

**Exhibit A  
Deliverables**

**1. Scope of Work**

- A. The work to be performed under this Agreement is described in **Attachment 1**.
- B. The services shall be performed at \_\_\_\_\_ (location).
- C. Conflict of Interest Support Work
  - 1) For services in which Consultant cannot perform the work free of conflict of interest as defined in this Agreement, Consultant agrees that Caltrans may obtain these services from another qualified consultant, whose Agreement includes the same scope of work, or in any other manner permitted by law.
  - 2) Caltrans may require Consultant to perform work as described herein but located outside the geographic limits of this Agreement when Consultant Contractor for another Caltrans District cannot perform the work free of conflict of interest. For such work, Caltrans will select a Consultant to perform the same work by assignment of a Task Order in the following order of priority:
    - a. The consultant Agreement covers the same District, but not the same geographic area as this Agreement;
    - b. The consultant Agreement covers the closest area geographically to the geographic jurisdiction of this Agreement;
    - c. The consultant Agreement covers the next closest area geographically to the geographic jurisdiction of this Agreement; and so on.
  - 3) Should Consultant for priority number 1 not exist or be unable to perform the work free of conflict of interest, then Caltrans shall select Consultant for priority number 2 to perform the work, and so on.
- D. This Agreement will commence on \_\_\_\_\_, or upon approval by Caltrans, whichever is later, and no work shall begin before that time. This Agreement is of no effect unless approved by Caltrans. Consultant shall not receive payment for work performed prior to approval of the Agreement and before receipt of notice to proceed by Caltrans Contract Manager. This Agreement shall expire on \_\_\_\_\_. The services shall be provided during (time frame i.e., working hours, Monday through Friday, except holidays). The parties may amend this Agreement as permitted by law.
- E. All inquiries during the term of this Agreement will be directed to the project representatives identified below:

The Department	The Consultant
Caltrans Contract Manager:	Consultant Contract Manager:
District/Division:	Office/Branch:
Address:	Address:

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Phone:	Phone:
Email:	Email:

F. Additional Design Services

In the event Caltrans determines that additional design work, beyond that specified in **Attachment 1**, is required to produce a satisfactory product, Caltrans Contract Manager may issue a Task Order for Additional Design Services allowed herein. An amendment to this Agreement will be required if additional funds or time are required.

G. Additional Construction Support Services

In the event that Caltrans determines that additional construction support services, beyond that specified in **Attachment 1**, are necessary for the project to be constructed in a satisfactory manner, Caltrans Contract Manager may issue a Task Order for Additional Construction Support Services as allowed herein. These services may include, but are not limited to:

- 1) Design changes, unless due to errors and omissions on the part of the Consultant.
- 2) Review of Agreement Change Orders (CCO).

H. Work Guarantee

Caltrans does not guarantee, either expressly or by implication, that any work or services will be required under this Agreement.

I. Licenses and Permits

- 1) Consultant shall obtain at its expense all license(s) and permit(s) required by law for accomplishing any work required connection with this Agreement.
- 2) In the event Consultant fails to keep in effect, at all times, all required license(s) and permit(s), Caltrans may, in addition to any other remedies it may have, terminate this Agreement upon occurrence of such event.

**2. Task Order**

A. Specific projects will be assigned by Caltrans Contract Manager to Consultant through issuance of Task Orders describing in detail the services to be performed. See **Sample Task Order, Attachment 3**.

B. After a project to be performed under this Agreement is identified by Caltrans, Caltrans will prepare a draft Task Order and a separate cost estimate. Draft Task Order will identify (with specificity):

- 1) The purpose or goal of Task Order, including duties (if any) that are identified with Caltrans Work Breakdown System/Work Breakdown Structure (WBS) activity codes.
- 2) The scope of services.
- 3) The expected results.
- 4) The project deliverables.
- 5) The performance criteria or performance tests for the services (which demonstrate that the project deliverables and schedule to submit deliverables satisfy the purpose or goal of the Task Order).

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- 6) The performance period, the Task Order term, project schedule, and/or due dates for milestones/deliverables.
  - 7) Any milestones or tollgate deliverables (including, but not limited to, any deliverables that shall be delivered and accepted prior to subsequent work being performed).
  - 8) Agreement Number, Caltrans Contract Manager, Task Order Number, Caltrans Project Coordinator, and Requestor.
- C. Task Order Assignment Process:
- 1) The draft Task Order will be delivered to the Consultant for a review. The Consultant shall return the draft Task Order to Caltrans Contract Manager within no more than three (3) calendar days after receipt unless the time frame is extended by Caltrans Contract Manager. The draft Task Order returned to Caltrans shall clarify the purpose or goal, deliverables, expected results, and project schedule, or other items.
  - 2) Consultant shall also provide a cost estimate, including, at a minimum, the names of individuals proposed for work on the individual tasks, the individuals' classifications, the duties the individuals shall perform along with Caltrans WBS activity codes for such duties, a written estimate of the number of hours per staff person under each duty or activity, any anticipated reimbursable expense, an estimate of Disadvantaged Business Enterprise (DBE) or Disabled Veteran Business Enterprise (DVBE) utilization under each individual task, and total dollar amount, which shall be based on rates in the **Consultant's Cost Proposal, Attachment 2**. The Consultant agrees that each cost estimate shall be the product of a good faith effort exercise of engineering judgment. The schedule for Task Orders shall be identified in the Task Order. No Task Order will be written with a term that extends beyond the expiration date of this Agreement.
  - 3) Task Orders may be negotiated for a Firm Fixed Price or for specific rates of compensation, both of which must be based on the labor and other rates set forth in **Consultant's Cost Proposal, Attachment 2**.
  - 4) After agreement has been reached on the Task Order items, the finalized Task Order shall be signed by both Caltrans and Consultant. If Caltrans and Consultant are unable to reach agreement, Caltrans may terminate this Agreement in accordance with the provisions of **Exhibit D, Section 2, Termination**. Task Orders are not valid until approved by Caltrans and subsequently signed by both parties. No payment shall be due or made for any work performed on an unsigned Task Order, and Caltrans shall not pay for any work described on the unsigned Task Order.
  - 5) Once the parties reach agreement, each Task Order shall be signed first by Consultant Contract Manager, and subsequently, by Caltrans Contract Manager, Caltrans Functional Manager, and Caltrans Task Order Manager. A Task Order is of no force or effect until returned to Caltrans and signed by an authorized representative of Caltrans.
- D. Consultant shall only perform work that is authorized and described in a written Task Order that has been signed by the parties and approved by Caltrans. No expenditures are authorized on a project and work shall not commence until a Task Order for that project has been executed by Caltrans. No payment will be made for any work performed prior to approval or after the expiration date of the Task Order.

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- E. If Consultant fails to satisfactorily complete a deliverable according to the schedule set forth in a Task Order, no payment will be made until the deliverable has been satisfactorily completed.
- F. The total amount payable by Caltrans for an individual Task Order shall not exceed the amount set forth in the Task Order. Task Orders and/or Task Order amendments require written agreement by Consultant and Caltrans and approval by Caltrans Contract Manager.
- G. If applicable, when a subsequent agreement for the same or similar scope of work is executed within three (3) months prior to the termination of this Agreement, no additional Task Orders shall be executed under this Agreement upon the effective date of the subsequent agreement.
- H. Task Orders may not be used to amend this Agreement and may not exceed the scope of work under this Agreement.
- I. All personnel to be used in the Task Order (by name or job classification) shall only be individuals identified in the Consultant's Cost Proposal unless a substitution of personnel has been approved in advance by Caltrans Contract Manager as set forth in the "**General Requirements**" section of **Attachment 1**.
- J. At Caltrans Contract Manager's direction, Caltrans Task Order Manager shall assist Caltrans Contract Manager in the monitoring and verification of Consultant's performance and deliverables. Caltrans Contract Manager shall have the ultimate responsibility and authority to verify Consultant's performance, cost, schedule, and deliverables, and verification that the acceptance and performance criteria and/or performance tests are satisfied. Caltrans Contract Manager shall verify that the acceptance and performance criteria and/or performance tests are satisfied prior to written acceptance for payment.
- K. The following items shall be included in Task Orders:
  - 1) Consultant employee's headquarters and/or primary residence as defined in the Caltrans Travel Guide shall be identified in the Task Order for travel purposes or for the purpose of determining appropriate travel reimbursement.
  - 2) Caltrans Contract Manager's prior written approval is required for all domestic or international travel.
- L. Consultant shall notify Caltrans at least 48 hours before fieldwork is to begin, unless otherwise specified in the Task Order.
- M. Schedule of Performance and Time Requirements/Task Order Schedules:
  - 1) Task Orders shall be issued and executed throughout the duration of this Agreement. Task Orders shall be completed in the timeframe identified in the Task Order and prior to the expiration of this Agreement.
  - 2) Services and deliverables identified in a Task Order shall be completed and delivered in the time required by the respective Task Order and in accordance with the terms of this Agreement.
- N. Additional standards related to the Scope of Work in this Agreement for specific work may be included in the Task Order. If such additional standards conflict with the

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standards specified in this Agreement, the standards specified in this Agreement shall prevail over the Task Order standards.

- O. Consultant shall make every effort to choose the most cost-effective alternatives while performing the work under this Agreement. Utilizing the most cost-effective alternatives includes, but is not limited to, personnel assignments, overtime, travel, per diem, and any reimbursable Other Direct Cost (ODC) items. Cost effectiveness without sacrificing quality is of paramount importance.
- P. Caltrans Contract Manager has the sole authority and responsibility to make and approve amendments and revisions to the Scope of Work, schedule, cost, or deliverables in a Task Order.
- A. Additional Design Services and Additional Construction Support Services shall be assigned to the Consultant through issuance of Task Orders. See **Sample Task Order, Attachment 3**.
- B. After Additional Design or Additional Construction Support work is identified by Caltrans, Caltrans will prepare a draft Task Order. Task Orders may be negotiated for a Firm Fixed Price or for specific rates of compensation. A draft Task Order will identify the scope of service, deliverables, period of performance, and schedule. The draft Task Order will be delivered to Consultant for review. Consultant shall return the draft Task Order, a cost estimate, written estimate of the number of hours per staff person, any anticipated reimbursable expenses, and the total dollar amount of the Task Order within 10 working days if it is for Design Services, or within \_\_\_\_\_ Order days if it is for Construction Support Services. Consultant agrees that the cost estimate shall be the product of a good faith exercise of engineering judgement. After agreement has been reached on the negotiable items, the finalized Task Order shall be signed by both Caltrans and Consultant.
- C. For Task Orders negotiated for a Firm Fixed Price, the Task Order amount will be the total amount payable for all work performed under the Task Order.
- D. Consultant shall not commence performance of work or services on a Task Order until it has been approved by Caltrans and notification to proceed has been issued by Caltrans Contract Manager. No payment will be made for any work performed prior to approval or after the period of performance of the Task Order.
- E. If the Consultant fails to satisfactorily complete a deliverable according to the schedule set forth in a Task Order, no payment will be made until the deliverable has been satisfactorily completed.
- F. The period of performance for Task Orders shall be in accordance with the dates specified in the Task Order. No Task Order will be written which extends beyond the expiration date of this Agreement.
- G. The total amount payable by Caltrans for an individual Task Order shall not exceed the amount agreed to in the Task Order. Task Orders and Task Order revisions require written approval by Consultant and Caltrans.
- H. If applicable, when subsequent agreement for the same or similar scope of work is executed within three (3) months prior to the termination of this Agreement, no additional Task Orders shall be executed under this Agreement upon the effective date of the subsequent agreement.

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- I. Task Orders may be used to amend this Agreement and may not exceed the scope of work under this Agreement.

### **3. Consultant Reports and/or Meetings**

#### **A. Monthly Progress Report**

- 1) Consultant shall submit progress reports at least once a month. The report should be sufficiently detailed for Caltrans Contract Manager to determine if Consultant is performing to expectations and is on schedule to provide communication of interim findings and to afford occasions for airing difficulties or special problems encountered so remedies can be developed. Separate detail shall be provided for each on-going Task Order.
- 2) Consultant shall submit a progress report for each Task Order to Caltrans Contract Manager in coordination with Caltrans Task Order Manager on or prior to the first day of each month during which the Task Order is active. Caltrans Contract Manager may alter the submittal date of the report to coordinate with Consultant's administrative processes. This report shall contain the following elements:
  - a. Time frame of the reporting period.
  - b. Work completed in the reporting period (activities and accomplishments).
  - c. Work to be completed in the time period after the reporting period.
  - d. Total amount of Task Order authority.
  - e. Expenditures in this progress report period.
  - f. Total expenditures to date.
  - g. Total expended but not yet invoiced to Caltrans.
  - h. Remaining Task Order authority.
  - i. For each milestone, task and deliverable:
    - (1) The budgeted cost.
    - (2) The actual cost to date.
    - (3) The actual cost to date as a percent of the budgeted cost.
    - (4) The percent of the milestone/task/deliverable that has been completed.
    - (5) A schedule of Task Order milestones (including tollgate milestones), the current status of progress toward each milestone (including, but not limited to, on schedule, off schedule with correction in place, or out of schedule with no current correction), and a schedule of deliverables.
    - (6) The total number of hours worked by the Consultants' and Subconsultants' personnel by use of Caltrans WBS level element(s). The WBS is included in the Guide to Project Delivery Workplan Standards, which can be found at <https://projmgmt.onramp.dot.ca.gov/project-management-application-systems-pmas/workplan-standards>. Projected travel costs for the time period after the reporting period with detail about the personnel involved, the purpose of the travel, location of travel and the cost.

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- j. Comments about other issues that may impact the Task Order's services (e.g. a staff shortage that may delay the timely completion of a deliverable) or cost.
  - k. If applicable, progress reports shall include actual DBE or DVBE participation on a monthly and cumulative basis.
- 3) When applicable, progress reports shall indicate an estimated percentage of work completed and a corresponding estimate of budget spent for work deliverables. The estimate of work completion and budget spent shall be for the same period.
  - 4) Monthly Progress Reports shall cover the same time period as the monthly invoices.
- B. Meetings
- 1) Consultant Contract Manager shall meet with Caltrans Contract Manager, in person or via teleconference, a minimum of once per month or an "as needed" basis as determined by Caltrans Contract Manager to review and discuss the procedures and progress on the Agreement.
  - 2) Consultant Contract Manager shall be responsible for drafting of the minutes of the meetings and submitting them to Caltrans Contract Manager within one (1) week of the meeting for review and comment. Consultant Contract Manager shall distribute a final version of meeting minutes within two (2) calendar days of final approval. The minutes/notes shall indicate issues discussed and the resolution of issues and/or the required action items.
  - 3) Project Coordination Meetings (focus meetings) may be called by Caltrans or the Consultant at any time that any part requires discussion of Project issues. Consultant shall prepare the minutes of the meeting and submit them to Caltrans three (3) calendar days after the meeting.
  - 4) Prior to completion of the Agreement, the Consultant shall hold a final meeting with Caltrans Contract Manager to present findings, conclusions, and recommendations and shall submit a comprehensive final report on the Task Orders in the Agreement, as applicable.
- A. Consultant shall submit progress reports at least once a month. The report should be sufficiently detailed for Caltrans Contract Manager to determine if the Consultant is performing to expectations and is on schedule, to provide communication of audit findings and to afford occasions for airing difficulties or special problems encountered so remedies can be developed.
- B. For the Firm Fixed Price portion of this Agreement and for each on-going Task Order, progress reports shall identify the total number of hours worked by the Consultants' and Subconsultants' personnel by use of Caltrans WBS level element(s). The WBS is included in the "Guide to Project Delivery Workplan Standards," which can be found at <https://projmgmt.onramp.dot.ca.gov/project-management-application-systems-pmas/workplan-standards>.
- C. Consultant Contract Manager shall meet with Caltrans Contract Manager as needed to discuss progress on the Agreement.

