

**REGULAR MEETING OF THE
MONTEREY PENINSULA AIRPORT DISTRICT
BOARD OF DIRECTORS**

February 19, 2025 - 8:00 AM Pacific Time

**Monterey Regional Airport
200 Fred Kane Drive, Ste. 200
Monterey, CA 93940**

The Monterey Peninsula Airport District holds regular meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, in person or emailed comments are preferred. Remote comments are allowed for Board meetings which take place in the Board Room, as outlined below.

The Monterey Peninsula Airport District will continue to broadcast the Board Meetings via Zoom video conference for viewing by the public. To view the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: **831 7098 4092**. If you do not have access to the internet, you may listen telephonically by calling (253) 215-8782 and entering the same Meeting ID.

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Members of the public are encouraged to provide written public comment by sending an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 7:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.

A. CALL TO ORDER/ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

D. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Any person may address the Monterey Peninsula Airport District Board at this time on any item that is **NOT** on today's agenda and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.

E. CONSENT AGENDA - ACTION ITEMS

The Consent Agenda consists of those items which are routine and for which a staff recommendation has been prepared. A Board member, member of the audience, or staff may request that an item be placed on the deferred consent agenda for further discussion. One motion will cover all items on the Consent Agenda. The motion to approve will authorize the action or recommendation indicated.

Approve 1. [Minutes of the Budget & Finance Committee of the Monterey Peninsula Airport District Board of Directors of January 13, 2025](#)

Approve 2. [Minutes of the Air Carrier Service – Marketing – Community Relations Meeting of the Monterey Peninsula Airport District of January 14, 2025](#)

- Approve 3. [Minutes of the Regular Meeting of the Monterey Peninsula Airport District Board of Directors of January 15, 2025](#)
- Approve 4. [Minutes of the Special Meeting of the Monterey Peninsula Airport District Board of Directors of January 24, 2025](#)
- Approve 5. [Minutes of the Special Meeting of the Monterey Peninsula Airport District Board of Directors of January 30, 2025](#)
- Approve 6. [Minutes of the Budget & Finance Committee Meeting of the Monterey Peninsula Airport District Board of Directors of February 10, 2025](#)
- Approve 7. [Minutes of the Airport Property Development & Lease Committee Meeting of the Monterey Peninsula Airport District Board of Directors of February 12, 2025](#)

F. DEFERRED CONSENT AGENDA – ACTION ITEMS

G. REGULAR AGENDA - ACTION ITEMS

- Adopt 1. [Resolution No. 1895, A Resolution Authorizing a Professional Services Agreement with Hensel Phelps Construction Company as the Construction Manager-as-Constructor for the Replacement Terminal Facility Construction](#)
- Presentation 2. Airport Safety Standards and Code of Federal Regulations Part 139

H. BOARD REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

- a. [The Board receives Department Reports which do not require any action by the board](#)
- b. Board Member questions (if any) for Standing Committees
- c. Ad-Hoc Committee Reports:
 - i. Personnel Committee Director Miller & Pick
 - ii. Local Jurisdiction Liaison Director Leffel & Pick
- d. Liaison/Representatives Reports:
 - i. Local Agency Formation Commission Director Leffel
 - ii. Regional Taxi Authority Director Pick
 - iii. Transportation Agency for Monterey County Director Miller
 - iv. Special Districts Association Liaison Director Leffel
 - v. Association of Monterey Bay Area Governments Director Leffel
- e. Board Member reports for conferences and events approved to attend at Monterey Peninsula Airport District expense (per AB 1234 and the Director Remuneration & Business Expense Reimbursement Policy)

I. CLOSED SESSION

- 1. **POTENTIAL INITIATION OF LITIGATION.** Pursuant to Gov. Code 54957.6(b)(4), the Board will meet with the Executive Director and General Counsel related to potential initiation of litigation: two cases.

2. **EMPLOYMENT.** Pursuant to Gov. Code section 54957(b), the Board will meet with District Counsel to consider the appointment/employment related to the following position: Executive Director.

J. RECONVENE TO OPEN SESSION

K. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

None.

L. DISCUSSION OF FUTURE AGENDAS

M. ADJOURNMENT

AGENDA DEADLINE

This is the final Agenda that has been posted on the bulletin board outside of the District Offices in the Terminal Building at the Monterey Regional Airport no less than 72 hours prior to the meeting.

All items submitted by the public for possible inclusion on the Board Agenda or in the Board packet must be received by 5:00 P.M. on the Friday before the first Wednesday of the month. This agenda is subject to revision and may be amended prior to the scheduled meeting.

Upon request and where feasible, the Monterey Peninsula Airport District will provide written agenda materials in appropriate alternate formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. To allow the District time within which to make appropriate arrangements, please submit a written request containing a brief description of the materials requested and preferred alternative format or auxiliary aid or service desired as far as possible in advance of the meeting. Requests should be sent to the District Secretary at 200 Fred Kane Drive, Suite 200, Monterey, California 93940.

MINUTES OF THE BUDGET & FINANCE COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

January 13, 2025 – 10:30 AM

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Committee Meeting in person and request to speak to the Committee Members when the Chair calls for public comment.

Alternatively, members of the public who desire to provide input as to any item can send an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Committee Members for consideration and will be compiled as part of the record.

A. CALL TO ORDER

The meeting of the Budget and Finance Committee of the Monterey Peninsula Airport District was called to order at 10:53 AM. Directors Leffel and Gaglioti, Executive Director La Pier, Deputy Executive Director Morello, and Acting Secretary Adams were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

No Public Comment.

C. REGULAR AGENDA – ACTION ITEMS

Review 1. FYTD Financial Statements, November 2024

Controller Wilson reviewed the November 2024 Financial Statements highlighting good enplanements and strong financial performance. He stated revenues are 10% better than budget and expenses are slightly below budget.

Controller Wilson reviewed Terminal Revenues which are all favorable to budget with the exception of Terminal Concession, which was lower than budget due to a refund to Woody's at the Airport for calendar year 2023 and 2024 for cumulative overpayments of the percentage sales-based concessions. General Aviation and Interest Income are better than budget.

There was a discussion about the future of interest rates.

There was a discussion about the recent U.S. Department of Transportation announcement that they had provided their first loan to an airport, a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan to the Sacramento International Airport.

Controller Wilson reported on the insurance deductible for the hangar damage / destruction. He noted the damage to the Portuguese Hall is considered an Act of God. He and Executive Director La Pier answered questions from the Directors.

There was a discussion about the electrical expense in November due to a true up of the energy used vs. produced by the airport's solar array.

Executive Director La Pier reported December was a strong passenger traffic month and 2024 is expected to be the highest enplanements in recent history.

There was a discussion about the FY 2026 budget process and timeline.

D. ADJOURNMENT

The meeting was adjourned at 11:37 AM.

*Approved at the
Meeting of February 19, 2025*

Carl Miller, Chair

A T T E S T

*Michael La Pier
District Secretary*

MINUTES OF THE AIR CARRIER SERVICE - MARKETING - COMMUNITY RELATIONS COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

January 14, 2025 – 10:00 AM

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD AND COMMITTEE MEETINGS

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A. CALL TO ORDER

The meeting of the Air Carrier Service – Marketing – Community Relations Committee of the Monterey Peninsula Airport District Board of Directors was called to order at 10:02 AM. Directors Leffel and Pick, Executive Director La Pier, Deputy Executive Directors Morello and Robare, and Acting Secretary Adams were present.

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

No announcements.

Howard Fosler, a member of the Public, commented on the number of parking spaces blocked for projects in the short-term parking lot and asked if that was necessary. Deputy Executive Director Morello answered contractors will be repairing the asphalt next Thursday and they will not be able to accomplish that if there are any cars that have been parked for a long-term stay.

Uwe Grobecker, a member of the Public, commented that he had sent a letter last month to members of this committee with six items that he would like to see changed. He reviewed each of his suggestions.

C. REGULAR AGENDA – ACTION ITEMS

Discuss 1. Noise Report

Executive Director La Pier drew attention to the fact that half of the December noise comments are from one person and related to the flight school. Deputy Executive Director Robare pointed out that local Air Traffic Control invited the General Aviation community to a meeting mid-December to remind them about the noise abatement guidelines and it was well attended. She stated one issue seems to be that two trainees will go up in the same plane to do "touch and goes". Since there are two trainees it appears to an observer the pilot is doing twice as many as allowed under the guidelines.

Director Leffel suggested ways Mr. Grobecker and Mr. Fosler could help to educate the public.

Discuss 2. Air Carrier Service & Development Update

Executive Director La Pier reported enplanements in 2024 are expected to exceed 305,000, which makes it the busiest year since Fort Ord closed. He noted Monterey Regional Airport seat capacity is up, although there are fewer planes being operated than in the past.

Deputy Executive Director Morello reported that, as part of the National Transportation System, MRY received some diverted flights during December when the entire Bay area was fogged in.

Mr. Grobecker, a member of the Public, suggested diversions be tracked on the Cancellation and Delays report; those planes diverted away from MRY as well as those diverted to MRY. Director Pick questioned Mr. Grobecker about what he expected a diversion report to tell us. Mr. Grobecker answered that he wanted to know if it is safe to land at MRY airport.

Director Leffel referred to a social media post on “Nextdoor” recently that claimed the MRY runway is too short for some of the planes to land. Executive Director La Pier stated the runway is capable of landing a Boeing 757 and there is not a single plane that lands at the Monterey Regional Airport that needs a longer runway.

Discuss 3. Local Marketing and Digital Outreach Update

Deputy Executive Director Morello reported the local social media focus in December was the Military Lounge and the Treat Our Troops campaign. The social media focus for the fly markets was the Pebble Beach Food and Wine event.

Deputy Executive Director Morello answered questions about the Holiday Military Lounge attendance and sponsors. Director Pick commented on how appreciative the local military community is of the amenity.

No Public Comment.

Discuss 4. Passenger Comments, Services and Amenities Update

The committee discussed the Passenger Feedback report.

No Public comment.

D. ADJOURNMENT

The meeting adjourned at 10:37 AM.

*Approved at the
Meeting of February 19, 2025*

Carl Miller, Chair

A T T E S T

*Michael La Pier
District Secretary*

MINUTES OF THE REGULAR MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

January 15, 2025 - 8:00 AM Pacific Time

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A. CALL TO ORDER/ROLL CALL

Chair Leffel called the Regular meeting of the Monterey Peninsula Airport District Board of Directors to order at 8:07 AM. Directors Ahmadi, Gaglioti, Pick and Miller were present. The following staff were present: Executive Director La Pier, District Counsel Huber, Deputy Executive Director Morello, Deputy Executive Director Robare, Controller Wilson, and Acting Board Secretary Adams.

B. PLEDGE OF ALLEGIANCE

Director Miller led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Executive Director La Pier informed the board that a recent social media post asserted the Monterey Regional Airport was unsafe and was handling airplanes too large for its facilities. La Pier stated he is responding to that post in this forum as the allegation is completely false; there is no deficiency in the runway or instrumentation and Monterey Regional Airport is perfectly capable of handling planes larger than are currently operating here.

Chair Leffel delivered to Executive Director La Pier the Carmel Chamber of Commerce award for Best in Class for Professional Services and thanked staff for making the award possible.

Director Pick highlighted the Airport staff and generous sponsors for the success of the Holiday Military Lounge for active-duty service members and conveyed the appreciation of the local military community.

Director Ahmadi relayed two incidents of questions he received from the Public that were forwarded to and answered by Executive Director La Pier; one regarding the bike lockers which TSA requires remain

empty and locked, and one regarding the fact there will be an automatic dishwasher for the foodservice area of the new terminal building, which is more environmentally sustainable than single use plastics.

Director Ahmadi reported he had an introductory meeting with Chief Andrew Miller of the Monterey Fire Department and will be reaching out to staff to get a tour of the airport, including the AARF (Airport Rescue and Fire Fighting) facility.

Director Ahmadi reported he met with Community Engagement personnel from the Monterey Bay Aquarium regarding their success in reducing single use plastics both at the Aquarium and SFO (San Francisco International Airport) and suggested they could be a good resource for the Monterey Regional Airport (MRY).

Director Ahmadi thanked Director Gaglioti who recently took him on a general aviation flight from MRY so he could better understand the regions of control and communication from the Air Traffic Control tower. He added it was very eye opening for him.

D. PUBLIC COMMENTS ON NON-AGENDA ITEMS

None.

E. ADMINISTER OATH OF OFFICE

District Counsel Huber administered the Oath of Office to Director Gaglioti who was appointed by the County of Monterey Registrar of Voters to the office of Monterey Peninsula Airport District, District 2, Director for a term of 4 years by the supervising authority in lieu of conducting an election on November 5, 2024.

F. SEATING OF CHAIR

Director Miller was seated at the dais as Chair. He thanked Director Leffel for her leadership over the last year.

No Public Comment.

G. SELECTION OF CHAIR PRO TEM

Chair Miller stated this selection is determined by the Governance Manual rules to be the representative of Division 5 which is Director Pick.

No Public Comment.

Director Leffel motioned to elect Director Pick as the Chair Pro Tem. Director Gaglioti seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

H. CONSENT AGENDA - ACTION ITEMS

- | | |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Approve | 1. Minutes of the Airport Property Development & Leases Committee Meeting of the Monterey Peninsula Airport District of December 11, 2024 |
| Approve | 2. Minutes of the Special Meeting of the Monterey Peninsula Airport District Board of Directors of December 16, 2024 |

No Public Comment.

Director Leffel motioned to approve Consent Agenda Items H.1 – H.2. Director Pick seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

I. DEFERRED CONSENT AGENDA – ACTION ITEMS

None.

J. REGULAR AGENDA - ACTION ITEMS

- Approve
1. Committee Appointments by Chair
 - a. Standing Committees
 1. Budget & Finance Committee
 2. Air Service, Marketing, Community Relations
 3. Airport Property Development and Leases
 - b. Ad-Hoc Committees
 1. Personnel Committee
 2. Local Jurisdiction Liaison
 - c. Liaison/Representatives
 1. Local Agency Formation Commission
 2. Regional Taxi Authority
 3. Transportation Agency for Monterey County
 4. Special Districts Association Liaison
 5. Association of Monterey Bay Area Governments

Chair Miller read his appointments for Standing Committees:

- Budget and Finance Committee - Director Ahmadi and Director Leffel
- Air Service Committee - Director Gaglioti and Chair Miller
- Airport Property Development and Lease Committee - Director Pick and Chair Miller

Chair Miller read his appointments for Ad-Hoc Committees and Liaison Representatives:

- Personnel Committee - Chair Miller and Director Pick
- Local Jurisdiction Committee - Director Leffel and Director Pick
- Local Agency Formation Commission (LAFCO) Liaison - Director Leffel (Chair Miller noted Director Leffel has two roles with LAFCO. One is an elected position; this one is not).
- The Regional Taxi Authority Liaison - Director Pick
- Transportation Agency for Monterey County (TAMC) Liaison - Chair Miller
- Special Districts Association Liaison - Director Leffel
- Association of Monterey Bay Area Governments (AMBAG) Liaison - Director Leffel

Director Ahmadi suggested the liaison representative appointments could rotate automatically by the Board Division number instead of being appointed by the Chair. Director Leffel explained the role of the liaison and that their responsibility is only to report back to the board; it is not as a voting member of the assigned agency and all Directors are free to attend these meetings.

Chair Miller advised Director Ahmadi he was welcome to propose his idea as a future agenda item under today's agenda Item O. which then requires a second in order to be placed on a future agenda for consideration by the board.

No Public Comment.

Director Pick motioned to approve the Committee Appointments as read by the Chair. Director Gaglioti seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Discuss 2. Future Start Time for Regular Board Meetings

Chair Miller asked Director Ahmadi to present his reason for asking the Chair to add this item to the agenda.

Director Ahmadi asked the board to consider moving the start time of the Regular Board meetings to late afternoon or early evening to make it less likely that he would have a work conflict, as he does in February.

District Counsel Huber noted there are two Public Comments that have been received on this item, and they have been printed for each board member and placed on the dais. Both encourage evening meetings.

Directors discussed the idea, and it was determined the majority of the board members prefer the current time.

Presentation 3. Update to Structure Damage from the Extreme Weather Events of December 14, 2024

Controller Wilson stated Resolution No. 1894 authorized the Executive Director to take steps necessary to address the emergency caused by the extreme weather events of December 14, 2024. This item is to report to the Board on the steps that have been taken.

Controller Wilson presented photos of the damage to airport property and the Portuguese Hall. He reviewed recommendations from the insurance company and the cost estimates for debris removal and cleanup.

No Public Comment.

Controller Wilson, District Counsel Huber, and Executive Director La Pier answered questions from Directors.

K. BOARD REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

The Board receives Department Reports which do not require any action by the board

a. Board Member questions (if any) for Standing Committees

b. Ad-Hoc Committee Reports:

i. Personnel Committee

Director Miller & Pick

ii. Local Jurisdiction Liaison

Director Leffel & Miller

c. Liaison/Representatives Reports:

- | | |
|-------------------------------------------------|-------------------|
| i. Local Agency Formation Commission | Director Leffel |
| ii. Regional Taxi Authority | Director Pick |
| iii. Transportation Agency for Monterey County | Director Miller |
| iv. Special Districts Association Liaison | Director Gaglioti |
| v. Association of Monterey Bay Area Governments | Director Leffel |

- d. Board Member reports for conferences and events approved to attend at Monterey Peninsula Airport District expense (per AB 1234 and the Director Remuneration & Business Expense Reimbursement Policy)

Director Leffel reported that at the Air Service Committee meeting a member of the public asked about the blocked off parking spaces in the short-term parking lot. Director Leffel asked Deputy Executive Director Morello to explain the reason. Deputy Executive Director Morello stated there is a project to do repairs on the TSA access road and to the short-term parking lot where the asphalt meets the deck. Parking spots were blocked off early to assure no long-term parkers blocked access to the areas needing repair. This project was scheduled for January because that is typically the quietest travel month and least impactful to passengers.

Director Leffel reported the Finance Committee did meet but the meeting was too late for minutes to be included in this month's packet.

Director Pick reported for Air Service highlighting the record enplanements in 2024 with more seats on fewer flights.

There was no Lease Committee meeting in December.

Director Leffel reported there is no LAFCO meeting in January.

Director Miller had nothing to report from TAMC.

Director Gaglioti reported the quarterly Special Districts meeting will be held next week.

Chair Miller reported the SWAAAE Winter Conference is February 1 – 4 and four of the five board members plan to attend.

L. CLOSED SESSION

1. **EMPLOYMENT.** Pursuant to Gov. Code section 54957(b), the Board will meet with District Counsel to consider the appointment/employment related to the following position: Executive Director.

No Public Comment.

The board entered the Closed Session at 9:33 AM.

M. RECONVENE TO OPEN SESSION

The Board reconvened in Open Session at 10:38 AM. No Action was taken. Direction was given. Chair Miller reported Director Pick had excused himself from the meeting at 10:37 AM.

N. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

None.

O. DISCUSSION OF FUTURE AGENDAS

None.

No Public Comment.

P. ADJOURNMENT

The meeting adjourned at 10:39 AM.

*Approved at the
Meeting of February 19, 2025*

Carl Miller, Chair

A T T E S T

*Michael La Pier
District Secretary*

MINUTES OF THE SPECIAL MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

January 24, 2025 – 2:00 PM

The Monterey Peninsula Airport District holds regular meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, in person or emailed comments are preferred. Remote comments are allowed for Board meetings which take place in the Board Room, as outlined below.

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A. CALL TO ORDER/ROLL CALL

Chair Miller called to order the Special Meeting of the Monterey Peninsula Airport District Board of Directors at 2:06 PM. Directors Ahmadi, Gaglioti, Pick and Leffel were present. The following staff were present: District Counsel Huber and Acting Board Secretary Adams. District Counsel Huber attended via videoconference.

B. PLEDGE OF ALLEGIANCE

Director Ahmadi led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Chair Miller reminded the Board to complete their Cyber Training prior to the end of January 2025.

D. CLOSED SESSION

1. **EMPLOYMENT.** Pursuant to Gov. Code section 54957(b), the Board will meet with District Counsel to consider the appointment/employment related to the following position: Executive Director.

Directors entered Closed Session at 2:09 PM.

E. RECONVENE TO OPEN SESSION

Directors Reconvened to Open Session at 3:17 PM. There was no reportable action.

F. ADJOURNMENT

The meeting adjourned at 3:18 PM.

*Approved at the
Meeting of February 19, 2025*

Carl Miller, Chair

A T T E S T

*Michael La Pier
District Secretary*

MINUTES OF THE SPECIAL MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

January 30, 2025 – 8:00 AM

The Monterey Peninsula Airport District holds regular meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, in person or emailed comments are preferred. Remote comments are allowed for Board meetings which take place in the Board Room, as outlined below.

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A. CALL TO ORDER/ROLL CALL

Chair Miller called to order the Special meeting of the Monterey Peninsula Airport District Board of Directors at 8:03 AM. Directors Ahmadi, Gaglioti, Pick, and Leffel were present. The following staff were present: Executive Director La Pier, District Counsel Huber, Deputy Executive Director Morello, Deputy Executive Director Robare, Controller Wilson, and Acting Board Secretary Adams. District Counsel Huber attended via videoconference.

B. PLEDGE OF ALLEGIANCE

Director Leffel led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

None.

D. REGULAR AGENDA - ACTION ITEMS

Presentation 1. Monterey Regional Airport Replacement Terminal Plan of Finance

Controller Wilson introduced the Plan of Finance team. Brian Galluci with PFM attended in person. Michael Charlebois with Ballard Spahr, Dominic Scattini with PFM, and Adam Aranda with Barclays attended via videoconference.

Mr. Galluci reviewed the SEP projects, the funding sources for the terminal building project, and an overview of the Plan of Finance.

Mr. Charlebois gave an overview of the Bond Structure and the role of the Installment Sale Agreement.

A break was taken from 8:50 AM to 8:55 AM to remedy some technical issues with the videoconference system.

Mr. Galluci answered questions from Directors about his experience with TIFIA airport loans.

Executive Director La Pier answered questions from Directors regarding the sources of Federal Grants and loans. Mr. Galluci noted that we need a Guaranteed Maximum Price (GMP) in order to apply for the TIFIA loan. Executive Director La Pier added the GMP is also needed so we can apply for the Federal Grants. He reminded everyone that there is no liability to taxpayers. Airport revenue pays for the debt service.

No Public Comment.

Mr. Galluci, Executive Director La Pier, and Deputy Executive Director Morello answered questions from Directors regarding timing and process. Executive Director La Pier reiterated that there is no liability to the taxpayer; the airport revenues pay for the debt service.

E. ADJOURNMENT

The meeting was adjourned at 10:05 AM.

*Approved at the
Meeting of February 19, 2025*

Carl Miller, Chair

A T T E S T

*Michael La Pier
District Secretary*

MINUTES OF THE BUDGET & FINANCE COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

February 10, 2025 – 3:30 PM

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Committee Meeting in person and request to speak to the Committee Members when the Chair calls for public comment.

Alternatively, members of the public who desire to provide input as to any item can send an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Committee Members for consideration and will be compiled as part of the record.

A. CALL TO ORDER

The meeting of the Budget & Finance Committee of the Monterey Peninsula Airport District was called to order at 3:33 PM. Directors Leffel and Ahmadi, Executive Director La Pier, District Counsel Scott Huber, Deputy Executive Director Robare, Controller Wilson, Acting Board Secretary Adams, and Attorney Tracy Davis were in attendance. District Counsel Huber and General Counsel Davis attended via Videoconference.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. REGULAR AGENDA – ACTION ITEMS

Review 1. FYTD Financial Statements, December 2024

Controller Wilson reviewed the December 2024 Financial statements. Highlights included that Operating Income was favorable to budget, with enplanements essentially on budget and the parking and car rental revenues both above budget. Operating Expenses were also favorable to budget, partially due to the SCASDP (Small Community Air Service Development Program) Grant Match being budgeted and not yet incurred.

In response to a question from Director Ahmadi, Executive Director La Pier explained the details of the DOT SCASDP Grant. He stated this is the second year, of five years, that the grant is available to be used as a minimum revenue guarantee for a commercial air service route from Monterey to Chicago. He stated that to date there is no airline that has committed to that service route.

Controller Wilson explained that the investment income is from T-bills; the Monterey Peninsula Airport District (MPAD) takes zero risk, as governed by state regulations.

Controller Wilson reviewed the restricted cash accounts and the purpose of each. Controller Wilson added that MPAD is well positioned: financial reporting is granular, the cash flow is positive, and the financials are very healthy.

Director Ahmadi referred to a conference session he attended that focused on revenue diversion. He asked how that related to MPAD. Director Leffel clarified that the conference session applied to airports that are owned by a city or County that has access to their airport earnings. It doesn't apply to an airport owned by a Special District. Executive Director La Pier added that the revenue generated at the airport must be spent on the airport and the FAA will review expenditures for planned projects on a case-by-case basis.

Deputy Executive Director Morello joined the meeting by videoconference prior to the beginning of Closed Session.

D. CLOSED SESSION

1. **REAL PROPERTY.** Pursuant to Gov. Code section 54956.8, the Council will meet with Real Property Negotiators, Executive Director, Deputy Executive Director and General Counsel, regarding a portion of the following property: APN 013-221-020-000.
 - Negotiators for MPAD: Executive Director, Deputy Executive Director and General Counsel;
 - Negotiators for Opposing Parties: Unknown at this time.

Committee members entered the Closed Session at 4:02 PM.

E. RECONVENE TO OPEN SESSION

The committee reconvened in Open Session at 4:45 PM. Director Leffel reported that the Budget & Finance Committee has agreed to recommend that the Board approve the proposal as presented and discussed in the Closed Session.

F. ADJOURNMENT

The meeting adjourned at 4:47 PM.

*Approved at the
Meeting of February 19, 2025*

Carl Miller, Chair

A T T E S T

*Michael La Pier
District Secretary*

MINUTES OF THE AIRPORT PROPERTY DEVELOPMENT & LEASE COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

February 12, 2025, at 10:30 AM Pacific Time

NOTICE REGARDING A RETURN TO IN-PERSON PUBLIC PARTICIPATION AT MONTEREY PENINSULA AIRPORT DISTRICT BOARD AND COMMITTEE MEETINGS

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Committee Meeting in person and request to speak to the Committee Members when the Chair calls for public comment.

Alternatively, members of the public who desire to provide input as to any item can send an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Committee Members for consideration and will be compiled as part of the record.

A. CALL TO ORDER

The meeting of the Airport Property Development & Lease Committee was called to order at 10:30 AM. Directors Miller and Pick, Executive Director La Pier, Controller Wilson, and Acting Board Secretary Adams were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. REGULAR AGENDA – ACTION ITEMS

Discuss 1. Leasing Activity Review

Controller Wilson provided an update on airport property lease activity.

Controller Wilson gave an update on communication with a ground lease tenant interested in consolidating multiple ground leases. Committee members discussed the lease terms allowed by FAA, alternative structures for the lease agreement, and possible uses for the parcel in question.

Controller Wilson updated the committee on meetings with a tenant who may be interested in a long-term ground lease and our desire to understand the viability of their proposed financing before proceeding. There is a six-month exclusive right to negotiate agreement to enable due diligence on both sides.

Executive Director La Pier discussed possibilities for the ramp frontage which could become available for aviation development.

Controller Wilson gave an update on the storm damaged hangars. He stated two of the three have been demolished. The third damaged unit was left because it was needed for storage for airport maintenance equipment. He added there will be insurance claim money that would allow some rebuilding if that was desired. Executive Director La Pier stated he would not rebuild the hangars, but the maintenance department needs a facility to use for large equipment storage. There was a discussion about possible solutions.

Controller Wilson reported that the Plan of Finance team has suggested some changes to the airline agreements and a draft has been created that will be reviewed with the airlines. Executive Director La

Pier added that the lease agreement being considered is meant to give evidence of airline commitment and their intent to stay in this market. He reviewed some of the elements of the lease agreement that would change and those that would not. He and Controller Wilson answered questions from Directors.

D. ADJOURNMENT

The meeting adjourned at 11:14 AM.

*Approved at the
Meeting of February 19, 2025*

Carl Miller, Chair

A T T E S T

*Michael La Pier
District Secretary*

AGENDA ITEM: G-1
DATE: February 19, 2025

TO: Monterey Peninsula Airport District Board of Directors
FROM: Michael La Pier, Executive Director
SUBJ: Resolution No. 1895, A Resolution Authorizing a Professional Services Agreement with Hensel Phelps Construction Company as the Construction Manager-as-Constructor for the Replacement Terminal Facility Construction

BACKGROUND. On November 26, 2018, the Board of Directors (BOD) of the Monterey Peninsula Airport District (MPAD) approved Resolution No. 1730 certifying Final Environmental Impact Report (EIR) (SCH 2015121105), and Resolution No. 1731, approving Alternative 1 as the Airport Master Plan Project for Monterey Regional Airport (MRY).

On April 20, 2022, the BOD approved Resolution No. 1819 and certified the Revised Addendum to FEIR for the Minor Project Modifications and approved Resolution No. 1820 the Minor Project Modifications to the MRY Master Plan.

On November 20, 2024, the BOD approved Resolution No. 1892 the FY25 Amended Capital Improvement Budget that contains Project 2025-09 Safety Enhancement Program (SEP) Phase D2 Replacement Terminal Construction. In addition, the approved Airport Capital Improvement Program (ACIP) for FY 2025-2030 includes this SEP project phase.

DISCUSSION. The airport staff requested FAA concurrence to use the alternative delivery method of Construction Management as Constructor (CMaC), consistent with FAA Order 5100.38D for the relocation of the Replacement Terminal Facility based on FAA's willingness to partially fund this phase of the SEP in FAA FY25. The Airport received notice of eligibility for Bipartisan Infrastructure Law (BIL) Airport Terminal Program (ATP) Grant for FY25 totaling \$14.2M. On October 1, 2024, the MRY received acceptance from the FAA SFADO to use the Construction Manager as Constructor procurement method for the Replacement Terminal Facility contingent upon; the award of contract be negotiated as provided under 40 U.S.C. Chapter 11, Selection of Architects and Engineers; and that the airport solicitation process and documents include qualifications-based requirements that follow the guidance contained in Advisory Circular 150/5100-14E.

On September 12, 2018, the District adopted Resolution 1724, A Resolution of the Monterey Peninsula Airport District Authorizing Alternative Project Delivery Methods for Acquisition of Capital Projects and Construction at the Monterey Regional Airport. Public Contract Code § 20146 (PCC § 20146) permits counties to utilize "construction managers at-risk" ("CMAR") and/or CMaC in lieu of the traditional public bidding process requiring a public owner to award construction contracts to the lowest responsive, responsible bidder through the competitive bidding process. More specifically, on projects over \$1 million, counties may award a contract using either the lowest responsible bidder or the best value method to a properly bonded CMAR/CMaC entity".

On October 21, 2024, MRY widely solicited for Statements of Qualifications/Proposal (SOQs)

from interested CMAc firms to submit a Qualifications Proposal for pre-construction services and complete construction services for the Replacement Terminal Facility (Project) at Monterey Regional Airport. The competitive selection process for this solicitation was identified as a two-step Competitive Proposal Selection (CPS) process and followed Advisory Circular 150/5100-14E.

A non-mandatory pre-proposal conference was held on November 12, 2024, with seven (7) firms in attendance. Response to prospective Respondents questions were provided by an Addendum issued on December 6, 2024.

SOQ's documents were received on December 19, 2024, as described in the solicitation documents and pursuant to a CMAc structure. The SOQ documents were evaluated and scored as defined in the RFQ/P for a combination of experience and qualifications of the Respondent's Team. The four (4) SOQ response submittals received were from Hensel Phelps Construction Company, Sundt Construction, Swinerton Builders, and Otto Construction.

Based on the review of the SOQ the Evaluation Panel recommended the four teams' advancement of the solicitation process and were invited to provide a Request for Proposals (RFP) response and participate in an interview process. The initial SOQ solicitation document included the process for the RFP submittal, minor clarifications were provided to the Respondents on January 9, 2025, together with each assigned interview date and time. Following this notification, questions were received, and responses were provided to all four entities as outlined in the RFP.

RFP documents were received on January 23, 2025, and interviews were conducted on January 28-29, 2025. The four CMAc Respondents provided a formal presentation and responded to questions by the Evaluation Panel. As identified in the RFQ/P the evaluation panel was to score, and rank Respondents' proposals based on the factors set forth in the solicitation and in general compliance with California Public Contract Code §20146. Included in the procurement instructions was a process flow chart matrix summarizing the project delivery progress mechanism required to be employed in the FAA acceptance of CMAc procurement. This mechanism provides a contract be awarded to the CMAc respondent that will provide the **best value** for the Project. This information was defined in the procurement documents and stated that while price would be a component of the selection process, the Respondent's final numerical score would be a combination of technical proposal, interview and price weight.

The purpose of the Project is to construct the Replacement Terminal facility as part of Monterey Airport's overall Safety Enhancement Program (SEP).

The Replacement Passenger Facility as designed by HOK includes the following:

Terminal Building. The relocated building of approximately 62,000 sf of gross building area, with an "Optimal" Level of Service (per IATA standards).

Airside Civil Work. A total of five (5) Passenger Boarding Bridges (PBB), including foundations, services, and apron pavement panels at the PBB locations (per commercial apron project completed by others). Layout/configuration of apron services, including accommodation of electric Ground Support Equipment (eGSE) for airline aircraft support. All apron striping for PBB and Remain Overnight (RON) positions. Air Operations Area (AOA) fence between the terminal building and existing fence. Two rows of apron panels along the airside face of the terminal building for coordination of building services.

The evaluation demonstrated Hensel Phelps experience in: (i) construction employing alternative delivery method of facilities, specifically on aviation projects of similar scope and nature to this Project; (ii) knowledge of, and strong local trade partner relationships; (iii) knowledge of the agencies having jurisdiction (“AHJ”) and understanding the permitting process; (iv) completing CMAc projects employing value engineering on and off other airports; (v) expertise in security checkpoint installation; (vi) experience in successfully managed airport and airline migration; (vii) excel in collaboratively working with other contractors; and (viii) the team has the necessary skilled local personnel and resources to ensure a successful project.

The Airport’s intent is to select the Team, which in the sole judgment of the Airport, best demonstrated that they had the resources, experience and understanding of the complexities to accomplish the desired result pertaining to the Replacement Terminal Facility. Staff have concluded, after careful screening of the submission and discussion with reference airports, that Hensel Phelps Construction Company meets the needs of the Airport and this Project.

After ranking the proposals, based on the combined technical scores, the solicitation identified that a contract would be negotiated with the highest-ranked CMAc respondent. On February 1, 2025, the “Notice of Final Ranking” as described in *Section IV- 3.0 Evaluation Process* of the solicitation was provided to all of the Respondents’.

Following the formal presentation/interview Hensel Phelps was identified as the highest ranked CMAc. Staff then began to negotiate the contract with Hensel Phelps for the Relocated Passenger Terminal Facility. The scope of the proposed contract request is currently limited to the preconstruction bidding process, in an amount not-to-exceed \$902,710.00 for the preconstruction phase services. The initial approval will allow the CMAc Team; (i) the opportunity to review the HOK design in detail; (ii) revisit value engineering options to target opportunities to incorporate project savings; (iii) focus on the project schedule for both timing of construction and procurement of specialized and/or long lead products; (iv) and solicit trade partners to obtain guaranteed maximum pricing (GMPs). These focused GMPs will allow the airport to submit grant applications to the FAA for the Replacement Terminal Facility phase of the SEP.

The staff’s recommendation is to approve Hensel Phelps Construction Company as the Construction Manager-as-Constructor and authorize the Executive Director to execute a contract for preconstruction services. At a future meeting, after GMPs have been completed, staff will bring back a contract amendment for Board consideration that will include the Construction Support Services and an overall/final GMP for the total project cost based on competitive procurement.

SOURCE OF FUNDS. The Airport Improvement Program (AIP) grant application will provide a 95% FAA share of the preconstruction funding costs and a 5% District share (Passenger Facility Charges).

FISCAL IMPACT. This phase of the project is included in the approved Capital Improvement Plan as an FAA/PFC funded project as a preliminary expense for the Safety Enhancement Program Phase D2 Replacement Terminal Facility Construction Project.

SCHEDULE. Hensel Phelps Construction will partner with the Terminal Design Team of HOK, Kimley Horn and Associates as program managers, and airport staff to provide a Guaranteed Maximum Price number 1 (GMP 1) no later than April 3, 2025.

IMPACT ON OPERATIONS. There will be no impacts on Airport operations occasioned by the preconstruction process.

RECOMMENDATION. Approve Resolution No. 1895, A Resolution Authorizing a Professional Services Agreement with Hensel Phelps Construction Company as the Construction Manager-as-Constructor for the Replacement Terminal Facility Construction

ATTACHMENTS.

