

CITY OF MARQUETTE
CHAPTER 3
CONSTRUCTION CONTRACT

PROJECT NAME: Street Improvements, Bituminous Paving, and Sanitary Lateral Replacements

PROJECT NUMBERS: MQ23-101 and MQ23-303

THIS AGREEMENT, made this _____, between the City of Marquette, a Michigan Municipal Corporation, hereinafter called the "City" of 300 W. Baraga Avenue, Marquette, MI 49855, and Smith Construction, Inc. of Marquette Michigan, a Domestic Profit Corporation, holding license number 800021195, hereinafter called "Contractor".

WITNESSETH: That for and in consideration of the payments and Agreements hereinafter mentioned, the parties hereby agree as follows:

ARTICLE 1

CONTRACT DOCUMENTS

The "Contract Documents" consist of, but are not necessarily limited to, this Agreement, the invitation to Bid, Information for Bidders, Bidders Proposal, Addenda, Specifications, Supplemental Specifications, Special Provisions, Construction Drawings, Notice to Proceed, Allowances, Finish Schedules and any additional documentation issued prior to execution of this Agreement and all Change Orders as approved by the City. These Contract Documents represent the entire Agreement and understanding between the parties hereto.

ARTICLE 2

SCOPE OF WORK

Contractor will furnish all the materials, supplies, tools, equipment, labor and other services necessary for the construction and completion of the project described in the Contract Documents.

ARTICLE 3

MATERIALS, APPLIANCES, and EMPLOYEES

Except as otherwise noted, the Contractor shall provide and pay for all materials, labor, tools and other items necessary to complete the work. Unless otherwise specified, all materials shall be new, and both workmanship and materials shall be of good quality. All workmen shall be skilled in their trades.

ARTICLE 4

TIME OF COMPLETION

The commencement date of this project is April 24, 2023, and the completion date of this project is September 15, 2023. The Contractor shall be penalized in the amount of \$1,300 per day if the project is not completed by the contract completion date unless the period for completion is extended by change order.

ARTICLE 5

CONTRACT SUM

The Contractor agrees to perform all of the work described in the Contract Documents and comply with the terms therein for the sum of \$1,013,319.00, subject to additions and deductions pursuant to authorized change orders and allowances.

ARTICLE 6

PAYMENTS

The City will pay to the Contractor in the manner and at such times as set forth in the Specifications such amounts as required by the Contract documents.

ARTICLE 7

CONTRACTOR'S OBLIGATIONS

1. All work shall be in accordance to the provisions of the Contract Documents. All systems shall be in good working order.
2. All work shall be completed in a workmanlike manner and shall comply with all applicable laws.
3. Contractor shall obtain all necessary permits for the work to be completed.
4. Contractor shall remove all construction debris and leave the project in a "broom clean" condition.
5. Upon satisfactory payment being made for the work performed by Contractor, Contractor shall furnish a full and unconditional Release of Lien for the work of which payment has been made.
6. Safety and Fire Protection:
The Contractor shall be responsible for safety at the construction site. The Contractor will further comply with all applicable laws, rules and regulations of the Michigan Department of State Police, Fire Marshall Division, the State Fire Safety Board, Michigan Occupational Safety and Health Administration, and Local Agencies. Precaution shall be exercised at all times for the protection of persons and of property. The safety provisions of applicable laws, rules, regulations, building and construction codes shall be followed. Safety Hazards shall be guarded in accordance with safety provisions of the Manual of Accident Prevention in Construction published by The Associated General Contractors of America to the extent that such provisions are not in conflict with applicable laws.

ARTICLE 8

CONTRACTOR'S STATUS AS INDEPENDENT ENTITY

The City shall not assume any liability for the Contractor in the performance of the construction project, methods, techniques, sequences or programs in connection with the project since these are solely the Contractor's responsibility.