## Exhibit B Budget Detail and Payment Provisions

### 1. Funding Requirements

- A. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional or legislative appropriation of funds for the mutual benefit of both parties in order to avoid program and fiscal delays that would occur if the Agreement were executed after that determination was made.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to Caltrans by the United States Government or the California State Legislature for the purpose of this program. In addition, this Agreement is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress or the State Legislature that may affect the provisions, terms, or funding of this Agreement in any manner.
- C. It is mutually agreed that if the Congress or the State Legislature does not appropriate sufficient funds for the program, the Agreement shall be amended to reflect any reduction in funds.
- D. Caltrans has the option to terminate the Agreement under the 30-day termination clause pursuant to **Exhibit D, Section 3**.
- E. Pursuant to Government Code Section 927.13(d), no late payment penalty shall accrue during any time period for which there is no Budget Act in effect, nor on any payment or refund that is the result of a federally mandated program or that is directly dependent upon the receipt of federal funds by a state agency.

### 2. Compensation and Payment

- A. Consultant will be reimbursed for hours worked at the hourly rates specified in the **Consultant's Cost Proposal** (see **Attachment 2**). The specified hourly rates shall include direct salary costs, employee benefits, overhead, and fee. These rates are not adjustable for the performance period set forth in this Agreement.
- B. In addition, Consultant will be reimbursed for direct costs, other than salary costs, that are identified in an executed Task Order.
- A. Consultant will be reimburse for hours worked at the hourly rates specified in the **Consultant's Cost Proposal**, (see **Attachment 2**). The specified hourly rates shall include direct salary costs, employee benefits, prevailing wages, employer payments, overhead, and fee. These rates are not adjustable for the performance period set forth in this Agreement.
- B. Consultant shall be responsible for any future adjustments to prevailing wage rates, including, but not limited to, base hourly rates and employer payments as determined by the Department of Industrial Relations (DIR). The Consultant is responsible for paying the appropriate rate, including escalations that take place during the term of the Agreement.
- C. A mistake, inadvertence, or neglect by the Consultant in failing to pay the correct rates of prevailing wage will be remedied solely by the Consultant and will not, under any circumstances, be considered as the basis of a claim against Caltrans on the Agreement.
- D. In addition, Consultant will be reimbursed for direct costs, other than salary costs, that are identified in an executed Task Order.

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- E. In compliance with 49 CFR 26.37, a Disadvantaged Business Enterprises Utilization Report (ADM-3069) is required, as specified in this Agreement.
- 1) Consultant shall submit a **Disadvantaged Business Enterprises Utilization Report (ADM-3069), Attachment 5**, with each invoice. Also refer to **Exhibit D, Special Terms and Conditions**.
  - 2) Failure to provide the Disadvantaged Business Enterprises Utilization Report, ADM-3069, with the invoice will result in 25% of the dollar value of the invoice being withheld from payment until the form is submitted. The amount will be returned to the Consultant when a satisfactory ADM-3069 is approved by Caltrans Contract Manager.
- F. Transportation and subsistence costs to be reimbursed shall be the actual costs incurred, but not to exceed the rates stipulated in the "Caltrans Travel Guide, Consultant/Contractors Travel Policy." See <https://dot.ca.gov/programs/accounting>. When prevailing wages apply to the services described in **Attachment 1**, transportation and subsistence costs shall be reimbursed at the minimum rates set by DIR as outlined in the applicable Prevailing Wage Determination. See <https://www.dir.ca.gov/>.
- G. Progress Payments:
- 1) Progress payments will be made monthly in arrears based on services provided at specific hourly rates and allowable direct cost incurred for Task Orders negotiated with specific rates of compensation. Progress payments for Firm Fixed Price Task Orders will be based on the percentage of work completed.
  - 2) To determine allowable incurred Subconsultant costs that are eligible for reimbursement, in addition to reimbursement for actual costs that are incurred, Caltrans will allow Subconsultant costs that are treated by the Consultant as accrued due to such costs having been billed to Consultant and recognized by Consultant and Caltrans as valid, undisputed, due, and payable.
  - 3) By submitting accrued but unpaid Subconsultant costs for reimbursement, Consultant agrees that within 10 days of receipt of reimbursement, the full amount submitted as a reimbursable accrued Subconsultant cost shall be paid to the Subconsultant.
- H. Consultant shall not commence performance nor will payment be made for any work performed prior to approval of this Agreement by the State and written notification to proceed has been issued by Caltrans Contract Manager, nor will any payment be made for work performed after the expiration date of this Agreement.
- I. Consultant will be reimbursed in arrears for services satisfactorily rendered, and approved by Caltrans Contract Manager, as promptly as fiscal procedures will permit upon receipt by Caltrans Contract Manager of itemized invoices in triplicate. Separate invoices itemizing all costs are required for all work performed under each Task Order.
- J. Invoices shall be submitted showing Caltrans WBS level element for each billable hour increment and/or detail of work performed on each milestone, on each project as applicable. Task Orders and invoicing shall include, but are not limited to, WBS elements listed for defined/related services and products. The WBS is included in the Guide to Project Delivery Workplan Standards, which can be found at <https://projmgmt.onramp.dot.ca.gov/project-management-application-systems->

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[pmas/workplan-standards](#). Incomplete invoices shall be returned unpaid to the Consultant for correction. Caltrans shall not pay disputed portions of invoices.

- K. When prevailing wage rates apply, Consultant must submit with each invoice a certified copy of the payroll for compliance verification. Invoice payment will not be made until the payroll has been verified and the invoice approved by Caltrans Contract Manager.
- L. The sample invoice format can be found at <https://dot.ca.gov/programs/procurement-and-contracts/ae-contract-information>. Invoices shall reference this Agreement number, project title, and Task Order number. Invoices shall be submitted no later than 45 calendar days after completion of each billing period. Any credit, as provided under this Agreement, due Caltrans must be reimbursed by the Consultant prior to the expiration or termination of this Agreement. Invoices shall be mailed to Caltrans Contract Manager or Consultant Service Unit at the following address:

**Department of Transportation**

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- M. Task Orders will be encumbered with various types of funding. 49 CFR 18.23 requires that federal funds must be expended within 90 days of the expiration of the funding period. In addition, the encumbrances for state and local funds can also be lost if not expended within specified time frames. Accordingly, the invoices for approved monthly services must be submitted by Consultant and received by Caltrans Contract Manager within 45 calendar days of the completion of the approved monthly services specified in each Task order so that encumbered funds can be expended. If Caltrans does not receive invoices from Consultant by the required deadline, and this results in a loss of funding, Caltrans will reduce the payment on the invoice in the amount of the loss.
- N. The final Task Order invoice shall state the final cost and all credits due Caltrans. The final invoice should be submitted within 60 calendar days after Caltrans Contract Manager notifies Consultant Contract Manager of completion of the services. Should Caltrans dispute any of the costs billed in the final Task Order invoice. Caltrans shall pay the undisputed portions of the invoice as provided in this Section 2. Caltrans will not pay for charges that are in dispute until final resolution of the cost-related disputes.
- O. Payment will be made in accordance with, and within the time specified in, Government Code, Chapter 4.5, commencing with Section 927.
- P. The total amount payable by Caltrans, for all Task Orders resulting from this Agreement, shall not exceed \_\_\_\_\_. It is understood and agreed that this total is an estimate, and that the actual amount of work requested by Caltrans may be less. There is no guarantee, either expressed or implied, as to the actual dollar amount that will be authorized under the Agreement through Task Orders. In no event shall Task Orders be issued that will exceed this maximum.
- Q. Any written report prepared as a requirement of this Agreement shall contain, in a separate section of such written report, the number and dollar amount of all agreements and sub-agreements relating to the preparation of those reports if the combined costs for work by nonemployees of the State exceed \$5,000.00.
- R. Prime Consultant's Indirect Cost Rates (ICR) indicated in **Attachment 2, Cost Proposal**, are based on 48 CFR, Part 31.

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- S. **Attachment 2, Cost Proposal**, is subject to a Certified Public Accountant (CPA) Indirect Cost (Overhead) Audit Workpaper Review and/or audit. Caltrans, at its sole discretion, may review and/or audit and approve the CPA ICR documentation. **Attachment 2** shall be adjusted by the Consultant and approved by Caltrans Contract Manager to conform to the Workpaper Review recommendations included in the management letter or audit recommendations included in the audit report. Refusal by the Consultant to incorporate the Workpaper Review recommendations included in the management letter or audit recommendations included in the audit report will be considered a breach of the Agreement terms and cause for termination of the Agreement, per **Exhibit D, Section 3**.
- 1) During a Caltrans review of ICR audit workpapers created by a Consultant's independent CPA, Caltrans will work with the CPA and/or Consultant toward a resolution of issues that arise during the review. Each party agrees to use its best efforts to resolve any audit disputes in a timely manner. If Caltrans identifies significant issues during the review and is unable to issue a cognizant approval letter, Caltrans will reimburse Consultant at a provisional ICR until a FAR compliant ICR (e.g., 48 CFR, Part 31; Generally Accepted Audited Standards (GAGAS); Cost Accounting Standards (CAS), if applicable; in accordance with procedures and guidelines of the AASHTO Audit Guide; and other applicable procedures and guidelines) is received and approved by Caltrans. Provisional rates will be as follows:
    - a. If the proposed rate is less than 150 percent (150%), the provisional rate reimbursed will be 90 percent (90%) of the proposed rate.
    - b. If the proposed rate is between 150 percent (150%) and 200 percent (200%), the provisional rate reimbursed will be 85 percent (85%) of the proposed rate.
    - c. If the proposed rate is greater than 200 percent (200%), the provisional rate reimbursed will be 75 percent (75%) of the proposed rate.
  - 2) If Caltrans is unable to issue a cognizant approval letter per paragraph **S1**, above, Caltrans may require Consultant to submit a revised independent CPA audits ICR and audit report within three (3) months of the effective date of the management letter. Caltrans will then have up to six (6) months to review Consultant's and/or the independent CPA's revisions.
  - 3) If Consultant fails to comply with the provisions of **Section S**, or if Caltrans is still unable to issue a cognizant approval letter after the revised independent CPS audited ICR is submitted, overhead cost reimbursement will be limited to the provisional ICR that was established upon initial rejection of the ICR and set forth in paragraph **S.1.** above for all rendered services. In this event, the provisional ICR will become the actual and final ICR for reimbursement purposes under this Agreement.
  - 4) Consultant may submit to Caltrans a final invoice only when all the following items have occurred: (1) Caltrans approves or rejects the original or revised independent CPA audited ICR; (2) All work under this Agreement has been completed to the satisfaction of Caltrans; and (3) Caltrans has issued its final ICR review later. The Consultant must submit its final invoice to Caltrans no later than 60 days after occurrence of the last of these three (3) items.

The provisional ICR will apply to this Agreement and all other Agreements executed between Caltrans and Consultant, either as a Prime or Subconsultant, with the same fiscal period ICR.

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- T. Caltrans, at its sole discretion, may review and/or audit and approve either the Independent CPA's ICR documentation for the Consultant, or the Consultant's and/or Subconsultants' in-house developed ICRs at a time before the execution of this Agreement, while this Agreement is in effect, or after expiration of this Agreement up to the time limit set forth in **Exhibit D, Section 13, Retention of Records/Audits**.
- U. Limitations: Use of the rate(s) contained in this Agreement is subject to any statutory or administrative limitations and is applicable to a given Agreement only to the extent that funds are available. Acceptance of the rate(s) agreed to herein is predicated upon the following conditions:
- 1) No costs other than those incurred by Consultant or allocated to Consultant were included in its indirect cost pool as finally accepted and that such costs are legal obligations of Consultant and allowable under the governing cost principals.
  - 2) That the same costs that have been treated as indirect costs have not been claimed as direct costs.
  - 3) That similar types of costs have been accorded consistent accounting treatments to all clients (state, federal, local government, commercial/private) under similar circumstances, and
  - 4) That the information provided by the Consultant which was used as a basis for acceptance of the rate(s) agreed to herein is not subsequently found to be materially inaccurate.

The elements of indirect cost and the type of distribution base(s) used in computing provisional rates are subject to revision when final rates are established. Also, the rates cited in this Agreement are subject to audit.

- V. At the discretion of Caltrans, the indirect cost rate(s) and related Independent CPA workpapers may be reviewed by Caltrans Independent Office of Audits and Investigations (IOAI) to verify accuracy and the CPA's compliance with 48 CFR, Part 31 and related laws and regulations, compliance with Government Auditing Standards, and to determine if the audit report format is acceptable.
- W. Any sub-agreement in excess of \$25,000.00 entered into as a result of this Agreement shall contain all the provisions of this clause.

A. Amounts

1) Firms Fixed Price

The Firm Fixed amount of \$ \_\_\_\_\_ shall be paid to Consultant for work performed under Milestone 1 through \_\_\_\_\_ as listed in **Attachment 1**.

2) Additional Design Services

The sum of \_\_\_\_\_ is provided for Additional Design Services as described in **Attachment 1** and **Exhibit A, Section 1, Paragraph E, Additional Design Services**.

3) Additional Construction Support Services

The sum of \_\_\_\_\_ is provided for Additional Construction Support Services as described in **Attachment 1** and **Exhibit A, Section 1, Paragraph F, Additional Construction Support Services**.

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### 4) Total Amount

The total amount payable by Caltrans for all work performed pursuant to the Agreement shall not exceed \_\_\_\_\_, which is the sum of amounts provided for the Firm Fixed Price, and Task Orders for Additional Design Services and Additional Construction Support Services.

### B. Progress Payments

Progress payments will be made no more frequently than monthly, in arrears, based on the estimated percentage of the work completed and accepted by Caltrans Contract Manager, as documented and supported by a written Progress Report.

### C. Invoices

The sample invoice format can be found at <https://dot.ca.gov/programs/procurement-and-contracts/ae-contract-information>. Invoices shall be submitted in triplicate no later than 45 calendar days after the end of the Consultant's billing period. Invoices shall reference this Agreement number and project title and shall also reference and cover the same period of performance as the Progress Reports.

- 1) For "Additional Design Work or Additional Construction Support Work Issued by Task Order," separate invoices for work performed pursuant to a Task Order, shall be submitted for each Task Order and shall reference the Task Order number in addition to all other invoice requirements.
- 2) For "Additional Design Work or Additional Construction Support Work Issued by Task Order," Task Orders and invoicing shall include, but are not limited to, the WBS elements listed for defined/related services and products. The WBS is included in the Guide to Project Delivery Workplan Standards, which can be found at [The WBS is included in the Guide to Project Delivery Workplan Standards, which can be found at https://dot.ca.gov/programs/project-management/workplan-standards-guide](https://dot.ca.gov/programs/project-management/workplan-standards-guide).
- 3) Invoices for "Additional Design Work" or "Additional Construction Support Work" shall be submitted showing Caltrans WBS level element for each billable hour increment and/or detail of work performed on each Milestone, on each project as applicable. Task Orders and invoicing shall include, but are not limited to, the WBS.
- 4) When prevailing wage rates apply, the Consultant must submit with each invoice a certified copy of the payroll for compliance verification. Invoice payment will not be made until the payroll has been verified and the invoice approved by Caltrans Contract Manager.
- 5) All invoices shall be mailed to Caltrans Contract Manager or Consultant Service Unit at the following address:

#### **Department of Transportation**

\_\_\_\_\_  
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- 6) Task Orders will be encumbered with various types of funding. Compliance of 49 CFR 18.23 requires that federal funds must be expended within 90 days of the expiration of the funding period. In addition, the encumbrances for state and local funds can also be lost if not expended within specified time frames.