Resolution No. 1895 (2 pages)

Request for Qualifications/Proposals (32 pages)

Request for Proposals (14 pages)

Replacement Terminal CMAc RFP Evaluation Matrix (1 page)

Hensel Phelps Construction Company RFP submittal document (41 pages)

Hensel Phelps Construction Company Schedule A Preconstruction Fee (7 pages)

CMAc Contract (68 pages)

RESOLUTION NO. 1895

A RESOLUTION AUTHORIZING PROFESSIONAL SERVICES AGREEMENT WITH HENSEL PHELPS CONSTRUCTION COMPANY AS THE CONSTRUCTION MANAGER-AS-CONSTRUCTOR FOR THE REPLACEMENT TERMINAL FACILITY CONSTRUCTION

WHEREAS, On November 26, 2018, the Board of Directors of the Monterey Peninsula Airport District (MPAD) approved Resolution No. 1730 certifying Final Environmental Impact Report (EIR) (SCH 2015121105), and Resolution No. 1731, approving Alternative 1 as the Airport Master Plan Project for Monterey Regional Airport; and

WHEREAS, On April 20, 2022, the BOD approved Resolution No. 1819 and certified the Revised Addendum to FEIR for the Minor Project Modifications and approved Resolution No. 1820 the Minor Project Modifications to the MRY Master Plan; and

WHEREAS, On November 20, 2024, the BOD approved Resolution No. 1892 the FY25 Amended Capital Improvement Budget that contains Project 2025-09 Safety Enhancement Program (SEP) Phase D2 Replacement Terminal Construction; and

WHEREAS, the Monterey Peninsula Airport District (MPAD) has previously submitted an Airport Capital Improvement Program (ACIP) for FY 2025-2030 that includes this Project; and

WHEREAS, Statements of Qualifications (SOQ) were received on December 19, 2024 from four qualified contractors to be considered as the Construction Manager-as-Constructor (CMaC); and

WHEREAS, all four CMaC respondents advanced in the solicitation process and submitted Request for Proposal response documents on January 23, 2025, and

WHEREAS, after ranking the proposals, based on the combined technical scores, the solicitation documents identified that a contract would be negotiated with the highest-ranked CMaC for the Replacement Passenger Terminal Construction (Project); and

WHEREAS, Hensel Phelps Construction Company was identified as the Highest Ranked CMaC respondent: and

WHEREAS, the contract approval will allow the CMaC team of Hensel Phelps Construction Company to; (i) review the HOK design in detail; (ii) revisit value engineering options to target opportunities to incorporate project savings; (iii) focus on the project schedule for both timing of construction and procurement of specialized and/or long lead products; (iv) and solicit trade partners to obtain guaranteed maximum pricing (GMPs); and

WHEREAS, the Airport must provide a guaranteed maximum price (GMP) based on competitive procurement to submit grant applications to the Federal Aviation Administration for the Replacement Terminal Facility phase of the Safety Enhancement Program.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: That MPAD contract with Hensel Phelps Construction Company as the Construction Manager-as-Constructor for the Replacement Terminal Facility construction and approve commencement of the preconstruction bidding process in an amount not-to-exceed \$902,710.00 and authorize the Executive Director, or his designee, to execute said contract.

Further, the Recitals above are incorporated in full into this approval.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 19th day of February 2025, by the following roll call vote:

AYES:	DIRECTORS:
NOES:	DIRECTORS:
ABSTAIN:	DIRECTORS:
ABSENT:	DIRECTORS:

Signed this 19th day of February 2025

Carl Miller, Chair

A T T E S T

Michael La Pier, AAE
District Secretary



REQUEST FOR QUALIFICATIONS/PROPOSALS
for
CONSTRUCTION MANAGER-AS-CONSTRUCTOR
for
REPLACEMENT TERMINAL FACILITY
at
MONTEREY REGIONAL AIRPORT
200 Fred Kane Drive, Suite 200

Partially Funded through FAA’s

Airport Improvement Program & Bipartisan Infrastructure Law - Airport Infrastructure

The Monterey Peninsula Airport District (“District”) invites interested Construction Manager-as-Constructor (“CMaC”) firms to submit Qualifications/Proposal for pre-construction services and complete construction services for the *Replacement Terminal Facility* project (“Project”) at the Monterey Regional Airport (“Airport” or “MRY”). The District seeks a CMaC who will be responsible for the delivery of the Project. The Airport intends to issue one contract to the selected CMaC for the Project scope of work.

Request for Proposals Issue Date:	October 21, 2024
Statement of Qualifications Due Date:	Thursday, December 19, 2024 at 2:00 PM
Contact Information:	Monterey Regional Airport Planning Department 200 Fred Kane Drive, Suite 200 Monterey, CA 93940 planning@montereyairport.com
Pre-Proposal Conference Date: (Attendance is <u>not</u> mandatory)	Tuesday, November 12, 2024 at 2:00 PM at the Monterey Peninsula Airport District offices on the second floor of the Terminal Bldg. at 200 Fred Kane Drive, Suite 200, Monterey, CA 93940
Deadline to Submit Questions:	Wednesday, November 27, 2024 at 2:00 PM

Notice is hereby given that the Monterey Peninsula Airport District is soliciting Statements of Qualification Proposals (“SOQ”) from individuals, partnerships, joint ventures, corporations, or other recognized legal entities (“Firm(s)” or “Respondent(s)”) qualified to be a Construction Manager-as-Constructor (“CMaC(s)”) to perform pre-construction and construction services in connection with the *Replacement Terminal Facility* project (“Project”) at the Monterey Regional Airport as further described in *Attachment No. 1 – Scope of Service* and pursuant to a construction manager at-risk structure, as provided by the California Public Contract Code §20146, *et seq.* SOQs will be evaluated to identify highly qualified CMaC entities which may then be invited to participate in the next step of this solicitation process, the Request for Proposals (“RFP”). Unless expressly stated otherwise in this solicitation, experience and qualifications shall be evaluated based upon the combined experience and qualifications of the Respondent’s team.

The District considers all information, documentation and other material submitted in response to this solicitation to be of a non-confidential and/or non-proprietary nature and therefore subject to public disclosure, after a contract is executed in accordance with the California Public Records Act §7920. Unless expressly stated otherwise in this solicitation, Respondents should not request that certain information be treated as exempt, and statements in the SOQs should not be marked as confidential or proprietary.

The District has the discretion to consider, without limitation, any of the information disclosed in accordance with this provision in deciding with which CMaC it will negotiate a contract. This discretion is not limited by the Respondent’s ranking based on the evaluation criteria or by anything to the contrary in this solicitation.

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NOTICE TO PROSPECTIVE RESPONDENTS

The *Replacement Terminal Facility* project will be funded in part by Federal Aviation Administration (“FAA”) Airport Improvement Program (“AIP”) and Bipartisan Infrastructure Law - Airport Infrastructure (“BIL”) grant funds, accordingly applicable federal requirements will apply. The estimated construction cost range is \$75M - \$85M.

The selected CMAc will work with the Program Manager, the design Architect/Engineer of Record (“A/EOR”) and the Airport during the pre-construction phase to ensure (1) a complete design, an efficient construction plan, and construction sequencing phasing that provides for continued and unhindered use and operations of the Airport, and (2) to provide complete construction services during the construction phase facilitating the future Terminal construction project.

The District’s intent is to award a single contract to the selected CMAc to complete the pre-construction services and the construction of the Project.

- A. All information regarding this Request for Qualifications (“RFQ”) may be viewed or downloaded from the [ARC Monterey](https://customer.e-arc.com/arcEOC/PWELL_Main.asp?mem=23) at https://customer.e-arc.com/arcEOC/PWELL_Main.asp?mem=23.
- B. Completed SOQs must be delivered to the Airport, no later than Statement of Qualification Proposals [Due Date and Time](#) indicated on the cover page of this solicitation. Three (3) original hard copy and one (1) electronic copy in pdf readable format, must be submitted in a sealed envelope.
- C. Proposals must provide the requested information as described in this solicitation. The wet signatures of all persons signing shall be written in longhand. Proposals not submitted in the manner prescribed herein will not be considered.
- D. Alternate proposals will not be considered.
- E. Any proposals received after the [Due Date and Time](#) shall not be considered and shall be returned to the perspective Respondent unopened.
- F. If the District issues addenda to this solicitation, Respondents are solely responsible for and must acknowledge receipt of addenda in the Respondent’s proposal. Any addenda will be posted on the [ARC Monterey](#). Respondents must check for addenda or other relevant new information during the response period. The District is not responsible for the failure of any Respondent to receive such addenda. All addenda so issued shall become a part of this solicitation. Failure to acknowledge and respond to any addenda issued by the District may, at the District’s sole discretion, cause the Respondent’s proposal to be deemed non-responsive and may be rejected.
- G. The District reserves the right to reject any or all proposals or to waive any informalities or minor irregularities in connection with proposals received.
- H. The District assumes no obligation in the solicitation of proposals and any costs incurred in responding to this solicitation shall be the responsibility of the interested party. The District assumes no obligation for such costs.
- I. Reference to “Offeror,” “Contractor” or “Bidder” shall mean “CMAc” or “Respondent”; “solicitation” shall mean “RFQ and RFP”; “bid” or “proposal” shall mean “SOQ” and “Proposal”; “Owner” shall mean “District”.

All questions and inquiries related to this solicitation must be directed in writing to: planning@montereyairport.com and no later than the [date and time](#) indicated on the cover of this solicitation as the Deadline to Submit Questions. Perspective Respondents must adhere to the specified requirements in this solicitation and refrain from contacting District, Airport personnel or Architecture Team pertaining to this solicitation outside of the designated process for any inquiries or requests for clarification. The District, at its sole discretion, may offer responses and clarifications to perspective Respondents’ questions

and requests for clarification received. Any responses offered by the District will be in writing and posted on [ARC Monterey](#).

Pre-Proposal Conference

A non-mandatory Pre-Proposal Conference is scheduled for the [date and time](#) set forth in the cover of this solicitation. The Conference will be held at the Airport Administrative Offices located at 200 Fred Kane Drive, Suite 200, Monterey CA. The Conference will start promptly at the designated time and is anticipated to last approximately one-hour. An Airport escorted site visit will be offer to attendees directly after the conference. No other site visit will be available to prospective Respondents. The District will provide an overview of the RFQ / RFP requirements, process, and timeline. The purpose of the conference will be to discuss the requirements and objectives of this solicitation. A sign-in sheet will record attendance.

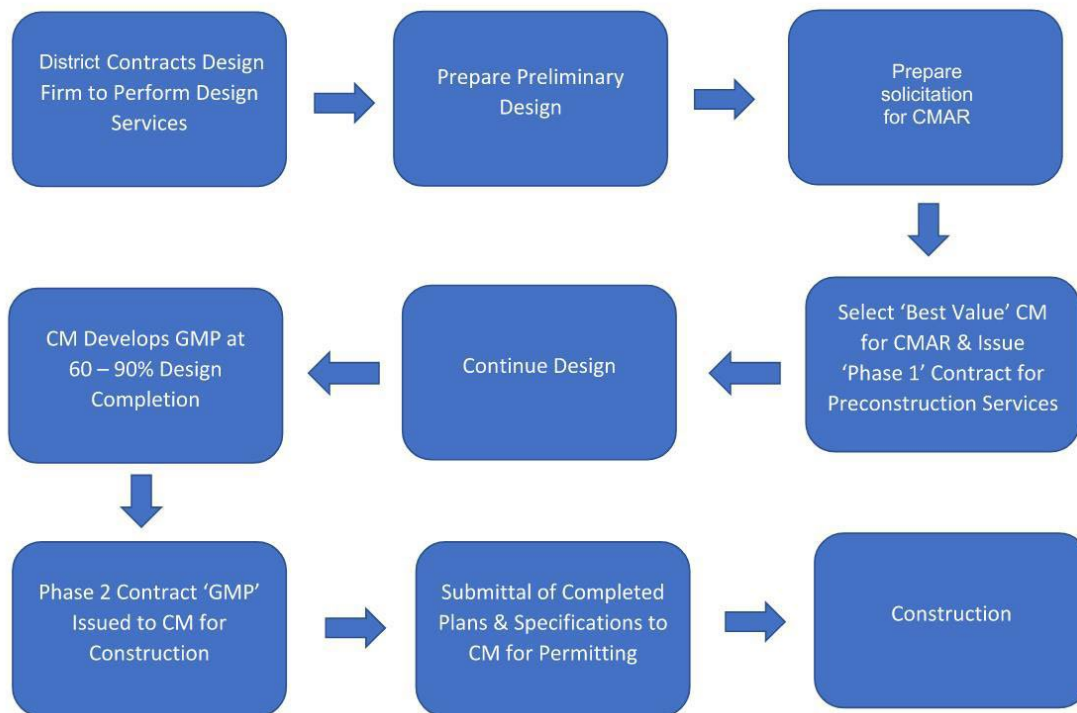
Acceptance of Evaluation

Submission of a Proposal indicates Respondent's acknowledgment and acceptance of the evaluation process and the recognition that subjective judgments must be made by the District during the selection process.

CMAR Process Flow Chart

The following flow chart presents a summary outline of the Project delivery progress mechanism being employed for the Replacement Terminal Facility project at Monterey Regional Airport.

Construction Manager At-Risk (CMAR) Flow Chart



SECTION I – GENERAL CONDITIONS

1.0 INTRODUCTION AND INSTRUCTIONS TO RESPONDENTS

1.1 Introduction

The District is seeking a qualified Construction Manager-as-Constructor (“CMaC”) to provide pre-construction services and complete construction services for the Replacement Terminal Facility at the Monterey Regional Airport and invites interested firms to submit a Statement of Qualification (“SOQ”) in accordance with the requirements set forth in this Request for Qualifications (“RFQ”). SOQs will be evaluated to identify highly qualified firms which may then be invited to participate in the RFP process.

1.2 Overview

The Monterey Peninsula Airport District is a stand-alone public entity that serves the Monterey District Region, including the incorporated cities of Monterey, Pacific Grove, Carmel-by-the-Sea, Del Rey Oaks, and majority portions of Sand City and Seaside. The District was created in 1941 and is not incorporated into any city or the County of Monterey. The Airport boundaries encompass the cities of Carmel, Del Rey Oaks, Monterey Pacific Grove, Sand City and portion of Seaside, Pebble Beach, Carmel Highlands, and the west end of Carmel Valley and the Monterey-Salinas Highway to Laureles Grade.

The mission of the District is to provide the region convenient commercial and general aviation access to the national air transportation system, operate the airport in a safe, efficient, sustainable and fiscally responsible manner, and develop the airport to meet future needs, opportunities and challenges. Monterey Regional Airport is a commercial service aviation facility located approximately three miles east/southeast of downtown Monterey.

1.3 Proposed Time Schedule (Subject to Change)

The District anticipates conducting the procurement of the Project in accordance with the following list of milestones leading to award of the Agreement. This procurement schedule is subject to revision and the District reserves the right to modify this procurement schedule as it finds necessary, in its sole discretion. The Project’s procurement schedule is outlined in *Table 1 - Solicitation Schedule below*.

Table 1 - Solicitation Schedule (

1. Issue RFQ/P	October 21, 2024
2. Non-Mandatory Pre-Proposal Conference:	Tuesday, November 12, 2024 at 2:00 PM
3. Deadline to Submit Questions:	Wednesday, November 27, 2024 at 2:00 PM
4. Addendum/Final Answers Posted:	Friday, December 6, 2024
5. SOQ Submittal Deadline:	Thursday, December 19, 2024 at 2:00 PM
6. Notice of Interim Ranking and Shortlisted CMaC Entities:	Friday, December 27, 2024
7. Issue of RFP:	Thursday, January 9, 2025

Table 1 - Solicitation Schedule (Continued)

8. RFP Submittal Deadline:	Thursday, January 23, 2025
9. Issuance of Final Rankings:	Thursday, January 30, 2025
10. Deadline to Submit Appeal or Protest:	Five Business Days from the date of the notification of final ranking

The District has established milestones for the Agreement completion dates for the Project in *Table 2 - Project Proposed Schedule Milestone Dates* below, and Respondents shall base their Proposals on these milestones.

Table 2 - Project Proposed Schedule Milestone Dates

1. Pre-Construction Services Notice-to-Proceed:	Following execution of the Contract
2. 100% Construction Documents Submission Provided to CMAc:	November 21, 2024
3. CMAc Submits GMP 1 to District:	April 3, 2025
4. CMAc Submits GMP 2 to District:	November 18, 2025
5. Construction Notice to Proceed:	May 26, 2025
6. Construction Substantial Completion:	May 1, 2027
7. Construction Final Inspections and Testing:	June 1, 2027

1.4 Prospective Respondents’ Request for Clarification

The District has provided the currently available information for this solicitation. It is the responsibility of prospective Respondents to review, evaluate, and, where necessary, request any clarification prior to submission of an SOQ. Written requests for clarification/interpretation must be submitted in **writing only** to planning@montereyairport.com.

Prospective Respondents’ questions must be as specific as possible and must identify the solicitation section number and title at issue. Prospective Respondents submitting an objection must describe the objection as specifically as possible and set forth the rationale for the objection.

1.5 Amending the Solicitation

The District reserves the right, at its sole discretion, to amend this solicitation based on questions and issues raised during the conduct of this solicitation, or for any other reason. The District may provide a written response to any question(s) and/or objection(s) in the form of a single answer or by issuing an addendum. The District will post all addenda and notices regarding this RFQ on [ARC Monterey](#). The addenda, notices, and answers to questions issued by the District will become part of this solicitation. Each prospective Respondent is responsible

for checking for addenda, notices, and answers to questions.

1.6 Communications Regarding this Solicitation

Prospective Respondents are notified that from the date this RFQ is issued until the date the competitive process of this RFQ is complete, either by cancellation or by final action of the District, Respondents and prospective Respondents and their representatives or interested parties, shall communicate with the District and its representatives, by written submission of questions or requests for clarification in accordance with *Section I – 1.4 Prospective Respondents’ Request for Clarification above*. All communications regarding this RFQ and any matter related thereto shall be in accordance with this communication protocol.

1.7 Solicitation

The District will as soon as practicable after the date of opening proposals make a selection, or all proposals will be rejected. SOQs must be valid for a period of at least one-hundred and twenty (120) calendar days from the SOQ [Due Date](#). SOQ’s may not be withdrawn after the submission deadline.

2.0 PROPOSAL REQUIREMENTS AND CONDITIONS

2.1 Examination of Plans, Basis of Design, Cost Model, and Site of Work

The District and its consultants have prepared fifty-percent Construction Documents, Basis of Design Report, and a Cost Model in accordance with acceptable Architectural/Engineering standards, giving such direction as will enable any competent CMAc to perform the services requested.

Respondents shall examine the site of the proposed work and all documents pertaining to the work. It is mutually agreed that the submission of a proposal shall be considered prima facie evidence that the Respondent has made such examination and is familiar with the character, quality and quantity of the work to be performed and material to be furnished.

Logs of the test holes, ground water levels, and any accompanying soil reports as furnished by the District are furnished for general information only. The field condition so set forth shall not constitute a representation or warranty expressed or implied that such conditions exist Respondents shall make their own investigations and form their own estimates of the site conditions.

After the submission of the proposal, no complaint or claim that there was any misunderstanding as to the quantities, conditions or nature of the work will be entertained.

2.2 Interpretation of Quantities in the Request for Proposal

The quantities appearing in the Request for Proposal (“RFP”) are approximate only and are to be used for the comparison of construction price proposals. Payment to the CMAc will be made only for the actual quantities of work performed and accepted or materials furnished in accordance with the Contract at the price in the Guaranteed Maximum Price (“GMP”).

After the Contract is awarded the quantities of work listed by any pay item, or all pay items, may be increased or decreased a reasonable amount at the discretion of the District, without in any way invalidating the unit prices provided in the GMP.

2.3 Irregular Proposals

Proposals will be considered irregular and may be rejected for the following reasons:

- a) If the proposal is on a form other than that furnished by the District; or if the form is altered or any part thereof is detached.
- b) If there are unauthorized additions, statements, conditional or alternate bids, or irregularities of any kind.

- c) If the Respondent adds any provisions reserving the right to accept or reject an award, or to enter into a contract pursuant to an award.
- d) If the proposal does not contain a price for each item listed except in the case of authorized alternate pay items.

2.4 Withdrawal or Revision of Proposal:

Any Respondent may withdraw or revise a proposal after it has been deposited with the District, provided his/her request is received by the District, in writing at planning@montereyairport.com, before the time specified for opening proposals or as stipulated herein.

2.5 Disqualification of Bidders

Either of the following reasons may be considered as being sufficient for the disqualification of a Respondent and the rejection of his/her proposal:

- a) Receipt of more than one proposal from an individual, partnership or corporation under the same or different names.
- b) Evidence of collusion among Respondents or assistance from any officer of the District.

2.6 Proposal Guarantee

No SOQ will be considered unless accompanied by a proposal guarantee in the proper amount and in the form provided in this solicitation. The proposal guarantee shall be made payable to the District—and be acceptable to the District—as a guarantee that the Respondent, if awarded the contract, will execute the Contract and furnish the required bonds and certificates of insurance. The proposal guarantee shall be in the form of a surety bond for ten percent of the total cost amount for Schedule A plus Schedule B. The surety bond shall be executed solely by a surety company or companies possessing a valid certificate of authority issued by the California Department of Insurance and shall name the District as the beneficiary.

If the Respondent awarded the contract fails or refuses to execute all contractually required documents, the District may terminate the Contract for default. In such a case, the District will make a demand on the surety bond to offset the difference in price between the Respondent's proposal and the next lowest proposal. Proposal guarantees are returned to unsuccessful Respondents after SOQ's are opened and the District selects the shortlisted Respondents for the RFP step; the proposal guarantee is returned to the successful CMaC after all contractually required documents and bonds are executed.

Proposal Bond

(To be submitted with SOQ)

Proposer Name: [Full formal name of Proposer] Address (principal place of business): [Address of Proposer's principal place of business]	Surety Name: [Full formal name of Surety] Address (principal place of business): [Address of Surety's principal place of business]
Owner Name: Monterey Peninsula Airport District Address (principal place of business): Monterey Peninsula Airport District offices Terminal Building 200 Fred Kane Drive, Suite 200 Monterey, CA 93940	Proposal Project (name and location): Replacement Terminal Facility at the Monterey Regional Airport Proposal Due Date: Thursday, December 19, 2024 at 2:00 PM
Proposal Bond Penal Sum: 10% of the total for Schedule A and Schedule B Date of Bond: [Date]	
Surety and Proposer, intending to be legally bound hereby, subject to the terms set forth in this Proposal Bond, do each cause this Proposal Bond to be duly executed by an authorized officer, agent, or representative.	
Proposer _____ <i>(Full formal name of Proposer)</i>	Surety _____ <i>(Full formal name of Surety) (corporate seal)</i>
By: _____ <i>(Signature)</i>	By: _____ <i>(Signature) (Attach Power of Attorney)</i>
Name: _____ <i>(Printed or typed)</i>	Name: _____ <i>(Printed or typed)</i>
Title: _____	Title: _____
Attest: _____ <i>(Signature)</i>	Attest: _____ <i>(Signature)</i>
Name: _____ <i>(Printed or typed)</i>	Name: _____ <i>(Printed or typed)</i>
Title: _____	Title: _____
<i>Notes: (1) Note: Addresses are to be used for giving any required notice. (2) Provide execution by any additional parties, such as joint venturers, if necessary.</i>	

1. Proposer and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to pay to Owner upon default of Proposer the penal sum set forth on the face of this Proposal Bond. Payment of the penal sum is the extent of Proposer's and Surety's liability. Recovery of such penal sum under the terms of this Proposal Bond will be Owner's sole and exclusive remedy upon default of Proposer.
2. Default of Proposer occurs upon the failure of Proposer to deliver within the time required by the Proposal Documents, or any extension thereof agreed to in writing by Owner, the executed Agreement required by the Proposal Documents and any performance and payment bonds required by the Proposal Documents. or an express written commitment by Surety to issue any such performance and payment bonds upon the first Work Authorization by Owner.
3. This obligation will be null and void if:
 - 3.1. Owner awards the CMAc Contract and Proposer delivers within the time required by the Proposal Documents, or any extension thereof agreed to in writing by Owner, the executed Agreement required by the Proposal Documents and any performance and payment bonds required by the Proposal Documents, or commitment to issue such bonds, or
 - 3.2. All Proposals are rejected by Owner, or
 - 3.3. Owner fails to issue a Notice of Award to Proposer within the time specified in the Proposal Documents, or any extension thereof agreed to in writing by Proposer and, if applicable, consented to by Surety when required by Paragraph 5 hereof.
4. Payment under this Proposal Bond will be due and payable upon default of Proposer and within 30 calendar days after receipt by Proposer and Surety of written notice of default from Owner, which notice will be given with reasonable promptness, identifying this Proposal Bond and the Project, and including a statement of the amount due.
5. Surety waives notice of any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by Owner and Proposer, provided that the total time for issuing Notice of Award including extensions does not in the aggregate exceed 120 days from the Proposal [Due Date](#) without Surety's written consent.
6. No suit or action will be commenced under this Proposal Bond prior to 30 calendar days after the notice of default required in Paragraph 4 above is received by Proposer and Surety, and in no case later than one year after the Proposal [Due Date](#).
7. Any suit or action under this Proposal Bond will commence only in a court of competent jurisdiction located in the state in which the Project is located.
8. Notices required hereunder must be in writing and sent to Proposer and Surety at their respective addresses shown on the face of this Proposal Bond. Such notices may be sent by personal delivery, commercial courier, or by United States Postal Service registered or certified mail, return receipt requested, postage pre-paid, and will be deemed to be effective upon receipt by the party concerned.
9. Surety shall cause to be attached to this Proposal Bond a current and effective Power of Attorney evidencing the authority of the officer, agent, or representative who executed this Proposal Bond on behalf of Surety to execute, seal, and deliver such Proposal Bond and bind the Surety thereby.
10. This Proposal Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Proposal Bond will be deemed to be included herein as if set forth at length. If any provision of this Proposal Bond conflicts with any applicable statute, then the provision of said statute governs and the remainder of this Proposal Bond that is not in conflict therewith continues in full force and effect.

SECTION II – GENERAL INFORMATION

1.0 PROJECT INFORMATION

1.1 Project Work Description

The Project is located at 200 Fred Kane Drive, Monterey, CA 93940 and in general, consists of the construction of the Replacement Terminal Facility at the Airport including all work necessary to facility construction, commissioning, and opening of the new terminal building.

The proposed fifty-percent Construction Documents are provided with this SOQ in *Attachment No. 1 – Scope of Service* and includes: the plans – General Requirements, Architectural, Structural, Baggage Handling, Airside Planning, Fire Protection, Plumbing, Mechanical, Electrical, Security, Telecommunications, Public Address, Passenger Board Bridges, and Parking Revenue Control, and the associated specifications.

The District has selected a construction manager at-risk (“CMAR”) to perform the Civil & Landscape Onsite, and Civil and Landscape Offsite proposed improvements. Accordingly, the Civil & Landscape Onsite, and Civil and Landscape Offsite—otherwise designated the “Landside Improvements”— plans and specifications provided are for information only and will not be part of the Project work. The successful Proposer will be required to work alongside, in conjunction with, and adjacent to the Landside Improvements’ CMAR and to perform his/her work in a manner to cause no hinderance to the Landside Improvements’ CMAR in the performance of their work.

The District has established sustainability objectives for the Project to achieve a minimum rating of Platinum with the United States Green Building Council's (“USGBC”) [Leadership in Energy and Environmental Design](#) (LEED™) rating system.

1.2 Project Delivery

CMaC has been chosen as the project delivery method based on the overall size of the Project, the potential for value engineering, the complexity of maintaining safe and secure airport operations during construction, and the requirement to mitigate impacts to Airport operations while providing passenger access to airport parking and the existing terminal facilities.

1.0 CMaC Requirements

The selected CMaC must have experience with the statutes and regulations pertaining to: (i) FAA funded projects, and (ii) CMaC contracts.

The selected CMaC must have experience with: (i) construction of public facilities at airports including airport terminal construction with relevant operation constraints; (ii) with working with public agencies; (iii) with working with A/EORs and subconsultants; and (iv) with establishing project scope, establishing GMP(s) and managing associated budgets, and with bidding procedures under both the Public Contract Code’s formal bidding process and under alternative project delivery methods. The selected CMaC must be familiar with the construction manager-as-constructor—or otherwise known as construction manager at-risk—delivery method, and all code sections applicable thereto, including but not limited to the [California Public Contracts Code §20146.CMaC Scope of Services](#)

The CMaC shall provide and perform the services set forth and defined in *Attachment No. 1 – Scope of Service* and as set forth throughout this RFQ. All of the requested services shall be performed or provided by or under the control of an individual employed by the CMaC and who is qualified and licensed under applicable California law, and who is acceptable to the District.

2.0 GENERAL CONTRACT TERMS AND CONDITIONS

2.1 Contract

The CMaC Contract (“Contract”) that the District intends to use for the Project is included in *Attachment No. 3 – CMaC Contract*. Each Respondent must carefully review the Contract.

Respondents must include the following information in its Letter of Intent with regard to each provision, if any, of the Contract that is unacceptable to the Respondent:

- Identify the specific provisions or portion of a provision that is unacceptable;
- Provide a short, clear explanation as to why the provision or portion of provision is unacceptable; and
- Provide proposed alternative language that would be acceptable to the Respondent.

Provisions of the Contract to which the Respondent set forth no objection in its Letter of Intent are deemed to be acceptable to the Respondent. Importantly, the District will evaluate and rank a Respondent in part, based on the number, substance and significance of unacceptable provisions or portions identified in the Respondent’s Letter of Intent.

The District anticipates that the work performed under this Contract will be paid, in part, with funds from the FAA’s AIP and BIL grant programs. Requirements for federally funded projects are included in this solicitation and the Contract.

2.2 Contract Bonds and Insurance Requirements

1) Contract Bonds

Respondents’ attention is directed to those provisions of the Contract which require the CMaC to whom the contract for the work is awarded, to file with the District at the time the contract is executed, a **Labor and Materials Payment Bond** and a **Performance Bond** meeting all the requirements of the Contract and approved by the District’s Attorney. Bonds shall be executed by a surety possessing a valid certificate of authority issued by the California Department of Insurance and shall name the District as the beneficiary. Each such bond shall include a provision allowing the prevailing party in a suit on such bond to recover as a part of his judgment such reasonable attorney's fees as may be fixed by a judge of the court.

2) Insurance

The successful Respondent will be required to obtain Worker's Compensation Insurance coverage, Bodily Injury and Property Damage Liability Insurance, and Builder's Risk (Fire) Insurance.

2.2.1.1 Bodily Injury Liability and Property Damage Liability

The successful Respondent will be required to provide the Airport with a certified copy of an insurance policy, terminable only after ten days’ notice, covering all operations in connection with said work, with limits not less than \$2,000,000/\$4,000,000 Bodily Injury and \$10,000,000/\$20,000,000 Property Damage or, a single limit for Bodily Injury Liability and Property Damage Liability combined of \$10,000,000 for each occurrence/\$20,000,000 Aggregate, together with the Additional Insured Endorsement naming the Airport and its officers, agents and employees, respectively.

2.2.1.2 Worker's Compensation Insurance

The successful Respondent will be required at all times during the progress of the work, to carry with insurance carriers approved by the Airport, full coverage workmen's compensation and public liability insurance and furnish the Airport with certificates from said insurance carriers acknowledging full liability and fully insuring the Contractor and the Airport, its officers, employees or agents, against loss and liability on account of any and all injuries to workmen

and others, caused directly or indirectly by the performance of execution of this contract or subcontracts hereunder.

In accordance with the provisions of §3700 of the California Labor Code, every contractor will be required to secure the payment of compensation to his employees.

Each contractor to whom a public works contract is awarded is required to sign and file with the Airport the following certification prior to performing the work of the contract:

"I AM AWARE OF THE PROVISIONS OF SECTION 3700 OF THE LABOR CODE WHICH REQUIRES EVERY EMPLOYER TO BE INSURED AGAINST LIABILITY FOR WORKER'S COMPENSATION OR TO UNDERTAKE SELF-INSURANCE IN ACCORDANCE WITH THE PROVISIONS OF THAT CODE, AND I WILL COMPLY WITH SUCH PROVISIONS BEFORE COMMENCING THE PERFORMANCE OF THE WORK ON THIS CONTRACT."

2.3 Disadvantaged Business Enterprise

This Project will be funded in part with a federal U.S. Department of Transportation (USDOT) FAA grant, accordingly the federal DBE Program requirements of 49 CFR Part 26, regulations apply to this contract. A **DBE Goal** of **7.5%** has been established for this Project. It is the District's policy that the maximum feasible portion of the DBE goal will be obtained by using race-neutral means of facilitating race-neutral DBE participation. In accordance with 49 CFR Part 26.51 (d), a contract goal must be established to meet any portion of the DBE goal that cannot be met using race-neutral means. Since recent project history of Monterey Regional Airport has demonstrated the goal has not been obtained using race-neutral means, a contract goal is established for this Project in accordance with federal regulations.

The District is committed to attracting and enhancing diverse business participation of DBE, minority-owned businesses, women-owned businesses, and other small and local businesses in its contracts. The District encourages and expects contractors and firms proposing on this Airport project to do the same. The District also encourages minority and women-owned firms that may qualify as DBEs to become certified. Firms interested in applying for DBE certification can learn about certification requirements and apply at [Caltrans DBE Certification Information](#). Please note that DBE firms must be certified as such prior to execution of a contract to be considered a certified DBE firm.

2.4 Skilled Workforce

Within the Contract is the statutory requirement that the successful CMAc and its Subcontractors at every tier use a skilled and trained workforce, as required in California Public Contract Code §20146 and defined in California Public Contract Code §2601, to perform all Work on the Project that falls within an apprenticeable occupation in the building and construction trades. The successful CMAc will be required to provide monthly reports pursuant to California Public Contract Code §2602 demonstrating compliance by itself and its Subcontractors at every tier with the skilled work force requirements, including the minimum percentage of skilled journey persons that are graduates of registered apprenticeship programs as provided in California Public Contract Code §2601.

2.5 Substitution of Security

Pursuant to California Public Contract Code §22300, at the request and sole expense of the CMAc, the CMAc may request substituting securities for any money withheld as retention by the District to ensure performance under the Contract.

2.6 Prevailing Wage Rates

The CMAc shall be fully knowledgeable of, and shall comply, with the provisions of the California Labor Code §1770 et seq, including the general prevailing wage and apprentice requirement, requirements for subcontracts, and forfeiture penalties.

2.7 CMaC Contractor License Requirements

All prospective Respondents are hereby cautioned that the State of California Contractor's Law regulates license requirements for bidding various types of projects. In accordance with California Public Contract Code §20103.5 when federal funds are involved in local agency contracts, no bid shall be invalidated by the failure of the bidder to be licensed in California at the time of bid opening. However, at the time of award the selected CMaC shall be properly licensed in accordance with laws of the State and the requirements of the District. The CMaC shall possess a California Contractor's License Classification 'A' prior to award of Contract or other license qualifying the bidder to bid as a prime Contractor, prior to award of Contract as approved by the Board of the Monterey Peninsula Airport District. The CMaC's License shall be in effect at start of this contract and be maintained throughout the duration of this contract.

2.8 Labor Code Compliance

The undertaking and accomplishment of this Project is required by State law to comply with the requirements of California Labor Code §1770 et seq. Nothing in this solicitation is intended nor should it be interpreted as contravening the professions of that code. The District's projects are subject to compliance monitoring and enforcement by the Department of Industrial Relations ("DIR") in accordance with California Labor Code §1771.4(a)(1). As part of this program contractors, and subcontractors, on public works projects are required to be registered with the DIR in accordance with California Labor Code §1725.5. Unregistered contractors are not qualified to bid on, be listed in a bid proposal, listed as a subcontractor, or engaged in the performance of any public works contract all as more particularly described in California Labor Code §1771.1(a). The CMaC shall be required to post the job site with all notices required by regulations per California Labor Code §1771.4(a)(2), whether the Airport also posts.

SECTION III – STATEMENT OF QUALIFICATIONS

Respondents' SOQ submission must demonstrate their CMAc qualifications and experience, be concise, well-organized and shall be **no longer** than fifty (50) pages, on 8-1/2" x 11" paper, (excluding the Letter of Interest, blank pages, the table of contents, resumes, and other supplemental forms required or requested). Respondents' SOQ shall be numbered in sequential order and organized according to the structure reflected below and include the following subject matters and information:

Letter of Interest:

A brief letter of interest must be submitted, including the legal name of the Firm, address, contact details, and the name, title, and signature of the person authorized to submit the SOQ on behalf of the Respondent. The letter shall identify the proposed Project Manager and the prime contact person for the CMAc. The letter shall indicate whether the Respondent is a single entity, partnership, corporation, Joint Venture, or other legal entity recognized in the State of California.

Table of Contents:

A table of contents of the information contained in the SOQ according to the structure reflected below with the corresponding page number for each subject matter.

Executive Summary:

An executive summary that outlines the following:

- A brief statement of the Respondent's history, and, if a joint venture, of each participating entity.
- A brief summary of the Respondent's experience and qualifications with alternative project delivery and with airport landside work.
- A brief explanation of the Respondent's approach and philosophy to pre-construction services and construction of CMAc projects.

Content:

1) CMAc Construction Qualification Questionnaire

Each Respondent's SOQ shall include a fully completed Qualifications Questionnaire attached hereto as *Attachment No. 2 – Qualifications Questionnaire*.

2) Firm's Experience

For the purpose of this solicitation alternative delivery project refers to projects that are executed using non-traditional methods and approaches—deviating from the traditional design-bid-build delivery method—and involves collaborative efforts between the owner, designer, and contractor during the project design.