ARTICLE 9

CHANGE ORDERS AND PAYMENT

A change order is any change to the original plans and/or specifications. All change orders need to be agreed upon between the parties hereto, and address additional costs, time, consideration and dates when the work will begin and be completed. Change orders are not effective unless signed by both parties who shall not unreasonably withhold approval of the same. However, should the Contractor unreasonably refuse to approve a change order reasonably and in good faith submitted by the City, the City Engineer shall be empowered to make a final and fair determination as to the necessity for the change order and the fair and equitable cost to the Contractor and shall further be empowered to issue a final payment to the Contractor. Should the Contractor refuse to accept said final payment, the funds may be deposited in an Escrow Account by the City for the benefit of the Contractor.

ARTICLE 10

INSURANCE

The Contractor shall purchase and maintain Workman's Compensation and Liability Insurance coverage as required by law and deemed necessary for its own protection. Said insurance shall be written by an insurance carrier having at least an "A, VII" rating. The Contractor shall further name the City as an additional insured on all applicable insurance policies covering the project. Said insurance shall be in minimum limits of at least \$5,000,000.00 for both general liability and automobile liability. The Contractor shall further maintain such insurance as will protect it from claims under worker's compensation acts and other employee benefits acts, from claims for damages because of bodily injury, including death, and from claims for damages to property which may arise both out of and from claims for damages to property which may arise both out of and during operations under this contract, whether such operations are by Contractor or by anyone directly or indirectly employed by the Contractor. This insurance shall be written for not less than any limits of liability specified as part of the Contract Documents. Certificates of such insurance shall be filed with the City.

ARTICLE 11

INDEMNIFICATION

To the extent allowed by MCL 691.991, the Contractor shall indemnify and hold harmless the City, the City's officers, directors, members, partners, agents, and employees against all liability claims and judgments or demands for damages arising from accidents to persons or property occasioned by the Contractor, its agents or employees, and against all claims or demands for damages arising from accidents to the Contractor, its agents or

employees, whether occasioned by said Contractor or its employees or by City or its employees or any other person or persons, and the said Contractor will defend any and all suits that may be brought against the City on account of any such accidents and will make good to, and reimburse, the City for any expenditures that said City may make by reason of such accidents; provided, however, that the Contractor shall not be responsible to the City on indemnity for damages caused by or resulting from the City's sole negligence.

ARTICLE 12

CITY'S RIGHT TO TERMINATE THE CONTRACT

Should the Contractor neglect to perform the work properly or fail to perform any provision of the Contract, the City, after seven (7) days' written notice to the Contractor, and its surety, if any, may, without prejudice to any other remedy the City may have, make good the deficiencies and may deduct the cost thereof from the payment then or thereafter due the Contractor or, at its option, may terminate the Contract and take possession of all materials, tools and appliances and finish the work by such means as it sees fit, and if the unpaid balance of the contract price exceeds the expense of finishing the work, such excess shall be paid to the Contractor, but if such expense exceeds such unpaid balance, the Contractor shall pay the difference to the City.

ARTICLE 13

CONTRACTOR'S RIGHT TO TERMINATE CONTRACT

Should the work be stopped by any public authority for a period of ninety (90) days or more, through no fault of the Contractor, or should the work be stopped through act or neglect of the City for a period of ninety (90) days, then the Contractor, upon seven (7) days' written notice to the City, may stop work or terminate the Contract and recover from the City payment for all work executed and any loss sustained and reasonable profit and damages.

ARTICLE 14

ACCESS TO WORK

The Contractor shall permit and facilitate observation of the work by the City and its agents and public authorities at all times.

ARTICLE 15

ARBITRATION OF DISPUTES

Any disagreement arising out of this contract or from the breach thereof shall be submitted to arbitration, and judgment upon the award rendered may be entered in the court of the forum, state or federal, having jurisdiction. It is mutually agreed that the decision of the arbitrators shall be a condition precedent to any right of legal action that either party may have against the other. The arbitration shall be held under the Rules of the American Arbitration Association.

ARTICLE 16

WARRANTY

At the completion of this project, Contractor shall execute an instrument to City warranting the project for two (2) years against defects in workmanship or materials utilized. In addition the warranty shall specifically include the replacement of concrete that spalls more than 30% per 10 foot section of curb and gutter, the replacement of concrete that spalls more than 30% per driveway apron square or sidewalk square, and the replacement of stamped concrete that spalls more than 30% of the area between each sidewalk square and the curb. The manufacturer's warranty shall prevail.