## Exhibit B Budget Detail and Payment Provisions

- Accordingly, the invoices for approved monthly services must be submitted by Consultant and received by Caltrans Contract Manager within 45 calendar days of the completion of the approved monthly services specified in each Task Order so that encumbered funds can be expended. If Caltrans does not receive invoices from Consultant by the required deadline, and this results in a loss of funding, Caltrans will reduce the payment on the invoices in the amount of the loss.
- 7) The final Task Order invoice shall state the final cost and all credits due to Caltrans. The final invoice should be submitted within 60 calendar days after Caltrans Contract Manager notifies Consultant Contract Manager of completion of the services. Should Caltrans dispute any of the costs billed in the final Task Order invoice, Caltrans shall pay the undisputed portions of the invoice as provided in this Section 2. Caltrans will not pay for charges that are in dispute until final resolution of the cost-related disputes.
- D. In compliance with 49 CFR 26.37, form ADM-3069 is required, as specified in this Agreement.
- 1) Consultant shall submit an **ADM-3069, Attachment 5**, with each invoice. Also, refer to **Exhibit D, Special Terms and Conditions**.
  - 2) Failure to provide the ADM-3069 with the invoice will result in 25 percent (25%) of the dollar value of the invoice being withheld from payment until the form is submitted. The amount will be returned to the Consultant when a satisfactory ADM-3069 is approved by Caltrans Contract Manager.
- E. Payment will be made in accordance with, and within the time specified in Government Code, Chapter 4.5, commencing with Section 927.
- F. Limitations
- 1) If Consultant fails to submit a deliverable according to the schedule set forth in **Attachment 1**, payment shall not be made for that deliverable pending receipt of acceptable deliverables.
  - 2) If Consultant fails to satisfactorily complete each of the Deliverables described in **Attachment 1, Deliverables**, according to the schedule set forth in **Attachment 1, Schedule (Milestones)**, no further progress payment will be made until the deliverables/milestone has been satisfactorily completed. Schedule (Milestones) is listed below:
  - 3) A mistake, inadvertence, or neglect by the Consultant in failing to pay the correct rates of prevailing wage, will be remedied solely by the Consultant and will not under any circumstances be considered as the basis of a claim against Caltrans on the Agreement. Consultant is responsible for paying the appropriate rate, including escalations that take place during the term of the Agreement.
    - a. That no costs other than those incurred by Consultant or allocated to Consultant were included in its direct cost pool as finally accepted and that such costs are legal obligations of Consultant and allowable under the governing cost principles;

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- b. That the same costs that have been treated as indirect costs have not been claimed as direct costs;
- c. That similar types of costs have been accorded consistent accounting treatment to all clients (State, Federal, local government, commercial/private) under similar circumstances; and
- d. That the information provided by the Consultants which was used as a basis for acceptance of the rate(s) agreed to herein is not subsequently found to be materially inaccurate.

The elements of indirect cost and the type of distribution base(s) used in computing provisional rates are subject to revision when final rates are established. Also, the rates cited in this Agreement are subject to audit.

- 4) At the discretion of Caltrans, the indirect rate(s) and related workpapers may be reviewed by Caltrans A&I Division to verify the accuracy and CPA's compliance with 48 CFR, Part 31 and related laws and regulations, and to determine if the audit report format is acceptable.
- G. Any written report prepared as a requirement of this Agreement shall contain, in a separate section of such written report, the number and dollar amounts of all agreements and sub-agreements relating to the preparation of those reports if the combined costs for work by non-employees of the State exceed \$5,000.00.
- H. Prime Consultant's ICR indicated in **Attachment 2, Cost Proposal**, are based on 48 CFR, Part 31.
- I. **Attachment 2, Cost Proposal**, is subject to a CPA Indirect Cost (Overhead) Audit Workpaper Review and/or audit. Caltrans, at its sole discretion, may review and/or audit and approve the CPA ICR documentation. **Attachment 2** shall be adjusted by the Consultant and approved by Caltrans Contract Manager to conform to the Workpaper Review recommendations included in the management letter or audit recommendations included in the audit report. Refusal by Consultation to incorporate the Workpaper Review recommendations included in the management letter or audit recommendations included in the audit report will be considered a breach of the Agreement terms and cause for termination of the Agreement, per **Exhibit D, Section 3**.
- 1) During a Caltrans review of the ICR audit workpapers created by a Consultant's independent CPA, Caltrans will work with the CPA and/or Consultant toward a resolution of issues that arise during the review. Each party agrees to use its best efforts to resolve any audit disputes in a timely manner. If Caltrans identifies significant issues during the review and is unable to issue a cognizant approval letter, Caltrans will reimburse Consultant a provisional ICR until a FAR compliant ICR (e.g., 48 CFR, Part 31; GAGAS; CAS, if applicable; in accordance with procedures and guidelines of the AASHTO Audit Guide; and other applicable procedures and guidelines) is received and approved by Caltrans. Provisional rates will be as follows:
    - a. If the proposed rate is less than 150 percent (150%), the provisional rate reimbursed will be 90 percent (90%) of the proposed rate.

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- b. If the proposed rate is between 150 percent (150%) and 200 percent (200%), the provisional rate reimbursed will be 75 percent (75%) of the proposed rate.
  - c. If the proposed rate is greater than 200 percent (200%) - the provisional rate reimbursed will be 75 percent (75%) of the proposed rate.
- 2) If Caltrans is unable to issue a cognizant approval letter per paragraph **S1**, above, Caltrans may require Consultant to submit a revised independent CPA audited ICR and audit report within three (3) months of the effective date of the management letter. Caltrans will then have up to six (6) months review Consultant's and/or the independent CPA's revisions.
  - 3) If Consultant fails to comply with the provisions of this **Section S**, or if Caltrans is still unable to issue a cognizant approval letter after the revised independent CPA audited ICR is submitted, overhead cost reimbursement will be limited to the provisional ICR that was established upon initial rejection of the ICR and set forth in paragraph **S.1**. above for all rendered services. In this event, the provisional ICR will become the actual and final ICR for reimbursement purposes under this Agreement.
  - 4) Consultant may submit to Caltrans a final invoice only when all the following items have occurred: (1) Caltrans approves or rejects the original or revised independent CPA audited ICR; (2) All work under this Agreement has been completed to the satisfaction of Caltrans; and (3) Caltrans has issued its final ICR review letter. The Consultant must submit its final invoice to Caltrans no later than 60 days after occurrence of the last of these three (3) items.

The provisional ICR will apply to this Agreement and all other Agreements executed between Caltrans and Consultant, either as a Prime or Subconsultant, with the same fiscal period ICR.

- A. Caltrans, at its sole discretion, may review and/or audit and approve either the Independent CPA's ICR documentation for the Consultant, or the Consultant's and/or Subconsultants' in-house development ICRs at any time before the execution of this Agreement, while this Agreement is in effect, or after expiration of this Agreement up to the time limit set forth in **Exhibit D, Section 13, Retention of Records/Audits**.
- B. Any sub-agreement in excess of \$25,000.00 entered into as a result of this Agreement shall contain all the provisions of this clause.
- A. The method of payment for the following items will be based on actual cost plus a fixed fee, subject to the conditions and limitations described in this **Exhibit B**. Reimbursement for allowable labor costs incurred by the Consultant in performance of the work, exclusive of any fixed fee, is subject to the following conditions and limitations:
  - 1) Consultant will be reimbursed for hours worked at the hourly rates specified in Consultant's **Cost Proposal, Attachment 2**. The specified hourly rates shall include direct salary costs, employee benefits, prevailing wages, employer payments, overhead, and fee. These rates are not adjustable for the performance period set forth in this Agreement.
  - 2) Consultant shall be responsible for any future adjustments to prevailing wage rates, including, but not limited to, base hourly rates and employer payments as determined

## Exhibit B Budget Detail and Payment Provisions

- by DIR. The Consultant is responsible for paying the appropriate rate, escalations that take place during the term of the Agreement.
- 3) A mistake, inadvertence, or neglect by the Consultant is failing to pay the correct rates of prevailing wage, will be remedied solely by the Consultant and will not under any circumstances be considered as the basis of a claim against Caltrans on the Agreement.
- a. That no costs other than those incurred by Consultant or allocated to Consultant were included in its indirect cost pool as finally accepted and that such costs are legal obligations to Consultant and allowable under the governing cost principles,
  - b. That the same costs that have been treated as indirect costs have not been claimed as direct costs,
  - c. That similar types of costs have been accorded consistent accounting treatment to all clients (state, federal, local government, commercial/private) under similar circumstances), and
  - d. That the information provided by the Consultant which was used as a basis for acceptance of the rate(s) agreed to herein is not subsequently found to be materially inaccurate.

The elements of indirect cost and the type of distribution base(s) used in computing provisional rates are subject to revision when final rates are established. Also, the rates cited in this Agreement are subject to audit.

- 4) At the discretion of Caltrans, the indirect costs rate(s) and related Independent CPA workpapers may be reviewed by Caltrans A&I to verify the accuracy and the CPA's compliance with 48 CFR, Part 31 and related laws and regulations, compliance with Government Auditing Standards, and to determine if the audit report format is acceptable.
- B. The salary reimbursement limitations state in **Exhibit B, Section 2, Paragraph A**, remain in effect for the term of the Agreement unless changed by Agreement amendment.
- C. The method of payment for this Agreement, excepting those items listed above, will be based on reimbursement of actual cost plus a fixed fee. Caltrans will reimburse the Consultant for actual costs including labor costs, employee benefits, travel, equipment rental, overhead, and other estimated costs set forth in the Consultant's cost proposal.
- D. In the event Caltrans determines that additional work beyond that specified in the **Cost Proposal, Attachment 2 (Work Plan)** and the Agreement is required to produce a satisfactory product, Caltrans may increase by an Agreement amendment to accommodate that additional work. The maximum total cost as specified in this **Exhibit B**, shall not be exceeded unless authorized by an Agreement amendment.
- E. In addition to the allowable incurred costs, Caltrans will pay Consultant a fixed fee of \$\_\_\_\_. The fixed fee is nonadjustable for the term of the Agreement except in the event of a significant change in the Scope of Work and such adjustment is made by an Agreement amendment, or in the event of termination prior to the agreed termination date, for which an adjustment will be determined by Caltrans Contract Manager in accordance with 48 Code of Federal Regulations, Chapter 1, Section 49.305-1.

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- F. Transportation and subsistence costs to be reimbursed shall be the actual costs incurred, but not to exceed the rates stipulated in the “Caltrans Travel Guide, Consultant/Contractors Travel Policy.” See <https://dot.ca.gov/programs/accounting>. When prevailing wages apply to the services described in **Attachment 1**, transportation and subsistence costs shall be reimbursed at the minimum rates set by DIR as outline in applicable “Prevailing Wage Determination,” see <https://www.dir.ca.gov/>.
- G. When milestone estimates are included in the Cost Proposal, the Consultant shall obtain prior written approval for a revised milestone estimate(s) from Caltrans Contract Manager before exceeding such estimate(s).
- H. Progress Payments:
- 1) Progress payments will be made monthly in arrears based on work completed and allowable incurred costs. A prorate portion of the Consultant’s fixed fee will be included in the monthly progress payments. If Consultant fails to submit the required deliverable items according to the schedule set forth in the Scope of Services/Deliverables, Caltrans shall have the right to delay payment and/or terminate this Agreement in accordance with the provisions of **Exhibit D, Termination**.
  - 2) Progress payments will be made no more frequently than monthly, in arrears, based on the estimated percentage of the Agreement work completed and accepted by Caltrans Contract Manager, and as documented and supported by a written Progress Report.
  - 3) To determine allowable incurred Subconsultant costs that are eligible for reimbursement, in addition to reimbursement for actual costs that are incurred, Caltrans will allow Subconsultant costs that are treated by the Consultant as accrued due to such costs having been billed to the Consultant and recognized by the Consultant and Caltrans as valid, undisputed, due and payable.
  - 4) By submitting accrued but unpaid Subconsultant costs for reimbursement, Consultant agrees that within 10 days of receipt of reimbursement, the full amount submitted as a reimbursable accrued Subconsultant cost shall be paid to the Subconsultant.
- I. Consultant shall not commence performance nor will payment be made for any work performed prior to approval of this Agreement by the State and written notification to proceed has been issued by Caltrans Contract Manager, nor will any payment be made for work performed after the expiration date of this Agreement.
- J. The total amount payable by Caltrans, including the fixed fee, shall not exceed \_\_\_\_\_.
- K. Invoices shall be submitted showing Caltrans WBS level element for each billable hour increment and/or detail of work performed on each milestone, on each project as applicable. Task Orders and invoicing shall include, but are not limited to, the WBS elements listed for defined/related services and products. The WBS is included in the “Guide to Project Delivery Workplan Standards,” which can be found at <https://projmgt.onramp.dot.ca.gov/project-management-application-systems-pmas/workplan-standards>.
- 1) When prevailing wage rates apply, Consultant must submit with each invoice a certified copy of the payroll for compliance verification. Invoice payment will not be

## Exhibit B Budget Detail and Payment Provisions

made until the payroll has been verified and the invoice approved by Caltrans Contract Manager.

- 2) The sample invoice format on the internet at <https://dot.ca.gov/programs/procurement-and-contracts/ae-contract-information>. Invoice shall reference this Agreement number, project title, and Task Order number. Invoices shall be submitted no later than 45 calendar days after completion of each billing period.
- 3) Any credit, as provided under this Agreement, due to Caltrans must be reimbursed by Consultant prior to the expiration or termination of this Agreement. Invoices shall be mailed to Caltrans Contract Manager or Consultant Service Unit at the following address:

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- L. Task Orders will be encumbered with various types of funding. 49 CFR 18.23 requires that federal funds must be expended within 90 days of the expiration of the funding period. In addition, the encumbrances for state and local funds can also be lost if not expended within specified time frames. Accordingly, the invoices for approved monthly services must be submitted by the Consultant and received by Caltrans Contract Manager within 45 calendar days of the completion of the approved monthly services specified in each Task Order so that encumbered funds can be expended. If Caltrans does not receive invoices from the Consultant by the required deadline, and this results in a loss of funding. Caltrans will reduce the payment on the invoices in the amount of the loss.
- M. compliance
  - 1) Consultant shall submit an **ADM-3069, Attachment 5**, with each invoice. Also refer to **Exhibit D, Special Terms and Conditions**.
  - 2) Failure to provide the ADM-3069 with the invoice will result in 25 percent (25%) of the dollar value of the invoice being withheld from payment until the form is submitted. The amount will be returned to Consultant when a satisfactory ADM-3069 is approved by Caltrans Contract Manager.
- N. Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.
- O. Any written report prepared as a requirement of this Agreement shall contain, in a separate section of such written report, the number and dollar amount of all agreements and sub-agreements relating to the preparation of those reports if the combined costs for work by nonemployees of the State exceed \$5,000.00.
- P. Prime Consultant's ICR indicated in **Attachment 2, Cost Proposal**, are based on 48 CFR, Part 31.
- Q. **Attachment 2, Cost Proposal**, is subject to a CPA Indirect Cost (Overhead) Audit Workpaper Review and/or audit. Caltrans, at its sole discretion, may review and/or audit

## Exhibit B Budget Detail and Payment Provisions

and approve the CPA ICR documentation. **Attachment 2** shall be adjusted by Consultant and approved by Caltrans Contract Manager to conform to the Workpaper Review recommendations included in the management letter or audit recommendations included in the audit report. Refusal by Consultant to incorporate the Workpaper Review recommendations included in the management letter or audit recommendations included in the audit report will be considered a breach of the Agreement terms and cause for termination of the Agreement, per **Exhibit D, Section 3**.