2.1 Experience with Alternative Delivery Projects

Describe up to three (3) projects in which Respondent's firm has been the prime entity in an alternate delivery method project during the past seven (7) years that are most relevant to this Project. For example, projects in which Respondent performed as the CMAc entity, or on a relevant new terminal project. (A "relevant new terminal project" is one that delivered a new terminal facility involving baggage handling systems, passenger boarding bridges, LEED™ Platinum certification, and focused on best value).

Please include all information indicated below and explain or clarify any response as necessary:

- Project name/identification and location
- Project owner, contact person and telephone number

- Project designer firm, contact person and telephone number
- Identify if the project was a CMAc project, or other alternative delivery method project (not design-bid-build project) and Firm’s role in the project
- Brief scope of work performed
- Contract completion date and actual completion date
- Initial contract value (as of time of award) and final contract value inclusive of all change orders
- A summary of any claims or disputes that arose on the Project
- Briefly identify project’s constraints and any specific construction performance requirements (e.g. long procurement items, extended period for attaining power, providing for continuous parking operations at an airport)

2.2 References for Alternative Delivery Projects

Include letter(s) of reference or testimonial for Respondent’s firm for the subject projects provided in Respondent’s response to *2.1 Experience with Alternative Delivery Projects* above. Respondent should limit letters of reference or testimonial to no more than three (3).

3) DBE Information

Please describe the Respondent’s experience utilizing DBE subcontractors on past alternative delivery projects. Discuss the Respondent’s techniques used to assist DBEs and small businesses.

Respondent must include the following information in its response:

3.1 Pre-Construction Services

The names and addresses of DBE firms that will participate in the Pre-Construction Services on the Project (Contractor may mark this list as proprietary and confidential) (“DBE Identification Process”):

- For each DBE firm that will participate in Pre-Construction Services, a brief description of the work that each DBE firm will perform.
- For each DBE firm that will participate in Pre-Construction Services, the approximate dollar amount for the value of the DBE firm’s services.
- A written statement from the Respondent attesting to its commitment to use the DBE firm(s) for the Pre-Construction Services listed.

3.2 Construction Services

For Construction Services, the Respondent shall be required to follow the DBE Identification Process within five (5) days of a Notice to Proceed for the construction portion of the Project.

The inclusion of the foregoing information is a matter of bid responsiveness. If a Firm fails to include the foregoing information in its SOQ, the Firm’s SOQ may be considered non-responsive.

3.3 Additional Data

Provide additional information about the Firm as it may relate to Firm’s history and/or ability to comply with DBE requirements.

3.4 Federal Requirements

Describe Respondent’s experience with providing services to federal construction projects or providing services in connection with projects that receive federal funding. Describe Respondent’s experience with DBE Program under Title 49, CFR Part 26, including use of DBE subcontractors, ability to fulfill commitments made to DBEs, and support and technical assistance provided to DBE firms during contract performance. In its SOQ, Respondent must

acknowledge reading, understanding, and agree to the federal bidding and contracting rules and regulations attached hereto in *Attachment No. 6 – Federal Requirements*, and execute all certifications included therein and in *Attachment No. 5 – Certifications*.

4) Project Personnel (CMaC Team) Experience

SOQ's should include a CMaC team organization chart of the personnel to be assigned to this Project. Identify key personnel and key subcontractors who would be performing services during both the pre-construction and construction phases of this Project. Identify the approximate percentage of time each key personnel identified will be used for each phase of the Project. Include summary resumes for all key personnel identified.

Respondents shall note that once the Respondent establishes its team, the District expects the same team key personnel to start and finish the Project, or in so far as each key personnel team member's responsibilities carry him/her on the Project. After submission of the SOQ, the Respondent may not substitute key personnel without the express written consent of the District. Failure to obtain the District's written consent to the substitution will be considered a breach of contract. Any proposed substitutions must have equal or better qualifications—as determined by the District—than the key personnel being removed from the Project. Any delays to the Project resulting from key personnel substitutions will be the sole responsibility of the CMaC. In its SOQ, the Respondent shall provide the following:

4.1 Key Personnel

Specifically define the role of each key personnel and outline his/her individual experience and responsibilities with CMaC delivery projects. It is anticipated key personnel will include the project manager, the project estimator, the scheduler, the project contract's purchaser, the safety manager, and the general superintendent. The Respondent may identify additional key personnel as deemed necessary by Proposer. Include the following information on all key personnel:

- Indicate all key personnel who will serve as primary contact(s) to the District and their availability.
- Resumes of key personnel shall show relevant experience for the Project's scope as well as the length of employment with current firm.
- Distinguish the key personnel's role in the Project's phases.
- Indicate where the key personnel will be physically located during the time key personnel's tasks are to be performed.

5) Project Plan:

In its SOQ, the Respondent shall provide the following:

5.1 Respondent's Approach to CMaC Work at this Airport

Describe how the Respondent intends to work with the District's officials and consultants to perform the required services and to develop management techniques and responses related to the unique challenges of operating an airport during the construction.

5.2 Collaboration and Partnering

Describe how the Respondent would engage collaboratively to complete the Project with an Owners multidisciplinary design and program management team. Expand on Respondent's experience with, and position on, facilitated partnering.

5.3 Schedule

Discuss the Respondent's ability to meet the construction schedule provided in *Table 2 - Project Proposed Schedule Milestone Dates* above for construction projects, Respondent's schedule management procedures, and how the Respondent has successfully avoided

potential delays.

5.4 Pre-Construction Services

Please review the scope of services for Pre-Construction Services attached hereto in *Attachment No. 1 – Scope of Service*. Describe Respondent’s experience, expertise, and ability to perform those services. Include a discussion on the following Pre-Construction Services:

5.4.1 Cost Savings / Value Engineering

Discuss the Respondent’s direct experience with and aptitude to, value engineer and cost savings with alternative delivery projects. Provide examples of Respondent analyzing project’s plans, components, and features of a project with similar work, and developing more efficient and cost-effective methods or alternatives.

Using the fifty-percent Construction Documents provided with this SOQ in *Attachment No. 1 – Scope of Service*, present and discuss up to two (2) examples of cost saving strategies and value engineering directly applicable to the Project. The discussion should contain an itemized estimate of all credits that will result directly or indirectly from the acceptance of such substitution, including costs of design, license fees, royalties, testing, design engineer's evaluation, claims of other contractors/subcontractors, etc.

5.4.2 Constructability Reviews

Discuss the Respondent’s direct experience with and aptitude to, constructability reviews with alternative delivery projects.

6) Environmental

Respondents shall describe their experience and ability to ensure that it can perform its construction activities in an environmentally responsible manner.

7) Conflict of Interest

Provide a statement of any recent, current, or anticipated contractual obligations that relate to work at the Monterey Regional Airport that may have a potential to conflict with Respondent providing the requested services to the District. Provide the *Potential Conflict of Interest Disclosure* for each CMaC team member/firm.

8) Safety Record and Management

Respondent must provide their Experience Modification Rate (“EMR”) for the current year and previous two (2) years. Discuss the Respondent’s safety program, the content and frequency of its safety meetings, the basis for its current EMR number, its Injury and Illness Prevention Program and who the Respondent’s safety manager will be and his/her qualifications for that position.

9) Financial Strength

9.1 Current Work Commitments and Project Limitations

Specify the current and projected workload of Respondent that is expected to overlap with this Project. If applicable, provide a statement of all recent, current, or anticipated contractual obligations that relate in any way to similar work for the Firm that may have a potential to impede Firm’s ability to provide the Services described herein to the District.

An acknowledgement that Respondent has financial capacity to successfully execute a Project of this size.

9.2 Construction Budget

Discuss the Respondent’s history and ability to manage costs and stay within the construction budget on comparable alternative delivery projects.

9.3 Insurance Information

Please attach a letter from an insurance broker the Respondent currently does business with, in which the broker attests that the Respondent is eligible to purchase policies with the limits required under the Contract. The broker shall also state in its letter that, if the Respondent's eligibility changes prior to contract award, the broker will notify the District within 48-hours of the change.

9.4 Bonding Information

Please provide a letter from a surety the Respondent currently does business with stating the Respondent's total and available bonding capacity. The surety shall also state in its letter that, if the Respondent's total or available bonding capacity changes prior to contract award, the surety will notify the District within 48-hours of the change.

10) Price Proposal

The Respondent agrees that all compensation for CMaC Services and all CMaC costs for Construction Support as required by this solicitation, including costs and fees reasonably inferable therefrom and necessary thereto for Project delivery, are included in the costs and fees entered in *Schedule A* and *Schedule B* below- deemed the Price Proposal.

Schedule A, Schedule B and *Table 2—Compensation for CMaC Services* shall be completed in the format and forms provided and submitted with the SOQ.

Respondents shall submit their Price Proposal pursuant to the Project schedule identified in *Table 2* above, and pursuant to the instructions in this solicitation. In addition, Respondents shall submit a completed Microsoft Excel® file—original file provide as part of the RFQ—with a printed copy in a separate sealed envelope marked “New Terminal Facility – Landside Improvements Price Proposal”.

The fixed-fee compensation, hourly rates, and fees submitted in the Price Proposal may be inserted into the appropriate sections of the Contract with the selected CMaC without any further discussion, or at the District's sole discretion, the District may enter negotiations with the successful Respondent on their rates, costs and fees. Respondents shall honor their Price Proposal for ninety (90) calendar days after submission of their SOQ.

Respondents shall be entitled to rely on the information provided by the District in this solicitation and any Addenda in developing their Price Proposal; however, Respondents shall validate all Project information as set forth in this solicitation prior to submitting the Price Proposal.

By submitting Price Proposal, the Respondent represents and warrants that:

- 1) It will enter into the Agreement set forth in this solicitation for the amount set forth in *Schedule A* and *Schedule B*, subject only to changes as allowed under the Contract.
- 2) The Respondent has carefully examined this solicitation and the Project, and ascertained the nature, scope, and location of all work. The Respondent has investigated and assured itself as to the general and local conditions that can affect the Project work and cost, all geotechnical and existing site conditions data, and any Addenda, and Contract forms. Submittal of an SOQ shall be conclusive evidence that Respondent has made such examinations and understands all the requirements for the performance of the completed Project. Failure of the Respondent to take these actions will not relieve it of responsibility for properly estimating the difficulty and cost of completing the Project or for proceeding to complete the Project without additional cost to the District. The Offeror shall determine the methods, materials, labor, and equipment required to perform and the complete the Project and reflect their cost in the Price Proposal.

Price Proposal
(To be submitted with SOQ)

Schedule A Compensation for CMaC Preconstruction Phase Services Summary

Task	DESCRIPTION	PROPOSAL AMOUNT¹
1.0	Cost for Consultation Services (§ 3.1)	\$ _____
2.0	Cost for GMP Proposal Services (§ 3.2)	\$ _____
Total Costs for CMaC's Services:		\$ _____

1. Respondents must use *Table 2—Compensation for CMaC Services* in Microsoft Excel® format file provided with this solicitation to develop the total costs for each task above.

Schedule B Compensation for CMaC Construction Phase Services Summary

Contract (Clause)	DESCRIPTION	PROPOSAL AMOUNT
(§ 3.3.2)	Administration Services	\$ _____
Article 6	CMaC Fee (insert as percentage of construction estimate)	—
	Phase 1 percent of \$47,000,000.00 ¹	\$ _____
	Phase 2 Percent of \$40,000,000.00 ¹	\$ _____
Total Costs for CMaC's Construction Phase Services:		\$ _____

1. Owner's budgetary numbers for each Phase of work.

**Respondents must include a completed
Table 2—Compensation for CMaC Services
in Microsoft Excel® format with their SOQ**

SECTION IV – EVALUATING QUALIFICATIONS/PROPOSALS

1.0 GENERAL

Considering the proposal will describe the capability of the Respondent to perform the resultant contract, as well as describe its understanding of the requirements of the Statement of Work, it should be specific and complete in every detail requested. The proposal should be prepared simply and economically, providing straightforward, concise delineation of capabilities to satisfactorily perform the contract being sought. In summary, the proposal should be practical, legible, clear, and coherent. The scores from the RFQ will not be carried through to the RFP.

2.0 GENERAL INFORMATION

2.1 Responsiveness of Submission

A Proposal that is not current, accurate and/or completed in accordance with the requirements of this solicitation is non-responsive and will be eliminated by the District from further consideration. Notwithstanding the foregoing, the District reserves the right to waive minor irregularities in a Proposal.

2.2 Supplemental Information

The District reserves the right to require any or all Proposers to provide supplemental information clarifying the submitted materials.

2.3 Evaluation Panel

The District will establish an evaluation panel of up to three (3) voting members using Airport staff and potentially industry partners to review submitted SOQs and Proposals deemed to have met the minimum criteria of this solicitation. Using predetermined evaluation criteria, each member of the evaluation panel will assess and assign scores based solely on the evaluation criteria. The evaluation panel will assess and assign scores to the qualifications and technical aspects of the proposals, taking into consideration responsiveness, competence, and experience demonstrated by the Respondents. The numerical score for each Respondent will be determined by summing the individual numerical scores given by the members of the evaluation panel.

The evaluation panel will score, and rank Respondents' proposals based on qualifications, best value, and other factors set forth in the solicitation and in general compliance with California [Public Contract Code §20146](#). The District reserves the right to award a contract to the CMaC submitting the proposal to be the **best value** to the District.

2.4 Consideration of Information outside the Submission

The District has the right to conduct a further and independent investigation of the information provided in Proposals. This includes contacting and speaking with references. The evaluation panel may use any relevant information gathered by such investigation - and any other relevant information that comes to the attention of the District - to evaluate a Proposal.

3.0 EVALUATION PROCESS

3.1 SOQ Evaluation Process

The District's evaluation panel will score, and rank SOQs based on the factors set forth in this solicitation. The evaluation panel will review and score the Proposals, considering responsiveness, demonstrated competence, and experience. Each member of the evaluation panel will independently evaluate each Proposal using a point rating system. Points will be assigned based on the criteria and criteria weights as identified below.

Unless expressly stated otherwise, experience and qualifications shall be evaluated based upon the combined experience and qualifications of the Proposer’s team. SOQ will be evaluated as follows:

Table 3 – SOQ Evaluation Criteria

SOQ Evaluation Criteria	Rating (Allocated Points)
<p>1) <u>Letter of Interest</u></p> <p>The letter identifies the prime contact person and the proposed Project Manager for the CMaC.</p> <p>The letter demonstrates a clear and concise overview of the core strengths and why the CMaC Entity is the most qualified to plan and execute this Project at MRY.</p> <p>The letter presents the Proposer’s Vision for the Project.</p> <p>The letter indicates whether the Proposer is a single entity, partnership, corporation, Joint Venture, or other legal entity recognized in the State of California.</p>	<p>Pass / Fail</p>
<p>2) <u>CMaC Organization</u></p> <p>Staffing plan matrix and summary describing the role of each key personnel/team member and include:</p> <ul style="list-style-type: none"> – Organization Chart that sufficiently addresses the positions necessary to complete the Project. – Organization Chart that indicates the key personnel roles and responsibilities. <p>Provide a description of the scope of each team members’ services and responsibilities for the pre-construction services and the construction services.</p>	<p>10</p>
<p>3) <u>Minimum Qualifications</u></p> <p>The minimum qualification requirements include bonding capacity, capacity to meet the District’s insurance requirements, financial capacity and wherewithal, and past safety metrics.</p> <p>The instructions for requiring bonding capacity are set forth in <i>Section I–2.0 1) Contract Bonds</i>. The insurance requirements are set forth in <i>Section I–2.0 2) Insurance</i>.</p>	<p>Pass / Fail</p>

Table 3 – SOQ Evaluation Criteria (Continued)

SOQ Evaluation Criteria	Rating (Allocated Points)
<p>4) <u>CMaC Qualifications</u> List of key personnel’s qualifications reflecting CMaC delivery projects and that demonstrates CMaC entity’s members/staff will add value to this Project. Respondent should, at a minimum, speak to the following key personnel/roles:</p> <ul style="list-style-type: none"> – Project Manager – Project Cost Estimator – General Superintendent <p>a) Provide summary resumes and include up to two (2) relevant project references for key personnel.</p>	20
<p>5) <u>Experience</u> Each Respondent will be evaluated based on demonstrated experience in: a) terminal construction employing CMaC delivery method of facilities similar in scope and nature to this Project; b) knowledge of, and access to, the local subcontracting market; c) knowledge of the agencies having jurisdiction (“AHJ”) and understanding their permitting process; and d) completing CMaC projects employing value engineering. In evaluating this subfactor, the District will consider, among other things, the Respondent’s track record in delivering airport terminal projects on-time and on-budget. If the Respondent is a team or Joint Venture (JV) of multiple companies; the evaluation panel will consider the experience of each member of the team or JV considering their role in the proposed team.</p>	20
Summation of Points Available for 1 through 5 (from each member of the evaluation panel)	50
<i>Subtotal Points Available</i>	<i>150</i>

Table 3 – SOQ Evaluation Criteria (Continued)

SOQ Evaluation Criteria	Rating (Allocated Points)
<p>6) <u>Price Proposal Evaluation Process</u></p> <p>Although the project Price Proposals will be a component of the selection process, other factors will also be considered, and CMaC Entity selection may not be awarded to the entity providing the lowest proposed Price Proposal. The maximum available points for the Price Proposal is 50. The Airport will score, and rank the Price Proposals as follows:</p> <p>Price Proposal Score = Best Value Ratio × Price Weight × Best Value Score</p> <p>Where,</p> $\text{Best Value Ratio} = \frac{\text{Subtotal Evaluation Score for 1 through 5 above}}{150}$ <p>Price Weight = 50</p> $\text{Best Value Score} = \frac{\text{Lowest Price Proposal}}{\text{Current Price Proposal being Evaluated}}$	<p>50</p>
Total Points Available for SOQ	200

3.2 RFP Evaluation

The District’s evaluation panel will evaluate and rank the RFP by combining the scoring from the Technical Proposal, the Construction Price Proposal, and the Interview.

1) Technical Proposal Evaluation Process

The District’s evaluation panel will score, and rank the Technical Proposals as follows:

Table 4 – Technical Proposal Evaluation Criteria (

Evaluation Criteria	Rating (Allocated Points)
<p>1) <u>Cover Letter</u> The cover letter shall identify the prime contact person with their contact information, and the proposed Project Manager for the Respondent.</p> <p>The cover letter shall demonstrate a clear and concise overview of the core strengths and why the Respondent is the most qualified to plan and execute this Project at MRY.</p>	5
<p>2) <u>Project Approach</u> Present the Respondent’s project approach that demonstrates the Respondent’s team’s ability to provide the necessary services to support this Project. The project approach should at a minimum include:</p> <ul style="list-style-type: none"> – Approach to management entities and collaboration to ensure minimal impact to design, and construction tasks and operations while delivering the Project – Approach and commitment to Project partnering – Up to three (3) schedule savings/cost saving strategies applicable to the Project – Approach to cost risk mitigation, include examples – Approach to Trade Packages, both procurement and management 	45
<p>3) <u>Schedule and Construction Phasing</u> Provide an outline CPM schedule for the Project. The CPM schedule shall demonstrate the effectiveness of the design-construction interaction.</p> <p>Incentive payments for early completion will not be provided for the Project.</p>	25
<p>4) <u>Safety and Security Approach</u> Present Respondent’s safety and security approach to further promote a safe and secure work environment at the Airport for construction staff and Airport users throughout the Project. The approach should demonstrate innovation and effectiveness of safety and security.</p>	25

Table 4 – Technical Proposal Evaluation Criteria (Continued)

Evaluation Criteria	Rating (Allocated Points)
Summation of Points Available – 1 through 4 (from each member of the evaluation panel)	100
Total Points Available for Technical Proposal	300

2) Construction Price Proposal Evaluation Process

Although the project Construction Price Proposals will be a component of the selection process, other factors will also be considered, and CMaC entity selection may not be awarded to the Respondent providing the lowest proposed Construction Price Proposal. The maximum available points for the Construction Price Proposal is **100**. The District will score, and rank the Construction Price Proposals as follows:

$$\text{Construction Price Proposal Score} = \text{Best Value Ratio} \times \text{Price Weight} \times \text{Best Value Score}$$

Where,

$$\text{Best Value Ratio} = \frac{\text{Current Technical Proposal Evaluation Score}}{300}$$

$$\text{Price Weight} = 100$$

$$\text{Best Value Score} = \frac{\text{Lowest Price Proposal}}{\text{Current Price Proposal being Evaluated}}$$

3) Interviews

The District intends to interview all responsive short-listed Respondents. Each said Respondent is expected to participate in an interview with the Airport’s evaluation panel. The length and location of the in-person oral interviews will be at the discretion of the District.

All information discussed in these interviews will be considered confidential and will not be shared by the District with any other party not participating in the interview. Specific information regarding the time and location of the interview(s) will be provided after the evaluation panel has reviewed the Technical and Construction Cost proposals.

The purpose of the interview is to permit the evaluation panel to fully understand and assess the Respondent and the Respondents’ key personnel. The Respondent’s interview will be scored by each member of the Evaluation Panel at the conclusion of the interview.

3.2.1.1 Interview Format

Each Respondent will be given up to fifteen (15) minutes to make their presentation. At the end of the presentation, there will be a break for approximately twenty (20) minutes for the Evaluation Panel to assess the presentation and prepare questions. The Proposer will then respond to questions from the Airport’s Evaluation Panel for approximately thirty (30) minutes.

3.2.1.2 Interview Schedule

The order of interviews will be selected randomly, and the Proposers will be informed of their presentation date before the beginning of any interviews. The District reserves the right to reschedule any Proposer’s presentation at the discretion of the District.

3.2.1.3 Attendees

The interview should be attended by the Proposer’s personnel who will be assigned the key roles for this Project. Each Proposer will be limited to four (4) persons. The job functions of the persons attending the presentation will be considered to be an indication of the Proposer’s assessment of the key areas of responsibility that are deemed essential to the successful completion of the Project.

3.2.1.4 Topics

The Proposer may present information about its capabilities and special qualifications to serve as the CMaC Entity for this Project, including the qualifications of key personnel.

A Respondent’s final numerical score for the interview will be the summation of the numerical scores given for the interviews by all evaluation panel members for that Respondent. The interview evaluation criteria will be as follows:

Table 5 - Interview Evaluation Criteria

Evaluation Criteria	Rating (Allocated Points)
<i>Presentation</i> Capabilities and special qualifications	15
<i>Questions and Answers</i> Up to five (5) questions	35
Total Points Available (from each member of the evaluation panel)	50
Total Points Available for Interview	150

4) Summation of RFP Points

Following the interviews, the Airport will calculate all points scored for each Proposer add together the Technical Proposal points, Price Proposal points, and the Interview points.

Table 6 – RPF Evaluation

Components Evaluation	Total Available Points
Technical Proposal	300
Construction Price Proposal	100
Interview	150
Total	550

SECTION V – SELECTION PROCESS

1.0 SELECTION AND NOTIFICATION

1.1 Competitive Proposal Selection

The selection for this solicitation is a two-step Competitive Proposal Selection (“CPS”) process. The two-step CPS process is described below:

1) *Step One*

In response to this solicitation prospective Respondents shall submit their SOQ for consideration. The District will review and rank all SOQs meeting the minimum qualifications. Up to three (3) CMaC entities will be short-listed for advancement to the next step. The short-listed CMaC entities will be determined solely from their SOQ. However, the Airport reserves the right to interview all or some of the proposal Respondents if it so chooses.

2) *Step Two*

The District will issue an RFP to the short-listed CMaC entities only. The RFP will require responses from the short-listed CMaC entities for both technical and construction price proposals. The Technical Proposal will be evaluated using a numerical point earned system. The Price Proposal will be factored into the points earned system. Further details of the Proposal scoring will be provided in the RFP. The District will conduct interviews of the responsive short-listed Respondents from step one above. The evaluated results of the Technical and Price proposals as well as the interviews will be factored into decision for the final selection.

1.2 Notice of Determination

The District will issue a “Notice of Final Ranking” based on the rankings as described in *Section IV –3.0 Evaluation Process* of this solicitation.

1.3 Contract Negotiation

After ranking the proposals, the District intends to negotiate a CMaC contract with the highest-ranked CMaC entity. If an agreement cannot be reached, the District will negotiate with the next highest-ranked CMaC. Once a CMaC contract has been negotiated, Airport staff will recommend that the Monterey Peninsula Airport District’s Board of Directors (“Board”) award the CMaC contract. It is anticipated, that once selected and contracted, the CMaC will review and provide guidance to the A/EOR to advance the design, incorporating the details desired by the District, and providing the District with cost input regarding options the District is considering.

1) The District reserves the right to reject any SOWs as non-responsive, and not to contract with any Firm for the Services described herein. The District makes no representation that participation in the RSOQ process will lead to an award of contract or any consideration whatsoever. The District reserves the right to seek SOQs from or to contract with any Firm not participating in this process. The District shall in no event be responsible for a Firm’s cost of preparing any SOQ. The District reserves the right to adjust the structure of the Project and to request a successful Firm provide initial pricing information, fee(s) for Pre-Construction services, general conditions, partial construction services, etc., for the Project or a phase within the Project.

2) All SOQs will become the property of the District and subject to the [California Public Records Act, Government Code sections 6250](#), et seq. Those elements in a SOQ that are trade secrets as that term is defined in Civil Code section 3426.1(d) or otherwise exempt by law from disclosure and which are prominently marked as “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY” by the Firm may not be subject to disclosure. The District shall not be liable or responsible for the disclosure of any

such records including, without limitation, those so marked if disclosure is deemed to be required by law or by an order of a Court. A Firm that indiscriminately identifies all or most of its SOQ as exempt from disclosure without justification may be deemed non-responsive. In the event the District is required to defend an action on a Public Records Act request for any of the contents of a SOQ marked “Confidential,” “Proprietary,” or “Trade Secret,” the Firm agrees, by submission of its SOQ, to defend and indemnify the District from all costs and expenses, including attorneys’ fees, in any action or liability arising under the Public Records Act.

2.0 PROTEST

2.1 Procedures for Protesting

A Respondent that submitted a Proposal can protest the rankings only after the District issues the Final Notice of Rankings. A Respondent that desires to protest the rankings must submit a written protest to the District and include the following:

- 1) The initial protest document must contain a complete statement of the basis for the protest.
- 2) The protest must refer to the specific portion of the document that forms the basis for the protest, and must describe in detail the specific errors allegedly committed by the District in evaluating the protesting proposal (or with regard to any other Respondent’s proposal).
- 3) The protest must contain the name, address, e-mail, and telephone number of the person or entity representing the protesting party.
- 4) The party filing the protest must transmit a copy of the initial protest document and any attached documentation concurrently to all other parties having a potential direct financial interest that may be adversely affected by the outcome of the protest. Such parties shall include all other Respondents that appear to have a reasonable prospect of receiving an award depending upon the outcome of the protest.
- 5) The procedure and time limits set forth in this paragraph are mandatory and are Respondents’ sole and exclusive remedy in the event of protest. The Respondent’s failure to promptly comply with these procedures shall constitute a waiver of any and all rights to further pursue the protest, including without limitation filing a Government Code claim or instituting legal proceedings. A Respondent may not rely on a protest submitted by another Respondent but must timely pursue its own protest.

2.2 Time for Submitting Protest

A Proposer desiring to protest the rankings must submit its written protest no later than five (5) business days after the date on the Final Notice of the rankings. The failure to submit a written protest within this time is a bar to protesting the rankings.

2.3 Grounds for which Protest is Not Allowed

- a. *Incomplete (non-responsive) proposals.*
- b. *Late submission of proposal or*
- c. *A dispute regarding the solicitation requirements that could have been addressed by submitting a question and/or objection in accordance with Section I–1.4 Prospective Respondents’ Request for Clarification above.*



REQUEST FOR PROPOSALS
for
CONSTRUCTION MANAGER-AS-CONSTRUCTOR
for
REPLACEMENT TERMINAL FACILITY
at
MONTEREY REGIONAL AIRPORT

200 Fred Kane Drive, Suite 200

Partially Funded through FAA's

Airport Improvement Program & Bipartisan Infrastructure Law - Airport Infrastructure

The Monterey Peninsula Airport District (“District”) by means of the Request for Proposals (“RFP”), invites the short-listed Construction Manager-as-Constructor (“CMaC”) firms to submit a Technical Proposal (“Proposal”) for the pre-construction services and complete construction services for the *Replacement Terminal Facility* project (“Project”) at the Monterey Regional Airport (“Airport” or “MRY”). The District seeks a CMaC who will be responsible for the delivery of the Project. The Airport intends to issue one contract to the selected CMaC for the Project scope of work.

Request for Proposals Issue Date:	January 9, 2025
Technical Proposal Due Date:	Thursday, January 23, 2025 at 2:00 PM
Short-Listed Firms Interviews:	January 28 or 29, 2025 (Respondents to be advised of interview times)
Contact Information:	Monterey Regional Airport Planning Department 200 Fred Kane Drive, Suite 200 Monterey, CA 93940 planning@montereyairport.com
Deadline to Submit Questions:	Thursday, January 16, 2025 at 2:00 PM

Notice is hereby given that the Monterey Peninsula Airport District is soliciting Technical Proposals (“Proposal”) from the shortlisted CMaC Entities (“Firm(s)” or “Respondent(s)”) to perform pre-construction and construction services in connection with the *Replacement Terminal Facility* project (“Project”) at the Monterey Regional Airport.

The District considers all information, documentation and other material submitted in response to this solicitation to be of a non-confidential and/or non-proprietary nature and therefore subject to public disclosure, after a contract is executed in accordance with the California Public Records Act §7920. Unless expressly stated otherwise in this solicitation, Respondents should not request that certain information be treated as exempt, and statements in the Proposal should not be marked as confidential or proprietary.

The District has the discretion to consider, without limitation, any of the information disclosed in accordance with this provision in deciding with which CMaC it will negotiate a contract. This discretion is not limited by the Respondent’s ranking based on the evaluation criteria or by anything to the contrary in this solicitation.

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NOTICE TO RESPONDENTS

The *Replacement Terminal Facility* project will be funded in part by Federal Aviation Administration (“FAA”) Airport Improvement Program (“AIP”) and Bipartisan Infrastructure Law - Airport Infrastructure (“BIL”) grant funds, accordingly applicable federal requirements will apply. **The design Architect/Engineer of Record’s (“A/EOR”) cost model for the estimated construction costs is provided with this RFP.**

The District’s intent is to award a single contract to the selected CMaC to complete the pre-construction services and the construction of the Project.

- A. Completed Proposals must be delivered to the Airport, no later than the [Due Date and Time](#) indicated on the cover page of this solicitation. **One (1) original hard copy, one (1) electronic file of the Proposal in pdf readable format must be submitted in a sealed envelope, and if necessary, include revised Schedule A and Schedule B. Schedule A and Schedule B must be in the excel format originally provided with the RFQ addendum No. 2 and responses to questions related to the Price Proposal remain as applicable.**
- B. Proposals must provide the requested information as described in this solicitation. Proposals not submitted in the manner prescribed herein will not be considered.
- C. Alternate proposals will not be considered.
- D. Any proposals received after the [Due Date and Time](#) shall not be considered.
- E. If the District issues addenda to this solicitation, Respondents must acknowledge receipt of addenda in the Respondent’s proposal. Any addenda issued by the District will be e-mailed. The District is not responsible for the failure of any Respondent to receive such addenda. All addenda so issued shall become a part of this solicitation. Failure to acknowledge and respond to any addenda issued by the District may, at the District’s sole discretion, cause the Respondent’s proposal to be deemed non-responsive.
- F. The District reserves the right to reject any or all Proposals or to waive any informalities or minor irregularities in connection with Proposals received.
- G. The District assumes no obligation in the solicitation of proposals and any costs incurred in responding to this solicitation shall be the responsibility of the interested party. The District assumes no obligation for such costs.
- H. Reference to “Offeror,” “Contractor” or “Bidder” shall mean “CMaC Entity” or “Respondent”; “solicitation” shall mean “RFQ and RFP”; “Proposal” shall mean “Technical Proposal”; “Owner” shall mean “District”, “Shortlisted Firms” shall mean “Shortlisted CMaC Entity” that qualified for the RFP process.

All questions related to this solicitation must be directed in writing to: planning@montereyairport.com and no later than the [date and time](#) indicated on the cover of this solicitation as the Deadline to Submit Questions. Perspective Respondents must adhere to the specified requirements in this solicitation and refrain from contacting District, Airport personnel or Architecture Team pertaining to this solicitation outside of the designated process for any inquiries or requests for clarification. The District, at its sole discretion, may offer responses and clarifications to perspective Respondents’ questions and requests for clarification received.

Acceptance of Evaluation

Submission of a Proposal indicates Respondent's acknowledgment and acceptance of the evaluation process and the recognition that subjective judgments must be made by the District during the selection process.

SECTION I – GENERAL CONDITIONS

1.0 INTRODUCTION AND INSTRUCTIONS TO RESPONDENTS

1.1 Introduction

The District is seeking a qualified Construction Manager-as-Constructor (“CMaC”) to provide pre-construction services and complete construction services for the Project and invites the short-listed firms to submit a Technical Proposal (“Proposal”) in accordance with the requirements set forth in this RFP. Proposals will be evaluated and interviews conducted to identify the successful firm.

1.2 Proposed Time Schedule (Subject to Change)

The District anticipates conducting the procurement of the Project in accordance with the following list of milestones leading to award of the Agreement. This procurement schedule is subject to revision and the District reserves the right to modify this procurement schedule as it finds necessary, in its sole discretion. The Project’s procurement schedule is outlined in *Table 1 - Solicitation Schedule* below.

Table 1 - Solicitation Schedule

1. Issue RFQ/P	January 9, 2025
2. Non-Mandatory Pre-Proposal Conference:	Tuesday, November 12, 2024 at 2:00 PM
3. Deadline to Submit Questions:	Thursday, January 16, 2025 at 2:00 PM
4. Addendum/Final Answers Posted:	Friday, December 6, 2024
5. SOQ Submittal Deadline:	Thursday, January 23, 2025 at 2:00 PM
6. Notice of Interim Ranking and Shortlisted CMaC Entities:	Friday, December 27, 2024
7. Issue of RFP:	Thursday, January 9, 2025
8. Technical Proposal Submittal Deadline:	Thursday, January 23, 2025
9. Interviews with Shortlisted CMaC Entities:	January 28 and 29, 2025
10. Issuance of Final Rankings:	Thursday, January 30, 2025
11. Deadline to Submit Appeal or Protest:	Five Business Days from the date of the notification of final ranking

The District has established milestones for the Agreement completion dates for the Project in *Table 2 - Project Proposed Schedule Milestone Dates* below, and Respondents shall base their Proposals on these milestones.

Table 2 - Project Proposed Schedule Milestone Dates

1. Pre-Construction Services Notice-to-Proceed:	Following execution of the Contract
2. 100% Construction Documents Submission Provided to CMaC:	November 21, 2024
3. CMaC Submits GMP 1 to District:	April 3, 2025
4. CMaC Submits GMP 2 to District:	November 18, 2025
5. Construction Notice to Proceed:	May 26, 2025
6. Construction Substantial Completion:	May 1, 2027
7. Construction Final Inspections and Testing:	June 1, 2027

1.3 Respondents’ Request for Clarification

The District has provided the currently available information for this solicitation. It is the responsibility of the shortlisted Respondents to review, evaluate, and, where necessary, request any clarification prior to submission of the Proposal. Requests for clarification/interpretation must be submitted in **writing only** to planning@montereyairport.com.

Shortlisted Respondents’ questions must be as specific as possible and must identify the solicitation section number and title at issue. Shortlisted Respondents submitting an objection must describe the objection as specifically as possible and set forth the rationale for the objection.

1.4 Amending the Solicitation

The District reserves the right, at its sole discretion, to amend this solicitation based on questions and issues raised during the conduct of this solicitation, or for any other reason. The District may provide a written response to any question(s) and/or objection(s) in the form of a single answer or by issuing an addendum. The District will e-mail all addenda and notices regarding this RFP directly to the shortlisted CMaC Entities. The addenda, notices, and written answers to questions issued by the District will become part of this solicitation.

1.5 Communications Regarding this Solicitation

Respondents are notified that from the date this RFP is issued until the date the competitive process of this RFQ is complete, either by cancellation or by final action of the District, and with the exception of the interview, respondents and their representatives or interested parties, shall communicate with the District and its representatives, by written submission of questions or requests for clarification in accordance with *Section I – General Conditions, 1.3 Respondents’ Request for Clarification above*. All communications regarding this RFQ and any matter related thereto shall be in accordance with this communication protocol.

1.6 Solicitation

The District will as soon as practicable after the date of opening Proposals and conducting interviews make a selection, or all Proposals will be rejected.

2.0 PROPOSAL REQUIREMENTS AND CONDITIONS

2.1 Examination of Plans, Basis of Design, Cost Model, and Site of Work

The District and its consultants have prepared one-hundred percent Construction Documents, Basis of Design Report, and a Cost Model in accordance with acceptable Architectural/Engineering standards, giving such direction as will enable any competent CMaC to perform the services requested. **The design team's Issued-for-Bid Cost Model in Microsoft Excel® format—and dated December 20, 2024—is being provided with this RFP.**

Respondents shall examine the site of the proposed work and all documents pertaining to the work. It is mutually agreed that the submission of a proposal shall be considered prima facie evidence that the Respondent has made such examination and is familiar with the character, quality and quantity of the work to be performed and material to be furnished.

