP TO 250 FT MAX. IN LENGTH PER CIRCUIT	20 AMPS	240/1	NO	N/A	GUTTER AND DOWNSPOUT, SEE ROOF PLAN FOR LOCATIONS, SEE 8/P501
(11)  HT 3	HEATING CABLE	RAYCHEM WINTERGARD WET H612	EXTERIOR	SNF	MINIMUM STARTUP TEMPERATURE 0°F UP TO 100 FT MAX. IN LENGTH PER CIRCUIT	15 AMPS	120/1	NO	N/A	ROOF DRAIN, GUTTER AND DOWNSPOUT, SEE ROOF PLAN FOR LOCATIONS, SEE 8/P501 AND 9/P501
 TMV 1	DIGITAL MIXING VALVE	POWERS LFIS100VL	MECHANICAL	SNF	DIGITAL MIXING VALVE. 140°F TO 120°F @ 52 GPM, INDOOR	20 VA	120/1	YES	16	-
 WS 1	WATER SOFTNER	CULLIGAN CSM-460-3	MECHANICAL	SNF	DUPLEX WITH AUTOMATIC CONTROLLER, FIELD PIPED, 174 GPM NORMAL OPERATION AT 20 PSI PRESSURE LOSS, AUTO BACKWASH. (192 PEAK FLOW)	< 1 FLA	120/1	YES	-	-
 WFS 1	WATER FILTER SYSTEM	GLOBAL FILTER LLC CS072-07	MECHANICAL	SNF	FILTER TANK, 2" MNPT 30" VESSEL SIZE - 7 FILTER SYSTEM (10 PSI PRESSURE DIFFERENTIAL, 174 GPM FLOW)	-	-	N/A	150	-



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REVISIONS

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If drawing is not 42" x 30" it is a reduced print



AGENCY APPROVAL

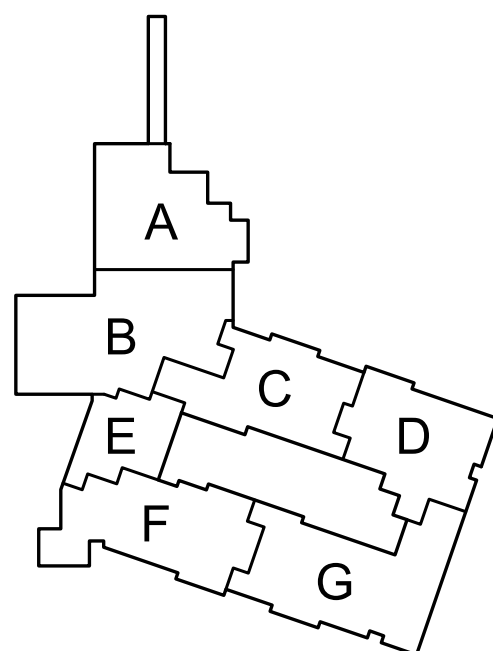
HCAI #I230002-25-03

LICENSE STAMPS



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KEYPLAN



PROJECT NAME

A PROPOSED

INCREMENT 3: WARNERVIEW SKILLED NURSING FACILITY

FOR

**MODOC MEDICAL
CENTER**

1111 N. NAGLE STREET
ALTURAS, CA 96101

SHEET TITLE

PLUMBING FIXTURE SCHEDULES

DRAWING STATUS

100% CONSTRUCTION DOCUMENT

Drawn By	CJ
Date Issued	01/20/2023
Scale	As indicated
Project No.	2208

SHEET No.

P004

ATTACHMENT H

Hiring for Self-Pay Accounts and Partnering with Social Services



LAST FRONTIER HEALTHCARE DISTRICT

A Public Entity

In House Collections/Social Services

In house collections for self pay patients will be handled by our full time office worker. Once the account is deemed to be a self pay account the office worker will go through our previous call cycles as we did with HRG. Once all the required number of statements, calls and days have been met the account will be referred to Bad Debt as we have previously. Bad Debt accounts will continue to be sent to NCS Plus.

In discussions with Patient Financial Services and our Case Manager, regarding the possibility of working closer with Social Services, they stated that on average they are handing out and assisting with 3 Medical application packets a month. They feel that they have a good relationship with the Social Workers and are able to obtain information on the status of applications easily.

ATTACHMENT I

CNA Wage Increase Modification



LAST FRONTIER HEALTHCARE DISTRICT
A Public Entity

C.N.A. Wage Improvement

Originally, an improvement to the C.N.A. wage scale was presented to the Board with a proposed \$2.62 per hour increase step one pay rate on our fifteen-step wage scale. It was proposed by a Board member to further increase the step 1 pay rate by \$3.62 per hour, bringing the new hourly rate to \$22.00 per hour.

Upon further review, it was determined that the initial proposed increase would put the C.N.A. wage scale above that of other job classifications that require more schooling/training.

A follow-up meeting with the Union was held on January 17, 2024, and it was decided that an appropriate increase to the C.N.A. wage scale at step one would be a \$0.50 increase. This would bring step 1 on this wage scale to \$18.88 per hour.

We are proposing the C.N.A. wage scale, at step one be increased to \$18.88 per hour, effective, January 21, 2024, the first date of our current pay period.