- 1) During a Caltrans review of the ICR audit workpapers created by a Consultant's independent CPA, Caltrans will work with the CPA and/or Consultant toward a resolution of issues that arise during the review. Each party agrees to use its best efforts to resolve any audit disputes in a timely manner. If Caltrans identifies significant issues during the review and is unable to issue a cognizant approval letter, Caltrans will reimburse Consultant at a provisional ICR until a FAR compliant ICR (e.g. 48 CFR, Part 31; GAGAS; CAS, if applicable; in accordance with procedures and guidelines of the AASHTO audit Guide; and other applicable procedures and guidelines) is received and approved by Caltrans. Provisional rates will be as follows:
  - a. If the proposed rate is less than 150 percent (150%), the provisional rate reimbursed will be 90 percent (90%) of the proposed rate.
  - b. If the proposed rate is between 150 percent (150%) and 200 percent (200%), the provisional rate reimbursed will be 85 percent (85%) of the proposed rate.
  - c. If the proposed rate is greater than 200 percent (200%), the provisional rate reimbursed will be 75 percent (75%) of the proposed rate.
- 2) If Caltrans is unable to issue a cognizant approval letter per paragraph **S1**, above, Caltrans may require Consultant to submit a revised independent CPA audited ICR report within three (3) months of the effective date of the management letter. Caltrans will then have up to six (6) months to review the Consultant's and/or the independent CPA's revisions.
- 3) If Consultant fails to comply with the provisions of this **Subsection S**, or if Caltrans is still unable to issue a cognizant approval letter after the revised independent CPA-audited ICR is submitted, overhead cost reimbursement will be limited to the provisional ICR that was established upon initial rejection of the ICR and set forth in paragraph S1, above, for all rendered services. In this event, this provisional ICR will become the actual and final ICR for reimbursement purposes under this Agreement.
- 4) Consultant may submit to Caltrans a final invoice only when all the following items have occurred: (1) Caltrans approves or rejects the original or revised independent CPA-audited ICR; (2) all work under this Agreement has been completed to the satisfaction of Caltrans; and, (3) Caltrans has issued its final ICR review letter. Consultant must submit its final invoice to Caltrans no later than 60 days after occurrence of the last of these three items.

The provisional ICR will apply to this Agreement and all other Agreements executed between Caltrans and Consultant, either as a prime or subconsultant, with the same fiscal period ICR.

- R. Caltrans, at its sole discretion, may review and/or audit and approve either the Independent CPA's ICR documentation for the Consultant, or the Consultant's and/or

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Subconsultants' in-house developed ICRs at any time before the execution of this Agreement, while this Agreement is in effect, or after expiration of this Agreement up to the time limit set forth in **Exhibit D, Section 13, Retention of Records/Audits**.

- S. Any subagreement in excess of \$25,000.00 entered into as a result of this Agreement shall contain all the provisions of this clause.
- 3. Cost Principles** The Consultant agrees that Title 48 Code of Federal Regulations (CFR), Part 31, Contract Cost Principles and Procedures (48 CFR 31 et seq.), shall be used to determine the allowability of individual terms of cost.
- B. Consultant also agrees to comply with Federal procedures in accordance with Title 2, Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200).
  - C. Any costs for which payment has been made to Consultant that are determined by subsequent audit to be unallowable under 48 CFR 31 or 2 CFR 200 are subject to repayment by Consultant to Caltrans.
  - D. When a Consultant or Subconsultant is a Non-Profit Organization or an Institution of Higher Education, the Cost Principles for Title 2, Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall apply.
  - E. Any subagreement in excess of \$25,000.00 entered into as a result of this Agreement shall contain all the provisions of this clause.

## **Exhibit C General Terms and Conditions**

**Note:** In this Exhibit C, GTC 04/2017, the General Terms and Conditions are included in this Agreement by reference made part of this Agreement as if attached hereto. See <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>.

The following language is to be included in lieu of the Standard Indemnification Clauses used in DGS GTC 04/2017 General Terms and Conditions.

### **Indemnification**

Consultant agrees to indemnify, defend, and hold harmless Caltrans, its officers, agents, and employees from any and all claims, demands, costs, or liability arising from or connected with the services provided hereunder due to negligent or intentional acts, errors, or omissions of the Consultant. The Consultant will reimburse Caltrans for any expenditure, including reasonable attorney fees, incurred by Caltrans in defending against claims ultimately determined to be due to negligent or intentional acts, errors, or omissions of the Consultant.

## Exhibit D Special Terms and Conditions

### 1. Amendment (Change in Terms)

- A. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in Agreement is binding on any of the parties.
- B. Consultant shall only commence work covered by an amendment after the amendment is executed and notification to proceed has been provided by Caltrans Contract Manager.
- C. There shall be no change in Consultant's Contract Manager or members of the project team, as listed in the cost proposal, which is a part of this Agreement, without prior written approval from Caltrans Contract Manager to add or substitute personnel, Consultant must provide the Personnel Request Form, a copy of the SF300 or resume for the additional or substituted personnel, along with a copy of the certified payroll for that person.

### 2. Disputes

- A. Consultant shall continue with the responsibilities under this Agreement during any work dispute. Caltrans Contract Manager must try to resolve the disputes at the lowest level possible. Any dispute concerning a question of fact arising under this Agreement that is not disposed of by resolution at Caltrans Contract Manager's level shall be decided by Caltrans Division of Procurement and Contracts (DPAC) Bid, Protest, and Dispute Branch, who may consider written or verbal information submitted by the Consultant. The Facilitator and Caltrans Contract Manager will provide the technical information if necessary.
- B. Any dispute not resolved by DPAC's Bid, Protest, and Dispute Branch may be reviewed by the Consultant Claims Review Committee (CCRC). The CCRC will consist of the Division Chief of Project Delivery (Chairperson), and the Functional Principal-Level Manager or above from the associated dispute.
- C. No later than 30 calendar days after Caltrans Contract Manager notifies the Consultant Contract Manager that all work under the Agreement has been completed, the Consultant may request review by the CCRC of claims or disputes that are not resolved by Caltrans Contract Manager and Caltrans Contract Officer under **Subsection 2A**, above. The request for review will be submitted in writing through Caltrans Contract Officer of the Chairperson, CCRC. A meeting by the CCRC will be scheduled after the Chairperson concurs. After the meeting, the CCRC will make recommendations to the Deputy Director of the functional program area, who will make the final decision for Caltrans.
- D. No later than 30 calendar days after Caltrans Contract Manager notifies Consultant Contract Manager that all deliverables necessary to complete the plans, specifications, and estimate (PS&E) have been completed, the Consultant may request review by the CCRC of unresolved claims or disputes that are not resolved by Caltrans Contract Manager and Caltrans Contract Officer under **Subsection 2A**, above. The request for review will be submitted in writing through Caltrans Contract Officer to the Chairperson, CCRC. A meeting by the CCRC will be scheduled after the Chairperson concurs. After the meeting, the CCRC will make recommendations to the Deputy Director of the functional program area, who will make the final decision for Caltrans.

## **Exhibit D Special Terms and Conditions**

- E. Neither the pendency of a dispute nor its consideration by the committee will excuse Consultant from full and timely performance in accordance with the terms of this Agreement.

### **3. Termination**

This section regarding termination is in addition to GTC 04/2017.

- A. Caltrans reserves the right to terminate this Agreement (i) immediately in the event of breach or failure of performance by the Consultant, any Subconsultant, and by extension, the Consultant's Independent CPA, or (ii) upon 30 calendar days written notice to the Consultant if terminated for the convenience of Caltrans for any or no cause.
- B. Caltrans may terminate this Agreement and be relieved of any payments except as provided for under early termination should Consultant fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination, Caltrans may proceed with the work in any manner deemed proper by Caltrans. All costs to Caltrans shall be deducted from any sum due to Consultant under this Agreement and the balance, if any, shall be paid to Consultant upon demand.

### **4. Early Termination of This Agreement or Task Order(s) or Suspension of This Agreement**

General Conditions

- A. In the event this Agreement is terminated, suspended, or a Task Order is terminated for the convenience of Caltrans, Consultant shall be paid for the percentage of the work completed, relative to the total work effort called for under this Agreement, and termination costs. No billable costs will be considered payable under the Agreement during suspension.
- B. Within 30 calendar days of the date Consultant is notified of the early termination of Task Order(s) issued against this Agreement for the convenience of Caltrans, Consultant shall prepare and submit to Caltrans Contract Manager, for approval, two (2) separate supplemental cost proposals:
  - 1) A final revised cost proposal for all project-related costs for the revised termination date, and
  - 2) A cost proposal specifically addressing the termination settlement costs only.

### **5. Consultant's Deliverables Under Early Termination**

Consultant shall provide all project-related documents and correspondence required as part of the Scope of Work/Deliverables or included in Task Orders. Project-related documents shall be described, listed, and identified as part of the final revised cost proposal. Project-related documents shall include all documents that are in complete and final form and which have been accepted as complete by Caltrans, or documents in draft and/or incomplete form for those deliverables, which are in progress by the Consultant and have not been accepted as complete. All documents must be received and accepted before the settlement cost invoice is paid.

### **6. Invoice Submittal Under Early Termination**

Separate final invoices for project-related costs and termination settlement costs shall be

## **Exhibit D Special Terms and Conditions**

submitted no later than 30 calendar days after Consultant is notified of acceptance of the final cost proposals by Caltrans Contract Manager. Invoices shall be submitted in accordance with **Exhibit B**. The invoice for termination settlement costs shall include the following, to the extent they are applicable: lease termination costs for equipment and facilities approved under the terms of this Agreement; equipment salvage costs for equipment valued over \$500.00; rental costs for unexpired leases, less the residual value of the lease, cost of alterations and reasonable restorations required by the lease; settlement expenses, e.g., accounting, legal, clerical, storage, transportation, protection and disposition of property acquired or produced under this agreement, indirect costs, such as payroll taxes, fringe benefits, occupancy costs, and immediate supervision costs related to wages and salaries, incurred as settlement costs.

### **7. Termination Issues for Subconsultants, Suppliers, And Service Providers**

Consultant shall notify any Subconsultant and service or supply vendor providing services under this Agreement of the early termination date of this Agreement. Failure to notify any Subconsultant and service or supply vendor shall result in Consultant being liable for the termination costs incurred by any Subconsultant and service or supply vendor for work performed under this Agreement, except those specifically agreed to in the termination notice to Consultant.

### **8. Cost Principles Under Early Termination**

Termination settlement expenses will be reimbursed in accordance with 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 32, Subpart 31.201-42 (c) dealing with initial costs is not applicable to Architectural and Engineering Agreement terminations.

### **9. Adjustment of Fixed Fee Under Early Termination**

The fixed fee will be adjusted as determined by the Caltrans Contract Manager in accordance with the guidelines established in 48 CFR Chapter 1, Section 49.305-1.

### **10. Disputes Under Early Termination**

Disputes under early termination conditions shall be resolved in accordance with this Exhibit.

### **11. Consultant Claims Against This Agreement or Task Order(S) Under Early Termination**

Consultant agrees to release Caltrans from any and all further claims for services performed arising out of this Agreement or its early termination, upon acceptance by Consultant of payment in the total amount agreed upon as full and final payment of its costs from performance and early termination of this Agreement or Task Order(s).

### **12. Non-Discrimination**

This section regarding non-discrimination is in addition to GTC 04/2017.

- A. During the performance of this Agreement, Consultant and its Subconsultants shall not deny the Agreement's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic

## **Exhibit D Special Terms and Conditions**

information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.

- B. Consultant shall comply with the provisions of the Fair Employment and Housing Act, Government Code Section 12900, the regulations promulgated thereunder CCR, Title 2, Section 11000, the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code Section 1135-11139.5, and the regulations of standards adopted by the awarding state agency to implement such article.
- C. Consultant shall permit access by representatives of the Department of Fair Employment and Housing and the awarding State agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Caltrans shall require to ascertain compliance with this clause.
- D. Consultant and its Subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- E. **Appendix A**, relative to nondiscrimination on federally assisted projects, is attached hereto and made a part of this Agreement. (See Section \_\_\_\_\_ of this **Exhibit D**.)
- F. **Appendix E**, relative to nondiscrimination on federally assisted projects, is attached hereto and made a part of this Agreement. (See Section \_\_\_\_\_ of this **Exhibit D**.)
- G. Consultant shall comply with the nondiscrimination program requirements of Title VI of the Civil Rights Act of 1964. Accordingly, 49 CFR Part 21 and 23 CFR Part 200 are applicable to this Agreement by reference.
- H. The Consultant shall include the nondiscrimination and compliance provisions of this clause in all subagreements to perform work under this Agreement.

### **13. Retention of Records/Audits**

- A. For the purpose of determining compliance with Government Code Section 8546.7, Consultant, Subconsultants, and Caltrans shall maintain all books, documents, papers, accounting records, Independent CPA Audited Indirect Cost Rate workpapers, and other evidence pertaining to the performance of Agreement. All parties, including Consultant's Independent CPA, shall make such workpapers and materials available at their respective offices at all reasonable times during the Agreement period and for three (3) years from the date of final payment under the Agreement. Caltrans, the State Auditor, FHWA, or any duly authorized representative of the Federal government having jurisdiction under Federal laws or regulations (including the basis of Federal funding in whole or in part) shall have access to any books, records, and documents of the Consultant, Subconsultants, and Consultant's Independent CPA, that are pertinent to the Agreement for audits, examinations workpaper review, excerpts, and transactions, and copies thereof shall be furnished if requested without limitation.
- B. Any subagreement in excess of \$25,000 entered into as a result of this Agreement shall contain all the provisions of this clause.

### **14. Subcontracting**

- A. Nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any Subconsultants, and no subagreement shall relieve

## **Exhibit D Special Terms and Conditions**

Consultant of its responsibilities and obligations hereunder. Consultant agrees to be as fully responsible to the State for the acts and omissions of its Subconsultants and of persons either directly or indirectly employed by Consultant. Consultant's obligation to pay its Subconsultants is an independent obligation from the State's obligation to make payments to Consultant.

- B. Consultant shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted without written authorization by Caltrans Contract Manager, except that which is expressly identified in Consultant's Cost Proposal.
- C. Any subagreement in excess of \$25,000 entered into as a result of this Agreement shall contain all the provisions stipulated in this Agreement to be applicable to Subconsultants unless otherwise noted.
- D. Consultant shall pay its Subconsultants within 10 calendar days from receipt of each payment made to Consultant by the State.
- E. Any substitution of Subconsultants must be approved in writing by Caltrans Contract Manager in advance of assigning work to a substitute Subconsultant.