After the submission of the proposal, no complaint or claim that there was any misunderstanding as to the quantities, conditions or nature of the work will be entertained.

2.2 Interpretation of Quantities in the Request for Proposal

The quantities appearing in the Cost Model provided with the RFP are approximate and are to be used for the comparison of the price proposals. Payment to the CMaC will be made only for the actual quantities of work performed and accepted or materials furnished in accordance with the Contract at the price in the Guaranteed Maximum Price (“GMP”).

2.3 Irregular Proposals

Proposals will be considered irregular and may be rejected for the following reasons:

- a) If the proposal is on a form other than that furnished by the District; or if the form is altered or any part thereof is detached.
- b) If there are unauthorized additions, statements, conditional or alternate bids, or irregularities of any kind.
- c) If the Respondent adds any provisions reserving the right to accept or reject an award, or to enter into a contract pursuant to an award.

2.4 Withdrawal or Revision of Proposal:

Any Respondent may withdraw or revise a proposal after it has been deposited with the District, provided his/her request is received by the District, in writing at planning@montereyairport.com, before the time specified for opening proposals or as stipulated herein.

SECTION II – EVALUATING PROPOSALS

1.0 GENERAL

1.1 Responsiveness of Submission

Proposals should be specific and complete in the details requested. Proposals should be prepared simply and economically, providing the requested information in a straightforward, clear well-organized and concise format. **Proposals shall be no longer than thirty (30) pages, on 8-1/2” x 11” paper, inclusive of the cover letter. The outline Critical Path Method (CPM) should be legible, and if Respondents elect, can be presented on 11” x 17” paper or larger. The outline CPM schedule will count towards the total page count allowed.** Proposals that are not completed in accordance with the requirements of this solicitation will score accordingly. Notwithstanding the foregoing, the District reserves the right to waive minor irregularities in a Proposal.

1.1 Supplemental Information

The District reserves the right to require any or all Proposers to provide supplemental information clarifying the submitted materials prior to the interview.

1.2 Evaluation Panel

The District has establish an evaluation panel of three (3) voting members using Airport staff and industry partners to review submitted Proposals and conduct the interviews.

Using predetermined evaluation criteria, each member of the evaluation panel will assess and assign scores based solely on the evaluation criteria. For the Technical proposal and interviews the numerical score for each Respondent will be determined by summing the individual numerical scores given by the members of the evaluation panel.

The evaluation panel will score, and rank Respondents’ proposals based on the factors set forth in this solicitation and in general compliance with California [Public Contract Code §20146](#). The District reserves the right to award a contract to the CMaC submitting the proposal to be the **best value** to the District.

2.0 EVALUATION PROCESS

2.1 RFP Evaluation

The District’s evaluation panel will evaluate and rank the RFP by combining the scoring from the Technical Proposal, the Price Proposal, and the Interview.

2.1.1 Technical Proposal Evaluation Process

The District’s evaluation panel will score, and rank the Technical Proposals as follows:

Table 3 – Technical Proposal Evaluation Criteria (

Evaluation Criteria	Rating (Allocated Points)
<p>1) <u>Cover Letter</u></p> <p>The cover letter shall identify the prime contact person with their contact information, and the proposed Project Manager for the Respondent.</p> <p>The cover letter shall demonstrate a clear and concise overview of the core strengths and why the Respondent is the most qualified to plan and execute this Project at MRY.</p>	5
<p>2) <u>Project Approach</u></p> <p>Present the Respondent’s project approach that demonstrates the Respondent’s team’s ability to provide the necessary services to support this Project. The project approach should at a minimum include:</p> <ul style="list-style-type: none"> – Approach to management entities and collaboration to ensure minimal impact to design, and construction tasks and operations while delivering the Project – Approach and commitment to Project partnering – Up to three (3) schedule savings/cost saving strategies applicable to the Project. Cost savings strategies presented in the Proposal must reference the applicable work component and section, or direct cost as applicable, from the Cost Model provided – Approach to cost risk mitigation, include examples – Approach to mitigating Project Cost Risk(s) identified under the Basis of Estimate tab in the Cost Model provided – Approach to Trade Packages, both procurement and management 	45
<p>3) <u>Schedule and Construction Phasing</u></p> <p>Provide an outline CPM schedule for the Project. The CPM schedule shall demonstrate the effectiveness of the design-construction interaction and should present any proposed accelerated construction and/or early procurement to capture cost savings. The outline CPM schedule should reflect construction phasing and identify project milestone dates including foundation completion, enclosure completion (dried-in/weatherproofed), fire suppression system completion and testing.</p> <p>Incentive payments for early completion will not be provided for the Project.</p>	25

Table 3 – Technical Proposal Evaluation Criteria (

Evaluation Criteria	Rating (Allocated Points)
<p>4) <u>Safety and Security Approach</u> Present Respondent’s safety and security approach to further promote a safe and secure work environment at the Airport for construction staff and Airport users throughout the Project. The approach should demonstrate innovation and effectiveness of safety and security. The approach must address maintaining the security integrity of the new Terminal facilities while under construction and during the commissioning period.</p>	25
<p>Summation of Points Available – 1 through 4 (from each member of the evaluation panel)</p>	100
<p>Total Points Available for Technical Proposal</p>	<p>300</p>

2.1.2 Price Proposal Evaluation Process

The District will permit shortlisted CMaC Entities to revisit their Price Proposal provided during Step 1 of this solicitation—the SOQ—and modify / adjust as they deem appropriate. In response to this RFP if Respondents elect to make modifications the revised Price Proposal must be submitted with their Proposal. Revised Price Proposals must be in the same Microsoft Excel® format provided with their SOQ, and Respondents must complete the PRICE PROPOSAL summary form on page 11 below. The Price Proposal total—Total Costs for CMaC’s Services plus Total Costs for CMaC’s Construction Phase Services—will be used in the calculation of Respondents’ Price Proposal Score. If a Respondent elects to make no modifications or adjustments the Price Proposal total from the Respondent’s SOQ will be used in the calculation. Although the Price Proposal will be a component of the selection process, other factors will also be considered, and CMaC entity selection may not be awarded to the Respondent providing the lowest proposed Price Proposal. The maximum available points for the Price Proposal is **100**. The District will score, and rank the Price Proposals as follows:

Price Proposal Score = Best Value Ratio × Price Weight × Best Value Score

Where,

$$\text{Best Value Ratio} = \frac{\text{Current Technical Proposal Evaluation Score}}{300}$$

$$\text{Price Weight} = 100$$

$$\text{Best Value Score} = \frac{\text{Lowest Price Proposal}}{\text{Current Price Proposal being Evaluated}}$$

Price Proposal
(To be submitted with the Proposal)

Respondents must respond by checking the appropriate check box below.
Respondents electing to make modifications to their Price Proposal from the SOQ must complete the proposal amounts below as applicable.

- Respondent elects to make no change to their SOQ Price Proposal
- Respondent elects to modify Price Proposal as indicated below
(Revised Schedules A and B are included with Proposal)

Schedule A Compensation for CMAc Preconstruction Phase Services Summary

Task	DESCRIPTION	PROPOSAL AMOUNT ¹
1.0	Cost for Consultation Services (§ 3.1)	\$
2.0	Cost for GMP Proposal Services (§ 3.2)	\$
Total Costs for CMAc's Services:		\$ _____

1. Respondents must use *Schedule A* in Microsoft Excel® format file provided with this solicitation to develop the total costs for each task above.

Schedule B Compensation for CMAc Construction Phase Services Summary

Contract (Clause)	DESCRIPTION	PROPOSAL AMOUNT
(§ 3.3.2)	Administration Services	\$
Article 6	CMAc Fee (insert as percentage of construction estimate)	—
	Phase 1	percent of \$47,000,000.00 ¹
	Phase 2	Percent of \$40,000,000.00 ¹
Total Costs for CMAc's Construction Phase Services:		\$ _____

1. Owner's budgetary numbers for each Phase of work. **For the purposes of this solicitation, numbers not changed from RFQ.**

If Respondent is electing to modify their Price Proposal from their SOQ
Respondents must include a completed Schedule A and Schedule B
in Microsoft Excel® format with their Proposal

This summary page must be included with the Proposal.
This page will not count towards the Proposal page limit.

2.1.3 Interviews

The District intends to interview all shortlisted Respondents. Each said Respondent is expected to participate in an interview with the Airport's evaluation panel. The length and location of the in-person oral interviews will be at the discretion of the District.

All information discussed in these interviews will be considered confidential and will not be shared by the District with any other party not participating in the interview. Specific information regarding the time and location of the interview(s) will be provided after the evaluation panel has reviewed the Technical Proposals and Construction Price Proposals.

The purpose of the interview is to permit the evaluation panel to fully understand and assess the Respondent and the Respondents' key personnel. The Respondent's interview will be scored by each member of the Evaluation Panel at the conclusion of the interview.

2.1.3.1 Interview Format

Each Respondent will be given up to fifteen (15) minutes to make their presentation. At the end of the presentation, there will be a break for approximately twenty (20) minutes for the Evaluation Panel to assess the presentation and prepare questions. The Proposer will then respond to questions from the Airport's Evaluation Panel for approximately thirty (30) minutes.

2.1.3.2 Interview Schedule

The order of interviews will be selected randomly, and the Proposers **are being given their interview/presentation date and time in the email distribution provided with this solicitation.** The District reserves the right to reschedule any Proposer's presentation at the discretion of the District.

2.1.3.3 Attendees

The interview should be attended by the Proposer's personnel who will be assigned the key roles for this Project. Each Proposer will be limited to four (4) persons. The job functions of the persons attending the presentation will be considered to be an indication of the Proposer's assessment of the key areas of responsibility that are deemed essential to the successful completion of the Project.

2.1.3.4 Topics

The Proposer may present information about its capabilities and special qualifications to serve as the CMAc Entity for this Project, including the qualifications of key personnel.

A Respondent's final numerical score for the interview will be the summation of the numerical scores given for the interviews by all evaluation panel members for that Respondent. The interview evaluation criteria will be as follows:

Table 4 - Interview Evaluation Criteria

Evaluation Criteria	Rating (Allocated Points)
<i>Presentation</i> Capabilities and special qualifications	15
<i>Questions and Answers</i> Up to five (5) questions	35
Total Points Available (from each member of the evaluation panel)	50
Total Points Available for Interview	150

2.1.4 Summation of RFP Points

Following the interviews, the Airport will calculate all points scored for each Proposer adding together the Technical Proposal points, Price Proposal points, and the Interview points.

Table 5 – RPF Evaluation

Components Evaluation	Total Available Points
Technical Proposal	300
Price Proposal	100
Interview	150
Total	550

SECTION III – SELECTION PROCESS

1.0 SELECTION AND NOTIFICATION

1.1 Competitive Proposal Selection

The selection for this solicitation is a two-step Competitive Proposal Selection (“CPS”) process.

1.2 Notice of Determination

The District will issue a “Notice of Final Ranking” based on the rankings as described in *Section II –2.0 Evaluation Process* of this solicitation.

1.3 Contract Negotiation

After ranking the proposals, the District intends to negotiate a CMaC contract with the highest-ranked CMaC Entity. If an agreement cannot be reached, the District will negotiate with the next highest-ranked CMaC Entity. Once a CMaC contract has been negotiated, Airport staff will recommend that the Monterey Peninsula Airport District’s Board of Directors (“Board”) award the CMaC contract. It is anticipated, that once selected and contracted, the CMaC will review and provide guidance to the A/EOR to advance the design, incorporating the details desired by the District, and providing the District with cost input regarding options the District is considering.

1) The District reserves the right to reject any Proposals as non-responsive, and not to contract with any Firm for the Services described herein. The District makes no representation that participation in the solicitation process will lead to an award of contract or any consideration whatsoever. The District shall in no event be responsible for a Firm’s cost of preparing any Proposal and participating in the interview. The District reserves the right to adjust the structure of the Project and to request a successful Firm provide initial pricing information, fee(s) for Pre-Construction services, general conditions, partial construction services, etc., for the Project or a phase within the Project.

2) All Proposals will become the property of the District and subject to the [California Public Records Act, Government Code sections 6250](#), et seq. Those elements in a Proposal that are trade secrets as that term is defined in Civil Code section 3426.1(d) or otherwise exempt by law from disclosure and which are prominently marked as “TRADE SECRET,” “CONFIDENTIAL,” or “PROPRIETARY” by the Firm may not be subject to disclosure. The District shall not be liable or responsible for the disclosure of any such records including, without limitation, those so marked if disclosure is deemed to be required by law or by an order of a Court. A Firm that indiscriminately identifies all or most of its Proposal as exempt from disclosure without justification may be deemed non-responsive. In the event the District is required to defend an action on a Public Records Act request for any of the contents of a Proposal marked “Confidential,” “Proprietary,” or “Trade Secret,” the Firm agrees, by submission of its Proposal, to defend and indemnify the District from all costs and expenses, including attorneys’ fees, in any action or liability arising under the Public Records Act.

Modifications from original RFQ indicated in red.



Replacement Terminal CMaC RFP Evaluation Results

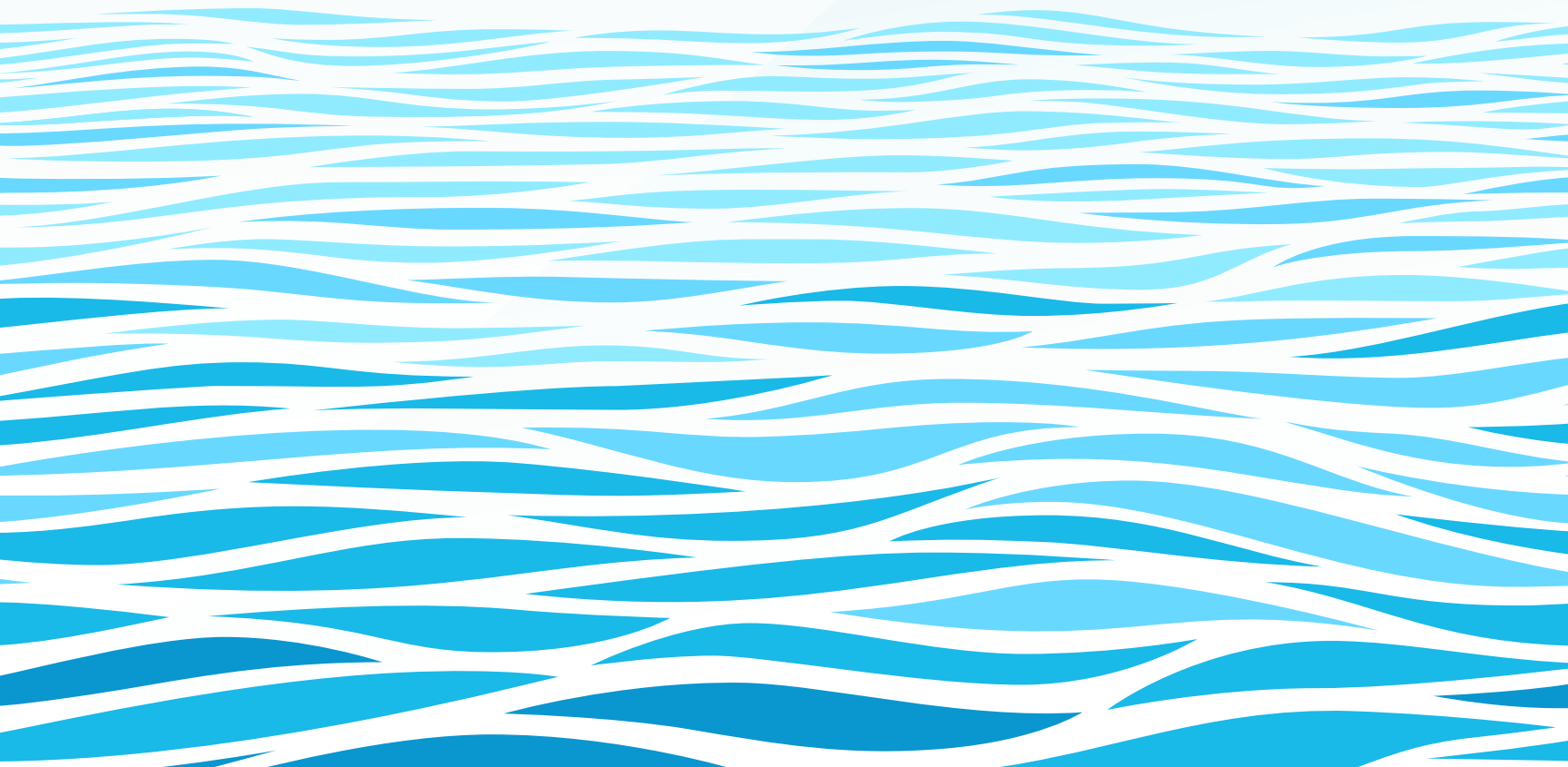
Company	Hensel Phelps	Sundt	Swinerton	Otto	
Ranking	1	3	2	4	
Max Score					
RFP PROPOSAL SUBMITTAL					
Cover Letter - identify prime contact with PM clear/conside overview	15	15.00	15.00	14.25	14.50
Project Approach	135	131.42	127.67	121.50	93.83
Schedule and Construction Phasing	75	72.83	71.17	66.33	55.83
Safety and Security Approach	75	74.33	72.83	73.17	60.00
Subtotal Proposal Points	300	293.58	286.67	275.25	224.17
Subtotal Price Proposal Points	100	49.68	73.65	79.29	74.72
INTERVIEW					
Presentation	45	44.17	38.67	39.00	29.00
capabilites and special qualifications					
Questions and Answers	105	100.67	88.17	94.17	70.50
up to five questions					
Subtotal Interview Points	150	144.83	126.83	133.17	99.50
Total Points	550	488.10	487.15	487.70	398.39



HENSEL PHELPS
Plan. Build. Manage.

REQUEST FOR PROPOSALS

Replacement Terminal Facility at Monterey Regional Airport



Executive Summary



Firm History

Founded in 1937, with a focus on our core values of ownership, integrity, builder, diversity, and community, Hensel Phelps opened our first Northern California office in 1968. Our expertise in aviation construction began in the 1980's with our United Airlines and American Airlines partnerships, and has continued through to today, with our position as the #1 Aviation Builder in the US. Throughout our 40+ years of aviation experience, our project delivery has evolved into a highly collaborative approach, which begins early in preconstruction with a deep dive into the project criteria and stakeholder needs. We are excited to bring our approach to MRJ on the Replacement Terminal Project, and to work as partners to deliver a facility that reflects the essence and diversity of the Monterey community.

Aviation Terminal Experience

With extensive experience in airport terminal projects, we understand the intricacies of aviation construction. Our team has worked on projects of all sizes, from major international terminals like SFO and LAX, to regional facilities like the San Jose Mineta Airport and Northern Colorado Regional Airport Terminal, which provide us with an intricate view of the unique needs and challenges of regional aviation clients. In the table below, we have highlighted some of our recent terminal projects, which details our extensive experience in delivering airport terminal projects of varying sizes and complexities.

PROJECT NAME	Scope	Location	Value	Square Feet	Delivery Method	Completion Date
Northern Colorado Regional Airport Terminal	Ground-loaded gates, TSA functions, ticketing, passenger hold area, baggage claim and services for 1-2 airlines	Loveland, CO	\$16,916,889	19,306 SF	CMaC	09/17/2024
Eagle County Regional Airport Expansion and Remodel Project	Six new airline gates and boarding bridges, temporary facilities, support and concessionaire space, and reconfiguration of the security lines and TSA/ATO space	Gypsum, CO	\$32,300,000	56,750 SF	Design-Build	12/04/2019
SJC Interim Facility - Six Gates Project	Six passenger boarding bridges and gates, holdroom space, a grab and go style concession, restrooms, and a walkway connection to Terminal B	San Jose, CA	\$53,884,000	47,000 SF	Progressive Design-Build	06/15/2019
Austin-Bergstrom International Airport Terminal East Infill	Four-story addition including computer telecommunications, security, fire protection, baggage handling, and other mechanical/electrical systems	Austin, TX	\$68,600,000	87,353 SF	Design-Build	03/22/2016
Dallas Love Field Modernization Program	New 20-gate, central concourse, baggage claim, ticketing hall, and modern office space	Dallas, TX	\$274,000,000	750,000 SF	CMaC	2/14/2015
LAX Southwest Airlines T1.5 Development Program	Baggage claim, ticketing, security checkpoint, airside connector between Terminals 1 and 2, retail concessions and leasable office space	Los Angeles, CA	\$341,668,420	239,538 SF	CMaC	12/11/2020
Asheville Regional Airport (AVL) Terminal Modernization and Expansion	Expansion to 12 gates, security checkpoint, curbside drop off and façade, baggage handling capabilities and new concessions, shops, shared club space and restrooms	Fletcher, NC	\$346,881,091	275,000 SF	CMaC	12/17/2027
North Concourse Modernization Project	Increased aircraft gates from 12 to 20, extended building to 181,000 SF for Alaska Airlines, kept NSAT operational during construction, designed for LEED Silver certification	SeaTac, WA	\$488,000,000	276,000 SF	CMaC	07/28/2021
Orlando International Airport (MCO) - South Terminal C Phase 1	15 airline gates to accommodate narrow-body, jumbo and super-jumbo aircraft, construction of walkways, aircraft loading bridges, and security improvements	Orlando, FL	\$679,400,000	732,895 SF	CMaC	5/1/2022
SFO Harvey Milk Terminal 1	Complete demolition and rebuild of the Terminal 1 arrivals and departures, passenger check-in, TSA security check points, new baggage handling system and baggage claim area, as well as terminal connection to airtrain and central garage.	San Francisco, CA	\$1,560,000,000	900,000 SF	Progressive Design-Build	09/30/2024

#1 Aviation Contractor

ENR's 2024 Top 400 Aviation Contractors

We have completed 42 Million SF of airport construction in the last 40 years, with our portfolio encompassing 376 aviation projects totaling \$26 billion in value. Our proven track record of success is a direct result of our team's extensive experience successfully managing aviation projects of all sizes and complexities. This success is why we are consistently ranked by multiple publications (including Engineering News Record and Building Design + Construction) as the #1 Aviation Contractor in the United States.

CMAc Experience and Qualifications

Through our experience on \$50B of Construction Manager as Constructor projects, Hensel Phelps has developed a proven process of implementing projects like the MRY Replacement Terminal Facility. Hensel Phelps specializes in managing complex projects with tight budgets and schedules, offering expertise in construction manager as constructor (CMAc), design-build, and progressive design-build delivery methods. In fact, 92% of the \$5 billion worth of construction completed by our Northern California Region in the last 10 years was delivered via design-build or CM-as-Constructor with extensive preconstruction services. Our experience with these approaches will allow us to collaborate closely with MRY to achieve the airport's goals, through creative and innovative solutions to any project challenges.

DELIVERING VALUE THROUGH PRECONSTRUCTION SERVICES

A clear advantage of partnering with Hensel Phelps is our ability to manage the preconstruction process effectively. We have a long and successful track record of completing projects with accelerated



1,361

CMAc Projects
Across the U.S.

\$50B

Total CMAc Project
Value

198M

Square Feet of
CMAc Projects



schedules and constrained budgets. Our approach to preconstruction focuses on delivering value at every stage of the project. By engaging early and collaborating closely with stakeholders, we will ensure the Replacement Terminal Facility project remains aligned with the MRY's vision, budget, and schedule.

During preconstruction, our primary goal is to provide accurate and timely information, enabling MRY to make informed decisions. We value stakeholder feedback and incorporate it to enhance project outcomes, focusing on budget control, value management, schedule analysis, criteria compliance, constructability improvement, and quality control.

KEY ASPECTS OF OUR PRECONSTRUCTION SERVICES INCLUDE:

Value Engineering Expertise:

We identify opportunities to reduce costs and improve efficiencies without sacrificing quality or functionality. Whether by evaluating material substitutions, refining building systems, or optimizing workflows, our team ensures every dollar is well spent.

Thorough Design Reviews:

We evaluate designs for constructability, criteria compliance, and operational efficiency, helping to avoid costly redesigns or delays.

John Aitken, San Jose International Airport Aviation Director

“Hensel Phelps has done an outstanding job managing the tight budget constraints of our six-gate expansion project at SJC. Their ability to complete such a complex project in under a year speaks volumes about their expertise and dedication. We couldn't have asked for a better general contractor.”

Proactive Risk Management:

Early identification and resolution of potential challenges ensures that the project stays on schedule and within budget.

Guaranteed Maximum Price (GMP) Flexibility:

Hensel Phelps can establish a Guaranteed Maximum Price (GMP) at any point in the preconstruction stage according to MRY's needs. This process ensures the delivery of high-quality, high-value projects while minimizing the risk of redesign delays, cost overruns, and unforeseen changes.

Hensel Phelps: A Partner Focused on Monterey

At Monterey Regional Airport, we see an opportunity to create a facility that is as functional as it is transformative. By applying lessons learned from similar projects, our team will work with the airport to deliver a terminal that supports its growing passenger base while reflecting the character and values of the region.

Hensel Phelps shares Monterey Regional Airport's (MRY) vision of enhancing passenger flow, reducing wait times, and improving baggage handling, all while being mindful of environmental impacts. Hensel Phelps' commitment to sustainability aligns with MRY's goals for Zero Net Energy and LEED Platinum certification.

Regional Expertise:

With deep experience working on California airports, we understand local permitting processes, climate considerations, and community expectations.

Local Subcontractor Market:

We will leverage our extensive network of relationships within the local subcontractor market, including Disadvantaged Business Enterprise (DBE) subcontractors, to ensure a diverse and highly skilled workforce for the MRY Terminal Replacement project.

Sustainability:

Our team is committed to supporting MRY's Zero Net Energy and LEED Platinum goals, drawing on our success in achieving similar certifications for other projects.

We are excited to bring our expertise to Monterey and deliver a terminal that will serve the community while respecting the airport's financial and environmental goals.



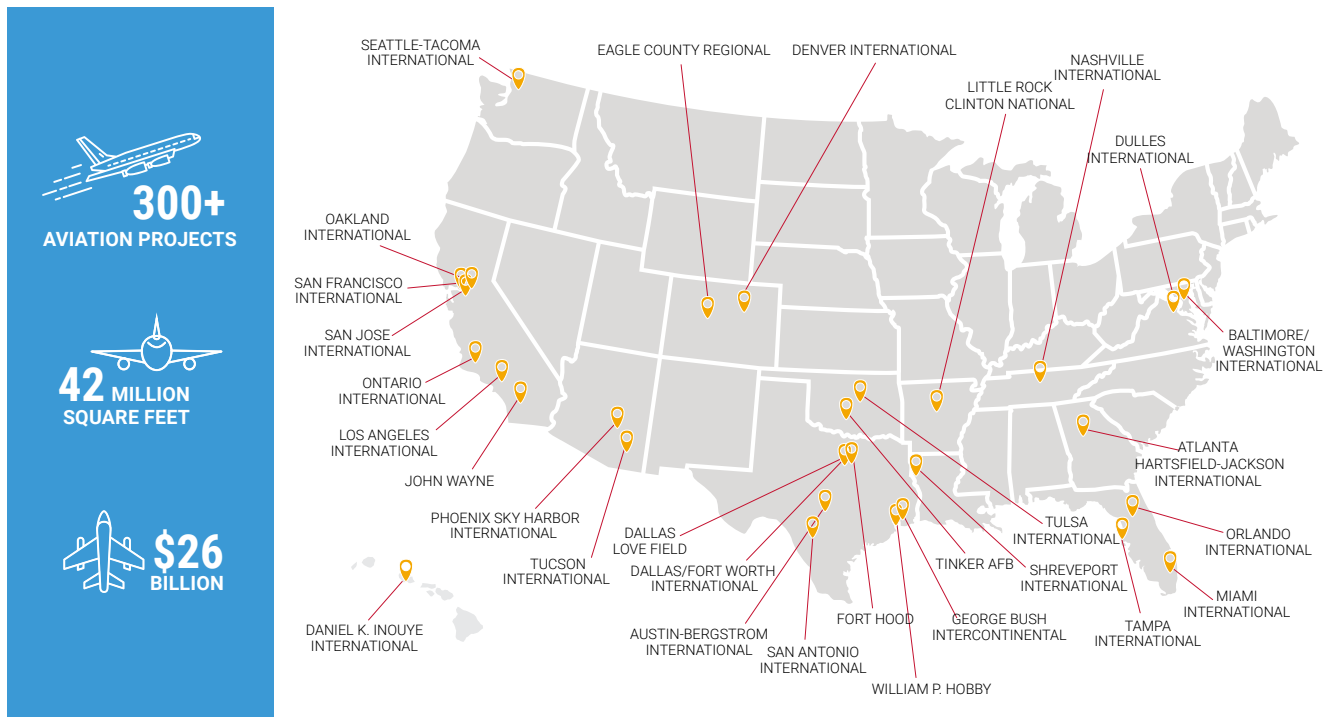
The City of Waco Terminal Modernization project included a renovated TSA entry portal.

1

Firm's Experience

2.1 Experience with Alternate Delivery Projects

Hensel Phelps has performed work on 300+ commercial airports across the U.S., amounting to 42 million square feet and \$26 billion. Our firm understands how to work within alternate delivery methodologies to deliver successful aviation projects on time and within budget.



In the following pages, we feature three distinct projects, each reflecting a different theme that directly align with the goals and priorities of the MRV Replacement Terminal Facility. These projects highlight our ability to manage complex aviation facilities while maintaining a sharp focus on budget discipline, timely delivery, and operational excellence. For the MRV Replacement Terminal Facility, our experienced team, proven methods, and adaptable solutions will ensure a successful project that meets your goals and exceeds expectations.

Eagle County Regional Airport

This project showcases our expertise in managing projects for regional airports with comparable scope requirements. By leveraging innovative value engineering (VE) strategies, we optimized costs without sacrificing functionality or quality.

LAX Southwest Airlines Terminal 1.5

This project demonstrates our extensive experience with CMaC and developing alternate delivery methods which satisfy the client's programmatic needs, requirements, and budget constraints.

San Jose Airport (SJC) Interim Facility

This project underscores our local experience and ability to deliver within a constrained budget and tight schedule. Using a methodical approach, we applied best practices from large-scale projects and tailored them to the unique demands of a smaller facility, ensuring cost control and efficiency.

PROJECT #1

Eagle County Regional Airport Expansion and Remodel Project

Project Name / Location	Eagle County Regional Airport Expansion and Remodel Project / Gypsum, CO
Project Owner	Eagle County, Josh Miller, Construction Manager, 970-230-1782
Project Designer Firm	Gensler, Adam Ambro, Architect, 303-595-8585
Delivery Method /Firm's Role	Design-Build / General Contractor
Contract Completion Date	12/16/2019
Actual Completion Date	12/04/2019
Initial Contract Value	\$30,000,000
Final Contract Value	\$32,000,000 (Owner-directed changes post-GMP)
Summary of Claims or Disputes	None



Alternate Delivery Method:
Design-Build

Value Engineering to
Maintain Budget

New Terminal Project

Baggage Handling Systems

Passenger Boarding Bridges



PROJECT #1

Project Scope

The design-build Eagle County Regional Airport Expansion and Remodel was a two-phased project built to accommodate the demand for more gates and upgraded facilities for the existing terminal.

The first phase of the project included a partial demolition of the existing facility and then the addition of a new 47,000 SF two-story concourse, including the addition of four airline gates with new passenger boarding bridges. Prior to construction of the new facility, temporary facilities for the concessionaire and four airline gates were built to maintain uninterrupted flight operations.

The project was thoughtfully scheduled to include a phase two start that accommodated project completion prior to the winter ski season when the airport experiences a dramatic increase in passenger volume and flight operations. The project team demolished the temporary facilities and the three remaining existing gates, then immediately started the construction of the final two additional ground level loading gates which added on 4,500 SF of space to the new terminal expansion.

Josh Miller, Eagle County Construction Manager

“Eagle County was pleased with the attention to detail, and cooperative nature in which the project team approached the Eagle County Regional Airport Terminal Remodel. The team approach that was portrayed throughout by Hensel Phelps was largely responsible for the success of this project.”

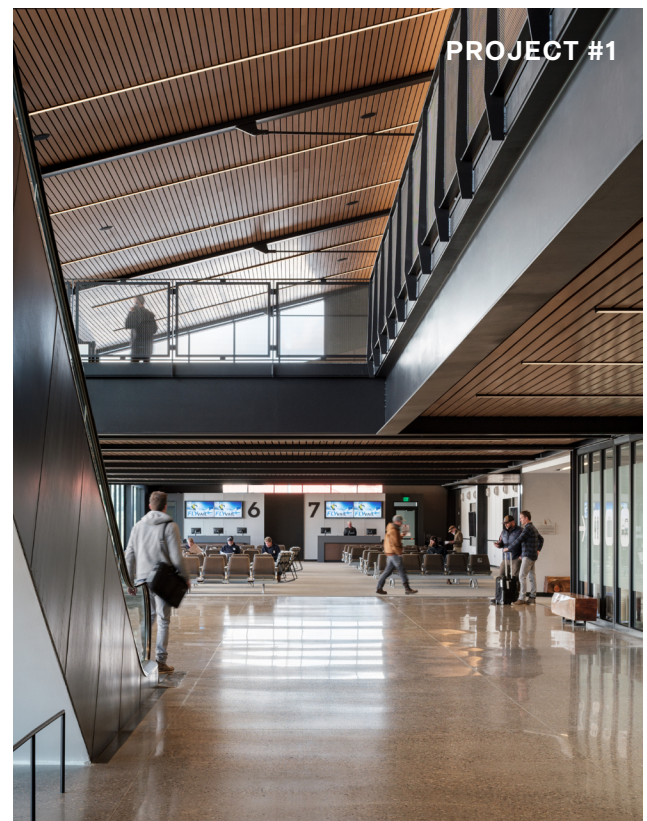
Intermixed between the two phases, functional spaces were constructed to upgrade the terminal that included: an expanded and relocated security passenger screening checkpoint, central hall, departure and arrival passenger holding areas, concessions, bar and restaurant, remodeled airline offices, and underside vehicle and equipment storage space for baggage handling equipment. The total area of the new and remodeled space was approximately 56,750 SF and dramatically improved the passenger experience.

The North and West elevations of the building are wrapped in 10,000 SF of aluminum curtainwall to allow for natural lighting throughout the concourse, with a suspended wood ceiling around exposed steel beams at all gate locations to provide a genuine mountain experience to arriving and departing passengers.

Project Constraints

Working in an operational airport with varying flights schedules depending on the season (Winter - 19 flights and Summer - 2-4 flights), having a required de-icing area near the jobsite, and having an active construction site made it difficult to maintain all active airport operations while also maintaining the project schedule. The project team worked closely with all the stakeholders and built temporary facilities for concessions and four gate holding areas while they constructed the new facility. This maintained uninterrupted airport and airline operations and provided a safe and seamless transition for passengers.

With airport operations significantly increasing during the winter months, project completion prior to the next winter season was a priority and constraint. The project team worked together and completed the entire project two weeks early to ensure the airport was fully open for their busiest time of year, ski season. The team credits their early completion date to the timely completion of phase one, which setup the second phase with adequate time for demolition, construction and applying lessons learned from the first phase to maximize the efficiencies and output of their trade partners and team.





Value Engineering Process

With the fast-paced schedule and need for bond financing for owner approval, the design-build team developed three options to fit different budgets and scopes of work. After Eagle County made their selection, there was still need to value engineer roughly \$3 million to meet the program budget.

The architect, contractor and owner worked closely together to review the interior and exterior design features to evaluate what could potentially be modified to reduce the budget while maintaining airport operations and functionality, overall design aesthetics, and the program requirements. A key to this collaboration and process was understanding the owner's and architect's top priorities and vision in terms of the design aesthetics so these could be maintained, and items not impacting these top priorities could be modified and still maintain the needs and functionality of airport operations. Examples included the modification of a glass handrail, changing of certain light fixtures and revisions to some of the mechanical equipment. Having the key trade partners on board early helped support the evaluation and budgeting of the various potential design changes.

Safety Management

Maintaining a safe work environment while implementing a foreign object debris control plan at the airport required continual and open communication with all stakeholders. This was evident when the project team collaborated closely with stakeholders to build temporary facilities for concessions and gate holdroom areas. Within 12 hours of completing the temporary space, the team safely handed it over to the owner, ensuring no disruptions to the airport, airlines, or passengers.

Since Eagle County Regional Airport is located outside the Colorado Front Range, the team had to procure several local trade partners and coordinate with their different safety cultures. To educate these partners on our robust safety culture, the project team thoroughly reviewed safety processes, including the correct way to document hazards and precautionary steps on activity hazard analysis forms. The team also developed safety plans and pre-mobilization strategies, facilitated site-specific safety trainings, and ensured proper certification for inspecting, operating, and maintaining aerial lifts. Additionally, daily or weekly safety and coordination meetings were held to ensure all trade partners were accountable for safety, quality, and schedule related to their scope of work.