At the time of completion, the Contractor shall furnish to the City material containing complete operation and maintenance instructions for all equipment in the project. The Contractor shall also furnish to the City at the time of completion all documents, warranties and guarantees on all equipment and services provided.

The Contractor shall re-execute any work that fails to conform to the requirements of the Contract and that appears during the progress of the work and shall remedy any defects due to faulty workmanship, which appear within a period of two (2) years from the date of completion of the Contract or such longer period of time as may be prescribed by laws or regulations or by the terms of any applicable special guarantee required by the Contract Documents or by any specific provision of the Contract Documents. All equipment and materials will be warranted and guaranteed under the original equipment manufacturer's warranties and guarantees.

The Contractor shall restore any work damaged in fulfilling the terms and conditions of this Article. After such repair or replacement has been satisfactorily completed, the Contractor's warranty with respect to such work repaired or replaced will be extended for an additional period of one (1) year beyond the warranty period described above. Contractor's obligations under this paragraph are in addition to any other obligation or warranty.

The terms of the Local Pavement Warranty Program adopted by the City of Marquette are hereby incorporated by reference into this contract and made a part hereof.

ARTICLE 17

FEDERAL-AID CONTRACTS

During the performance of every contract subject to Title VI of the Civil Rights Act of 1964 and Title 49, Code of Federal Regulations, Department of Federally-assisted programs of the Department of Transportation issued pursuant to the Act, the Contractor, for itself, its assignees and successors in interest agrees as follows:

1. **Compliance with Regulations:** The Contractor shall comply with Regulations relative to nondiscrimination in Federally-assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, sex or national origin in the selection, retention and treatment of Subcontractors, including procurements of materials in the discrimination prohibited by Section 21.5 of the Regulation, including employment practices when the Contractor covers a program set forth in Appendix B of the Regulations.

3. **Solicitation for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential Subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color or national origin.
4. **Information and Reports:**
The Contractor shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the State Highway Department of the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the State Highway Department or the Federal Highway Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:**
In the event the Contractor's noncompliance with the nondiscrimination provisions of this contract, the State Highway Department shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
 - a) Withholding payments to the Contractor under the contract until the Contractor complies; and/or
 - b) Cancellations, termination or suspension of the contract, in whole or in part.
6. **Incorporation of Provisions:**
The Contractor shall include provisions of paragraphs (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the State Highway Department or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that, in the event a Contractor becomes involved in, or is threatened with, litigation with a Subcontractor or supplier as a result of such direction, the Contractor may request the State Highway Department to enter into such litigation to protect the interests of the State, and, in addition, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

ARTICLE 18

INTEGRATION

This Agreement represents the entire understanding between the parties hereto and may not be amended, except in writing that is signed by both parties hereto.

ARTICLE 19

BINDING AGREEMENT

This Agreement will bind and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties.

ARTICLE 20

PURCHASING AGENT DESIGNATION AND AUTHORITY

Mikael H. Kilpela is designated as Purchasing Agent of City and is authorized to order minor changes in the work not involving adjustment in the Contract Sum or Time of Completion and not inconsistent with the intent of the Contract Documents. Such changes will be affected by written order signed by the Purchasing Agent and shall be binding on the City and Contractor.

IN WITNESS WHEREOF, the parties have made and executed this Agreement, the day and year first above written.

Signed this _____ day of _____, 20__.

THE CITY OF MARQUETTE

Witness

Cody O. Mayer, Mayor
City of Marquette

Witness

Kyle L. Whitney, City Clerk
City of Marquette

Smith Construction, Inc.

Mikael H. Kilpela
Witness
Amanda Martley
Witness

Wyatt Smith
By: Wyatt Smith
Its: Vice President
Address: 4090 US 41 W Marquette MI 49855
Telephone#: 906 869 7040

APPROVED AS TO FORM:

APPROVED AS TO SUBSTANCE:

Suzanne C. Larsen
City Attorney

Karen M. Kovacs
City Manager