### **15. Equipment Purchase**

- A. Prior authorization in writing by Caltrans Contract Manager shall be required before Consultant enters into any non-budgeted purchase order or subagreement exceeding \$500.00 for supplies, equipment, or Consultant services. Consultant shall provide an evaluation of the necessity or desirability of incurring such costs.
- B. For purchase of any item, service or consulting work not covered in Consultant's Cost Proposal and exceeding \$500.00, with prior authorization by Caltrans Contract Manager, three (3) competitive quotations must be submitted with the request or the absence of bidding must be adequately justified.
- C. Consultant shall maintain an inventory record for each piece of non-expendable equipment purchased or built with funds provided under the terms of this Agreement. The inventory record of each piece of such equipment shall include the date acquired, total cost, serial number, model identification (on purchased equipment), and any other information or description necessary to identify said equipment. Non-expendable equipment so inventoried are those items of equipment that have a normal life expectancy of one (1) year or more, and an approximate unit price of \$5,000.00 or more. In addition, theft-sensitive items of equipment costing less than \$5,000.00 shall be inventoried. A copy of the inventory record must be submitted to Caltrans on request by Caltrans.
- D. Any equipment purchased by Consultant will be returned to Caltrans at the end of this Agreement or, if not returned to Caltrans, it will be disposed of as agreed to by both parties. Both Caltrans and Consultant agree to comply with State Administrative Manual, Section 3520, Disposal of Surplus Personal Property, if Caltrans determines that Caltrans will not retain the equipment.
- E. 49 CFR, Part 18, requires a credit to Federal funds when participating equipment with a fair market value greater than \$5,000.00 is credited to the project.
- F. Any subagreement entered into as a result of this Agreement shall contain all the provisions of this clause.

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### 16. Inspection of Work

Consultant and any Subconsultants shall permit Caltrans and the FHWA to review and inspect the project activities at all reasonable times during the performance period of this Agreement including review and inspection on a daily basis.

### 17. Safety

- A. Consultant shall comply with OSHA regulations applicable to Consultant regarding necessary safety equipment or procedures. Consultant shall comply with safety instructions issued by the District Safety Officer and other State representatives. Consultant's personnel shall wear white hard hats and orange safety vests at all times while working on the construction project site.
- B. Pursuant to the authority contained in Vehicle Code Section 591, Caltrans has determined that within such areas as are within the limits of the project are open to public traffic, Consultant shall comply with all the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. Consultant shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.
- C. Consultant or Subconsultant(s) must have an OSHA permit(s) as outlined in Labor Code Sections 6500 and 6705, prior to the initiation of any practice, work, method, operation, or process related to the construction or excavation of trenches which are five (5) feet or deeper.
- D. Any subagreement entered into as a result of this Agreement shall contain all of the provisions of this clause.

### 18. Insurance

- A. Consultant shall furnish to Caltrans Certificates of Insurance for the minimum coverage set forth below. Consultant shall be fully responsible for all policy deductibles and any self-insured retention. All insurance shall be with an insurance company with A.M. Best's Financial Strength Rating of A- or better with a Financial Size Category of VI or better.
- B. Required Coverages and Limits

- 1) Workers' Compensation (statutory) and Employers Liability Insurance:

- \$1,000,000 for bodily injury for each accident
- \$1,000,000 policy limit for bodily injury by disease
- \$1,000,000 for each employee for bodily injury by disease

If there is an exposure of injury to Consultant's employees under the US Longshoremen's and Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverages shall be included for such injuries or claims.

If work is performed on State owned or controlled property, the policy shall contain a waiver of subrogation in favor of the State. The waiver of subrogation endorsement shall be provided in addition to the certification of insurance.

- 2) Commercial General Liability Insurance with limits no less than:

- \$1,000,000 per occurrence

### **Exhibit D Special Terms and Conditions**

- \$2,000,000 products completed operations aggregate
- \$2,000,000 general aggregate

The policy's general aggregate shall apply separately to Consultant's work under this Agreement by evidencing per project aggregate endorsement separately attached to the certificate of insurance.

The policy shall include coverage for liabilities arising out of premises, operations, independent consultants, products, completed operations, personal and advertising injury, and liability assumed under an insured Agreement. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to Consultant's limit of liability. The policy must include:

Caltrans, State of California, its officers, agents, employees and servants are included as addition insureds, but only with respect to work performed under this Agreement.

This endorsement must be supplied under form acceptable to DGS, Office of Risk and Insurance Management.

- 3) Automobile liability, including owned, non-owned, and hired autos, with limits not less than \$1,000,000 combined single limit per accident. The same additional insured designation and endorsement required for general liability is to be provided for this coverage.
- 4) A \$1,000,000 umbrella or excess liability shall include premises/operations liability, products/completed operations liability, and auto liability coverage. The umbrella or excess policy shall contain a clause stating that it takes effect (drops down) in the event the primary limits are impaired or exhausted.
- 5) Professional Liability insurance with limits no less than:
  - \$1,000,000 per claim
  - \$2,000,000 in aggregate for low to medium risk.

The policy's retroactive date must be shown on the certificate and must be before this Agreement is executed or before the beginning of Agreement work.

Additionally, Consultant shall maintain, or make a good faith effort to maintain, the Professional Liability insurance for a period of three (3) years after its performance under this Agreement.

- C. The insurance above shall be maintained in effect at all times during the term of this Agreement. If the insurance expires during the term of the Agreement, a new certificate must be submitted to Caltrans Contract Manager not less than 10 days prior to the expiration of insurance. Failure to maintain the required coverage shall be sufficient grounds for Caltrans to terminate this Agreement for cause, in addition to any other remedies Caltrans may have available. Inadequate or lack of insurance does not negate Consultant's obligations under the Agreement.
- D. Consultant shall provide to Caltrans Contract Manager within five (5) business days following receipt by Consultant a copy of any cancellation or non-renewal of insurance required by this Agreement. In the event Consultant fails to keep in effect at all times the specified insurance coverage, Caltrans may, in addition to any other remedies it may

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have, terminate this Agreement upon the occurrence of such event, subject to the provisions of the Agreement.

- E. Any required endorsement requested by Caltrans must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- F. Any required insurance contained in this Agreement shall be primary and not in excess of or contributory to any other insurance carried by Caltrans.
- G. Caltrans will not be responsible for any premiums or assessments on the policy.
- H. For Agreements with hazardous activities, new certificates of insurance are subject to approval of DGS, and Consultant agrees that no work or services shall be performed prior to such approval.
- I. Consultant shall require all Subconsultants to carry insurance based on the cost of the subcontract and the potential risk to Caltrans of the subcontracted work. Notwithstanding any coverage requirements for Subconsultants, Consultant shall be responsible for ensuring sufficient insurance coverage for all work performed under the Agreement, including the work of Subconsultants.

**19. Damages Due to Errors and Omissions** Architect-Engineer Consultants shall be responsible for the professional quality, technical accuracy, and coordination of all services required under this Agreement. A firm may be liable for Caltrans costs resulting from errors or deficiencies in designs furnished under its Agreement.

- B. When a modification to a construction Agreement is required because of an error or deficiency in the services provided under this A&E Agreement, Caltrans Contract Officer (with the advice of technical personnel and legal counsel) shall consider the extent to which the A&E Consultant may be reasonably liable.
- C. Caltrans Contract Officer shall enforce the liability and collect the amount due, if the recoverable cost will exceed the administrative cost involved or is otherwise in Caltrans' interest. Caltrans Contract Officer shall include in the Agreement file a written statement of the reason for decision to the recover or not to recover the costs from the firm.

### **20. Ownership of Proprietary Property**

For the purposes of this section (Ownership of Proprietary Property) the following definitions shall apply:

Work: As delineated in Attachment 1 (Scope of Work) of the Agreement.

Work Product: As defined as Deliverable in **Attachment 1** (Scope of Work) of the Agreement, including but not limited to, all Work and Deliverable conceived or made, or made hereafter conceived or made, either solely or jointly with others during the term of this Agreement and during a period of six (6) months after the termination thereof, which relates to the Work commissioned or performed under the Agreement.

Inventions: Any idea, design, concept, technique, inventions, discovery, improvement or development regardless of patentability made solely by Consultant or jointly with Consultant's Subcontractor and/or Consultant's Subcontractor's employee's with one or more employees of Caltrans, during the term of this Agreement and in performance of any Work under the Agreement, provided that either the conception or reduction to practice thereof occurs during the term of this Agreement and in performance of Work issued under

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this Agreement.

### **A. Ownership of Work Product and Rights**

#### **1) Ownership of Work Product**

All Work Product derived by the Work performed by Consultant, its employees, or by any of Consultant's Subcontractor's employees under this Agreement, shall be owned by Caltrans and shall be considered works made for hire by Consultant's Subcontractor for Caltrans. Caltrans shall own all United States and international copyrights in the Work Product.

As such, all Work Product shall contain, in a conspicuous place, a copyright designation consisting of a "c" in a circle followed by the four-digit year in which the Work Product was produced, followed by the words "California Department of Transportation." For example, a Work Product created in the year 2014 would contain the copyright designation © 2014 California Department of Transportation.

#### **2) Vesting of Copyright Rights**

Consultant, its employees or any of Consultant's Subcontractor's employees agrees to perpetually assign, and upon creation of each of each Work Product automatically assigns, to Caltrans, its successors and assigns, ownership of all United States and international copyrights in each and every Work Product, by operation of law, may not be considered work made for hire by the Consultant's Subcontractor from Caltrans. From time to time upon Caltrans' request, the Consultant's Subcontractor and/or its employees, shall confirm such assignments by execution and delivery of such assignments, confirmations or assignment, or other written instruments as Caltrans may request. Caltrans, its successors and assigns, shall have the right to obtain and hold in its or their own name(s) all copyright registrations and other evidence of rights that may be available for Work Product. Consultant hereby agrees to waive all moral rights relating to identification of authorship restriction or limitation on use, or subsequent modifications of the Work.

### **B. Inventions**

#### **1) Vesting of Patent Right**

Consultant, its employees, and any Consultant's Subcontractor hereby agrees to assign to Caltrans, its successors, and assigns, all Inventions, together with the right to seek protection by obtaining patent rights therefor and to claim all rights to priority there under, and the same shall become and remain Caltrans' property regardless of whether such protection is sought. The Consultant, its employees and Consultant's Subcontractor shall promptly make a complete written disclose to Caltrans of each Invention not otherwise clearly disclosed to Caltrans in the pertinent Work Product, specifically pointing out features or concepts that the Consultant, its employees and Consultant's Subcontractor believes to be new or different. The Consultant, its employees and Consultant's Subcontractor shall, upon Caltrans' request and at Caltrans' expense, cause patent applications to be filed thereon, through solicitors designated by Caltrans, and shall sign all such applications over to Caltrans, its successors, and assigns. The Consultant, its employees and Consultant's Subcontractor shall give Caltrans and its solicitors all reasonable assistance in connection with the preparation and prosecution of any such patent applications and shall cause to be executed all such assignments or other instruments or documents

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as Caltrans may consider necessary or appropriate to carry out the intent on this Assignment.

### 2) Agency

In the event that Caltrans is unable for any reason whatsoever to secure Consultant's, its employees', and/or Consultant's Subcontractor's signature to any lawful or necessary document required or desirable to apply for or prosecute any United States application (including renewals or divisions thereof), Consultant, its employees and Consultant's Subcontractor hereby irrevocably designates and appoints Caltrans and its duly authorized officers and agents, as its agent and attorney-in-fact, to act for and on Consultant, its employees and Consultant's Subcontractor's behalf and stead, to execute and file such applications and to do all other lawfully permitted acts to further the prosecution and issuance of any copyrights, trademarks or patents thereon with the same legal force and effect as if executed by Consultant, its employees and/or Consultant's Subcontractor. Caltrans shall have no obligations to file any copyright, trademark or patent applications.

### 3) Avoidance of Infringement

In performing services under this Agreement, Consultant and its employees agree to avoid designing or developing any items that infringe one (1) or more patents or other intellectual property rights of any third party. If Consultant or its employees becomes aware of any such possible infringement in the course of performing any work under Agreement, Consultant or its employees shall immediately notify Caltrans in writing.

## C. Additional Provisions

### Subcontractors

Consultant shall affirmatively bind by Agreement any of its subcontractors or service vendors (hereinafter "Consultant's Subcontractor") providing services under this Agreement to conform to the provisions of **Exhibit D, Section 19**. Consultant's Subcontractor shall then provide the signed Agreement to the Consultant, who shall provide it to Caltrans Contract Manager prior to the commencement of any work. In performing services under this Agreement, Consultant's Subcontractor agrees to avoid designing or developing any items that infringe one or more patents or other intellectual property rights of any third party. If Consultant's Subcontractor becomes aware of any such possible infringement in the course of performing any Work under this Agreement, Consultant's Subcontractor shall immediately notify Consultant in writing, Consultant will then immediately notify Caltrans in writing.

## 21. Ownership of Data

- A. Upon completion of all work under this Agreement, all intellectual property rights, ownership, and title to all reports, documents, plans, specifications, and estimates produced as part of this Agreement will automatically be vested in Caltrans and no further agreement will be necessary to transfer ownership to Caltrans. Consultant shall furnish Caltrans all necessary copies of data needed to complete the review and approval process.

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- B. It is understood and agreed that all calculations, drawings, and specifications, whether in hard copy of machine-readable form, are intended for one-time use in the construction of the project for which this Agreement has been entered into.
- C. Consultant is not liable for claims, liabilities, or losses arising out of, or connected with, the modification or misuse by Caltrans of the machine-readable information and data provided by Consultant under this Agreement; further, Consultant is not liable for claims, liabilities, or losses arising out of, or connected with, any use by Caltrans of the project documentation on other projects, for additions to this project, or for the completion of this project by others, excepting only such use as may be authorized, in writing, by Consultant.
- D. Any subagreement in excess of \$25,000.00 entered into as a result of this Agreement shall contain all the provisions of this clause.

### **22. Claims Filed by Department's Construction Contractor**

- A. If claims are filed by Caltrans construction contractor relating to work performed by Consultant's personnel and additional information or assistance from Consultant's personnel is required in order to evaluate or defend against such claims, Consultant agrees to make its personnel available for consultation with Caltrans construction Agreement administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.
- B. Consultant's personnel that Caltrans considers essential to assist in defending against construction contract claims will be made available on reasonable notice from Caltrans. Consultation or testimony will be reimbursed at the same rates, including travel costs, that are being paid for Consultant's personnel services under this Agreement.
- C. Services of Consultant's personnel in connection with Caltrans construction contract claims will be performed pursuant to a written supplement, if necessary, extending the termination date of this Agreement in order to finally resolve the claims.
- D. Any subagreement in excess of \$25,000.00 entered into as a result of this Agreement shall contain all the provisions of this clause.

### **23. Confidentiality of Data**

- A. All financial, statistical, personal, technical, or other data and information relative to Caltrans' operations, which is designated confidential by Caltrans and made available to Consultant in order to carry out this Agreement, shall be protected by Consultant from unauthorized use and disclosure.
- B. Permission to disclose information on one occasion or public hearing held by Caltrans relating to this Agreement shall not authorize Consultant to further disclose such information or disseminate the same on any other occasion.
- C. Consultant shall not comment publicly to the press or any other media regarding this Agreement or Caltrans' actions on the same, except to Caltrans' staff, Consultant's own personnel involved in the performance of this Agreement, at public hearings, or in response to questions from a Legislative committee.
- D. Consultant shall not issue any news release or public relations item of any nature whatsoever regarding work performed or to be performed under this Agreement without

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prior review of the contents thereof by Caltrans and receipt of Caltrans' written permission.