PROJECT #2

LAX Southwest Airlines Terminal 1.5

Project Name / Location	LAX Southwest Airlines Terminal 1.5 Development / Los Angeles, CA
Project Owner	Southwest Airlines Co., Don Ostler, Senior Project Manager, 214-792-3873
Project Designer Firm	PGAL, Jeffrey Gerber, Architect, 713-622-1444
Delivery Method /Firm's Role	CMAc / General Contractor
Contract Completion Date	01/06/2021
Actual Completion Date	12/11/2020
Initial Contract Value	\$333,951,211
Final Contract Value	\$341,700,000 (Owner added scope)
Summary of Claims or Disputes	None



Alternate Delivery Method:
CMAc

Value Engineering to
Maintain Budget

New Terminal Project

Baggage Handling Systems

LEED Silver



PROJECT #2

Project Scope

On a \$350 million project for Southwest Airlines at the Los Angeles International Airport (LAX), Hensel Phelps was contracted to perform a hybrid of CMaC and MEPF/BHS design-build services for the new Terminal 1.5 Connector project (T1.5). Included in the scope, the 234,000 SF terminal building connector features a five-level, multi-tenant terminal building that includes baggage claim, ticketing, security checkpoint, airside connector between Terminals 1 and 2, retail concessions and leasable office space. Also included are a bus gate, an outbound baggage system (including CBIS), an inbound baggage system, a loading dock with a receiving area, vertical circulation, and rooms to support building services such as

mechanical, electrical, plumbing and information technology. The T1.5 building includes a vertical circulation core that provides connectivity between the terminal and the automated people mover.

Project Constraints

The Hensel Phelps team overcame significant challenges due to site constraints and programmatic requirements. The project site, located between two terminal buildings, sat above one of the city's oldest active sewer lines, requiring the foundation to bridge over it without disturbance. Additionally, the design included a pedestrian bridge connecting to an upper floor that cantilevered over LAX's roadway system. To address these complexities, the team collaborated

Don Ostler, Southwest Airlines, Senior Project Manager

“Hensel Phelps has proven to be an invaluable partner. [Their] collaborative approach and willingness to go above and beyond have been crucial in overcoming challenges and achieving project milestones.”

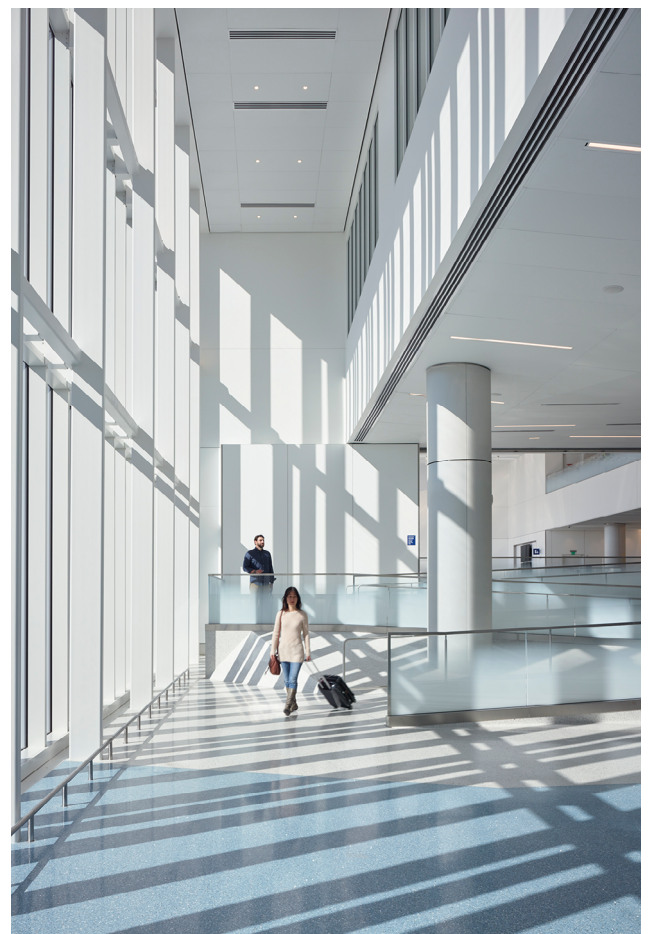
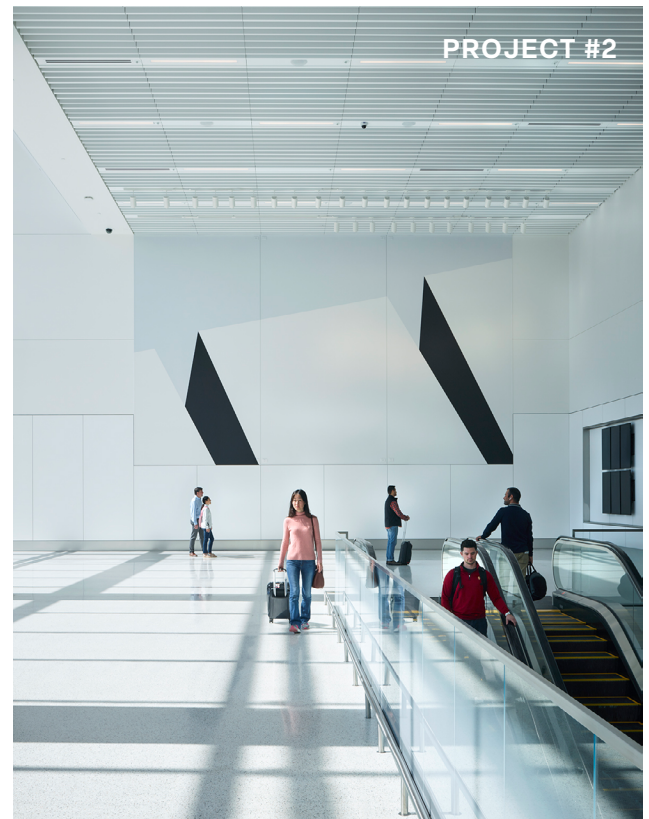
with Automated People Mover (APM) designers to ensure precise coordination, validating steel elevations before concrete placement to keep both projects aligned. Extensive field surveys ensured the building seamlessly fit between Terminals 1 and 2, while the foundation was constructed in two layers, with early-delivery stub columns installed to support the 1-million-pound APM.

The COVID-19 pandemic introduced further challenges, including on-site safety for 350 craftspeople and supply chain delays. The team enhanced cleaning protocols, optimized virtual coordination, and adjusted celebrations to maintain morale. Daily coordination walks with trade partners expedited installations once delayed materials arrived, ensuring the project stayed on track.

Value Engineering Process

Reflecting on the T1.5 project, the Hensel Phelps team emphasized proactive collaboration value engineering. There were no significant instances of budget overruns necessitating cuts. Instead, the team consistently engaged with designers to identify more cost-effective, superior, or expedited solutions, adhering to the Southwest Airlines mantra for project decision-making on T1.5 of “cheaper, better, or faster.”

The project team's structure was pivotal in maintaining budgetary control. T1.5 was executed as a hybrid Construction Manager as Constructor (CMaC) and Design-Build (DB) project. Hensel Phelps served as the Design-Builder for Mechanical, Electrical, Plumbing, and Fire Protection (MEPF) and Baggage Handling Systems (BHS). The design-build trade partners were contracted to a full contract value at 60% design completion (also the Guaranteed Maximum Price point), which provided a high degree of cost certainty as the design was finalized. These partners were fully committed to meeting project requirements, having been involved since 30% design completion. Additionally, PGAL, the architect, was a cooperative participant in the hybrid process, working effectively with the team to address MEP and BHS needs.





PROJECT #2

Several examples illustrate the Hensel Phelps team's collaborative efforts with designers to achieve cost savings before value engineering became necessary:

- **Apron Paving:** In areas not used for aircraft movement, the team opted for a thick slab on grade instead of a standard airfield paving profile.
- **Utility Vault at Sidewalk:** The initial plan involved placing a hydronic utility vault in the sidewalk outside the building. However, the team collaborated to integrate the valving and functions into the building itself, facilitating a viable phasing option for the future Concourse 0 to connect easily to the campus utility system via the T1.5 building.
- **Innovative Contributions by Project Superintendent:** Our Project Superintendent led several innovative design management initiatives that preempted the need for later value engineering.

Finally, the Hensel Phelps team strategically allocated funds to areas of significant impact, such as the architectural ceiling around the checkpoint, while avoiding unnecessary expenditures in back-of-house spaces. They carefully considered where to apply impact protection and avoided excessive finishes in less critical areas.

Local Subcontractor Involvement

Subcontractors were key to staying on budget. Their early involvement helped reduce the building footprint. Design decisions focused on cost and schedule, with 173 trends priced before the final budget. They created extra drawing packages to keep things moving, securing 62 permits.

Collaboration was essential. Weekly meetings and open communication ensured quick decisions and timely design completion. By controlling parts of the design, the team could keep the project on track even if some approvals were delayed. Hensel Phelps and the design-build subcontractors worked closely to ensure constructible, cost-efficient solutions, which helped avoid unnecessary expenses and kept the project running smoothly.

PROJECT #3

SJC Interim Facility – Six Gates Project

Project Name / Location	SJC Interim Facility - Six Gates Project / San Jose, CA
Project Owner	San Jose Mineta International Airport, Fai Ali, Deputy Director of Aviation, 408-392-3680
Project Designer Firm	Fentress Architects, Corey Ochsner, 720-331-3532
Delivery Method /Firm's Role	Progressive Design-Build / General Contractor
Contract Completion Date	06/15/2019
Actual Completion Date	06/15/2019
Initial Contract Value	\$37,992,000
Final Contract Value	\$53,900,000 (Owner added two more gates)
Summary of Claims or Disputes	None



Alternate Delivery Method:
Design-Build

Value Engineering to
Maintain Budget

Passenger Boarding
Bridges

PROJECT #3



Project Scope

In early 2018, Mineta San Jose International Airport (SJC) was faced with record-setting growth in number of passengers and flights, but lacked sufficient gates to serve them efficiently. Constructing the Interim Facility in Terminal B is a temporary solution to meet Silicon Valley's ongoing demand for air travel. The 11-month, fast-tracked, progressive design-build project was made possible by teamwork and quick decision making among the entire team. The Interim Facility provides the airport with six additional aircraft gates and passenger holding areas.

The design-build team focused the design on future-readiness. The design elements are clean and simple and the passenger boarding bridges (PBBs) will remain in place when the future Phase 2 expansion of Terminal B can be fully funded and constructed. Whenever possible, the team used readily available materials to support the fast pace of construction. Ultimately, the \$53M Interim Facility was the fastest design-build project ever delivered in the City of San Jose.

John Aikten, Director of Aviation (retired), San Jose Mineta International Airport

“The Hensel Phelps commitment to team building and partnering was critical for the success of this project. Their responsiveness during construction and their overall focus on constructability and cost was a major factor in our ability to complete our project within budget.”

Project Constraints

In order to meet the City of San Jose's expectations for speed of delivery while maintaining budget and quality, Hensel Phelps approached cost management with a collaborative, "design to the budget" philosophy. With only a few rendered concepts, the team set out to create a design that integrated with the existing SJC campus, utilizing readily available materials to expedite delivery. Core trade partners participated in design and construction pull planning sessions, ensuring achievable dates and commitments.

Employing the Choosing by Advantage technique, the team made strategic choices that saved both time and money. They opted for common steel column and beam sizes, as well as standard metal panel profiles and colors. Clerestories were incorporated into the holdrooms, serving as intuitive wayfinding elements and reducing lighting costs by harnessing natural light. Future cost considerations were also addressed, with Passenger Boarding Bridges (PBBs) placed in permanent locations for the future Terminal B Phase 2 expansion.

The result of these efforts was a project cost of \$9 million per gate for the SJC Interim Facility, significantly lower than the typical \$15-\$25 million per gate for California airport projects. This success was achieved through a truly collaborative design-build process involving SJC, the City of San Jose, Southwest Airlines, Fentress, and Hensel Phelps. Through the use of a progressive design-build model, the team met all expectations for speed of construction while maintaining the budget and delivering a high quality facility that is integrated with the SJC campus aesthetic.

Local Subcontractor Involvement

Hensel Phelps had two major design/build partners who are local: Rosendin Electric and Critchfield Mechanical (CMI). As design-build partners on this project, Rosendin and CMI were involved from procurement through final completion. They were instrumental in developing the GMP and project schedule. Through the GMP process, they helped design the mechanical, electrical, and plumbing systems to meet owner requirements while finding cost-effective and time-efficient solutions.

As trade partners, they had firsthand knowledge of material and equipment costs and availability, benefiting the project. Early in the design phase, they presented design options for owner consideration and coordinated with other trades. A key component of value engineering is considering the impact of design revisions on associated trades.





For example, a gas water heater might be more cost-effective for the mechanical trade partner, but the cost to run natural gas instead of power might outweigh the savings.

Both CMI and Rosendin understand the need to look at the overall project, not just their systems, for both cost and schedule impacts. Additionally, their local expertise makes them well-suited to work on projects in Monterey and surrounding areas.

Our team has already worked with trade partners to evaluate the MRY Replacement Terminal design and have created a list of cost reduction ideas that we would plan to discuss with the Airport and Design Team should we be selected.

Collaboration

From the very beginning, San Jose International Airport approached the Interim Facility project with a focus on collaboration.

Following the award, the Hensel Phelps + Fentress team quickly refined the project concept and validated site conditions, submitting the first permit package within a month. An accelerated permit review process, developed in collaboration with the City of San Jose, enabled rapid design progress.

The team also implemented a formal partnering process with SJC, the City of San Jose, and Southwest Airlines, holding monthly sessions to address milestones, challenges, and potential roadblocks. Surveys and scorecards tracked progress and helped course-correct when needed. This collaboration, along with the design-build model, helped the team achieve the project on budget, with zero safety incidents and no disruptions to airport operations.

The project kicked off in July 2018 with a goal of delivering four gates quickly. In the end, the team delivered five gates ahead of schedule by June 13, 2019, and completed the infill scope in time for the holiday rush on December 2, 2019.



Eagle County Regional Airport Expansion and Remodel Project

GYPSUM, CO | DESIGN-BUILD PROJECT DELIVERY



HENSEL PHELPS

Plan. Build. Manage.

January 23, 2025

Planning Department
Monterey Regional Airport
200 Fred Kane Drive, Suite 200
Monterey, CA 93940

Dear Members of the Selection Committee,

Hensel Phelps is thrilled to present our proposal for the Replacement Terminal Facility project at Monterey Regional Airport (MRY). As the leading aviation contractor in the United States, we bring unparalleled expertise and a proven track record of delivering complex airport projects on time and within budget. Our commitment to excellence and innovation makes us the ideal partner to help MRY achieve its vision of a modern, efficient terminal that reflects the natural beauty of Monterey and serves as a steward of its rich environment.

Project Manager

Andrew Cameron
Phone: 609-405-3511
Email: acameron@henselphelps.com

Prime Contact Person

Dave Valentine
Phone: 408-476-6633
Email: dvalentine@henselphelps.com

Distinctive Competencies

Our deep understanding of the intricacies of airports and their unique challenges and requirements, combined with our exceptional team, industry know-how, collaborative approach, and strong trade partner relationships ensures the District that Hensel Phelps has the right tools, processes and competencies to achieve the District's goals and priorities starting on Day 1. We excel in establishing effective communication channels, anticipating challenges, and applying lessons learned, while executing a collaborative plan. Our competencies will not only guarantee the highest quality outcomes but will also translate into significant time and cost savings for MRY, allowing more resources to be invested directly into the facility. Below are some of our distinctive competencies.

- **Strong Local Trade Partner Relationships:** Our well-established relationships with key trade partners ensure that we can generate the best value for each scope for the District and deliver the project within the required budget.
- **Established Partnership with HOK:** Our longstanding 30-year relationship with HOK ensures enhanced communication, streamlined processes, a continuation of trust, innovative solutions and consistent quality.
- **Unmatched Aviation Experience:** As the top aviation builder in the US, we have extensive experience with airport projects of all sizes, including local work at SJC and SFO, and regional airports like Eagle County and Asheville. This unmatched expertise ensures efficient project delivery, saving the District time and costs.

- **Expertise in Security Checkpoint Installation:** We have extensive experience installing security checkpoints with the most cutting-edge technology being deployed at airports across the country in partnership with the TSA, ensuring compliance with the latest security standards and enhancing passenger safety.
- **Seamless Migration Experience:** We have successfully managed airport and airline migration from legacy facilities to new terminals with zero operational impacts, demonstrating our commitment to maintaining operational continuity and minimizing disruptions.
- **Collaborative Approach with Other General Contractors:** We excel in working collaboratively with other general contractors, managing adjacent scopes efficiently to minimize disruptions and ensure smooth project execution.
- **Skilled and Local Personnel:** Our team is ready, willing, and able to support the project, providing the necessary resources and expertise to ensure success.

We are eager to collaborate closely with MRY and all project stakeholders to create a terminal that reflects the natural beauty of the Monterey Peninsula, enhances operational efficiency, and elevates the passenger experience. Our dedication to excellence and our comprehensive approach make Hensel Phelps the most qualified partner for this transformative project.

Sincerely,

HENSEL PHELPS



Shannon Gustine
Regional Vice President

2 Project Approach

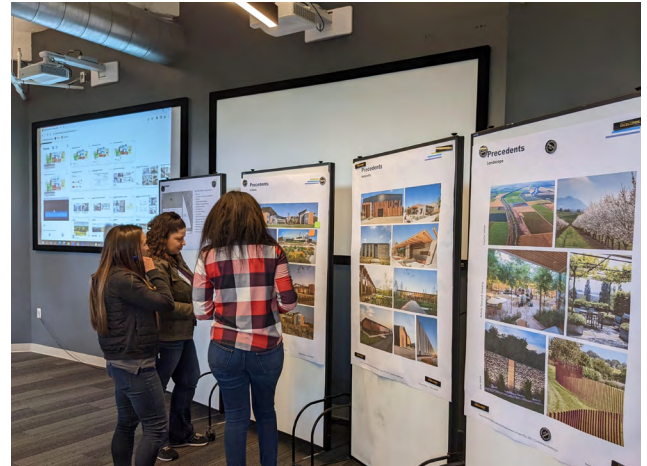
2.1 APPROACH TO MANAGEMENT

Achieving Excellence Through Collaboration

At Hensel Phelps, our approach to the MRV Replacement Terminal Facility is rooted in fostering a highly functional, collaborative, and integrated culture from the very beginning. We will actively involve the District and Airport staff, HOK and their design subconsultants, and all relevant stakeholders to ensure a seamless process.

Transparent Communication: The Key to Unified Success

Hensel Phelps' goal is to establish a collaborative team environment, where ideas are freely exchanged, and everyone works together towards a shared vision. Our extensive experience with HOK uniquely qualifies us to hit the ground running, leveraging our established, trusted relationship. This long-standing partnership, combined with the District's ongoing collaboration with HOK, will provide value to the team through a efficient onboarding process.



Additionally, our extensive experience in managing interactions with entities such as PG&E, Cal-AM, TSA, and the FAA equips us with the necessary contacts and expertise to effectively engage these organizations. This proficiency and early engagement will ensure proactive coordination and facilitate efficient communication and collaboration with all involved parties. We will implement a unified preconstruction process, engaging multiple points of contact with the District, design team, subcontractors and all project stakeholders through the following:

METHODS OF ENGAGING PARTIES INVOLVED

Partnering Program	Establish a formal partnering program to assure all participants in the project have a clear understating of the project goals and to provide a vehicle for structured open communication.
Coordination Meetings	Weekly coordination meetings will be held to review procurement activities, value engineering items and monitor progress for the key issues related to each discipline.
Progress Meetings	Weekly progress meetings with the District, Airport, design team and appropriate stakeholders to discuss pre-construction activities, provide schedule status updates, ongoing and upcoming construction activities, communicate critical issues and develop prospective mitigation measures. The goal of these meetings will be to facilitate transparency and initiate collaboration to ensure all entities are satisfied with the project execution.
Planning Charrettes	Construction planning charrettes with stakeholder participation to ensure construction operations can be executed efficiently and safely, without impacting airport operations, the traveling public, adjacent construction activities and with minimal disruption to outside utility entities.
Commissioning Meetings	Project Commissioning Meetings will start well in advance of the Activation/Commissioning/Operational Readiness phase of the project to develop the detailed plan to ensure the project is brought online seamlessly. After the plans are developed the meetings will transition to reviewing the activation / commissioning schedules and related activities.
Turnover Coordination Meetings	Leading up to Substantial Completion we will schedule a series of Turnover Coordination meetings to ensure there is alignment of expectations between the District, Airport, inspectors, AHJs, Design team, subcontractors and stakeholders about conditions of satisfaction for reaching substantial completion.
Supported Transition	We understand that a smooth transition of stakeholder's operations from one terminal to another terminal is a priority. Hensel Phelps has helped to plan and supported many successful moves for stakeholders from old to new Terminal facilities. Stakeholders have included groups like Facilities, Airport Operations, Janitorial, Police, TSA, FAA, Concessions, Airlines, and many others.

Expert Planning for Seamless Project Execution

Successfully building projects within an active airport environment requires an effective plan that integrates construction sequences with existing systems while maintaining airport operations. Thorough planning and coordination of all activities, especially system tie-ins, is crucial to minimizing operational disruptions. Each project element has unique risks, phasing considerations, stakeholder impacts, and trade partners. Our disciplined approach involves a **five-stage planning cycle** to execute project activities with minimal operational impact.

Draft Plan – Plan development requires the gathering and evaluation of many points of information, balancing competing stakeholder requirements, time and resources to distill a strategy that best supports the overall goals. Components within this step that require attention of the project include:

- Public Hazard Analysis
- Construction Safety
- Equipment and Manpower Analysis
- Passenger Traffic Patterns (driving around construction operations and walking adjacent to construction site)
- Cost Benefit Analysis of Execution Options
- SIDA Line Integrity
- Integrity of Airport Operations

Plan Evaluation – The appropriate stakeholders need to be included in each plan evaluation session to ensure buy-in to the plan’s goals and its viability, and to explore alternatives.

Communication – Once the plan is validated, it must be communicated to all groups that may be affected by the plan.

Execution – The execution of the work can begin once all engineered safety solutions are in place. Within the dynamic airport environment there are times when the plans need to be re-evaluated. Therefore, the fifth step in the planning cycle is critical to the project success.

Monitoring & Continuous Improvement – Our flexibility and ability to adjust a plan or devise an entirely new strategy is crucial due to the proximity of the public, aircraft, security, airport personnel and operations to the project site. Our proven aviation management team members, including Hensel Phelps’ Project Manager Andrew Cameron and Project Superintendent Timothy Briones, are well versed in the planning cycles that support successful projects at active airports.

During each stage of the planning cycle, Hensel Phelps will actively engage with the District and all relevant stakeholders to formally review the plans. We seek feedback on any potential concerns, or necessary adjustments. Our commitment to adaptability and responsiveness ensures that we can make necessary adjustments swiftly, maintaining the momentum and success of the project.

Five Stage Planning Cycle



Coordination with Airport Operations

Navigating the complexities of airport construction projects demands a specialized skill set. Complexities related to the MRY Replacement Terminal Facility project include relocation of checkpoint equipment, coordination of deliveries with airport operations, interface with the traveling public, changes to SIDA and AOA boundaries, deployment of a new Universal Passenger Processing System, additional security devices onto an existing platform, and many more. Our team is experienced in successfully navigating challenges that come with operating an airport while construction is ongoing. During the preconstruction phase of the project, we will work collaboratively with the District, stakeholders, and consultants to develop plans and strategies to mitigate these challenges.

Coordination with Other Contractors

Our team has extensive experience coordinating terminal work with other contractors working on adjacent sites. A recent example of this experience includes an airport project where our team built a new terminal while another contractor built the boarding area that the terminal served along with the airside apron paving. In addition, the building services feeding the new boarding area came from the terminal, which required extensive coordination during preconstruction and construction. The team did this by conducting a series of workshops during the preconstruction phase to coordinate the schedule and construction logistics plans for both projects.

We will take a similar approach with the Landside Civil and Offsite Contractors for the MRY Replacement Terminal Project. Once a solid plan is in place and we enter into the construction phase our team will conduct weekly coordination meetings with the District/Airport and the other contractors to discuss progress on each project's schedule, identify potential conflicts before they occur, and co-create solutions that ensure all of the individual projects are successful.



Hensel Phelps executes precise construction adjacent to an active airfield gate, ensuring safety and efficiency during airport operations.

2.2 APPROACH TO PROJECT PARTNERING

Approach and Commitment to Project Partnering

EXPERIENCE WITH FACILITATED PARTNERING

The Hensel Phelps team finds great value in facilitated, collaborative partnering, as outlined in the International Partnering Institute (IPI) Best Practices Guide. Our active participation on the IPI Board for more than 10 years underscores our commitment to this approach. We firmly believe that formal partnering has tremendous benefits on fast-track, alternative deliver projects, and will follow the processes and procedures set forth in the Partnering Plan to ensure the successful completion of the MRY Replacement Terminal Facility project.

FORMAL PROJECT PARTNERING PLAN OVERVIEW

The Hensel Phelps team will work together through a formal partnering process with the District and appropriate stakeholder entities by creating focus groups and empowering individuals at the project level to solve project challenges. The overarching goal of partnering is to foster relationships, help the entire team solve issues expeditiously, and ensure the overall success of the MRY Replacement Terminal Facility Project.

PARTNERING APPROACH

Hensel Phelps' philosophy is to solve issues at the project level by empowering our jobsite leadership. Together, the team will establish an issue resolution ladder that aligns key decision makers from Hensel Phelps and the MRY team. This concept helps encourage issue resolution at the lowest responsible level on the project and keeps the team moving forward. The team will collaboratively decide what works best for the project in terms of the meeting structure, frequency, use of surveys and other tools, and the organization of any focus groups.

PROJECT TEAM INVOLVEMENT

District and Stakeholder Engagement

Due to its complexities, the MRY Replacement Terminal project involves many internal and external stakeholders. It is important for the appropriate internal and external stakeholders to participate in the partnering process to ensure a successful outcome on the project. We will work with the District/Airport to determine which stakeholders they want in every



Image Above: Hensel Phelps and HOK are recipients of the Collaborative Partnering Award for a recent aviation project.

partnering session, if any, and which ones should participate in specific meetings at the appropriate time during the project. Stakeholders could include Facilities, Airport Operations, Airlines, Police, TSA, FAA, PG&E, Cal-AM, concessions, etc.

Engaging utility providers early in the partnering process is critical for the project to develop a mutual understanding of the project's needs and what the utility provider needs from the team to fulfill their responsibilities. We recognize utility providers have demanding schedules, but their participation in quarterly meetings is crucial for the project's success.

Hensel Phelps Team Engagement

Key Hensel Phelps team members will have responsibilities with regard to the different levels of the Partnering Plan. It is the primary charge of the Hensel Phelps team to create a collaborative environment on the project with an attitude that demonstrates "Project First" thinking. This will include all employees working together to resolve project challenges at the lowest responsible management level.

Trade Partner Engagement

As key trade partners join the project, we would invite them to the partnering meetings in preparation for and during the performance of their work. Examples of key trade partners would be building concrete, structural steel, plumbing, mechanical, electrical, special systems, metal panels, PBBs, universal passenger processing system, etc. Because trade partners perform 90% of the actual work on site, they are critical to project success and therefore should be involved in helping to identify and resolve potential risks to the project.

CASE STUDY 1



SJC Interim Facility

**Estimated Savings Due to Partnering:
\$6,500,000**

The Interim Facility project goals were defined collaboratively during the initial partnering session with our professional neutral facilitator. As the project evolved, key issues were closed out as they were resolved, and new issues were added to help refocus the team on the next major priority. This was a very critical component for success on the Interim Facility project, do to the fast pace of the construction schedule, and the tight budget. It became the norm for the City Project Manager to distribute budget reports to the executive team and Partnering Facilitator to better inform the team on the impacts of any additional scope.

This fostered trust and transparency within the team and kept the project moving forward. Examples of key issues that were successfully resolved with the help of partnering on the SJC Interim Facility project included:

- Additional Project Scope
- Passenger Boarding Bridges
- Exit Lane
- Concession Assistance for Opening

“This team had an infectious culture--people would join this team from other projects and describe how much fun it was to work with a team so totally focused on accomplishing the mission, while also retaining a sense of humor. This team worked hard and they were incredibly fast at sharing credit.”

– Partnering Facilitator, Rob Reaugh

CASE STUDY 2



SFO Harvey Milk Terminal 1

**Estimated Savings Due to Partnering:
\$38,000,000**

The SFO T1 Program team utilized collaborative partnering sessions on a monthly basis for the 6+ years of the project. As the project progressed, so did the team’s usage of the partnering process. The partnering team became more of a resolution SWAT team, stepping in to resolve issues efficiently. The team stayed nimble with the process to ensure it met everyone’s needs and it helped the T1 Program achieve the desired project outcome within budget and on schedule.

Through discussion in several partnering sessions, the T1 Program team choose to utilize Lean construction techniques to achieve schedule acceleration. In early 2019, the team worked with SFO to implement the Last Planner Scheduling Process (LPS) and realized improvements in schedule reliability and predictability. In addition, the team was able to make up 40 work days of impact related to unforeseen hazardous materials through focused team collaboration and buffer management.

“Partnering and the culture of trust we built, meant that we could always focus our energy on what decision was best for the project and what we could do to stretch the limits, rather than focus on our constraints or limitations.”

– Kristin Allen, Terminal 1 Program Manager
San Francisco International Airport

2.3 SCHEDULE / COST SAVINGS STRATEGIES

Comprehensive Value engineering for Optimal Project Outcomes

Hensel Phelps views value engineering as a value management process, not merely a scope reduction tactic for budget overruns. This approach initiates during preconstruction, focusing on target opportunities to incorporate project savings while maintaining the overall goal of the project schedule. As we review value management ideas, we will consider both initial and total life cycle costs, recognizing that some options may not yield immediate benefits but can provide long-term savings for the District or vice versa. Our commitment is to deliver value-driven solutions while upholding facility requirements and project goals.

Early in the preconstruction process, Hensel Phelps will develop a list of value engineering ideas and present those ideas during a workshop with the District, Airport, design team and any appropriate stakeholders in April of 2025 to discuss and evaluate the value engineering ideas. The goal of the workshop(s) would be to make decisions on which items the District would like to study further and/or implement. This process would allow time for the design team to make changes to the 100% Drawings/ Specs before issuing the subsequent bid packages.

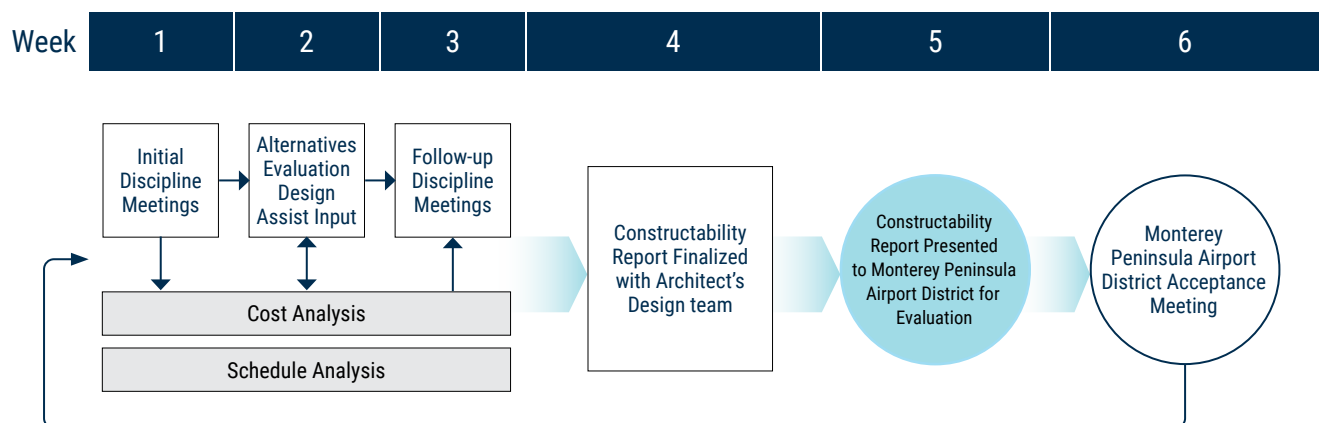
In addition to focusing on the overall project budget, the Hensel Phelps team will delve into more detailed opportunities for value enhancements

A list of value engineering ideas will be generated from multiple sources:

- Hensel Phelps preconstruction team
- MEP Value engineering study by our consultant Myers+
- Voluntary bid alternates from bidders on the GMP 1 scopes, which will be submitted on April 3, 2025
- Trade partners that will participate in developing the Budget Validation estimate, which will be submitted with GMP 1 on April 3, 2025
- Design team
- Airport/District

within procurement, sequencing, and construction execution. Our 6-Week Constructability Review Process (detailed below) will drive project value by identifying potential cost and schedule savings through economizations in specified products, detailing, and installation recommendations. Furthermore, we will collaborate with trade partners, the design team and the District to explore alternative solutions based on lead times, installation durations, long-term quality, and overall sustainability. This comprehensive approach ensures that every aspect of the project is optimized for efficiency and effectiveness.

CONSTRUCTABILITY REVIEW PROCESS



The Hensel Phelps constructability review process is based off of a six week cycle that allows for timely cost and schedule analysis necessary to make objective, informed decisions and monitor budget and schedule parameters.

Three Potential Schedule/Cost Saving Strategies

Our team has reviewed the Construction Documents and has noted the following potential value engineering (VE) items for consideration.

1. Mechanical System

(CM Ref: C&S HVAC REF #476)

Potential Savings:
\$1M-\$1.5M

The current mechanical system design utilizes a hydronic delivery system with air source heating and cooling equipment. In this tonnage range, this setup incurs premium costs due to the lack of economy of scale, making it less cost-effective. We propose replacing the hydronic delivery system with a Variable Refrigerant Flow (VRF) system that also uses air source heating and cooling. This would include substituting air handling unit coils, fan coils, and trench fan coils with VRF equivalents. An energy analysis would be necessary as part of the evaluation process.

2. Metal Decking in lieu of CLT Roof Deck

(CM Ref: C&S Superstructure REF #166)

Potential Savings:
\$500K - \$750K

We understand that the Cross-Laminated Timber (CLT) roof decking material was likely selected for its aesthetic appeal. However, since a significant portion of this decking will be concealed by acoustic ceiling panels, its visual impact will be limited. We propose using metal decking complemented by architectural trim around the perimeter of the acoustic panels and above the pendent light fixtures. This alternative not only preserves the intended aesthetic but also provides material cost savings and improves installation efficiency. By considering this substitution, we can achieve the desired visual effect while optimizing both budget and construction timelines.

3. Schedule Acceleration

(CM Ref: C&S Jobsite Management)

Potential Savings:
\$200K - \$400K

Time is a critical factor in any project. While the operational implementation date for the Replacement Terminal Facility is flexible, completing the build, commissioning, and transition of airport operations swiftly will enhance the project's cost-effectiveness. Hensel Phelps has analyzed the project schedule and identified that the first step in accelerating the timeline is to initiate the buyout process immediately after the successful proposer is identified. This approach not only meets the required GMP 1 submission date but also allows trade partners that participate in the Budget Validation Estimate process for all scopes of work not included in GMP 1 to provide valuable VE options.

During the bidding process, Hensel Phelps will request bid alternates for accelerating targeted construction activities. This will allow bidders to bring creative solutions to the table that will complete portions of the work ahead of schedule. By strategically accelerating components of the work (foundations, structure, building envelope, etc.), there may be an opportunity to shorten the construction schedule by 30-45 calendar days.

In addition to the items above, our team will collaborate with the District and design team to identify and evaluate other potential cost reduction measures. The objective is to implement solutions that optimize project performance, reduce operational costs, and meet sustainability targets without compromising the facility's requirements and programmatic goals.

2.4 APPROACH TO COST RISK MITIGATION

Comprehensive Approach to Risk Mitigation

Risk mitigation for complex construction projects requires rigorous tools and processes to manage safety, cost, quality and schedule risks. Through proactive and knowledgeable planning, the majority of risks can be avoided or mitigated effectively. At Hensel Phelps we engrain risk evaluation into each and every process and train all personnel to recognize, report and mitigate risks as early as possible.

RISK MANAGEMENT MATRIX

Hensel Phelps utilizes a comprehensive Risk Management Matrix tool on every project. (See an example of this tool with some of the potential risks for the MRY Replacement Terminal project and mitigation tactics below.) This matrix is first initiated during the project procurement phase where the team begins populating risk items identified for the potential project.

Upon award, the preconstruction team will continue tracking, development and closure of items in the matrix. Once the team transitions into construction planning activities, the matrix will be further developed to include the major construction-related risk items. This process provides a complete view of the full life cycle of all areas of risk on the project, allowing all parties to review and weigh in on project risk mitigations. Our comprehensive approach ensures no risk items are lost as the project progresses, and as the team solidifies project priorities and strategies through the preconstruction, planning and construction phases.

Cost Risk Management

Hensel Phelps has a proven track record of maintaining rigorous cost control and project accounting systems, essential for accurately tracking current costs, forecasting final costs, and providing real-time financial status updates. We manage this risk through all phases of the project, as detailed with examples in the following pages.

RISK MANAGEMENT TOOL (RMT) WITH PROJECT RISKS FOR MRY

Project: <u>MRY Replacement Terminal Facility</u> Project Number: <u>TBD</u>							
1. Risk Management During Pre-Award / Procurement							
Identification of Risk (Section 1)				Management of Risks (Section 2)			
Risk #	Risk Category	Description of Risk / (Location in RFP where risk was identified)	Risk Identified By	Risk Mitigation assigned to	Description of Actions taken to Manage Risk	Action Needed By	Is the Risk fully mitigated or does it need to be carried over to Preconstruction?
1	Buyout	Is the current design for the Universal Passenger Processing System (UPPS) 100% complete and have all components been identified & incorporated.	TT	DP	Review Construction Documents with SME, Dave Promer to assist with Bid Package development and scope coordination ahead of scope procurement.	GMP 3	
2	Buyout	Generator size will require BAAQMD Tier 4 compliance. Are specified requirements inclusive of Tier 4 components?	JC	JC	Inquire with Design Team and suppliers to ensure specified components will meet Tier 4 standards.	GMP 2	
3	Schedule	Mass timber moisture protection needed during construction to protect from weather exposure.	FD	TB	Schedule installation to coincide with periods of no rain. If that is not possible, provide temporary protection during rain event.	GMP 1	
4	Constructability	Mass timber connection detailing is unique between mass timber and steel; may lead to constructability challenges.	GB	GB	Have Mass Timber supplier be responsible for design of connections between their system and other materials.	GMP 1	
5	Activation	Location and size of utilities required at screening checkpoints have been validated between existing and new equipment.	AC	AC	Perform in depth investigation of existing equipment to validate current design. Coordinate Construction Documents with equipment cut sheets ahead of MEP purchasing and shop drawing development.	GMP 2	

COST RISK MANAGEMENT DURING PRE-CONSTRUCTION

Managing cost risk begins with using an accurate estimate to validate the budget, and ensuring the project does not start with a projected budget overrun.

How this might unfold at MRV...

Hensel Phelps will develop the Budget Validation Estimate in the first two months of the project after notice of selection. In early February, we will begin the bidding process for the scopes associated with GMP 1 starting with the development of prequal and bid packages. This effort will culminate in receipt of bids for GMP 1 by the end of March 2025. Concurrent with the bidding process for GMP 1, we will be soliciting Budget Estimate validation pricing from the trade partner community for all scopes outside of GMP 1. The bids for GMP 1 will be combined with the trade partner community pricing to create a complete Budget Validation Estimate that represents the true market value of the project. This will be compared back to the budget to determine if there is a cost risk before proceeding with any work. Identifying any issues at the beginning of April 2025 allows the project to develop a value engineering strategy to meet the budget.

Name	Quantity	Unit	Count (EA)	Area (SF)	Volume (CY)
Mechanical Equipment	31	EA	31		
Parking	27	EA	27		
Plumbing Fixtures	378	EA	378		
Railings	3,624.25	LF		151	
Roofs	60,898.94	SF		122	
Site	3,103.32	SF		19	
Specialty Equipment	1,884	EA	1,884		
Sprinklers	64	EA	64		
Stairs	27	EA	27		

Image above: our estimating team uses programs like Assemble to efficiently incorporate data from the Revit model into our estimates.

COST RISK MANAGEMENT DURING BIDDING AND BUYOUT

There are multiple steps during the bidding and buyout process that help to mitigate cost risks. These steps are taken to ensure the complete scope is shown in the bid documents, the Instructions to Bidders describe the full scope for the bids, and that the apparent low bidder included the full scope in their bid.

During the purchasing process, we utilize the Financial Status Report (FSR) to communicate the status of buyout, in conjunction with the Budget Validation Estimate to track committed and projected costs throughout the project. It monitors and communicates the status of budget values vs. purchased amounts for each trade package and allowances/contingencies that are included in the GMP. The FSR also captures approved, pending, and forecasted changes, whether internal or owner-related, and is updated weekly to provide the project team with current and accurate financial information.

How this might unfold at MRV...

Hensel Phelps will identify scopes of work that will be included in the trade packages for GMP 1. There are many scopes of work that interface with other scopes and if the Instruction to Bidders for the two scopes of work are not purchased properly there will be scope gaps, which represents cost risk in the future. Our team will review the drawings and specifications and create narratives and/or exhibits for the Instructions to Bidders to describe the full scope that should be included in each bid. Once we have received the bids, our team will conduct a buyout meeting to review the Instructions to Bidders, Bid Documents, and exhibits with the apparent low bidder to ensure they have included the correct and complete scope in their bid. By doing so, we will be able to identify any scope gaps or double-ups prior to issuing a subcontract to the apparent low bidder.

COST RISK MANAGEMENT DURING CONSTRUCTION

There are several types of cost risks on projects during construction. These risks include items such as conflicts in the design between building systems, unbuildable details, incompatible materials/systems, uncoordinated construction activities, quality issues, inadequate logistical planning, late deliveries, trade damage to completed work, and many others. Our approach to managing these types of risk is through thorough planning, constant communication, monitoring progress in the field, and making adjustments in advance of issues becoming a real cost risk to the project.

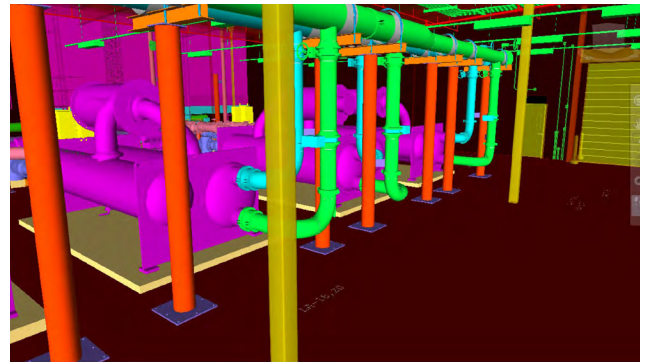
How this might unfold at MRV...

Our team has included several months of time for our Virtual Design and Construction team to review the building systems in the Revit model to identify and resolve clashes between building systems. These types of conflicts often exist above finished ceilings, in areas like the apron level of a terminal where there are MEP services and baggage handling systems in the ceiling, utility chases, inside column covers, etc. By spending the time to identify and resolve the conflicts virtually, before the work is built in the field, we can eliminate cost risk associated with rework and delays. Our team will conduct a Constructability Review and provide comments back to the design team so they can be discussed and addressed if necessary. The review will focus on completeness of design details, if the details are buildable, material compatibility, construction tolerances, etc. Taking the time to address constructability related issues before the submittal process avoids the cost risk of revising shop drawings and/or building something in the field that needs to be rebuilt.

COST RISK MANAGEMENT THROUGH THE CHANGE MANAGEMENT PROCESS

Our approach to mitigating change orders involves early investigation to identify potential issues before construction begins. This proactive strategy, combined with a phased purchasing approach, helps avoid costly change orders. Completing the purchasing negotiation process at the end of permitting reviews, if possible, helps to ensure that the scope purchased from trade partners aligns with permitted documents, reducing the risk of future change orders.

In the event that change orders are necessary, our team conducts a thorough review process to determine entitlement, ensure sufficient detail and backup is provided, and verify that the quantities, labor, equipment, and material costs are fair and reasonable. This detailed review process ensures that the scope and value of change orders are appropriate.



Images above: Our Virtual Design and Construction team can review building systems in BIM as part of a constructability review to mitigate any construction risks.

2.5 APPROACH TO MITIGATING PROJECT COST RISK IN THE BASIS OF ESTIMATE

Mitigating Project Cost Risk Relative to the Construction Start Date

As with any construction project, cost certainty is paramount. Hensel Phelps leverages all available knowledge and expertise to carefully review, understand, and guide our processes. In strategizing this project, we have identified several risk items, including those highlighted in the 100% CD Cost Model.

A critical element in generating an accurate cost forecast is the project timeline. The construction time frame must be clearly defined, with a thorough understanding of critical path activities, sequencing, scope overlap, and crew flow. This detailed approach allows us to refine our oversight, staffing, and material procurement strategies. These factors, coupled with the overarching turnover, activation, and completion milestones, create a comprehensive framework for evaluating the true cost of installation.

However, it is essential to recognize that market volatility can significantly impact cost certainty, particularly if the construction start date is delayed. Fluctuations in material prices, labor costs, and supply chain disruptions can introduce substantial cost uncertainties. Therefore, Hensel Phelps believes that adhering to the construction start date as noted in the RFP is in the project's best interest. This allows for the purchasing of materials/equipment to begin quickly which locks in prices, which reduces the risk of volatility. In addition, we identified an opportunity above to complete the project early which helps to mitigate some of the general conditions and general requirement costs associated with a longer schedule. The use of value engineering to outweigh the risks posed by market volatility can be challenging because it is difficult to predict the level of volatility. So, we would recommend maintaining a May 2025 NTP for construction date and issuing the trade packages outside of GMP 1 as soon as is practical for the project.

By maintaining the planned start date, we aim to mitigate the financial risks associated with market fluctuations, ensuring a more stable and predictable cost structure for the project.

Ensuring Cost Control for the BHS

While the outbound and inbound baggage handling systems are straightforward and do not pose significant design risks, their size relative to the overall project budget necessitates careful attention and a robust plan to prevent cost overruns. Our approach to managing BHS cost risks includes the following strategies:

1 Comprehensive Review:

Conducting a thorough review of BHS drawings and specifications by our Subject Matter Expert, Dave Promer, to ensure they align with MRY's expectations and are complete in all aspects, thereby mitigating potential scope gaps and change orders.

2 Pre-Bid Scope Review:

Prior to issuing the bid package we would propose having a workshop with the design team and potential BHS bidders to discuss the scope of the project, cost drivers, and any opportunities to reduce cost or clarify risk to ensure we receive the most competitive bids possible.

3 Early Procurement:

Securing the BHS trade partner early to lock in raw material, equipment purchasing, fabrication, and installation costs.

4 Prioritized Approvals:

Prioritizing an early review and approval process for conveyor and MCP fabrication drawings to safeguard against delivery delays and potential claims.

5 BIM Coordination:

Undertaking a BIM coordination effort to ensure the BHS rights-of-way are established and maintained, thus avoiding costly conflicts during installation.

6 Accurate Scheduling:

Developing an accurate BHS installation schedule to ensure a continuous flow of mechanical, electrical, and controls work to maximize efficiencies.

7 Adequate Testing Time:

Incorporating sufficient time in the schedule for all BHS testing and commissioning activities to avoid compression at the end of the project.

By implementing these strategies, the BHS trade partner will be well positioned to perform its work effectively and efficiently, in accordance with the contract terms, at the lowest cost, and without the need for change orders.

Addressing Cost Model Inadequacies for Insulated Metal Panels (IMP)

The Cost Model provided as part of the RFP indicates that the pricing incorporated for the Insulated Metal Panels (IMP) may be inadequate. After conducting a preliminary review of this line item, we concur with this assessment. Historical pricing data for this system suggests that the Cost Model may be underfunded by as much as \$1 million. Additionally, we have concerns regarding the necessary substrate materials required for this system and where they are carried in the cost estimate.

To expand our understanding of these areas of concern, we engaged with our trusted subcontractor sources to explore potential value engineering concepts that could mitigate the cost impacts. While some minor revisions may be feasible, these adjustments will not fully bridge the gap identified in the cost model if Insulated Metal Panels is the material

used. There are other types of systems that could be used in lieu of metal panels, but they would have a different aesthetic and durability profiles.

Our next step will be to expand our exploration of potential scope alterations through the price validation and bidding processes for alternate systems. We will actively encourage our subcontractors to explore and present innovative solutions that economize the system while preserving the aesthetic integrity of the design. By fostering a collaborative environment, we aim to leverage their expertise and creativity to identify cost-saving opportunities that do not compromise the project's visual and functional standards. This approach ensures that we achieve both financial efficiency and design excellence.



2.6 APPROACH TO TRADE PACKAGES

Approach to Trade Packages

Leveraging more than 40 years of South Bay Area regional experience, the Hensel Phelps trade partner procurement plan prioritizes local expertise, safety, quality, schedule adherence and cost efficiency. We recognize that our team’s reputation hinges on the excellence of our trade partners’ services. Through careful identification, selection, evaluation and support, we ensure collaboration with high-quality, financially sound, and reliable trade partners.

Our plan also includes objectives for local, small, and minority business participation, reflecting our commitment to developing and promoting opportunities for these entities to engage and thrive on our projects.

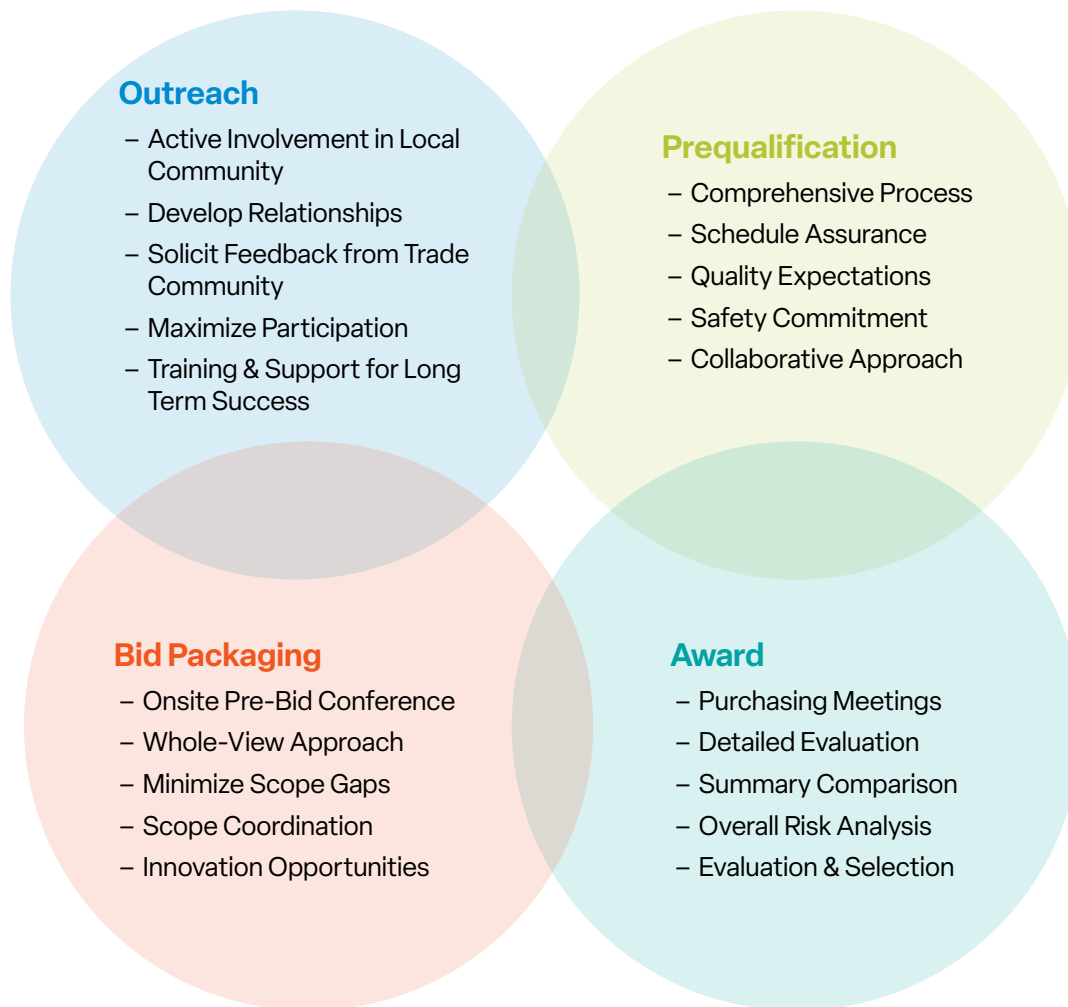
For the MRY Replacement Terminal Facility project, we are adopting a comprehensive

subcontractor procurement approach. Hensel Phelps’ method for utilizing local subconsultants and subcontractors includes extensive outreach, structured prequalification and bidding processes, and continuous technical assistance and support. Our approach is designed to ensure that local businesses have ample opportunities to participate in the project from the early stages.

FOUR ELEMENTS OF SUBCONTRACTING PLAN

The early stages of project planning and procurement are considered the time of maximum influence. Four critical elements of our Trade Packing plan include outreach, prequalification, bid packaging, and award, explained further in the graphic below. The early stages of project planning and procurement are considered the time of maximum influence.

TRADE PACKING PLAN



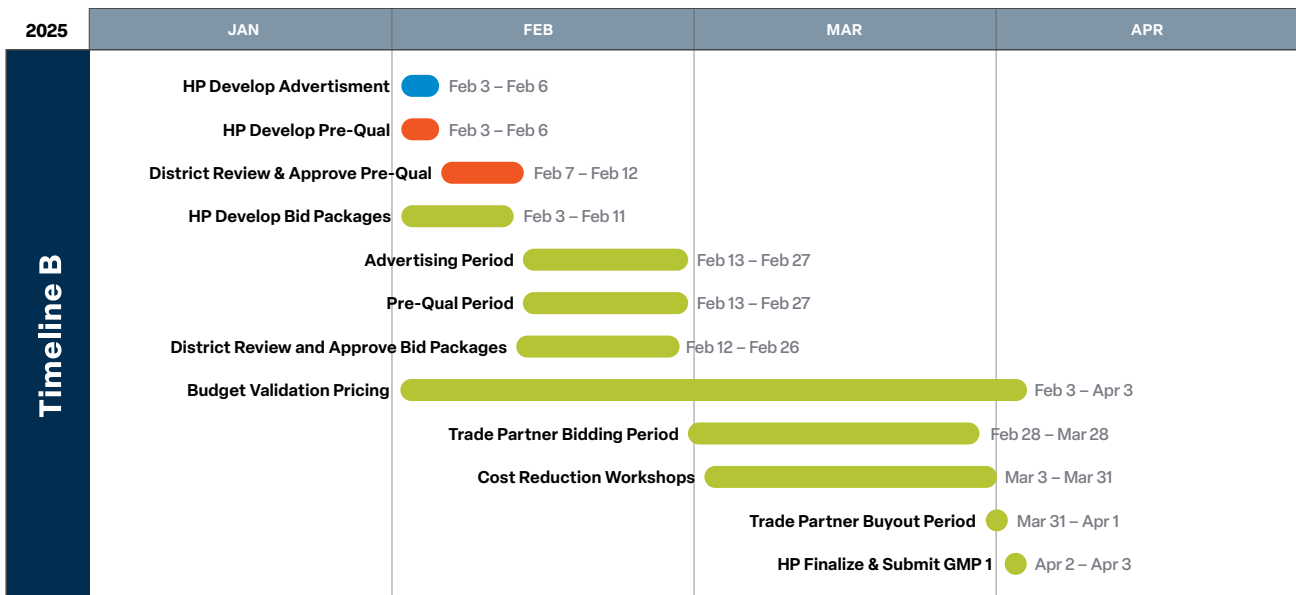
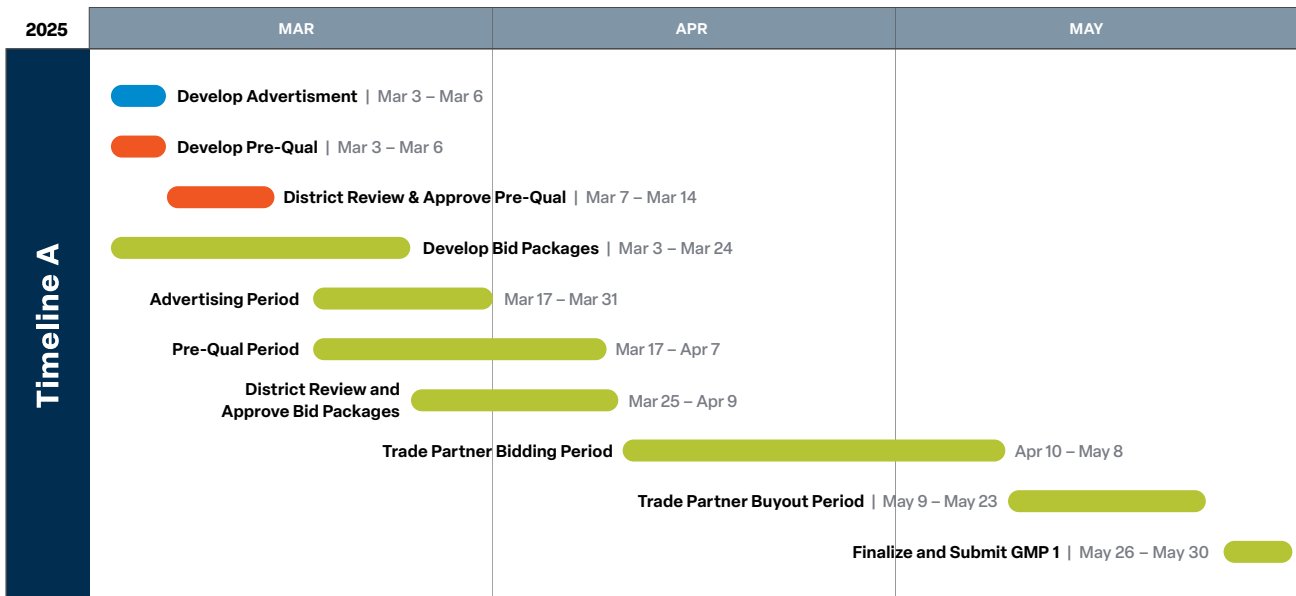
Phased Procurement

The project team has spent substantial time evaluating the documents and developing a trade package process that balances all of the needs of the MRV Replacement Terminal project. The process described below is our initial thoughts, without the benefit of a dialog with the District and design team. Upon selection we would engage in a dialog with the District and Design team to co-create the right process for this project.

APPROACH TO GMP 1 & OVERALL ESTIMATE VALIDATION

We understand the critical importance for the District to achieve the milestone date outlined in the RFP for GMP 1, particularly in relation to securing FAA funding. As mentioned in our response to the RFQ/P, Timeline A below shows a traditional GMP process starting after a contract for the CMAR is executed, which does not support the 4/3/25 milestone for GMP 1. We could submit a GMP without bidding any of the scopes for GMP 1, but it would have to include a higher contingency value to cover the bidding risk. The process in Timeline B below, outlines our strategy to meet the District's needs for the timing of GMP 1, while optimizing opportunities to review and evaluate potential value management strategies for other scopes.

Timeline A and Timeline B



Immediately upon notice of rankings we would propose having a meeting with the District to discuss the specific needs for GMP 1 as it relates to pursuing FAA funding. Then we could combine those needs with the needs of the project schedule to identify trade package scopes that should be included in GMP 1. Based on our preliminary schedule we have identified the following scopes of work for GMP 1:

GMP 1 SCOPES	TBD COW Estimate
Earthwork/Grading/Shoring	\$2,679,458
Building Concrete/Rebar	\$3,644,641
Plumbing (Underslab & Building)	\$1,755,176
Structural Steel	\$3,851,980
Mass Timber	\$3,435,264
Subtotal:	\$15,366,519
PBBs & Equipment	\$8,680,272
TOTAL:	\$24,046,791

To meet our preliminary construction schedule, we would propose including the Earthwork/Grading/Shoring, Building Concrete/Rebar, Plumbing, Structural Steel, and Mass Timber scopes in GMP 1. If a Cost of Work (COW) value of \$15.3M is not sufficient to support the District’s goals for FAA funding, we would recommend adding the PBBs and Related equipment scope into GMP 1 which would bring the COW value to \$24M. The scopes included in GMP 1 have less value engineering opportunities than the others, but we will still ask the bidders for voluntary value engineering bid alternates.

Limiting GMP 1 to these scopes of work creates a manageable workload associated with the collective team developing, bidding, and buying out trade packages on an aggressive timeline. The reason for our recommendation to bid the GMP 1 scopes of work, is to take advantage of the fact that they are 100% designed, so GMP 1 can be as lean as possible from a contingency standpoint. In addition, this approach maximizes the time available for the collective team to explore and make decisions about potential cost reduction or value engineering ideas for the remaining scopes.

During this same period our team will be soliciting Budget Validation pricing from the trade partner community for the balance of the scopes on the project. This is a common process for Hensel Phelps on progressive GMP projects because we need market pricing certainty in our estimate for scopes that will be included in subsequent GMPs. For the MRY Replacement Terminal Project this means that

we will have trade partners provide current market pricing for all scopes, not included in GMP 1, that can be combined with the bids for the scope of GMP 1 to create a full budget validation estimate by the time we submit GMP 1. In addition to providing the District with a more accurate representation of what the market thinks the project will cost, we will also be soliciting value engineering ideas from the trade partner community for all scopes which can be used to support the development of a comprehensive list of cost reduction ideas.

By limiting the scopes within GMP 1 to what is necessary to support the schedule, we will have more time to review the list of value engineering ideas with the District and design team in workshops. Any adjustments the District decides to make can be incorporated into the construction documents before the balance of the scopes are bid out. If the budget validation estimate falls within the Districts’ budget, there may be no need for a value engineering process on the project.

Approach to Balance of the GMP(s)

Based on our preliminary schedule and lead times for material/equipment we would recommend an additional GMP between the milestones provided in the RFQ/P documents for GMP 1 and GMP 2. There are several material/equipment items that would need to be purchased before 11/18/25 to support the shop drawing, fabrication, and delivery process. A draft list of scopes that would need to be included in an interim GMP vs. GMP 2 are outlined below:

Interim GMP Scopes	GMP 2 Scopes
Exterior Metal Panels	Roofing & Flashing
HVAC	Framing & Drywall
Electrical and Special Systems	Interior Finishes
Elevators	Millwork
	Building Specialties
	Doors, Frames & Hardware
	Signage
	Airside Paving
	Baggage Handling
	UPPS & Equipment
	Ticket Lobby Kiosks/Scales

We would propose focusing the team's energy first on any value engineering ideas that would affect the scopes that would be in an interim GMP, so potential changes could be made to the documents before needing to issue them for bid. There will need to be refinement in the schedule, but at this point we would recommend the interim GMP be submitted within a few months of GMP 1 and submit GMP2 on the 11/18/25 date identified by the District.

Buy America Buy American (BABA)

During the bidding process the trade partners will be provided with the information indicating that the project must comply with the Buy America Build America Act as required by the contract documents. It should be noted that we indicated in our RFQ/P response that a waiver will be needed due to the nature of the materials for this project. Hensel Phelps has experience working with clients to navigate the waiver process with the FAA to a successful outcome.

A key to this process is that the trade partners understand the requirements at bid time and that they have to provide the necessary information to support the waiver process related to their scope of work.

Self-Perform Work

One of Hensel Phelps core values is being a builder that self-performs multiple scopes of work on projects. We are signatory to the Carpenters, Laborers, and Finishers Collective Bargaining Agreements. There are many project benefits that come from the CMAR self-performing work. An example is by self-performing the building concrete work we can set the tone for safety, quality, budget, and schedule early in the project with foreman that know how to set the right tone in these areas. Hensel Phelps can also self-perform miscellaneous Carpentry, Doors Frames and Hardware, and Building Specialties.



Our self-performing concrete crews on a recent Northern California project

Managing Trade Packages

As described above, Hensel Phelps conducts a thorough buyout process through scope review meetings with prospective subcontractors before each trade package award. By establishing Scope Coordination Matrices to ensure a complete and coordinated scope of work is purchased from each trade partner, we create a solid foundation for managing the trade package moving into construction.

Our focus on controlling scope during construction is centered on:

- Ensuring bid packages capture the entire scope of work
- Eliminating scope gaps between trade partners
- Identifying unforeseen field conditions and design omissions early to capture the scope

By concentrating on these areas and utilizing proven tools like the Scope Coordination Matrix, we can secure complete scopes within each bid package.

Additionally, the best way to control scope during construction is to maintain open communication with the District, the design team, and stakeholders. This ensures all items required to complete and activate the facility are accurately reflected in the Construction Documents and subsequently purchased with the Trade partners in each bid package of materials/equipment.

During construction we will manage the trade package subcontractors using a series of tools and processes to ensure effective communication and coordination. We will provide a Job Information and Policy (JIP) brochure. This document will outline all of the administrative requirements and procedures, so the trade partners have a one stop guide to working on the project. We will then work with the trade partners to finalize the CPM schedule, so we have a detailed plan that everyone buys into. With the schedule in hand, we will create a detailed Transmittal and Delivery Schedule with the trade partners which identifies when submittals need to be developed and approved

to support timely delivery on site.

During construction, there will be weekly communication between our office/field teams and their counterparts with the trade partner. These lines of communication are important so that the plans stays on track, or adjustments are made in a timely manner to avoid impacts to the project schedule. Much of the field coordination happens on a daily basis, culminating in weekly trade partner meetings with Hensel Phelps' Project Superintendent Timothy Briones. The agenda for this meeting will include Safety, Quality, Schedule, Logistics, Coordination, and any other items that need to be addressed to support the construction activities in the field. These proven processes and tools are used on every Hensel Phelps project to ensure an excellent outcome.

Sensitive Security Information



There are several scopes labeled as SSI in the 100% Documents. Hensel Phelps has extensive experience being “covered persons” under the SSI regulation and the obligations that go along with it. This requirement will be included in the appropriate trade packages and our team will handle the storage, distribution and collection of information labeled as SSI in accordance with the TSA’s best practices guidelines. Unsuccessful bidders will be instructed to destroy all information labeled as SSI in accordance with the TSA requirements.

Project Personnel (CMaC Team) Experience

Assembling a High Performance Team

We have assembled a highly qualified team of aviation builders who are committed to the success of the Monterey Regional Airport Replacement Terminal Facility Project. When selecting our team for this project, we considered factors like relevant experience, tenure, and teamwork. The Hensel Phelps team is not just a group of coworkers but seasoned professionals with extensive experience in aviation projects. Our key personnel have an average tenure of 18 years. This is crucial because their day-to-day leadership is infused with extraordinary career experience and collectively, they will manage the delivery plan to ensure cost, schedule, quality, and value, resulting in an exceptional final product. While challenges are inevitable, having a cohesive team makes all the difference.

Leveraging Excellence for MR Y

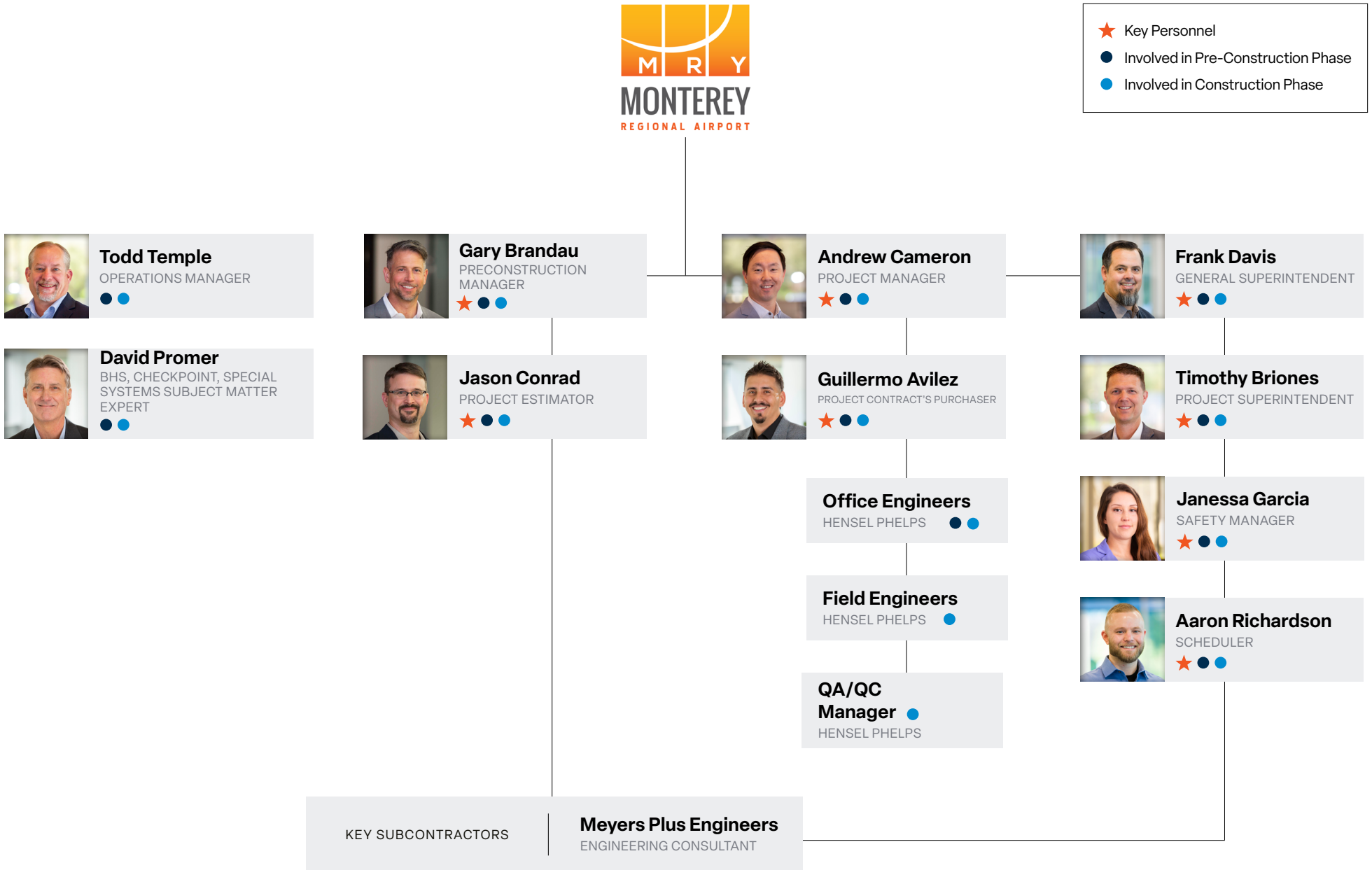
The team we are proposing for the MR Y Replacement Terminal Facility have an established history working together on the SFO Harvey Milk Terminal 1 project, a project containing the same types of scope of work as the MR Y project. Their history together demonstrates their effective communication, collaboration, and problem solving ability. Our experienced team will right size our approach to meet the unique needs of the MR Y project.

Direction and Leadership

Hensel Phelps' Preconstruction Manager Gary Brandau will lead the preconstruction effort for this project, and Project Manager Andrew Cameron will lead the construction phase. Working closely together, Operations Manager Todd Temple provides project leadership and guidance. General Superintendent Frank Davis will provide oversight during the construction phase efforts, while Project Superintendent Timothy Briones will handle the day-to-day coordination.

Working Alongside other GCs

Adaptability and flexibility are essential qualities for the superintendents and key personnel involved in projects where coordination with multiple general contractors determines overall success. Managing work in such a highly coordinated environment requires a different mindset compared to working independently. Our superintendents are seasoned collaborators and skilled at effective logistics and schedule coordination, identifying issues early, creating day-to-day alignment among contractors, and fostering a collective spirit



Hensel Phelps

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Schedule A – CMAc’s Pre-Construction Services Fee

Respondent:

Hensel Phelps Construction Co.

LABOR CATEGORY ¹	HOURLY RATE ²	HOURS		TOTAL HOURS	EXTENDED COSTS
		Pre-Construction Activities (\$ 3.1 Preconstruction Phase)	Pre-Construction Activities Preparing GMP 1 Proposal (\$ 3.2 Guaranteed Maximum Price Proposal)		
General Manager	\$ 225.27	69.2	69.2	138	\$ 31,177.37
Project Manager	\$ 207.62	207.6	484.4	692	\$ 143,673.04
Engineering/Technical Manager	\$ -				\$ -
Project Engineer	\$ -				\$ -
Procurement Manager	\$ -				\$ -
Buyer	\$ -				\$ -
Contracts Negotiator	\$ -				\$ -
Senior Project Estimator	\$ 207.24	276.8	415.2	692	\$ 143,410.08
Project Estimator	\$ 114.52	103.8	242.2	346	\$ 39,623.92
Project Planner	\$ -				\$ -
Project Scheduler	\$ 174.81	346		346	\$ 60,484.26
Office Manager	\$ -				\$ -
Accounting	\$ -				\$ -
Payroll	\$ -				\$ -
Administrative Support	\$ -				\$ -
Safety Manager	\$ -				\$ -
Superintendent	\$ 207.62	259.5	259.5	519	\$ 107,754.78
Field Supervisor	\$ -				\$ -
QA/QC Manager	\$ -				\$ -
QA/QC Testing Engineer	\$ -				\$ -
General Superintendent	\$ 227.27				\$ -
Office Engineer	\$ 111.62	259.5	259.5	519	\$ 57,930.78
Preconstruction Manager	\$ 207.24	277.33	69.2	347	\$ 71,814.88
BIM Manager	\$ 180.77	346		346	\$ 62,546.42
Aviation Subject Matter Expert	\$ 207.62				\$ -
Project Contract's Purchaser	\$ 159.24	346	346	692	\$ 110,194.08
Other Categories, as needed.	—	—	—	—	—
MEP Preconstruction Support (Meyers +)	\$ 247.00	300		300	\$ 74,100.00
	\$ -				\$ -
	\$ -				\$ -
	\$ -				\$ -
	\$ -				\$ -
	\$ -				\$ -
	\$ -				\$ -

Labor Total: \$ **902,709.61**

Expense Cost Total ³: \$ **-**

CMAc Entity Contractor’s Pre-Construction Services Fixed Fee Total: \$ **902,709.61**

1) Proposers should add labor categories as needed and leave shown categories blank if not used.