- E. All information related to the construction estimate is confidential and shall not be disclosed by Consultant to any entity, other than Caltrans.
- F. Any subagreement entered into as a result of this Agreement shall contain all the provisions of this clause.

### **24. Standard of Care**

Consultant represents that it possesses all necessary training, licenses, experience, and certifications to perform the Scope of Work, and shall perform all services in accordance with the degree of skill and care ordinarily used by competent practitioners of the same professional discipline under similar circumstances, and localities, taking into consideration the contemporary state of the practice and the project conditions.

### **25. Evaluation of Consultant**

Consultant's performance will be evaluated by Caltrans. A copy of the evaluation will be sent to Consultant for comments. The evaluation, together with the comments, shall be retained by Caltrans.

### **26. Statement of Compliance**

Consultant's signature affixed to herein and dated shall constitute a certification under penalty of perjury under the laws of the State of California that Consultant has, unless exempt, complied with the nondiscrimination program requirements of Government Code, Section 12990 and Title 2, California Code of Regulations, Section 8103.

### **27. Debarment and Suspension Certification**

- A. Consultant's signature affixed herein shall constitute a certification under penalty of perjury under the laws of the State of California, that Consultant or any person associated therewith in the capacity of owner, partner, director, officer or manager:
  - 1) Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;
  - 2) Has not been suspended, debarred, voluntarily excluded, or determined ineligible by any Federal agency within the past three (3) years;
  - 3) Does not have a proposed debarment pending; and
  - 4) Has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.
- B. Any exceptions to this certification must be disclosed to Caltrans. Exceptions will not necessarily result in denial of recommendation for award but will be considered in determining bidder responsibility. Disclosure must indicate the party to whom the exceptions apply, the initiating agency, and the dates of agency action.

### **28. Conflict of Interest**

- A. During the term of this Agreement, the Consultant shall disclose any financial, business, or other relationship with Caltrans or the California Transportation Commission that may have an impact upon the outcome of this Agreement or any ensuing Caltrans

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construction project. Consultant shall also list current clients who may have a financial interest in the outcome of this Agreement or any ensuing Caltrans construction project which will follow.

- B. Consultant hereby certifies that it does not now have nor shall it acquire any financial or business interest that would conflict with the performance of services under this Agreement.
- C. Consultant hereby certifies that neither Consultant nor any firm affiliated with Consultant will bid on any construction Agreement or on any Agreement to provide construction inspection for any construction project resulting from this Agreement. An affiliated firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.
- D. Except for Subconsultants whose services are limited to providing surveying or materials testing information, no Subconsultant who has provided design services in connection with this Agreement to provide construction inspection for any construction project resulting from this Agreement.
- E. Consultant further certifies that neither Consultant, nor any firm affiliated with Consultant, will bid on any construction contract included with this Agreement. Additionally, Consultant certifies that no person working under this Agreement is also employed by the construction contractor for any project included within this Agreement.
- F. Except for Subconsultants whose services are limited to materials testing, no Subconsultant who is providing service on this Agreement shall have provided services on the design of any project included within this Agreement.
- G. All consultant personnel are required to complete security and privacy awareness training each year. See <https://itsecurity.onramp.dot.ca.gov/training>.
- H. Any subagreement in excess of \$25,000.00 entered into as a result of this Agreement shall contain all the provisions of this clause.

### **29. Rebates, Kickbacks, or Other Unlawful Consideration**

Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks or other unlawful consideration either promised or paid to any state agency employee. For breach or violation of this warranty, Caltrans shall have the right, in its discretion, to terminate this Agreement without liability, to pay only for the value of the work actually performed, or to deduct from this Agreement price or otherwise recover the full amount of such rebate, kickback or other lawful consideration.

### **30. Prohibition of Expending State or Federal Funds for Lobbying**

- A. Consultant certifies, to the best of his or her knowledge and belief, that:
  - 1) No State or Federal appropriated funds have been paid or will be paid, by or on behalf of Consultant, to any person for influencing or attempting to influence an officer or employee of any State or Federal agency, a Member of the State Legislature or United States Congress, an officer or employee of the Legislature or Congress, or any employee of a Member of the Legislature or Congress in connection with the awarding of any State or Federal agreement, the making of any State or Federal grant, the making of any State or Federal loan, the entering into of

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- any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any State or Federal agreement, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal Agreement, grant, loan, or cooperative agreement, the Consultant shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, US Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 for each such failure.
- C. Consultant also agrees by signing this document that he or she shall require the language of this certification be included in all lower tier subagreements which exceed \$100,000.00, and that all such subrecipients shall certify and disclose accordingly.

**31. Consultant Code of Business Ethics and Conduct (Dec. 2007)**

- A. Definition
- United States, as used in this clause, means the 50 States, the District of Columbia, and outlying areas.
- B. Code of Business Ethics and Conduct
- 1) Within 30 calendar days after Agreement award, the Consultant shall:
- a. Have a written code of business ethics and conduct; and
  - b. Provide a copy of the code to each employee engaged in performance of the Agreement.
- 2) Consultant shall promote compliance with its code of business ethics and conduct.
- C. Awareness Program and Internal Control System for Other Than Small Business
- This paragraph C does not apply if Consultant has represented itself as a small business concern pursuant to the award of this Agreement. Consultant shall establish within 90 days after Agreement award:
- 1) An ongoing business ethics and business conduct awareness program; and
  - 2) An internal control system.

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- a. Consultant's internal control system shall:
  - (1) Facilitate timely discovery of improper conduct in connection with Government Agreements; and
  - (2) Ensure corrective measures are promptly instituted and carried out.
- b. For example, Consultant's internal control system should provide for:
  - (1) Periodic reviews of company business practices, procedures, policies, and internal controls for compliance with the Consultant's code of business ethics and conduct and the special requirements of Government contracting.
  - (2) An internal reporting mechanism, such as a hotline, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports;
  - (3) Internal and/or external audits, as appropriate; and
  - (4) Disciplinary action for improper conduct.

**D. Subcontracts**

Consultant shall include the substance of this clause, including this paragraph 4, in subcontracts, except when the subcontract:

- 1) Is for the acquisition of a commercial item; or
- 2) Is performed entirely outside the United States.

**32. Appendix A (Title VI Assurances)**

**A. Compliance with Regulations**

Consultant will comply with Acts and Regulations relative to Non-discrimination in Federally-assisted programs of the US Department of Transportation, Federal Highway Administration, as they may be amended from time to time, which are herein incorporated by reference and made part of this Agreement.

**B. Non-discrimination**

Consultant, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, national origin, age, sex, or disability in the selection and retention of subconsultants, including procurement of materials and leases of equipment. The Consultant will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

**C. Solicitation for Subagreements, including Procurements of Materials and Equipment**

In all solicitations, either by competitive bidding or negotiation made by Consultant for work to be performed under a subagreement, including procurements of materials or leases of equipment, each potential subconsultant or supplier will be notified by Consultant of Consultant's obligations under this Agreement and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, national origin, age, sex, or disability.

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### **D. Information and Reports**

Consultant will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and facilities as may be determined by Caltrans or the FHWA to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a Consultant is in the exclusive possession of another who fails or refuses to furnish the information, the Consultant will so certify to Caltrans or the FHWA, as appropriate, and will set forth what efforts it has made to obtain the information.

### **E. Solicitations for Noncompliance**

In the event of Consultant's noncompliance with the Non-discrimination provisions of this Agreement, Caltrans shall impose such Agreement sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:

- 1) Withholding of payments to Consultant under the Agreement until Consultant complies, and/or
- 2) Cancelling, terminating or suspending on Agreement, in whole or in part.

### **F. Incorporation of Provisions**

Consultant will include the provisions of paragraphs A through F in every subagreement, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Consultant will act with respect to any subagreement or procurement as Caltrans or the FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that Consultant becomes involved in, or threatened with litigation by a subconsultant, or supplier because of such direction, Consultant may request Caltrans to enter into any litigation to protect the interest of Caltrans. In addition, Consultant may request the United States to enter into the litigation to protect the interests of the United States.

## **33. Appendix E (Pertinent Non-Discrimination Authorities)**

During the performance of this Agreement, Consultant, for itself, its assignees, the successors in interest (hereinafter referred to as "Consultant") agrees to comply with the following non-discrimination statutes and authorities, including, but not limited to:

- A. Title VI of the Civil Rights Act of 1964 (42 USC Section 200d et seq., 78 Stat. 252) prohibits discrimination on the basis of race, color, national origin; and 49 CFR Part 21.
- B. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC Section 4601) prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects;
- C. Federal-Aid Highway Act of 1973 (23 USC Section 324 et seq.) prohibits discrimination on the basis of sex);
- D. Section 504 of the Rehabilitation Act of 1973 (29 USC Section 794 et seq.), as amended, prohibits discrimination on the basis of disability; and 49 CFR Part 27;
- E. The Age Discrimination Act of 1975, (42 USC Section 6101 et seq.), as amended, prohibits discrimination on the basis of age;

## **Exhibit D Special Terms and Conditions**

- F. Airport and Airway Improvement Act of 1982 (49 USC Sections 471 and 47123), as amended, prohibits discrimination based on race, creed, color, national origin, or sex;
- G. The Civil Rights Restoration Act of 1987 (PL 100-209) broadened the scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, subrecipients, and contractors, whether such programs or activities are Federally funded or not;
- H. Titles II and III of the Americans with Disabilities Act (42 UC Sections 12131-12189), which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities as implemented by Caltrans regulations 49 CFR Parts 37 and 38;
- I. The Federal Aviation Administration's Non-discrimination statute (49 USC Section 47123) prohibits discrimination on the basis of race, color, national origin, and sex;
- J. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- K. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of Limited English Proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- L. Title IX of the Education Amendments of 1972 (20 USC Sections 1681 et seq.), as amended, which prohibits you from discriminating because of sex in education programs or activities.

### **34. Assumption of Risk and Indemnification Regarding Exposure to Environmental Health Hazards**

In addition to, and not a limitation of, Consultant's indemnification contained elsewhere in this Agreement, Consultant hereby assumes all risks of the consequences of exposure of Consultant's employees, agents, Subconsultants, Subconsultants' employees, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, to any and all environmental health hazards, local and otherwise, in connection with the performance of this Agreement. Such hazards include, but are not limited to, bodily injury and/or death resulting in whole or in part from exposure to infectious agents and/or pathogens of any type, kind or origin. Consultant also agrees to take all appropriate safety precautions to prevent any such exposure to Consultant's employees, agents, Subconsultants, Subconsultants' employees, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement. Consultant also agrees to indemnify and hold harmless Caltrans, the State of California, and each and all of their officers, agents and employees, from any and all claims and/or losses accruing or resulting from such exposure. Except as provided by law, Consultant also agrees that the provisions of this paragraph shall apply regardless of the existence or degree of negligence or fault on the

## **Exhibit D Special Terms and Conditions**

part of Caltrans, the State of California, and/or any of their officers, agents and/or employees.

### **35. Counterparts**

This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

### **36. Laws to Be Observed**

Consultant shall keep fully informed of all existing and future State and Federal laws and county and municipal ordinances and regulations which in any manner affect those engaged or employed in the work, the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Consultant shall protect and indemnify the State of California and all officers and employees thereof connected with the work against any claim, injury, or liability arising from or based on the violation of any such law, ordinance, regulation, order, or decree, whether by Consultant, its Subconsultant(s), or an employee(s).

If any discrepancy or inconsistency is discovered in the plans, drawings, specification, or Agreement for the work in relation to any such law, ordinance, regulation, order, or decree, Consultant shall immediately report the same to Caltrans Contract Manager in writing.

### **37. Specific Legal References**

Any reference to specific statutes, regulations, or other legal authority in this Agreement shall not relieve Consultant from the responsibility of complying with all existing and future laws, ordinances, regulations, orders, and decrees of bodies or tribunals having any jurisdiction or authority over the Agreement.

### **38. ADA Compliance**

All entities that provide electronic or information technology or related services that will be posted online by the California Department of Transportation must be in compliance with Government Code Sections 7405 and 11135 and the Web Content Accessibility Guidelines 2.0 or subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success. All entities will respond to and resolve any complaints/deficiencies regarding accessibility brought to their attention.

### **39. Electronic Signatures**

Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures for this Agreement. Documents that are referenced by this Agreement may still require manual signatures.

### **40. Executive Order N-6-22 – Russia Sanctions**

On March 4, 2022, Governor Gavin Newsom issued Executive Order [N-6-22](#) (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law unless the contract has been Federalized (i.e. there is federal participation in any phase). The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic

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Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

## Exhibit E Additional Provisions

### 1. Disabled Veterans Business Enterprise (DVBE) Participation with Goals

- A. Consultant has complied with the requirements of Public Contract Code Section 10115 et seq. The DVBE participation commitment for this Agreement is \_\_\_\_\_ percent (\_\_\_%) of the Agreement amount. Participation by DVBE Prime and Subconsultants shall be in accordance with the information contained in the Bidder/Proposer DVBE Information Form (STD 840) attached to and made a part hereof.
- B. Substitutions of DVBEs
- 3) DVBE subconsultants shall be used per the California Code of Regulations (CCR), Title 2, Section 1896.70, unless a substitution is approved in writing by the Department of General Services (DGS), Office of Small Business and Disabled Veteran Business Enterprise Services (OSDS). A DVBE subconsultant shall be replaced by another DVBE to perform the work originally stated. The substitution shall maintain, at minimum, the level of participation goal stated in the proposal. In the absence of a DVBE, the replacement shall be a California certified Small Business.
  - 4) Consultant shall simultaneously notify the DVBE and Caltrans Contract Manager of the intended substitution. The written notice shall contain the reasons for the substitution and be sent by certified mail. Consultant shall submit the following to Caltrans Contract Manager:
    - a. Proof of delivery, provide the certified mail receipts.
    - b. A copy of the DVBE's consent or opposition to the substitution. In the absence of the consent or opposition, provide the returned and unopened certified mail.
    - c. The name and supplier number of the business being substituted and the name and supplier number of the proposed replacement. If a DVBE cannot be identified as a replacement, Consultant shall document the absence of DVBEs. In this case, the replacement shall be a California certified Small Business. This documentation shall include, but is not limited to:
      - (1) Contact Caltrans Small Business Advocate at [smallbusiness.advocate@dot.ca.gov](mailto:smallbusiness.advocate@dot.ca.gov) and the Department of Veterans Affairs at [advocate@calvet.ca.gov](mailto:advocate@calvet.ca.gov) regarding the absence of DVBEs to perform the specific work.
      - (2) Search results from the DGS website for DVBEs to perform the specific work.
      - (3) Communication with a DVBE Community Organization nearest the worksite regarding the absence of DVBEs, if applicable.
      - (4) Documented communication with DVBEs and Small Businesses describing the work to be performed, its percentage of the overall Agreement, the corresponding dollar amount, and their responses to the request.
  - 5) The DVBE shall have up to five (5) business days from the postmark date to consent or oppose the substitution. A copy of the DVBE's reply shall be sent simultaneously by certified mail to Consultant and Caltrans Contract Manager.
  - 6) When written oppositions to a substitution are filed, Caltrans shall grant the DVBE a hearing. The hearing notice shall be issued within five (5) business days from receipt of the opposition. If Caltrans grants the substitution, continue to **B.7.**, below.