2) Rates shall be inclusive of all direct labor costs, indirect costs, G&A, overhead, profit, and all costs associated with the staff members proposed, including but not limited to salaries, benefits, vacation, holiday, sick leave, payroll taxes, insurance, bonuses, profit sharing, office equipment and software, and company-assigned vehicles.

3) Expense costs must be allowable, reasonable, and allocable to the project. Costs must be consistent with 2 CFR 200.459, FAA Order 5100.38 and 48 CFR Part 31. Travel expenses to and from the jobsite, rental vehicles, temporary living expenses while stationed at the jobsite, and travel expenses for out-of-town travel for specific purposes—as approved by the Airport—will be reimbursed at cost.

<u>Respondent's Signature:</u>	Date
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Please refer to the table below for our assumptions for cost allocation between the Cost of Work, Schedule A, Schedule B, CMaC Fee, Reimbursable Cost, Owner Cost, and costs that are Not Required. This information is being provided to provide transparency and communicate our assumptions on where costs are being carried in our RFQ/P response based on our interpretation of the information provided in the RFQ/P, Addenda 1 & 2, and the Draft form of Agreement. With additional direction and/or information in the RFP Phase allocations and corresponding values will be adjusted. Please note, there are items in the GR/GC costs included in our CMaC Fee that are not variable based on the value of the project. These costs would need to be evaluated based on the actual GMP amounts or these costs could be pulled out of the CMaC Fee and treated as fixed lump sum amounts. For example, we have included temporary toilets, wash stations, temporary roads, crane pad, office equipment and supplies, and temporary fencing in our CMaC Fee and these costs would not change proportionally with the Cost of Work value.

COST DIFFERENTIATION MATRIX

	Cost of Work	Schedule A	Schedule B	CMaC Fee	Reimbursable Cost	Owner	Not Required	Comments
Staff								
All CMaC Staff and Staff Costs - Contractor (including SIDA Badging)	X	X	X					In Sch A & B for administrative staff, COW for field staff
CMaC Staff Parking Costs	X							
CMaC Staff Parking Area	X							
Training (staff)		X	X					In Sch A & B for administrative staff, COW for field staff
Training (craft)	X							
Engineering and Survey Work								
Rodman and Helpers	X							
Professional Surveyor	X							
Draftsman / Detailers	X							
Field Engineering Equipment & Supplies	X							
Drawing Printing	X							Office supplies included but represents a fixed cost
BIM Software	X							Office supplies included but represents a fixed cost
BIM Coordination (Trade Partners)	X							
Robotic Layout	X							
Laser Scanning	X							
Safety and First Aid								
Pre-Employment Screening (Staff)	X							Logistics included but represents a fixed cost
Pre-Employment Screening (Craft)	X							
Safety Equipment & Supplies	X							
First Aid Supplies - Field	X							
First Aid Supplies - Trailer	X							
Fire Extinguishers	X							
Backrails/Guard Rails/Handrails/Toe Boards	X							
Opening Protection	X							
Temporary Stair Tread In-fill	X							
Safety Nets	X							
Scaffolding & Work Platforms	X							
Safety Awards, Incentives, and Job Site Celebrations	X							
Safety Training (staff)	X							
Safety Training (craft)	X							
AEDs for Jobsite	X							

	Cost of Work	Schedule A	Schedule B	CMAc Fee	Reimbursable Cost	Owner	Not Required	Comments
AEDs for Trailer	X							
Air Monitoring	X							
Noise Monitoring	X							
PPE for Staff	X	X	X					In Sch A & B for administrative staff, COW for field staff
PPE for Trade Partners	X							
PPE for Owner and Owner Consultants						X		
Travel and Lodging								
Travel/Transportation/Lodging Costs (CMAc)					X			Per Schedule A and B form note
Travel/Transportation/Lodging Costs (Owner/Consultants)						X		
Project Staff Moving Expense	X							Included, but represents a fixed cost
Project Staff Subsistence Costs					X			Per Schedule A and B form note
TDY Costs for Staff					X			Per Schedule A and B form note
Temporary Facilities and Services for Contractor and Owner/Consultants								
Guard Service							X	
Storage Trailer Rental	X							
Jobsite Office Tenant Improvement (Construction Costs)	X							COW per RFI Response
Jobsite Office Fit-out (Furniture) Workstations for Owner & Consultants						X		
Jobsite Office Fit-out (Furniture) Workstations for CMAc Team	X							COW per RFI Response
Jobsite office equipment (CMAc staff Computers & Printers)	X							Office equipment included but represents a fixed cost
Jobsite office equipment (Owner & Consultants Computers & Printers)						X		
Field Trailer Rental	X							COW per RFI Response
Field Trailer Set-Up/Tear-Down Cost	X							COW per RFI Response
Handrails and Toe Boards at Decks - Trailers	X							COW per RFI Response
Covered Walkways at Field Trailers	X							COW per RFI Response
Field Trailer (Furniture)	X							COW per RFI Response
Printers & Copiers	X							Equipment included but represents a fixed cost
Temporary Toilets and Hand Wash Stations - Trailers	X							Office equipment included but represents a fixed cost
Field Lunch Area	X							
Project Signs	X							Logistics included but represents a fixed cost
Bulletin Boards	X							Logistics included but represents a fixed cost
Jobsite Photographs	X							Office Supplies included but represents a fixed cost
Professional Photographs at Project Completion	X							Office Supplies included but represents a fixed cost
Real-Time Video of Construction Site	X							
Office Supplies and Equipment (CMAc Team)	X							Office Supplies included but represents a fixed cost
Copier for Temporary office	X							Equipment included but represents a fixed cost

	Cost of Work	Schedule A	Schedule B	CMaC Fee	Reimbursable Cost	Owner	Not Required	Comments
Internet for office trailer or jobsite (equipment and monthly service)	X							COW per RFI Response
Postage and Shipping (CMaC)	X							Office Supplies included but represents a fixed cost
Field Office Utilities, Co-Located Office Supplies, Co-Located Janitorial Services	X							COW per RFI Response
Temporary Facilities and Services for Construction								
Temporary Utilities service to Building	X							
Temporary power usage cost	X							
Temporary water usage cost	X							
Temporary Sewer Expense	X							
Temporary heating	X							
Temporary humidity control	X							
Temporary weather protection	X							
Distribution & maintenance of temporary power and lighting within the building	X							Utilities included but represents a fixed cost
Temporary Dewatering	X							
General Construction Site Clean-Up	X							
Trade Work Daily/Weekly Clean-Up	X							
Final Clean-Up	X							
Dumpster Rental and Dump Fees	X							
Debris Hauling/Removal	X							
Flagman/Traffic Control	X							
Police Service Aid	X							
Guard Service							X	
SIDA Badging (Subcontractors)	X							
Escorts (Subcontractors)	X							
Temporary Road	X							Temp road included but represents a fixed cost
Street Sweeping	X							
Dust Control	X							
Pest Control	X							
Pollution Control	X							
Rodent Control	X							
Surface Water Control	X							
Erosion and Sediment Control	X							
Noise Control	X							
Wheel Wash Equipment	X							
Craft Shuttle Bus and Shuttle Time	X							
Craft Parking Area	X							
Radio Equipment	X							
Barricades/K-Rai/Fencing for AOA	X							
Remove Existing Temporary AOA Fencing	X							Temp fencing included but represents a fixed cost
Construction Temporary Fence	X							Temp fencing included but represents a fixed cost
Covered Walkways Public	X							
Temporary AOA Partitions at Terminal Entries	X							
Temporary Partitions	X							
Temporary Signage (Public)	X							
Handrails and Toe Boards at Decks - Construction	X							

	Cost of Work	Schedule A	Schedule B	CMaC Fee	Reimbursable Cost	Owner	Not Required	Comments
Temporary Toilets & Hand Wash Stations - Construction	X							Toilets/Wash stations included but represents a fixed cost
Temporary Ladders and Stairs	X							
On-Site Equipment								
Automobile and Fuel - CMaC Staff	X	X	X					In Sch A & B for administrative staff, COW for field staff
Water Truck	X							
Air Compressors	X							
Dewatering Equipment and Fuel	X							
Generator and Fuel	X							
Trash Chute and Hoppers	X							
Debris Removal/Hauling Equipment	X							
Tires and Maintenance Cost	X							
Hoists	X							
Stair Tower Installation, Rental and Dismantle	X							
Crane(s)	X							
Crane Pad	X							Crane pad included but represents a fixed cost
Forklifts	X							
Temporary Elevator Rental and Operation	X							
Equipment Safety Inspections	X							
Reproduction and Printing								
Bid Package Documents	X							Office Supplies included but represents a fixed cost
Bidding Instructions	X							Office Supplies included but represents a fixed cost
Design Review Documents	X							Office Supplies included but represents a fixed cost
As-Built Documents (Drafting)	X							Office Supplies included but represents a fixed cost
As-Built Documents (Printing)	X							Office Supplies included but represents a fixed cost
Field Reporting Forms	X							Office Supplies included but represents a fixed cost
Contract Agreements	X							Office Supplies included but represents a fixed cost
Schedule Report Forms	X							Office Supplies included but represents a fixed cost
Estimating Forms	X							Office Supplies included but represents a fixed cost
Cost Reporting Forms	X							Office Supplies included but represents a fixed cost
Presentation Charts and Graphics	X							Office Supplies included but represents a fixed cost
Duplication Expense (Misc.)	X							Office Supplies included but represents a fixed cost
Shop Drawing Printing	X							Office Supplies included but represents a fixed cost
Maintenance/Operation Manuals	X							Office Supplies included but represents a fixed cost
Special Forms	X							Office Supplies included but represents a fixed cost

	Cost of Work	Schedule A	Schedule B	CMaC Fee	Reimbursable Cost	Owner	Not Required	Comments
Quality Control / Assurance								
Quality Control Inspections	X							Field staff included as COW per RFI
Special Inspection and Material Testing						X		
Waterproofing and Soundproofing Design Consultants						X		
Waterproofing and Soundproofing QC Consultants (includes Photo Documentation)						X		
Soils Investigation						X		
Warranty Inspections Coordination				X				
Air and Water Balancing	X							
Owner On-Site Training	X							
Permits, Special Fees, and Permanent Utilities								
Permits						X		
Sign Permits						X		
Sidewalk Permits						X		
Landscape Permits						X		
Street/Curb Design Charge						X		
Building Permits						X		
Plan Check Fees						X		
Water Connection Fee						X		
Sanitary Connection Fee						X		
Storm Connection Fee						X		
Gas Service Charge						X		
Power Service Charge						X		
Steam Service Charge						X		
Chiller Water Service Charge						X		
Special Tap Fees						X		
Sales Tax	X							
Construction Equipment Permits	X							
Insurance and Bonds								
Builder's Risk Insurance						X		
Earthquake and Flood Insurance						X		
Errors and Omissions						X		
General Liability Insurance	X							
General Liability for Subcontractors	X							
Product/Completed Operations Liability for Subcontractors	X							
Excess Liability	X							
Excess Liability for Subcontractors	X							
Worker's Compensation - Staff	X	X	X					In Sch A & B for administrative staff, COW for field staff
Worker's Compensation - Craft	X							
FICA - Staff	X	X	X					In Sch A & B for administrative staff, COW for field staff
FICA - Craft	X							
Federal Unemployment - Staff	X	X	X					
Federal Unemployment - Craft	X							
State Unemployment - Staff	X	X	X					In Sch A & B for administrative staff, COW for field staff
State Unemployment - Craft	X							
Benefits and Fringes per Union Agreements	X							

	Cost of Work	Schedule A	Schedule B	CMaC Fee	Reimbursable Cost	Owner	Not Required	Comments
Benefits and Fringes for Staff	X	X	X					In Sch A & B for administrative staff, COW for field staff
Completion Guarantee - General Contractor							X	
Payment & Performance Bond - General Contractor	X							
Payment & Performance Bond - Subcontractors							X	
Street/Property Bonds						X		
State Local Bonds						X		
Off-Site Staff Insurance				X				
Off-Site Staff Taxes				X				
Other Cost								
Project Sales Taxes	X							
Other Construction Equipment	X							
Insurance and Installation of Owner Supplied Equipment						X		
Warranty Costs	X							
Warranty Program Facilitation and Management Costs				X				
Partnering Facilitator	X							
Core Trade Subcontractor Design Services							X	
Deferred Submittal Design	X							
All Other Design Services						X		
Preliminary Soils Investigations						X		
Secondary Soils Investigations						X		
Moving Coordination - Tenant Relocations and Final Occupancy						X		
Owner Moving Cost						X		
Environmental Impact Studies						X		
Hazardous Materials Investigation						X		
HazMat Abatement - Existing Conditions	X							
Handling and Disposal of Contaminated Soil - Existing Conditions	X							
Off-Site Office Lease, Utilities, Parking							X	
Tennant Improvements to Airport Provided Office Space							X	
Air Monitoring for Abatement	X							
3D Laser Scan and As-Builts	X							
Trade Organization Fees (AGC)				X				Office Supplies included but represents a fixed cost
Advertisements				X				Office Supplies included but represents a fixed cost

AIA® Document A133® - 2019

Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the 19th day of February in the year 2025.

BETWEEN the Owner:

Monterey Peninsula Airport District
200 Fred Kane Drive, Suite 200
Monterey, CA 93940

and the Construction Manager :

Hensel Phelps Construction Company
4750 Willow Road, Suite 100
Pleasanton, CA 94588

for the following Project:

Replacement Terminal Facility
Monterey Regional Airport

The Project is pre-construction and construction services to construct the Replacement Terminal Facility at Monterey Regional Airport using a Construction Manager-as-Constructor delivery method. The Project includes all of the Work specified in this Agreement but is generally described as the construction of a new airport terminal with five gates utilizing passenger loading bridges, a baggage system and baggage carousels, check-in area, and other facilities necessary for the use and operation of the terminal.

The Owner and Construction Manager agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™-2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

The Architect's MRY Terminal Facility Issue for Contract Documents Drawings and Specifications Volumes 1 to 4, dated November 15, 2024, (Contract Documents' Drawings and Specifications), exclusive of Section 13 Security drawings and associated specifications which contain Sensitive Security Information (SSI), were provided to the Construction Manager with the Owner's Request for Proposals. Section 13 Security drawings and specifications are an integral part of the Contract Documents and will be provided to the Construction Manager upon contract execution. The Federal Aviation Administration's contract provisions were provided to the Construction Manager as Attachment Number 6 to the Request for Qualifications/Proposals. The Federal Aviation Administration's Certifications and Project Certifications were provided to the Construction Manager as Attachment Number 5 to the Request for Qualifications/Proposals. The Construction Manager shall complete all pre-construction services and construction, including commissioning, in compliance with the Contract Documents, including the Federal Aviation Administration's contract provisions, the Federal Aviation Administration's Certifications, and Project Certifications, as they may be amended or supplemented pursuant to this Agreement, and including all permit requirements. The Construction Manager also shall complete all pre-construction services and construction in compliance with all legal requirements, including but not limited to those of the Federal Aviation Administration, the Code of Federal Regulations (C.F.R.), and State of California.

§ 1.1.1 The Owner's program for the Project, as described in Section 4.1.1:

The Project consists of pre-construction and construction services to construct the Replacement Terminal Facility at Monterey Regional Airport using a Construction Manager-as-Constructor delivery method. The Project includes all of the Work specified in this Agreement but is generally described as the construction of a new airport terminal with five gates utilizing passenger loading bridges, a baggage handling system and baggage carousel, check-in area, and other

facilities necessary for the use and operation of the terminal. The Owner’s Architect has advanced the design to Issue for Contract Documents design completion for the Replacement Terminal Facility and the Contract Documents Drawings and Specifications exclusive of Section 13 Security plans and specifications. The Owner intends that the Project achieve a minimum rating of Platinum with the United States Green Building Council’s (“USGBC”) Leadership in Energy and Environmental Design (LEED®) rating system, and the design provides for the elements required to obtain this certification. The Construction Manager’s work shall include all construction, commissioning, and opening of the new terminal building.

§ 1.1.2 The Project’s physical characteristics:

The Replacement Terminal facility is a two story, approximately 85,328 square-foot building including both enclosed and covered/unenclosed spaces. The Project work is located at the Monterey Regional Airport within the Owner’s property. The building is of Type IIA construction with heavy timber roof and non-separated occupancy. It is a five-gate concourse and terminal facility with ticketing, security screening checkpoint, baggage claim, rental car facility space as well as airport, airline support space, police and Transportation Security Administration (TSA) support spaces. The Construction Manager will have limited use of Project site for construction operations as indicated in the Contract Documents. During periods of construction, the Owner will continue to perform normal airport activities in and adjacent to the Project Work areas. Contractor shall provide proper and safe access to the Owner-occupied areas at all times and maintain secure boundaries for all Air Operations Areas (AOA). The Owner has selected a Construction Manager at-Risk (CMAR) to perform the Civil and Landscape Onsite, and the Civil and Landscape Offsite improvements. The Civil and Landscape Onsite, and the Civil and Landscape Offsite—otherwise designated as the Landside Improvements—plans and specifications provided to the Construction Manager are for information only and will not be part of the Project work. The Construction Manager will be required to work alongside, in conjunction with, and adjacent to the Landside Improvements’ CMAR and to perform the Construction Manager’s work in a manner to cause no hinderance to the Landside Improvements’ CMAR in the performance of their work.

§ 1.1.3 The Owner’s budget for the Guaranteed Maximum Price, as defined in the Architect’s Cost Model provided in the solicitation documents minus the ‘soft costs’ provided on the model.

§ 1.1.4 Milestone Dates and Term of the Contract. Construction Manager shall commence and complete all required Work to achieve each milestone listed herein, as modified by a duly authorized Change Order or Amendment.

.1 Pre-construction phase milestone dates, if any:

Construction Manager submits GMP 1 to Owner: April 3, 2025

.2 Construction commencement date:

Notice-to-Proceed issued: May 26, 2025

Commencement of Work: Within ten (10) calendar days of the Notice-to-Proceed

.3 Substantial Completion date or dates:

May 1, 2027

.4 Other milestone dates:

Construction Manager submits GMP 2 to Owner: November 18, 2025

Final Completion and Handover to the Owner: June 1, 2027

Project Closeout Documentation: Within sixty (60) calendar days of Final Completion

.5 Term of the Agreement. Construction Manager agrees to perform all Work required by this Agreement by August 2, 2027 and the Agreement shall expire on that date if not terminated sooner.

§ 1.1.5 The Owner's requirements for accelerated or fast-track scheduling, or phased construction, are set forth below: *(Identify any requirements for fast-track scheduling or phased construction.)*

«The Construction Manager shall perform the work so as to facilitate the relocation, installation and completion of TSA's facilities for the security screening checkpoint and support spaces prior to substantial completion. »

§ 1.1.6 The Owner's Sustainable Objective for the Project:
The Owner expects and the Project is designed to achieve LEED® Platinum certification.

§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Construction Manager shall complete and incorporate AIA Document E234™-2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, into this Agreement to define the terms, conditions and services related to the Owner's Sustainable Objective. If E234-2019 is incorporated into this agreement, the Owner and Construction Manager shall incorporate the completed E234-2019 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

§ 1.1.7 Other Project information:
Construction Manager has inspected the site and is aware of construction and other work that will be performed by others on land adjacent to or near the Project's Site, including any layout and storage spaces assigned to Construction Manager. Construction Manager shall at all times cooperate and coordinate with the Owner and the Owner's other contractors to ensure that all of the Construction Manager's Work is coordinated and does not conflict or interfere with the work of the Owner or its other contractors.

§ 1.1.8 The Owner identifies the following representative in accordance with Section 4.2:
(List name, address, and other contact information.)

Monterey Regional Airport
Chris Morello, Deputy Executive Director
200 Fred Kane Drive, Suite 200
Monterey, CA 93940

§ 1.1.9 The persons or entities, in addition to the Owner's representative, who are required to review the Construction Manager's submittals to the Owner are as follows:
(List name, address and other contact information.)

« »

§ 1.1.10 The Owner shall retain the following consultants and contractors:
(List name, legal status, address, and other contact information.)

.1 Other, if any:
(List any other consultants retained by the Owner, such as a Project or Program Manager.)

«Owner's Program Manager (Program Manager)
Kimley-Horn and Associates, Inc.
2801 Monterey-Salinas Highway
Suite K
Monterey, CA 93940 »

§ 1.1.11 The Architect’s representative:
(List name, address, and other contact information.)

«Bart van Vliet, AIA »
«Sr. Associate »
«HOK »
«One Bush Street, Suite 200 »
«San Francisco »
«bart.vanvliet@hok.com »

§ 1.1.12 The Construction Manager identifies the following representative in accordance with Article 3:
(List name, address, and other contact information.)

« »
« »
« »
« »
« »
« »

§ 1.1.13 The Owner’s requirements for the Construction Manager’s staffing plan for Preconstruction Services, as required under Section 3.1.9:

In its Response to the Request for Qualifications and Request for Proposals, the Construction Manager identified its Key Personnel. The Owner and the Construction Manager agree that each of the Key Personnel identified in this Agreement shall be assigned to this Project throughout the duration of the Project unless the Owner agrees in writing to permit the replacement of a Key Personnel at the request of Construction Manager or the Owner requires Construction Manager to remove a Key Personnel because of a violation of this Agreement, or any laws, rules, or regulations applicable to the Project and work at the Airport.

« »

§ 1.1.14 The Owner’s requirements for subcontractor procurement for the performance of the Work:

In the procurement, management, and termination of subcontractors, Construction Manager must comply with all local, State, and Federal requirements, including but not limited to the Federal Aviation Administration’s Buy American Certification, the Owner’s Disadvantaged Business Enterprise (DBE) program with Monterey Peninsula Airport District’s stated DBE goal of seven and one-half percent (7.5%), the Federal Aviation Administration’s Certification Regarding Lobbying, the Resource Conservation and Recovery Act and the regulatory provisions of 40 C.F.R. Part 247, the Federal Acquisition Regulation (FAR) Subpart 9.4 on Debarment and Suspension, and the California Public Contract Code Section 20146(d)(2).

§ 1.1.15 Other Initial Information on which this Agreement is based:

Construction Manager is aware of and familiar with the requirements related to the financing of this Project, including the Owner’s budget, the Owner’s expected financing from Federal Aviation Administration Airport Terminal Program and/or Airport Improvement Program grant programs, and the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program. Construction Manager is aware of the deadlines required for its Work pursuant to this Agreement so that the Owner can submit required documentation in order to receive grants and a TIFIA loan. Construction Manager shall provide all documents and information that the Owner must obtain from Construction Manager by the dates specified in this Agreement.

§ 1.3 Neither the Owner’s nor the Construction Manager’s representative shall be changed without ten days’ prior notice to the other party.

ARTICLE 2 GENERAL PROVISIONS

§ 2.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of each of the Construction Manager's Guaranteed Maximum Price proposal(s), the Contract Documents will also include the documents described in Section 3.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 3.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern. An enumeration of the Contract Documents, other than a Modification, appears in Article 15.

§ 2.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and the Owner's other authorized consultants and representatives, and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner to furnish efficient construction administration, management services, and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

§ 2.3 General Conditions

§ 2.3.1 For the Preconstruction Phase, AIA Document A201™-2017, General Conditions of the Contract for Construction, shall apply as follows: Section 1.5, Ownership and Use of Documents; Section 1.7, Digital Data Use and Transmission; Section 1.8, Building Information Model Use and Reliance; Section 2.2.4, Confidential Information; Section 3.12.10, Professional Services; Section 10.3, Hazardous Materials; Section 13.1, Governing Law. The term "Contractor" as used in A201-2017 shall mean the Construction Manager.

§ 2.3.2 For the Construction Phase, the general conditions of the contract shall be as set forth in A201-2017, which document is attached as Exhibit B. The term "Contractor" as used in A201-2017 shall mean the Construction Manager.

ARTICLE 3 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 3.1 and 3.2, and in the applicable provisions of A201-2017 referenced in Section 2.3.1. The Construction Manager's Construction Phase responsibilities are set forth in Section 3.3. The Owner and Construction Manager may agree, in consultation with the Program Manager, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ 3.1 Preconstruction Phase

§ 3.1.1 Extent of Responsibility

The Construction Manager shall exercise reasonable care in performing its Preconstruction Services. The Owner, Program Manager, and Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of services and information furnished by the Construction Manager. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price documents. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 3.1.2 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

§ 3.1.3 Consultation

§ 3.1.3.1 The Construction Manager shall schedule and conduct meetings with the Architect, Program Manager, and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work.

§ 3.1.3.2 The Construction Manager shall advise the Owner and Program Manager on proposed site use and improvements, selection of materials, building systems, and equipment. The Construction Manager shall also provide recommendations to the Owner, Program Manager, and Architect, consistent with the Project requirements, on constructability; availability of materials and labor; time requirements for procurement, installation and construction; prefabrication; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions. The Construction Manager shall consult with the Program Manager regarding professional services to be provided by the Construction Manager during the Construction Phase.

§ 3.1.3.3 The Construction Manager shall assist the Owner and Architect in establishing written protocols for the development, use, transmission, reliance, and exchange of digital data, including building information models for the Project.

§ 3.1.4 Project Schedule

Construction Manager shall prepare and periodically update a Project schedule for the Owner's and Program Manager's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities; and identify items that affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered in advance of construction; and the occupancy requirements of the Owner.

§ 3.1.5 Phased Construction

The Construction Manager, in consultation with the Owner, shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, and sequencing for phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities, and procurement and construction scheduling issues.

§ 3.1.6 Cost Estimates

§ 3.1.6.1 Based on the Contract Documents and other design criteria prepared by the Architect, the Construction Manager shall prepare, for the Owner's review and approval, estimates of the Cost of the Work or the cost of program requirements using area, volume, or similar conceptual estimating techniques where specific costs cannot yet be determined. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 3.1.6.2 As the Pre-construction Work progresses, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, an estimate of the Cost of the Work with increasing detail and refinement. The Construction Manager shall include in the estimate those costs to allow for the further development of the design, price escalation, and market conditions, until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work or multiple Guaranteed Maximum Prices of the Work for individual packages of Work. Such packages may include procurement of long lead items and separate portions of the Work that can be efficiently and effectively performed pursuant to separate Guaranteed Maximum Prices in order to complete the Work in as cost-effective and timely manner as is possible. The estimate shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Program Manager in the event that the estimate of the Cost of the Work exceeds the latest approved Project budget, and make recommendations for corrective action.

§ 3.1.6.3 The Architect has provided a cost estimating services as a Supplemental Service, and if a discrepancy exists between the Construction Manager's cost estimates and the Architect's cost estimates, the Construction Manager and the Architect shall work together to reconcile the cost estimates.

§ 3.1.7 The Construction Manager shall consult with the Owner, Program Manager, and Architect and make recommendations regarding constructability and schedules for the Contract Documents, for the Architect's review and the Owner's approval.

§ 3.1.8 The Construction Manager shall provide recommendations and information to the Owner and Architect regarding equipment, materials, services, and temporary Project facilities.

§ 3.1.9 The Construction Manager shall provide a staffing plan for Preconstruction Phase services for the Owner's review and approval.

§ 3.1.10 If the Owner identified a Sustainable Objective in Article 1, the Construction Manager shall fulfill its Preconstruction Phase responsibilities as required in AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement as Exhibit E.

§ 3.1.11 Subcontractors and Suppliers

§ 3.1.11.1 If the Owner has provided requirements for subcontractor procurement in section 1.1.14, the Construction Manager shall provide a subcontracting plan, addressing the Owner's requirements, for the Owner's review and approval.

§ 3.1.11.2 The Construction Manager shall develop bidders' interest in the Project.

§ 3.1.11.3 The processes described in Article 9 shall apply if bid packages will be issued during the Preconstruction Phase.

§ 3.1.12 Procurement of Long Lead Items

The Construction Manager shall prepare, for the Owner's review and acceptance, a procurement schedule for items that must be ordered in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 3.1.13 Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi-governmental authorities.

§ 3.1.14 Compliance with California Labor Law

The Construction Manager shall comply, with the provisions of the California Labor Code §1770 et seq, including the general prevailing wage and apprentice requirement, requirements for subcontracts, and forfeiture penalties. The Owner's projects are subject to compliance monitoring and enforcement by the Department of Industrial Relations ("DIR") in accordance with California Labor Code §1771.4(a)(1). The Construction Manager and all of its subcontractors of any tier are required to be registered with the DIR in accordance with California Labor Code §1725.5. Unregistered contractors are not qualified to be engaged in the performance of any public works contract all as more particularly described in California Labor Code §1771.1(a). The Construction Manager shall post the job site with all notices required by regulations per California Labor Code §1771.4(a)(2), regardless of whether the Airport also posts.

It is the statutory requirement that the Contractor and all of the Subcontractors at every tier use a skilled and trained workforce, as required in California Public Contract (CPC) Code §20146 and defined in CPC Code §2601, to perform all work on the Project that falls within an apprenticeable occupation in the building and construction trades. The contractor will be required to provide monthly reports pursuant to CPC Code §2602 demonstrating compliance with the skilled workforce requirements, including the minimum percentage of skilled journey persons that are graduates of registered apprenticeship programs as provided in CPC Code §2602.

§ 3.1.15 Other Preconstruction Services

Insert a description of any other Preconstruction Phase services to be provided by the Construction Manager, or reference an exhibit attached to this document and will be time and materials.

(Describe any other Preconstruction Phase services, such as providing cash flow projections, development of a project information management system, early selection or procurement of subcontractors, etc.)

§ 3.2 Guaranteed Maximum Price Proposal

§ 3.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager, the Construction Manager shall prepare one or more Guaranteed Maximum Price Proposals for the Owner's and Architect's review, and the Owner's acceptance. Each Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, the Construction Manager's contingency described in Section 3.2.4, and the Construction Manager's Fee described in Section 6.1.2. Each Guaranteed Maximum Price proposal shall include the scope of the Work to be performed and any interim milestones and substantial completion dates applicable to the scope of Work.

§ 3.2.2 To the extent that the Contract Documents are anticipated to require further development, the Guaranteed Maximum Price includes the costs attributable to such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include changes in scope, systems, kinds and quality of materials, finishes, or equipment, all of which, if required, shall be incorporated by Change Order.

§ 3.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- .1** A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract which the Construction Manager shall perform for the proposed Guaranteed Maximum Price;
- .2** A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 3.2.2;
- .3** A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, including allowances; the Construction Manager's contingency set forth in Section 3.2.4; and the Construction Manager's Fee;
- .4** The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based and any other interim milestones requested or approved by the Owner; and
- .5** A date by which the Owner must accept the Guaranteed Maximum Price, which shall be no less than days from the date that the Construction Manager submits it to the Owner.

§ 3.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall not include an allowance for any purpose unless agreed to by the Owner. .

§ 3.2.5 The Construction Manager shall meet with the Owner and Program Manager to review the Guaranteed Maximum Price proposal. In the event that the Owner or Program Manager discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 3.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based and shall increase the overall Guaranteed Maximum Price of this Agreement accordingly.

§ 3.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the execution of the Guaranteed Maximum Price Amendment, unless the Owner provides prior written authorization for such costs.

§ 3.2.8 The Owner shall authorize preparation of revisions to the Contract Documents that incorporate the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish such revised Contract Documents to the Construction Manager. The Construction Manager shall notify the Owner and Program Manager of any inconsistencies between the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment and the revised Contract Documents. In the event that a provision in the Guaranteed Maximum Price Amendment conflicts with a provision in another document that forms a part of the Contract Documents, the order of precedence stated in Section 2.1 of this form A133 shall control the interpretation.

§ 3.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 3.3 Construction Phase

§ 3.3.1 General

§ 3.3.1.1 For purposes of Section 8.1.2 of A201–2017, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 3.3.1.2 The Construction Phase shall commence upon the Owner’s execution of the first Guaranteed Maximum Price Amendment that is not solely for preconstruction services or the purchase of Long Lead Items, or, prior to acceptance of the Guaranteed Maximum Price proposal, by written agreement of the parties. The written agreement shall set forth a description of the Work to be performed by the Construction Manager, and any insurance and bond requirements for Work performed prior to execution of the Guaranteed Maximum Price Amendment.

§ 3.3.2 Administration

§ 3.3.2.1 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes of the meetings to the Owner, Program Manager, and Architect.

§ 3.3.2.2 Upon the execution of each Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner, Program Manager, and Architect a construction schedule for the Work and a submittal schedule in accordance with Section 3.10 of A201–2017.

§ 3.3.2.3 Monthly Report

The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner, Program Manager, and Architect, showing percentages of completion and other information required by the Owner.

§ 3.3.2.4 Daily Logs

The Construction Manager shall keep, and make available to the Owner and Program Manager, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 3.3.2.5 Cost Control

The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Program Manager, and shall provide this information in its monthly reports to the Owner and Program Manager, in accordance with Section 3.3.2.3 above.

ARTICLE 4 OWNER’S RESPONSIBILITIES

§ 4.1 Information and Services Required of the Owner

§ 4.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner’s objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.

§ 4.1.2 Prior to the execution of a Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner’s obligations under the Contract. After execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request such information as set forth in A201-2017 Section 2.2.

§ 4.1.3 The Owner shall establish and periodically update the Owner’s budget for the Project, including (1) the budget for the Cost of the Work as defined in Article 7, (2) the Owner’s other costs, and (3) allowances related to unknown costs. If the Owner significantly increases or decreases the Owner’s budget for the Cost of the Work, the Owner shall

notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 4.1.4 Structural and Environmental Tests, Surveys and Reports. The Construction Manager shall perform any geotechnical, structural, environmental, surveying, or other tests that it deems necessary to perform the Work in compliance with this Agreement and applicable laws. The Construction Manager has been furnished with geotechnical information contained in the specifications.

§ 4.1.4.1 The Owner shall furnish tests, inspections, and reports, required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials in its possession

§ 4.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 4.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 4.1.5 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 4.1.6 The Owner shall fulfill its responsibilities as required in Exhibit E, AIA Document E234.

§ 4.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201–2017, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 4.2.1 Legal Requirements. The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 4.3 Architect

The Owner has retained an Architect to provide services, duties and responsibilities as described in the Owner's contract with the Architect. In the event that a task or service is assigned to the Architect in the Contract Documents and the Architect's contract with the Owner does not provide for performance of the service by the Architect, the Parties agree that the Owner or the Owner's Representative will provide that service unless otherwise specified in the Contract Documents.

ARTICLE 5 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

§ 5.1 Compensation

§ 5.1.1 For the Construction Manager's Preconstruction Phase services described in Sections 3.1 and 3.2, the Owner shall compensate the Construction Manager as attached:

(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

§ 5.1.2 The hourly billing rates for Preconstruction Phase services of the Construction Manager and the Construction Manager's Consultants and Subcontractors, if any, are attached.
(If applicable, attach an exhibit of hourly billing rates or insert them below.)

Individual or Position

Rate

§ 5.1.2.1 Hourly billing rates for Preconstruction Phase services include all costs to be paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, and shall remain unchanged unless the parties execute a Modification.

§ 5.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within 10 months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 5.2 Payments

§ 5.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

§ 5.2.2 The Owner shall pay the Construction Manager's invoice within thirty days (30) of the date it receives the Construction Manager's invoice, except that the Owner shall not be required to pay within this time any amounts that the Owner reasonably disputes are due and owing to the Construction Manager.

ARTICLE 6 COMPENSATION

§ 6.1 Contract Sum

§ 6.1.1 The Owner shall pay the Construction Manager the Contract Sum in current funds for the Construction Manager's performance of the Contract after execution of all Guaranteed Maximum Price Amendments required to perform the Agreement. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Construction Manager's Fee as defined in Article 6 plus the Preconstruction Phase Services described in Article 5.

§ 6.1.2 The Construction Phase Construction Manager's Fee: These fees will be determined during the preconstruction phase of the contract together with the GMP. The Construction Manager's fee will not exceed 4.1% of the construction GMP's.

(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

The Construction Manager's Fee shall be included in each Guaranteed Maximum Price proposal. It shall be calculated as **XXX** % of the Cost of the Work and shall be a fixed fee for the scope of work of the Guaranteed Maximum Price Amendment unless modified pursuant to Section 6.1.3.

§ 6.1.3 The method of adjustment of the Construction Manager's Construction Phase Fee for changes in the Work shall be as follows:

«The Construction Manager's Fee shall not be increased for changes in the Work unless the change exceeds **xxx** of the total Contract Sum at the time the change is executed. If the change increases the Contract Sum by more than **xxx**, then the Construction Manager shall be entitled to an increase in its fee that is the agreed percentage of the amount of the increase. If a change reduces the Contract Sum by more than **xxx**, then the Owner shall be entitled to a reduction in the Construction Manager's Fee in an amount calculated as the agreed percentage of the amount of the reduction in cost.

§ 6.1.4 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

See Section 6.1.3. In addition to the limitations outlined in Section 6.1.3, the Construction Manager's Fee shall not apply to any self-performed work.

§ 6.1.5 Rental rates for Construction Manager-owned equipment shall not exceed two percent (2%) of the standard rental rate paid at the place of the Project.

§ 6.1.6 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

\$5,000 per calendar day the project is not substantially complete.

§ 6.1.7 Other:
(Insert provisions for bonus, cost savings or other incentives, if any, that might result in a change to the Contract Sum.)