**Exhibit E**  
**Additional Provisions**

- 7) Caltrans Contract Manager shall submit the substitution request to the DGS, OSDS:
  - a. The request must meet the criteria as specified above or Section 4107 of the Public Contract Code for Public Works.
  - b. The substitution request shall be accompanied by the hearing decision, when applicable.
- 8) The OSDS will respond to substitution requests within three (3) business days. The OSDS shall consent to the substitution of another DVBE, or in the absence of a DVBE, a California certified Small Business in any of the following situations:
  - a. When the DVBE becomes bankrupt, insolvent or goes out of business.
  - b. When the DVBE does not perform as listed in the Bidder Declaration.
  - c. When the DVBE does not meet the bond requirements of contractor.
  - d. When the DVBE's name is incorrect due to an inadvertent clerical error. In the case of public works contracts, compliance with Public Contract Code Section 4107.5 is required.
  - e. When the DVBE is not licensed as required by any State of California regulatory agency.
  - f. When Caltrans, or its duly authorized officer, determines that the DVBE:
    - 1) Did not perform in accordance with the plans and specifications; or,
    - 2) Has delayed or disrupted the progress of the work.
- 9) The DVBE substitution process shall not be used as an excuse for noncompliance with any provision of law. This includes, but is not limited to, the Subletting and Subcontracting Fair Practices Act (Section 4100 et seq., Public Contract Code) or any Agreement requirements relating to substitution of subconsultants.
- 10) Consultants who proceed with work pending a substitution decision may be subject to Agreement termination, recovery of damages under rights, remedies and penalties. This is outlined in Section 999.9 of the Military and Veterans Code, Section 10115.10 of the Public Contract Code or Section 4110 of the Public Contract Code (applies to public works only). Failure to adhere to the DVBE participation in the performance of the Agreement may be cause for Agreement termination and recovery of damages under the rights and remedies due Caltrans.
- 11) Any DVBE firm acting/working under subagreement must be responsible for providing materials, supplies, equipment or services and must carry out its responsibility by actually performing, managing, or supervising the work involved that is normal for its business services and functions.
- 12) Consultant shall maintain records of all subagreements entered into with DVBE Subcontractors, including records of materials purchased from DVBE suppliers. Such records shall show the name and address of each DVBE Subconsultant or supplier and the total dollar amount paid to each one. Upon completion of the Agreement, a summary of these records shall be prepared and certified correct by Consultant or his authorized representative and the summary shall be furnished to Caltrans Contract Manager.

## **Exhibit E Additional Provisions**

### **C. Reporting Disabled Veteran Business Enterprise (DVBE) Utilization**

If this Agreement requires DVBE participation, it is the responsibility of Contractor to track DVBE goal progress and Contractor must report the actual amount paid to certified Subcontractors. Contractors must comply with Government Code Section 14841 and Military and Veterans Code Sections 999.5(d) and 999.7 by reporting the actual utilization of certified Subcontractor(s) during the performance of this Agreement. Contractor shall prepare and submit the Report of Utilization of Small/Micro Business and Disabled Veteran Business Enterprise State Funded Contracts Only (ADM-3059) (<https://forms.dot.ca.gov/v2Forms/servlet/FormRenderer?fmid=ADM3059>) to Caltrans Contract Manager with each invoice.

If Contractor fails to submit the ADM-3059 with the final invoice, Caltrans Contract Manager shall withhold \$10,000, or the full payment if it is less than \$10,000, from the final payment on the Agreement until Caltrans Contract Manager receives a complete and satisfactory ADM-3059. Caltrans Contract Manager shall notify Contractor by email that Contractor must submit a complete and satisfactory ADM-3059 within 30 days from the date of the notice. If Contractor fails to fully complete and submit the ADM-3059 within this 30-day period, Caltrans shall permanently withhold payment of the final invoice.

Upon Caltrans Contract Manager's request, Contractor shall provide proof of payment for the work performed by the DVBE subcontractor(s).

### **D. Reporting Small Business/Micro Business (SB/MB) Utilization**

If SB/MB Subcontractor participation is a requirement of this Agreement, Contractor must report the actual amount paid to certified Subcontractors. Contractor must comply with Government Code Section 14841 by reporting the actual utilization of certified Subcontractor(s) during the performance of this Agreement. Contractor shall prepare and submit the Report of Utilization of Small/Micro Business and Disabled Veteran Business Enterprise State Funded Contracts Only (ADM-3059) (<https://forms.dot.ca.gov/v2Forms/servlet/FormRenderer?fmid=ADM3059>) to Caltrans Contract Manager with each invoice.

## **2. Disabled Veterans Business Enterprise (DVBE) Participation Without Goals**

A. Caltrans has established no goals for the participation of DVBE for this Agreement. However, the Consultant shall be fully informed respecting the California Public Contract Code Section 10115 et seq., which is incorporated by reference. The Consultant is urged to obtain DVBE Subconsultant participation should clearly defined portions of the work become available.

### **B. Reporting Small Business (SB)/Micro Business (MB) and/or Disabled Veterans Business Enterprise (DVBE) Utilization**

The Consultant must comply with Government Code Section 14841 and Military and Veterans Code Section 999.5(d) by reporting the actual utilization of certified Subconsultant(s) during the performance of this Agreement. The Consultant shall prepare and submit the Report of Utilization of Small/Micro Business and Disabled Veteran Business Enterprise State Funded Contracts Only (ADM-3059), which can be found at <https://forms.dot.ca.gov/v2Forms/servlet/FormRenderer?fmid=ADM3059>, to Caltrans Contract Manager within 60 days from receipt of final payment.

## Exhibit E Additional Provisions

### 3. **Disadvantaged Business Enterprise (DBE) Program Participation Without Goals**

This Agreement is subject to Title 49, Code of Federal Regulations, Part 26 (49 CFR 26) entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs." The regulations in their entirety are incorporated by this reference and made part of this Agreement as if attached hereto.

B. Pursuant to 49 CFR 26.13(b), the Consultant or Subconsultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. The Consultant shall carry out applicable requirements of 49 CFR 26 in the award and administration of DOT-assisted Agreements. Failure by the Consultant to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as Caltrans deems appropriate, which may include, but is not limited to:

- 1) Withholding monthly progress payments;
- 2) Assessing sanctions;
- 3) Liquidated damages; and/or
- 4) Disqualifying the Consultant from future competition as non-responsible.

C. There is no specific Agreement goal for DBE participation in this Agreement. However, the Consultant will still be required to submit a Disadvantaged Business Enterprises Utilization Report (ADM-3069), **Attachment \_\_\_**, with each invoice (also refer to **Exhibit B, Budget Detail and Payment Provisions**).

D. It is the policy of Caltrans that DBEs, as defined in 49 CFR 26, shall be encouraged to participate in the performance of Agreements financed in whole or in part with Federal funds to assist the State in meeting its Federally-mandated overall annual DBE goal.

E. In order to ascertain whether or not the overall annual DBE goal is achieved, Caltrans tracks DBE participation on all Federal-aid Agreements. The Disadvantaged Business Enterprise (DBE) Information form (ADM 0227F A&E) is attached as Attachment \_\_\_ and incorporated as part of this Agreement.

F. Consultant shall notify Caltrans Contract Manager, in writing, of any changes to its anticipated DBE participation. This notice should be provided prior to the commencement of that portion of the work.

G. Any subcontract entered into between the Consultant and Subconsultant(s) as a result of this Agreement shall contain all the provisions of this section.

### 4. **DBE Information and Contract Goal Requirement for DBE Participation**

This Agreement is subject to Title 49, Code of Federal Regulations, Part 26 (49 CFR 26), entitled "Participation by Disadvantaged Business Enterprises (DBEs) in Department of Transportation Financial Assistance Programs."

B. Pursuant to 49 CFR 26.13(b), the Consultant or Subconsultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. The Consultant shall carry out applicable requirements of 49 CFR 26 in the award and administration of DOT-assisted Agreements. Failure by the Consultant to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as Caltrans deems appropriate, which may include, but is not limited to:

## Exhibit E Additional Provisions

- 1) Withholding monthly progress payments;
  - 2) Assessing sanctions;
  - 3) Liquidated damages; and/or
  - 4) Disqualifying the Consultant from future competition as non-responsible. Each sugreement signed by and between Consultant and Subconsultant(s) in the performance of this Agreement must include this assurance.
- C. A DBE is a firm that has been certified as a DBE by the California United Certified Program (CUCP) as specified in 49 CFR 26. In order to count toward an Agreement goal, a DBE must be certified on the Statement of Qualifications (SOQ) due date and possess the work code(s) applicable to the type of work the DBE will perform on the Agreement.
- D. The Agreement goal for DBE participation for this Agreement is \_\_\_ percent (\_\_\_%) Participation by DBE prime and Subconsultants shall be in accordance with the information contained in the Disadvantaged Business Enterprise (DBE) Information form (ADM 0227F A&E) attached hereto and incorporated as part of this Agreement.
- E. The Consultant shall notify Caltrans Contract Manager, in writing, of any changes to its anticipated DBE participation. This notice should be provided prior to commencement of that portion of the work.
- 5. Subconsultants** Consultant shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted without written authorization by Caltrans Contract Manager.
- B. Any subcontract in excess of \$25,000 entered into as a result of this Agreement shall contain all the provisions stipulated in this Agreement to be applicable to Subconsultants.
- C. Any substitution of Subconsultant(s) must be approved in writing by Caltrans Contract Manager in advance of assigning work to a substitute Subconsultant(s).
- D. Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any Subconsultant(s), and no subcontract shall relieve Consultant of its responsibilities and obligations hereunder. Consultant agrees to be as fully responsible to the State for the acts and omissions of its Subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Consultant. Consultant's obligation to pay its Subconsultant(s) is an independent obligation from the State's obligation to make payments to Consultant. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any Subconsultant.
- 6. Performance of DBE Consultants and Other DBE Subconsultants/Suppliers**
- A. A DBE must perform a commercially useful function (CUF) for the type of work it will perform on the Agreement as provided in 49 CFR 26.55(c)(1)-(4). A DBE performs a CUF when it is responsible for the execution of a distinct element of the work of the Agreement and is carrying out its responsibilities by actually performing, managing, and supervising the work involved.
- B. DBE Subconsultants shall perform the work and supply the materials that they have listed in their response to the Agreement award requirements specified in the form ADM-

## **Exhibit E Additional Provisions**

0227F A&E, unless Consultant has received prior written authorization to perform the work with other forces or to obtain the materials from other sources as set forth in the section below titled **DBE Substitution**.

- C. Consultant shall not be entitled to any payment for such work or material unless it is performed or supplied by the listed DBE or by other forces (including those of Consultant) pursuant to prior written authorization of Caltrans Contract Manager.
- D. Upon request, the Consultant shall make available a copy of all DBE subcontracts.

### **7. Exclusion of Retention**

- A. In conformance with 49 CFR 26.29(b)(1), the retention of proceeds required by Public Contract Code Section 10261 shall not apply.
- B. In conformance with Public Contract Code Section 7200(b), in subcontracts between Consultant and a Subconsultant and in subcontracts between a Subconsultant and any Subconsultant thereunder, retention proceeds shall not be withheld, and the exceptions provided in Public Contract Code Section 7200 (c), shall not apply. At the option of Consultant, Subconsultant(s) may be required to furnish payment and performance bonds issued by an admitted surety insurer.
- C. Any subcontract entered into as a result of this Agreement shall contain all the provisions of this section.

### **8. Payment to DBE And Non-DBE Subconsultant(s)**

- A. Consultant shall pay its DBE Subconsultant(s) and non-DBE Subconsultant(s) within 10 calendar days from receipt of each payment made to Consultant by the State.
- B. Prior to the 15th of each month, Consultant shall submit documentation to Caltrans Contract Manager showing the amount paid to DBE trucking companies listed in Consultant's DBE information. This monthly documentation shall indicate the portion of the revenue paid to DBE trucking companies, which is claimed toward DBE participation. Consultant shall also obtain and submit documentation to Caltrans Contract Manager showing the amount paid by DBE trucking companies to all firms, including owner-operators, for the leasing of trucks.
- C. Consultant shall also submit to Caltrans Contract Manager documentation showing the truck number, name of owner, California Highway Patrol CA number and if applicable, the DBE certification number of the truck owner for all trucks used during that month for which DBE participation will be claimed. This documentation shall be submitted on the Monthly DBE Trucking Verification form provided to Consultant by Caltrans Contract Manager.
- D. Consultant shall return all moneys withheld in retention from a Subconsultant within 30 days after receiving payment for work satisfactorily completed, even if other Agreement work is not completed and has not been accepted in conformance with the terms of the Agreement. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to Consultant or Subconsultant in the event of a dispute involving late payment or non-payment to Consultant or deficient subcontract performance or noncompliance by a Subconsultant.

## Exhibit E Additional Provisions

### 9. DBE Records

- A. Consultant shall maintain records of all subcontracts entered into with certified DBE Subconsultant(s) and records of materials purchased from certified DBE supplier(s) for a minimum of three (3) years from the date of final payment. The records shall show the name and business address of each DBE Subconsultant or vendor and the total dollar amount actually paid each DBE Subconsultant or vendor, regardless of tier. The records shall show the date of payment and the total dollar figure paid to all firms. DBE (prime) Consultant shall also show the date of work performed by their own forces along with the corresponding dollar value of the work.
- B. The Consultant shall prepare and submit a Disadvantaged Business Enterprises Utilization Report (ADM-3069), **Attachment \_\_\_**, to Caltrans Contract Manager with every invoice (refer to **Exhibit B, Budget Detail and Payment Provisions**).

### 10. DBE Substitutions

- A. Consultant may not substitute a listed DBE Subconsultant, supplier or, if applicable, a trucking company, without the prior written approval of Caltrans Contract Manager. Failure to obtain approval of substitute Subconsultants before work is performed, supplies are delivered, or services are rendered may result in payment being denied by Caltrans.
- B. Consultant must make an adequate good faith effort (GFE) to find another certified DBE Subconsultant to substitute for the original DBE Subconsultant. GFE shall be directed at finding another DBE Subconsultant to perform at least the same amount of work under the Agreement as the DBE Subconsultant that was substituted or terminated to the extent needed to meet the Agreement goal for DBE participation established for the Agreement.
- C. The Consultant's inability to find a replacement DBE at the original price is not alone sufficient to support a finding that good faith efforts have been made to replace the original DBE.
- D. The requirement that DBEs must be certified by the Statement of Qualification due date does not apply to DBE substitutions after award of the Agreement. DBEs substituted after award must be certified with the work code applicable to the type of work the DBE will perform on the Agreement at the time of the substitution.
- E. Consultants shall submit requests for substitution to Caltrans Contract Manager. Authorization to use other Subconsultants or suppliers may be requested for the following reasons:
  - 1) Listed DBE fails or refuses to execute a written Agreement, based upon the terms and conditions for this Agreement.
- H. Consultant stipulated that a bond was a condition of executing a subcontract and the listed DBE Subconsultant failed or refuses to meet the bond requirements of Consultant.
- I. Work requires a professional engineering license and the listed DBE does not have a valid license under the Professional Engineers Act.
- J. Listed DBE fails or refuses to perform subcontract or furnish listed materials.

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- K. Work performed by listed Subconsultant is substantially unsatisfactory and is not in compliance with scope of work to be performed.
- L. Listed DBE is ineligible to work on the project because of suspension or debarment.
- M. Listed DBE becomes bankrupt or insolvent.
- N. Listed DBE voluntarily withdraws written notice from the Agreement.
- O. Listed DBE is ineligible to receive credit for the type of work required.
- P. Listed DBE owner dies or becomes disabled resulting in the ability to perform the work of the Agreement.
- Q. Caltrans determines other documented good cause under 49 CFR 26.53.
- F. At a minimum, Consultant's substitution request to Caltrans Contract Manager must include a:
  - 1) Written explanation of the substitution reason and, if applicable, Consultant must also include the reason a non-DBE Subconsultant is proposed for use.
- R. Written description of the substitute business enterprise, including its business status, DBE certification number, and status as a sole proprietorship, partnership, corporation, or other entity.
- S. Written notice detailing a clearly defined portion of the work identified both as a task and as a percentage share/dollar amount of the overall Agreement that the substitute firm will perform.
- T. The Consultant shall provide to Caltrans Contract Manager within seven (7) working days of the substitution request documentation of GFE to find a replacement DBE. This period may be extended for an additional seven (7) working days, if necessary, at the request of the Consultant.
- G. Prior to the approval of Consultant's substitution request, Caltrans Contract Manager must give written notice to the Subconsultant being substituted by Consultant. A copy of the notice sent by Caltrans Contract Manager must be sent to the Division of Procurement and Contracts (DPAC). The notice must do all of the following:
  - 1) Give the reason Consultant is requesting substitution of the listed Subconsultant;
- U. Give the listed Subconsultant five (5) working days within which to submit written objections to DPAC with a copy to Caltrans Contract Manager;
- V. Notify the Subconsultant that if a written objection is not received or received past the due date, such failure will constitute consent to the substitution; and
- W. Be served by certified or registered mail to the last known address of the listed Subconsultant.

The listed Subconsultant, who has been so notified, shall have five working days within which to submit written objections of the substitution to Caltrans Contract Manager. Failure to submit a written objection shall constitute the listed Subconsultant's consent to the substitution.

## **Exhibit E Additional Provisions**

- H. If written objections are filed by the listed Subconsultant, DPAC will render a written decision. DPAC shall give written notice of at least five (5) working days to the listed Subconsultant of a hearing by Caltrans on Consultant's request for substitution.

### **11. DBE Certification and De-Certification Status**

- A. If a DBE Subconsultant is decertified during the life of the Agreement, the decertified Subconsultant shall notify Consultant in writing with the date of decertification. If a Subconsultant becomes a certified DBE during the life of the Agreement, the Subconsultant shall notify Consultant in writing with the date of certification.
- B. Consultant shall report any changes to Caltrans Contract Manager within 30 days.

### **12. DBE Eligibility**

- A. The dollar value of work performed by a DBE is credited/counted toward the goal only after the DBE has been paid.

- B. Credit for DBE Prime Consultants

Consultant, if a certified DBE, is eligible to claim all of the work toward the goal except that portion of the work to be performed by non-DBE Subconsultants.

- C. Credit for Material or Supplies

Credit for materials or supplies purchased from DBEs will be evaluated on a case-by-case basis.

- 1) If the materials or supplies are obtained from a DBE manufacturer, 100 percent (100%) of the cost of the materials or supplies will count toward the DBE goal. A DBE manufacturer is a firm that operates or maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the Agreement and of the general character described by the specifications.

- D. If the materials or supplies are purchased from a DBE regular dealer, 60 percent (60%) of the cost of the materials or supplies will count toward the DBE goal. A DBE regular dealer is a firm that owns, operates or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the Agreement are bought, kept in stock, and regularly sold or leased to the public in the usual course of business. To be a DBE regular dealer, the firm must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. A person may be a DBE regular dealer in such bulk items as petroleum products, steel, cement, gravel, stone or asphalt without owning, operating or maintaining a place of business provided in this paragraph if the person both owns and operates distribution equipment for the products.

- E. If the person both owns and operates distribution equipment for the products, any supplementing of regular dealers' own distribution equipment shall be by a long-term lease agreement and not an ad hoc or Agreement-by-Agreement basis. Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions are not DBE regular dealers within the meaning of this paragraph.

- F. Credit for materials or supplies purchased from a DBE that is neither a manufacturer nor a regular dealer will be limited to the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or

## **Exhibit E Additional Provisions**

transportation charges for the delivery of materials or supplies required on the job site, provided the fees are reasonable and not excessive as compared with fees charged for similar services.

- G. Credit for DBE trucking companies will be as follows:
- 1) The DBE must manage and supervise the entire trucking operation for which it is responsible on a particular Agreement. There cannot be a contrived arrangement for the purpose of meeting the DBE goal.
- H. The DBE must itself own and operate at least one (1) fully licensed, insured, and operational truck used on the Agreement.
- I. The DBE receives credit for the total value of the transportation services it provides on the Agreement using trucks it owns, insures, and operates using drivers it employs.
- J. The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the Agreement.
- K. The DBE may lease trucks without drivers from a non-DBE truck leasing company. If the DBE leases trucks from a non-DBE truck leasing company and uses its own employees as drivers, it is entitled to credit for the total value of these hauling services.
- L. For the purposes of this paragraph, a lease must indicate that the DBE has exclusive use and control over the truck. This does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, as long as the lease gives the DBE absolute priority for use of the leased truck. Leased trucks must display the name and identification number of the DBE.

### **13. Termination of DBE**

- A. In conformance with 49 CFR 26.53(f)(1) and 26.53 (f)(2):
- 1) Consultant shall not terminate for convenience a listed DBE Subconsultant and then perform that work with its own forces (personnel), or those of an affiliate, unless Consultant has received prior written authorization from Caltrans Contract Manager to perform the work with other forces (other than Consultant's own personnel) or to obtain materials from other sources; and
- B. If a DBE Subconsultant is terminated or fails to complete its work for any reason, Consultant will be required to make GFE to replace the original DBE Subconsultant with another DBE Subconsultant to the extent needed to meet the Agreement goal.
- C. Noncompliance by Consultant with the requirements of this section is considered a material breach of this Agreement and may result in termination of the Agreement or other such appropriate remedies for a breach of this Agreement as Caltrans deems appropriate.

## Exhibit F Prevailing Wage Requirements

1. **Consultant/Contractor Registration Program** No Consultant or Subconsultant may be awarded a contract containing public work elements unless registered with the Department of Industrial Relations (DIR) pursuant to Labor Code section 1725.5.
  - B. Registration with DIR must be maintained throughout the entire term of this Agreement, including any subsequent amendments.
2. **State Prevailing Wage Rates**
  - A. The Consultant shall comply with all of the applicable provisions of the California Labor Code requiring the payment of prevailing wages. The General Prevailing Wage Rate Determinations applicable to work under this Agreement are available and on file with the Department of Transportation's Regional/District Labor Compliance Officer (<https://dot.ca.gov/programs/construction/labor-compliance>). These wage rates are made a specific part of this Agreement by reference pursuant to Labor Code Section 1773.2 and will be applicable to work performed at a construction project site. Prevailing wages will be applicable to all inspection work performed at Caltrans construction sites, at Caltrans facilities and at off-site locations that are set up by the construction contractor or one of its subcontractors solely and specifically to serve Caltrans projects. Prevailing wage requirements do not apply to inspection work performed at the facilities of vendors and commercial materials suppliers that provide goods and services to the general public.
  - B. General Prevailing Wage Rate Determinations applicable to this project may also be obtained from the DIR website at <http://www.dir.ca.gov>.
  - C. Payroll Records
    - 1) Each Consultant and Subconsultant shall keep accurate certified payroll records and supporting documents as mandated by Labor Code Section 1776 and as defined in Section 16000 of Title 8 of the California Code of Regulations, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the Consultant or Subconsultant in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty or perjury, stating both of the following:
      - a. The information contained in the payroll record is true and correct.
      - b. The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by his or her employees on the public works project.
  - D. The payroll records enumerated under paragraph 1, above, shall be certified as correct by the Consultant under penalty of perjury. The payroll records and all supporting documents shall be made available for inspection and copying by Caltrans representatives at all reasonable hours at the principal office of the Consultant. The Consultant shall provide copies of certified payrolls or permit inspection of its records as follows:
    - a. A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or the employee's authorized representative on request.

## **Exhibit F Prevailing Wage Requirements**

- b. A certified copy of all payroll records enumerated in paragraph 1, above, shall be made available for inspection or furnished upon request to a representative of Caltrans, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations. Certified payrolls submitted to Caltrans, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards shall not be altered or obliterated by the Consultant.
  - c. The public shall not be given access to certified payroll records by Consultant. Consultant is required to forward any requests for certified payrolls to Caltrans Contract Manager by both facsimile and regular mail on the business day following receipt of the request.
- E. Each Consultant shall submit a certified copy of the records enumerated in paragraph (1) above, to the entity that requested the records within 10 days after receipt of a written request.
- F. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by Caltrans shall be marked or obliterated in such a manner as to prevent disclosure of each individual's name, address, and social security number. The name and address of the Consultant awarded the Agreement or performing the Agreement shall not be marked or obliterated.
- G. Consultant shall inform Caltrans of the location of the records enumerated under paragraph 1, above, including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.
- H. The Consultant or Subconsultant shall have 10 days in which to comply subsequent to receipt of written notice requesting the records enumerated in paragraph 1, above. In the event the Consultant or Subconsultant fails to comply within the 10-day period, he or she shall, as a penalty to Caltrans, forfeit one hundred dollars (\$100.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by Caltrans from payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.
- D. When prevailing wage rates apply, the Consultant must submit with each invoice a certified copy of the payroll for compliance verification. Invoice payment will not be made until the payroll has been verified and the invoice approved by Caltrans Contract Manager.
- E. Penalty
- 1) The Consultant and any Subconsultant under the Consultant shall comply with Labor Code Sections 1774 and 1775. Pursuant to Section 1775, the Consultant and any Subconsultant shall forfeit to the State or political subdivision on whose behalf the Agreement is made or awarded a penalty of not more than \$200.00 for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for the work or craft in which the worker is employed for any public work done under the Agreement by the Consultant or by any Subconsultant under the Consultant in violation of the requirements of the Labor Code and in particular, Labor Code Sections 1770 to 1780, inclusive.

**Exhibit F**  
**Prevailing Wage Requirements**

- I. The amount of this forfeiture shall be determined by the Labor Commissioner and shall be based on consideration of mistake, inadvertence, or neglect of the Consultant or Subconsultant in failing to pay the correct rate of prevailing wages, or the previous record of the Consultant or Subconsultant in meeting their respective prevailing wage obligations, or the willful failure by the Consultant or Subconsultant to pay the correct rates of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rates of prevailing wages is not excusable if the Consultant or Subconsultant had knowledge of the obligations under the Labor Code. The Consultant is responsible for paying the appropriate rate, including any escalations that take place during the term of the Agreement.
- J. In addition to the penalty and pursuant to Labor Code Section 1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Consultant or Subconsultant.
- K. If a worker employed by a Subconsultant on a public works project is not paid the general prevailing per diem wages by the Subconsultant, the prime Consultant of the project is not liable for the penalties described above unless the prime Consultant had knowledge of that failure of the Subconsultant to pay the specified prevailing rate of wages to those workers or unless the prime Consultant fails to comply with all the following requirements:
  - a. The Agreement executed between the Consultant and the Subconsultant for the performance of work on public works projects shall include a copy of the requirements in Sections 1771, 1775, 1776, 1777.5, 1813, and 1815 of the Labor Code.
  - b. The Consultant shall monitor the payment of the specified general prevailing rate of per diem wages by the Subconsultant to the employees by periodic review of the certified payroll records of the Subconsultant.
  - c. Upon becoming aware of the Subconsultant's failure to pay the specified prevailing rate of wages to the Subconsultant's workers, Consultant shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the Subconsultant for work performed on the public works project.
  - d. Prior to making final payment to the Subconsultant for work performed on the public works project, the Consultant shall obtain an affidavit signed under penalty of perjury from the Subconsultant that the Subconsultant had paid the specified general prevailing rate of per diem wages to the Subconsultant's employees on the public works project and any amounts due pursuant to Section 1813 of the Labor Code.
- L. Pursuant to Labor Code Section 1775, Caltrans shall notify the Consultant on a public works project within 15 days of receipt of a complaint that a Subconsultant has failed to pay workers the general prevailing rate of per diem wages.
- M. If Caltrans determines that employees of a Subconsultant were not paid the general prevailing rate of per diem wages and if Caltrans did not retain sufficient money under the Agreement to pay those employees the balance of wages owed under the general prevailing rate of per diem wages, the Consultant shall withhold an amount of moneys

## Exhibit F Prevailing Wage Requirements

due the Subcontractor sufficient to pay those employees the general prevailing rate of per diem wages if requested by Caltrans.

### F. Hours of Labor

Eight (8) hours labor constitutes a legal day's work. The Consultant shall forfeit, as a penalty to the State of California, \$25.00 for each worker employed in the execution of the Agreement by the Consultant or any Subconsultant under the Consultant for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of the Labor Code, and in particular Sections 1810 to 1815 thereof, inclusive, except that work performed by employees in excess of eight (8) hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day and 40 hours in any week, at not less than one and one half times the basic rate of pay, as provided in Section 1815.

### G. Employment of Apprentices

1) Where either the prime contract or the subcontract exceeds \$30,000, the Consultant and any subcontractors under him or her shall comply with all applicable requirements of Labor Code Sections 1777.5, 1777.6 and 1777.7 in the employment of apprentices.

N. Contractors and subcontractors are required to comply with all Labor Code requirements regarding the employment of apprentices, including mandatory ratios of journey level to apprentice workers. Prior to commencement of work, Contractors and subcontractors are advised to contact the State Division of Apprenticeship Standards, P. O. Box 420603, San Francisco, California 94142 0603, or one of its branch offices, for additional information regarding the employment of apprentices and for the specific journey-to-apprentice ratios for the Agreement work. The prime Consultant is responsible for all subcontractors' compliance with these requirements. Penalties are specified in Labor Code Section 1777.7.

H. Any subagreement entered into as a result of this Agreement shall contain all the provisions of this clause.

**3. Federal Prevailing Wages** The work herein proposed will be financed in whole or in part with Federal funds; therefore, all the statutes, rules, and regulations promulgated by the Federal government are applicable to work financed in whole or in part with Federal funds and will be applicable to work performed at a construction project site.

### B. Federal Requirements

1) Federal Requirements for Federal-Aid Construction Projects provisions shall apply to this Agreement and are made a part of the Agreement.

O. The current Federal Prevailing Wage Determinations issued under the Davis-Bacon and related Acts shall apply to this Agreement and are made a part of the Agreement.

C. When prevailing wage rates apply, the Consultant must submit, with each invoice, a certified copy of the payroll for compliance verification. Invoice payment will not be made until the payroll has been verified and the invoice approved by Caltrans Contract Manager.

**Exhibit F**  
**Prevailing Wage Requirements**

- D. If there is any conflict between the State prevailing wages and the Federal prevailing wages, the higher rate shall be paid.
- E. Any subagreement entered into as a result of this Agreement shall contain all of the provisions of this clause.