Not applicable

§ 6.2 Guaranteed Maximum Price

The Construction Manager guarantees that the amount paid by the Owner shall not exceed the Preconstruction Phase fee plus the sum of all Guaranteed Maximum Price Amendments, subject to additions and deductions by Change Order as provided in the Contract Documents, which together comprise the Contract Sum. Costs shall be invoiced and paid separately for each Guaranteed Maximum Price Amendment and any costs which would cause the Guaranteed Maximum Price of any Guaranteed Maximum Price Amendment to be exceeded shall be paid by the Construction Manager without reimbursement by the Owner.

§ 6.3 Changes in the Work

§ 6.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Construction Manager may be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 6.3.1.1 The Architect may order minor changes in the Work as provided in Article 7 of AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 6.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Article 7 of AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 6.3.3 Adjustments to subcontracts awarded on the basis of a stipulated sum shall be determined in accordance with Article 7 of A201–2017, as they refer to “cost” and “fee,” and not by Articles 6 and 7 of this Agreement. Adjustments to subcontracts awarded with the Owner’s prior written consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms “cost” and “costs” as used in Article 7 of AIA Document A201–2017 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the term “fee” shall mean the Construction Manager’s Fee as defined in Section 6.1.2 of this Agreement.

ARTICLE 7 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 7.1 Costs to Be Reimbursed

§ 7.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. The Cost of the Work shall include only the items set forth in Sections 7.1 through 7.7.

§ 7.1.2 Where, pursuant to the Contract Documents, any cost is subject to the Owner’s prior approval, the Construction Manager shall obtain such approval in writing prior to incurring the cost.

§ 7.1.3 Costs shall be at rates not higher than the standard rates paid at the place of the Project, except with prior approval of the Owner.

§ 7.2 Labor Costs

§ 7.2.1 Wages or salaries of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner’s prior approval, at off-site workshops.

§ 7.2.2 Wages or salaries of the Construction Manager’s supervisory and administrative personnel when stationed at the site and performing Work, with the Owner’s prior approval.

§ 7.2.2.1 Wages or salaries of the Construction Manager’s supervisory and administrative personnel when performing Work and stationed at a location other than the site, but only for that portion of time required for the Work, and limited to the personnel and activities listed below:

(Identify the personnel, type of activity and, if applicable, any agreed upon percentage of time to be devoted to the Work.)

« »

§ 7.2.3 Wages and salaries of the Construction Manager’s supervisory or administrative personnel engaged at factories, workshops or while traveling, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 7.2.4 Costs paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 7.2.1 through 7.2.3.

§ 7.2.5 If agreed rates for labor costs, in lieu of actual costs, are provided in this Agreement, the rates shall remain unchanged throughout the duration of this Agreement, unless the parties execute a Modification.

§ 7.2.6 Prevailing Wages

The Construction Manager shall comply with all legal requirements regarding wage and labor payment rates, terms, and conditions, including but not limited to the Davis-Bacon Act and other requirements specified in Exhibit A and California law. Unless otherwise provided by law, the Construction Manager shall apply the wage and labor rates in effect on the date that is five (5) days before the Construction Manager submits a Guaranteed Maximum Price proposal and such rates shall apply to the Guaranteed Maximum Price Amendment unless a modification of the rates is required by law.

§ 7.3 Subcontract Costs

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts and this Agreement.

§ 7.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 7.4.1 Costs, including transportation and storage at the site, of materials and equipment incorporated, or to be incorporated, in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner’s property at the completion of the Work or, at the Owner’s option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 7.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 7.5.1 Costs of transportation, storage, installation, dismantling, maintenance, and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment, and tools, that are not fully consumed, shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site, and the costs of transportation, installation, dismantling, minor repairs, and removal of such temporary facilities, machinery, equipment, and hand tools. Rates and quantities of equipment owned by the Construction Manager, or a related party as defined in Section 7.8,

shall be subject to the Owner's prior approval. The total rental cost of any such equipment may not exceed the purchase price of any comparable item.

§ 7.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 7.5.4 Costs of the Construction Manager's site office, including general office equipment and supplies.

§ 7.5.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

§ 7.6 Miscellaneous Costs

§ 7.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract.

§ 7.6.1.1 Costs for self-insurance, for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

§ 7.6.1.2 Costs for insurance through a captive insurer owned or controlled by the Construction Manager, with the Owner's prior approval.

§ 7.6.2 Sales, use, or similar taxes, imposed by a governmental authority, that are related to the Work and for which the Construction Manager is liable.

§ 7.6.3 Fees and assessments for the building permit, and for other permits, licenses, and inspections, for which the Construction Manager is required by the Contract Documents to pay.

§ 7.6.4 Fees of laboratories for tests required by the Contract Documents; except those related to defective or nonconforming Work for which reimbursement is excluded under Article 13 of AIA Document A201–2017 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process, or product, required by the Contract Documents.

§ 7.6.5.1 The cost of defending suits or claims for infringement of patent rights arising from requirements of the Contract Documents, payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims, and payments of settlements made with the Owner's consent, unless the Construction Manager had reason to believe that the required design, process, or product was an infringement of a copyright or a patent, and the Construction Manager failed to promptly furnish such information to the Architect as required by Article 3 of AIA Document A201–2017. The costs of legal defenses, judgments, and settlements shall not be included in the Cost of the Work used to calculate the Construction Manager's Fee or subject to the Guaranteed Maximum Price.

§ 7.6.6 Costs for communications services, electronic equipment, and software, directly related to the Work and located at the site, with the Owner's prior approval or licenses for software required by the Owner to be used for the Work so long as the Construction Manager does not already hold a license the cost of which is included in its markup, overhead, or fee.

§ 7.6.7 Costs of document reproductions and delivery charges.

§ 7.6.8 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 7.6.9 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents, and with the Owner's prior written approval, which shall not be unreasonably withheld.

§ 7.6.11 That portion of the reasonable expenses of the Construction Manager’s supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

§ 7.7 Other Costs and Emergencies

§ 7.7.1 Other costs incurred in the performance of the Work, with the Owner’s prior approval.

§ 7.7.2 Costs incurred in taking action to prevent threatened damage, injury, or loss, in case of an emergency affecting the safety of persons and property, as provided in Article 10 of AIA Document A201–2017.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors, or suppliers, provided that such damaged or nonconforming Work was not caused by the negligence of, or failure to fulfill a specific responsibility by, the Construction Manager or its Subcontractors, and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 7.7.4 The costs described in Sections 7.1 through 7.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201–2017 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 7.9.

§ 7.8 Related Party Transactions

§ 7.8.1 For purposes of this Section 7.8, the term “related party” shall mean (1) a parent, subsidiary, affiliate, or other entity having common ownership of, or sharing common management with, the Construction Manager; (2) any entity in which any stockholder in, or management employee of, the Construction Manager holds an equity interest in excess of ten percent in the aggregate; (3) any entity which has the right to control the business or affairs of the Construction Manager; or (4) any person, or any member of the immediate family of any person, who has the right to control the business or affairs of the Construction Manager.

§ 7.8.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction in writing, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods, or service, from the related party, as a Subcontractor, according to the terms of Article 9. If the Owner fails to authorize the transaction in writing, the Construction Manager shall procure the Work, equipment, goods, or service from some person or entity other than a related party according to the terms of Article 9.

§ 7.9 Costs Not To Be Reimbursed

§ 7.9.1 The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Construction Manager’s personnel stationed at the Construction Manager’s principal office or offices other than the site office, except as specifically provided in Section 7.2, or as may be provided in Article 14;
- .2 Bonuses, profit sharing, incentive compensation, and any other discretionary payments, paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, unless the Owner has provided prior approval;
- .3 Expenses of the Construction Manager’s principal office and offices other than the site office;
- .4 Overhead and general expenses, except as may be expressly included in Sections 7.1 to 7.7;
- .5 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence of, or failure to fulfill a specific responsibility of the Contract by, the Construction Manager, Subcontractors, and suppliers, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable; The Construction Manager’s capital expenses, including interest on the Construction Manager’s capital employed for the Work;
- .7 Any cost not specifically and expressly described in Sections 7.1 to 7.7;
- .8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and
- .9 Costs for services incurred during the Preconstruction Phase and included within the scope of work attributable to the Preconstruction Phase.

ARTICLE 8 DISCOUNTS, REBATES, AND REFUNDS

§ 8.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included the amount to be paid, less such discount, in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds, and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 8.2 Amounts that accrue to the Owner in accordance with the provisions of Section 8.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 9 SUBCONTRACTS AND OTHER AGREEMENTS

§ 9.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors, and from suppliers of materials or equipment fabricated especially for the Work, who are qualified to perform that portion of the Work in accordance with the requirements of the Contract Documents. The Construction Manager shall deliver such bids to the Owner with an indication as to which bids the Construction Manager intends to accept. The Owner then has the right to review the Construction Manager's list of proposed subcontractors and suppliers and, subject to Section 9.1.1, to object to any subcontractor or supplier. Any advice of the Architect or the Owner's representatives, or approval or objection by the Owner, shall not relieve the Construction Manager of its responsibility to perform the Work in accordance with the Contract Documents. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection except for those subcontractors, manufacturers, or suppliers whose equipment and associated services are required by the Owner or who are selected by the Owner as part of the execution of the subcontractor procurements for this Agreement.

§ 9.1.1 When a specific subcontractor or supplier (1) is recommended to the Owner by the Construction Manager; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 9.2 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the Owner's prior written approval. If a subcontract is awarded on the basis of cost plus a fee, the Construction Manager shall provide in the subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Article 10.

ARTICLE 10 ACCOUNTING RECORDS

The Construction Manager shall keep full and detailed records and accounts related to the Cost of the Work, and exercise such controls, as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner, the FAA and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, job cost reports, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, Subcontractor's invoices, purchase orders, vouchers, memoranda, and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 11 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 11.1 Progress Payments

§ 11.1.1 Based upon Applications for Payment submitted to the Program Manager by the Construction Manager, and Certificates for Payment issued by the Program Manager, the Owner shall make progress payments on each Guaranteed Maximum Price amendment to the Construction Manager, as provided below and elsewhere in the Contract Documents.

§ 11.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

«The Construction Manager shall submit a separate Application for Payment for each Guaranteed Maximum Price Amendment on which the Construction Manager performed work during the preceding month.

§ 11.1.3 Provided that an Application for Payment is received by the Program Manager not later than the last day of a month, the Owner shall make payment of the amount certified to the Construction Manager not later than the twenty ninth day of the subsequent month. If an Application for Payment is received by the Program Manager after the application date fixed above, payment of the amount certified shall be made by the Owner not later than thirty-five (35) days after the Program Manager receives the Application for Payment.

§ 11.1.4 With each Application for Payment, the Construction Manager shall submit certified payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Program Manager to demonstrate that payments already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, plus payrolls for the period covered by the present Application for Payment, less that portion of the progress payments attributable to the Construction Manager's Fee.

§ 11.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among: (1) the various portions of the Work; (2) any contingency for costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order; and (3) the Construction Manager's Fee.

§ 11.1.5.1 The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Owner's Representative or Architect may require. The schedule of values shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 11.1.5.2 The allocation of the Guaranteed Maximum Price under this Section 11.1.5 shall not constitute a separate guaranteed maximum price for the Cost of the Work of each individual line item in the schedule of values.

§ 11.1.5.3 When the Construction Manager allocates costs from a contingency to another line item in the schedule of values, the Construction Manager shall submit supporting documentation to the Owner's Representative.

§ 11.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work and for which the Construction Manager has made payment or intends to make payment prior to the next Application for Payment, by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 11.1.7 In accordance with AIA Document A201–2017 and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 11.1.7.1 The amount of each progress payment shall first include:

- .1 That portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the most recent schedule of values;
- .2 That portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction or, if approved in writing in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified; and
- .4 The Construction Manager's Fee, computed upon the Cost of the Work described in the preceding Sections 11.1.7.1.1 and 11.1.7.1.2 at the rate stated in Section 6.1.2 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum fee as the

Cost of the Work included in Sections 11.1.7.1.1 and 11.1.7.1.2 bears to a reasonable estimate of the probable Cost of the Work upon its completion.

§ 11.1.7.2 The amount of each progress payment shall then be reduced by:

- .1 The aggregate of any amounts previously paid by the Owner;
- .2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201–2017;
- .3 Any amount for which the Construction Manager does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Construction Manager intends to pay;
- .4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201–2017;
- .5 The shortfall, if any, indicated by the Construction Manager in the documentation required by Section 11.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner’s auditors in such documentation; and
- .6 Retainage withheld pursuant to Section 11.1.8.

§ 11.1.8 Retainage

§ 11.1.8.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

Five percent (5%) of each progress payment, provided that no retainage shall be withheld for that portion of a Guaranteed Maximum Price Amendment that contains solely pre-construction or professional services work.

§ 11.1.8.1.1 The following items are not subject to retainage:

(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

The Preconstruction Phase services.

§ 11.1.8.2 Reduction or limitation of retainage, if any, shall be as follows:

Construction Manager shall comply with the requirements for the payment of retainage contained in Exhibit A, the FAA Requirements, as described in the provisions for the Disadvantaged Business Enterprise program.

§ 11.1.8.3

(Insert any other conditions for release of retainage, such as upon completion of the Owner’s audit and reconciliation, upon Substantial Completion.)

The Owner shall release any held retainage within 35 working days of final closeout of the Agreement, including when all closeout documents are provided to the Owner.

§ 11.1.10 Except with the Owner’s prior written approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and suitably stored at the site.

§ 11.1.11 The Owner and the Construction Manager shall agree upon a mutually acceptable procedure for review and approval of payments to Subcontractors, and the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 11.1.12 In taking action on the Construction Manager’s Applications for Payment the Owner shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager, and such action shall not be deemed to be a representation that (1) the Owner has made a detailed examination, audit, or arithmetic verification, of the documentation submitted in accordance with Section 11.1.4 or other supporting data; (2) that the Owner has made exhaustive or continuous on-site inspections; or (3) that the Owner has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits, and verifications, if required by the Owner, will be performed by the Owner’s auditors acting in the sole interest of the Owner.

§ 11.2 Final Payment

§ 11.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract, except for the Construction Manager's obligations which extend beyond final payment and have not arisen at the time of Final Payment, including but not limited to the Construction Manager's responsibility to correct Work as provided in Article 12 of AIA Document A201-2017;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work, a final Application for Payment, transferred all manufacturer's warranties and other items required to be provided to the Owner, and provided all training, closeout, and other materials or activities required by the Agreement; and
- .3 a final Certificate for Payment has been issued by the Program Manager in accordance with Section 11.2.2.2.

§ 11.2.2 If any Subcontractor refuses to furnish a release or waiver required by Owner (with respect to Work for which Owner has made payment to Construction Manager in the amounts required by this Contract) and files a lien against the Project, Construction Manager shall furnish a bond for 150% of the amount claimed in a form satisfactory to Owner to indemnify Owner against any such lien. Construction Manager shall cause such lien or claim for lien to be formally released, bonded against or satisfied, and shall reimburse Owner for all costs and expenses, including but not limited to attorneys' fees and bonding and title indemnity expenses, incurred by Owner in contesting, discharging, releasing or satisfying such lien or claim for lien or defending or otherwise participating in such suit. Owner shall have the right to retain out of any payment then or thereafter to become due to Construction Manager 150% of the amount claimed in any filed and not released lien to indemnify Owner completely against the costs of the lien or claim for lien. Upon release of the lien, or Construction Manager's provision of a bond or evidence of satisfaction of the lien satisfactory in the sole discretion of the Owner, the Owner shall release any amount retained pursuant to this subsection with the Owner's next regular payment to the Construction Manager.

§ 11.2.2.1 If the Owner conducts an audit of the Cost of the Work, the Owner shall, within 10 days after completion of the audit, submit a written report based upon the auditors' findings to the Program Manager.

§ 11.2.2.2 Within seven days after receipt of the written report described in Section 11.2.2.1, or receipt of notice that the Owner will not conduct an audit, and provided that the other conditions of Section 11.2.1 have been met, the Program Manager will either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Program Manager's reasons for withholding a certificate as provided in Article 9 of AIA Document A201-2017. The time periods stated in this Section 11.2.2 supersede those stated in Article 9 of AIA Document A201-2017. The Program Manager is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 11.2.2.3 If the Owner's auditors' report concludes that the Cost of the Work, as substantiated by the Construction Manager's final accounting, is less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Article 15 of AIA Document A201-2017. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Program Manager's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Program Manager's final Certificate for Payment.

§ 11.2.3 The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Program Manager's final Certificate for Payment, or as follows:

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§ 11.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate of 10% per annum simple interest.

ARTICLE 12 DISPUTE RESOLUTION

§ 12.1 Initial Decision Maker

§ 12.1.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 12 and Article 15 of A201–2017. However, for Claims arising from or relating to the Construction Manager’s Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 12.1.2 of this Agreement shall not apply.

§ 12.1.2 The Executive Director of the Monterey Regional Airport or his designee will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017 for Claims arising from or relating to the Construction Manager’s Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

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§ 12.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

(Check the appropriate box.)

[<< >>] Arbitration pursuant to Article 15 of AIA Document A201–2017

[<< X >>] Litigation in a court of competent jurisdiction

[<< >>] Other: *(Specify)*

If the Owner and Construction Manager do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 13 TERMINATION OR SUSPENSION

§ 13.1 Termination Prior to Execution of the Guaranteed Maximum Price Amendment

§ 13.1.1 If the Owner and the Construction Manager do not reach an agreement on one or more Guaranteed Maximum Price Amendments, the Owner may terminate this Agreement for convenience upon not less than seven days’ written notice to the Construction Manager.

§ 13.1.2 In the event of termination of this Agreement pursuant to Section 13.1.1, the Construction Manager shall be compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination, in accordance with the terms of this Agreement. In no event shall the Construction Manager’s compensation under this Section exceed the services and Work performed and the Construction Manager shall not be entitled to payments of overhead, fees, profits, or other amounts related to services and Work not actually performed.

§ 13.1.3 Prior to the execution of the first Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days’ written notice to the Construction Manager for the Owner’s convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days’ written notice to the Owner, for the reasons set forth in Section 14.1.1 of Exhibit B (A201-2017).

§ 13.1.4 In the event of termination of this Agreement pursuant to Section 13.1.3, the Construction Manager shall be equitably compensated as provided in Section 13.1.2.

§ 13.1.5 If the Owner terminates the Contract pursuant to Section 13.1.3 after the commencement of the Construction Phase but prior to the execution of a Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction

Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 13.1.4:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
- .3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

§ 13.1.6 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.1.5.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

§ 13.1.6.1 If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 13.2 Termination or Suspension Following Execution of the Guaranteed Maximum Price Amendment

§ 13.2.1 Termination

The Contract may be terminated by the Owner or the Construction Manager as provided in Exhibit A and Exhibit B, Article 14.

§ 13.2.2 Termination by the Owner for Cause

§ 13.2.2.1 If the Owner terminates the Contract for cause as provided in Exhibit B, Article 14, the amount, if any, to be paid to the Construction Manager shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee, computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract the costs and damages incurred, or to be incurred, by the Owner under Exhibit B, Article 14.

§ 13.2.2.2 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.2.2.1.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders.

§ 13.2.3 Termination by the Owner for Convenience

If the Owner terminates the Contract for convenience in accordance with Exhibit A and Exhibit B, Article 14, then the Owner shall pay the Construction Manager an amount calculated pursuant to Section 13.1.2. The Construction Manager shall not be entitled to payment for Work not performed and for any lost or reduced overhead, profits, or other costs.

§ 13.3 Suspension

The Work may be suspended by the Owner as provided in Exhibit B, Article 14. If the Work is suspended, in such case, the affected Guaranteed Maximum Price Amendments, Contract Sum, and Contract Time shall be increased as provided in Exhibit B, Article 14, except that the term “profit” shall be understood to mean the Construction Manager’s Fee as described in Sections 6.1 and 6.3.5 of this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

§ 14.1 Terms in this Agreement shall have the same meaning as those in Exhibit B. Where reference is made in this Agreement to a provision of Exhibit B or AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 14.2 Successors and Assigns

§ 14.2.1 The Owner and Construction Manager, respectively, bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 14.2.2 of this Agreement, and in Exhibit B, Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 14.2.2 The Owner may, without consent of the Construction Manager, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner’s rights and obligations under the Contract Documents. The Construction Manager shall execute all consents reasonably required to facilitate the assignment.

§ 14.3 Insurance and Bonds

§ 14.3.1 Insurance

The Construction Manager shall maintain the following insurance for the duration of the Agreement. If any of the requirements set forth below exceed the types and limits the Construction Manager normally maintains, the Owner shall reimburse the Construction Manager for any additional cost.

§ 14.3.1.1 Bodily Injury Liability and Property Damage Liability

The successful Respondent will be required to provide the Airport with a certified copy of an insurance policy, terminable only after ten days’ notice, covering all operations in connection with said work, with limits not less than \$2,000,000/\$4,000,000 Bodily Injury and \$10,000,000/\$20,000,000 Property Damage or, a single limit for Bodily Injury Liability and Property Damage Liability combined of \$10,000,000 for each occurrence/\$20,000,000 Aggregate, together with the Additional Insured Endorsement naming the Airport and its officers, agents and employees, respectively

§ 14.3.1.4 Workers’ Compensation at statutory limits and Employers Liability with policy limits as provided above.

In accordance with the provisions of §3700 of the California Labor Code, every contractor will be required to secure the payment of compensation to his employees.

Each contractor to whom a public works contract is awarded is required to sign and file with the Airport the following certification prior to performing the work of the contract:

"I AM AWARE OF THE PROVISIONS OF SECTION 3700 OF THE LABOR CODE WHICH REQUIRES EVERY EMPLOYER TO BE INSURED AGAINST LIABILITY FOR WORKER'S COMPENSATION OR TO UNDERTAKE SELF-INSURANCE IN ACCORDANCE WITH THE PROVISIONS OF THAT CODE, AND I WILL COMPLY WITH SUCH PROVISIONS BEFORE COMMENCING THE PERFORMANCE OF THE WORK ON THIS CONTRACT."

§ 14.3.1.5 Professional Liability covering negligent acts, errors and omissions in the performance of professional services, with policy limits are provided below.

§ 14.3.1.6 Other Insurance

(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

Coverage	Limits
Builder's Risk to be in force upon execution of the Guaranteed Maximum Price Amendment	\$10,000,000 for each occurrence/\$20,000,000 Aggregate
Automobile Liability	\$2,000,000 for each occurrence/\$4,000,000 Aggregate

§ 14.3.1.7 Additional Insured Obligations. To the fullest extent permitted by law, the Construction Manager shall cause the primary and excess or umbrella policies for Bodily Injury Liability and Property Injury Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 14.3.1.8 The Construction Manager shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 14.3.1.

§ 14.3.2 Surety Bonds

§ 14.3.2.1 The Construction Manager shall provide bonds as set forth in this Agreement, including Labor and Materials Payment Bond and a Performance Bond meeting all the requirements of the Contract and approved by the District's Attorney. Construction Manager shall require subcontractors to obtain similar bonds, including Labor and Materials Payment Bonds and Performance Bonds meeting all the requirements of the Contract. Bonds shall be executed by a surety possessing a valid certificate of authority issued by the California Department of Insurance and shall name the District as the beneficiary. Each such bond shall include a provision allowing the prevailing party in a suit on such bond to recover as a part of his judgment such reasonable attorney's fees as may be fixed by a judge of the court.

§ 14.4 Notice in electronic format, pursuant to Exhibit B, Section 1.6, shall be sent to:

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§ 14.5 Other provisions:

«§ 14.5.1 Sensitive Security Information

The Construction Manager shall comply with 49 C.F.R. § 1520, or its successor, and all of the Owner's Rules, Regulation, and Policies regarding Sensitive Security Information. In addition to its other obligations in this Agreement.

§ 14.5.2 Airport Security

The Construction Manager shall comply with all of the Owner's Rules, Regulations, and Policies, and all Rules, Regulations and Policies of the Federal Aviation Administration, Transportation Security Administration, and/or Customs and Border Protection regarding badges, access to airport facilities, and other security requirements. The Owner may, without prior notice to the Construction Manager, require the Construction Manager to remove any person or entity from the Project if the person or entity violates any Airport Security requirement. The Construction Manager

§ 14.5.3 Fines and Penalties for Violation of Security Requirements

If the Construction Manager, its officers, authorized officials, employees, agents, subcontractors of any tier, or those under its control, fail or refuse to comply with any of the requirements of Sections 14.5.1 or 14.5.2 and this non-compliance results in a monetary penalty being assessed against the Owner, then, in addition to any other remedies available to the Owner, the Construction Manager shall fully reimburse the Owner any fines or penalties levied against the Owner, and any attorney fees or related costs paid by the Owner as a result of any violation. The Construction Manager must pay this amount within fifteen (15) days from the date of the invoice or written notice or, in its sole discretion, the Owner may deduct this amount directly from the Construction Manager's next invoice.

§ 14.5.4 Subordination to Federal Government

This Agreement is subject and subordinate to the terms, reservations, restrictions and conditions of any existing or future agreements between the Owner and the United States. As applicable, Contractor shall comply with the Standard Federal Assurances identified in Exhibit A and all other applicable Federal laws, regulations, and requirements.

§ 14.5.5 Electronic Signatures and Records

The Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the Owner and/or the Construction Manager in the manner specified by the Owner and California law. The Parties agree not to deny the legal effect or enforceability of the Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

§ 14.5.6 Execution

This Agreement is expressly subject to the approval of the Owner’s Board and it shall not be effective until such approval is obtained, even if the Construction Manager has executed the Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same

ARTICLE 15 SCOPE OF THE AGREEMENT

§ 15.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 15.2 The following documents comprise the Agreement. In the event of a conflict between documents the documents shall be construed in the following order with a higher ranked document taking precedence over a lower ranked one:

1. Exhibit A – FAA Provisions
2. Modifications as defined in Exhibit B, in reverse order of execution
3. Guaranteed Maximum Price Amendment(s)
4. This A133-2019 Agreement, as revised
5. Exhibit B – Form A201-2017 – General Conditions, as revised.
6. Exhibit C – Plans, Drawings, and Specifications for the Work, as may be modified by the Architect or further described in shop drawings, submittals, and responses to Requests for Information
7. Exhibit D - Subcontractor Procurement Plan
8. Exhibit E – Form A234 – Sustainable Projects Exhibit
8. Payment and Performance Bonds (incorporated by reference)
9. Notices to Proceed
10. The Owner’s Request for Qualifications and Request for Proposals (incorporated by reference)
11. Construction Manager’s Response to Request for Qualifications and Request for Proposals (incorporated by reference)

This Agreement is entered into and effective as of the day and year first written above.

OWNER *(Signature)*

« »« »

(Printed name and title)

CONSTRUCTION MANAGER *(Signature)*

« »« »

(Printed name and title)

AIA® Document A201® - 2017

General Conditions of the Contract for Construction

for the following PROJECT:

«Replacement Terminal Facility »
« Monterey Regional Airport »

THE OWNER:

«Monterey Peninsula Airport District »
«200 Fred Kane Drive, Suite 200 »
«Monterey, VA 93940 »

THE CONTRACTOR AS CONSTRUCTOR:

Hensel Phelps Construction Company
4750 Willow Road, Suite 100
Pleasanton, CA 94588

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 Basic Definitions

§ 1.1.1 The Contract Documents

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, one or more Guaranteed Maximum Price Amendments, other documents listed in the Agreement, and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive, or (4) a written order for a minor change in the Work issued by the Owner.

§ 1.1.2 The Contract

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants, or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 The Work

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment, and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project. The Replacement Terminal Facility Issue for Contract Documents Drawings and Specification Volumes 1 to 4, dated November 15, 2024, are attached in the Contract Documents as Exhibit C.

§ 1.1.4 The Project

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by Separate Contractors.

§ 1.1.5 The Drawings

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

§ 1.1.6 The Specifications

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 Instruments of Service

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 Initial Decision Maker

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The Initial Decision Maker shall not show partiality to the Owner or Contractor and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 1.2 Correlation and Intent of the Contract Documents

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 Capitalization

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles, or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 Interpretation

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 Ownership and Use of Drawings, Specifications, and Other Instruments of Service

§ 1.5.1 The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors, and suppliers are authorized to use and reproduce the Instruments of Service provided to them, subject to any protocols established pursuant to Sections 1.7 and 1.8, solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and suppliers may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work without the specific written consent of the Owner or the Architect, as required by the ownership of the relevant Instrument of Service.

§ 1.6 Notice

§ 1.6.1 Except as otherwise provided in Section 1.6.2, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission if a method for electronic transmission is set forth in the Agreement.

§ 1.6.2 Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery.

§ 1.7 Digital Data Use and Transmission

The parties shall agree upon written protocols governing the transmission and use of, and reliance on, Instruments of Service or any other information or documentation in digital form.

§ 1.8 Building Information Models Use and Reliance

Any use of, or reliance on, all or a portion of a building information model without agreement to written protocols governing the use of, and reliance on, the information contained in the model shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

ARTICLE 2 OWNER

§ 2.1 General

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.2 [Reserved]

§ 2.3 Information and Services Required of the Owner

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.3.2 The Owner shall retain an architect lawfully licensed to practice architecture, or an entity lawfully practicing architecture, in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 2.3.3 If the employment of the Architect terminates, the Owner shall employ a successor to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 2.3.4 If reasonably available to Owner, the Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish other information under the Owner's control which in the opinion of the Owner is relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.3.6 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.4 Owner's Right to Stop the Work

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.5 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. The Owner may withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner. If the Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

ARTICLE 3 CONTRACTOR

§ 3.1 General

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed in the jurisdiction where the Project is located. The Contractor shall possess a California Contractor's License Classification 'A' prior to award of Contract or other license qualifying the Contractor to perform as a prime Contractor, prior to award of Contract as approved by the Board of the Monterey Peninsula Airport District. The Contractor's License shall be in effect at start of this contract and be maintained throughout the duration of this contract. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 Review of Contract Documents and Field Conditions by Contractor

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.3.4, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the plans and specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall submit Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner, subject to Section 15.1.7, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 Supervision and Construction Procedures

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work under the Contract. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Contractor shall evaluate the jobsite safety thereof and shall be solely responsible for the jobsite safety of such means, methods, techniques, sequences, or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely notice to the Owner and Architect, and shall propose alternative means, methods, techniques, sequences, or procedures. The Architect shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction.

Unless the Architect objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 Labor and Materials

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work approved by the Architect in accordance with Section 3.12.8 or ordered by the Architect in accordance with Section 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 Warranty

§ 3.5.1 The Contractor warrants to the Owner that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Owner, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4.

§ 3.6 Taxes

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 Permits, Fees, Notices and Compliance with Laws

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 14 days after first observance of the conditions. The Owner will promptly investigate such conditions and, if the Owner determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Owner determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Owner shall promptly notify the Contractor, stating the reasons. If the Contractor disputes the Owner determination or recommendation, it may submit a Claim as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 Allowances

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection except for those subcontractors, manufacturers, or suppliers whose equipment and associated services are required by the Owner or who are selected by the Owner as part of the execution of the subcontractor procurements for this Agreement.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1** allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2** Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3** whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 Superintendent

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the name and qualifications of a proposed superintendent. Within 14 days of receipt of the information, the Owner may notify the Contractor, stating whether the Owner or the Architect (1) has reasonable objection to the proposed superintendent or (2) requires additional time for review. Failure of the Owner to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 Contractor's Construction and Submittal Schedules

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the Contract Documents. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project.

§ 3.10.2 The Contractor, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, shall submit a submittal schedule for the Architect's approval. The Architect's approval shall not be unreasonably delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, or fails to provide submittals in accordance with the approved submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 Documents and Samples at the Site

The Contractor shall make available, at the Project site, the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and the approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and Owner, and delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.12 Shop Drawings, Product Data and Samples

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment, or workmanship, and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Architect, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of Separate Contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples, or similar submittals, until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals, by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures. The Contractor shall not be required to provide professional services in violation of applicable law.

§ 3.12.10.1 If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings, and other submittals prepared by such professional. Shop Drawings, and other submittals related to the Work, designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review and approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 3.12.10.2 If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Architect at the time and in the form specified by the Architect.

§ 3.13 Use of Site

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 Cutting and Patching

§ 3.14.1 The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or Separate Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

§ 3.15 Cleaning Up

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials and rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery, and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 Access to Work

The Contractor shall provide the Owner and Architect with access to the Work in preparation and progress wherever located.

§ 3.17 Royalties, Patents and Copyrights

§ 3.17.1 The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for defense or loss when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications, or other documents prepared by the Owner or Architect. However, if an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Architect.

§ 3.17.2 Ownership and Use of Documents

To the fullest extent permitted by the U.S. Copyright Act, 17 U.S.C. § 101, et seq., all documents, reports, studies, photographs, negatives, videos or other documents ("Documents"), whether electronic or on paper, prepared by the Contractor in the performance of this Contract are a "work made for hire" and all ownership of copyright in the Documents shall vest in the Owner at the time that the Owner pays the Contractor for the work. To the extent any portion of the Documents is not a "work made for hire," the Contractor hereby assigns and transfers all right, title, and interest in and to the Documents at the time of payment for the work, including the right to secure copyright, patent, trademark, or other intellectual property rights throughout the world and to have and hold such copyright, patent, trademark, and other intellectual property rights in perpetuity. All Documents shall be provided to the Owner by the Contractor upon completion, termination, or cancellation of this Contract. The Contractor shall not use, willingly allow, or cause to have such materials used for any purpose other than the performance of the Contractor's obligations under this Contract, without the prior written consent of the Owner.

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 General

§ 4.1.1 The Architect is the person or entity retained by the Owner pursuant to Section 2.3.2 and identified as such in the Agreement.

§ 4.1.2 Duties, responsibilities, and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified, or extended without written consent of the Owner, Contractor, and Architect. Consent shall not be unreasonably withheld.

§ 4.2.4 Communications

The Owner and Contractor shall include the Architect, Program Manager, and Owner's representative in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner. The Contract Documents may specify other communication protocols.

§ 4.2.6 The Architect and Program Manager have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect or Program Manager considers it necessary or advisable, the Architect or Program Manager will have authority to require inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect or Program Manager nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect or Program Manager to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect or another consultant designated by the Owner will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data, and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's or other consultant's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's or consultant's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's or consultant's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5, and 3.12. The Architect's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's or consultant's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Owner or Owner's Representative will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Owner's Representative, Program Manager, and Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; the Program Manager will issue Certificates of Substantial Completion pursuant to Section 9.8; the Program Manager will receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 In the the Owner's sole discretion,, the Owner may provide one or more Project representatives to assist in carrying out the Architect's responsibilities at the site. The Owner shall notify the Contractor of any change in the duties, responsibilities and limitations of authority of the Project representatives.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 Definitions

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term “Subcontractor” is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term “Subcontractor” does not include a Separate Contractor or the subcontractors of a Separate Contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term “Sub-subcontractor” is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 Award of Subcontracts and Other Contracts for Portions of the Work

§ 5.2.1 Unless required at another time pursuant to Exhibit A, Disadvantaged Business Enterprise Program requirements, or elsewhere in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner/Owner’s Representative of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Owner may notify the Contractor whether the Owner (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Owner to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner has made reasonable and timely objection or who is otherwise ineligible to perform work because it is disbarred or otherwise deemed ineligible pursuant to Federal or State law.

§ 5.2.3 If the Owner has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner has no reasonable objection. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously approved except as provided by Exhibit A or, if the Subcontractor or Sub-Subcontractor is not a DBE covered by Exhibit A, without the written approval of the Owner.

§ 5.3 Subcontractual Relations

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor’s Work that the Contractor, by these Contract Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies, and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate or required by this Agreement or Federal law, rules, or requirements, the Contractor shall require each Subcontractor, and subcontractors of any tier, to enter into similar agreements. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 Contingent Assignment of Subcontracts

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1** assignment is effective only after termination of the Contract by the Owner for cause or convenience pursuant to Section 14.2 or Section 14.3 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor; and

- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 Owner's Right to Perform Construction and to Award Separate Contracts

§ 6.1.1 The term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under Conditions of the Contract substantially similar to those of this Contract, including those provisions of the Conditions of the Contract related to insurance and waiver of subrogation.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each Separate Contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces or with Separate Contractors, the Owner or its Separate Contractors shall have the same obligations and rights that the Contractor has under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11, and 12.

§ 6.2 Mutual Responsibility

§ 6.2.1 The Contractor shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work shall constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work. The Contractor shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not apparent.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a Separate Contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage that the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or Separate Contractor as provided in Section 10.2.5.

§ 6.2.5 The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 Owner's Right to Clean Up

If a dispute arises among the Contractor, Separate Contractors, and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 General

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner and Contractor. A Construction Change Directive may or may not be agreed to by the Contractor. An order for a minor change in the Work may be issued by the Architect alone provided that, if the Architect's order requires a modification to the Contract Sum, a Change Order shall be required for the change to be required.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

§ 7.2 Change Orders

§ 7.2.1 A Change Order is a written instrument prepared by the Owner and signed by the Owner and Contractor stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the relevant Guaranteed Maximum Price and the Contract Sum; and
- .3 The extent of the adjustment, if any, in the relevant Guaranteed Maximum Price and the Contract Time.

§ 7.3 Construction Change Directives

§ 7.3.1 A Construction Change Directive is a written order signed by the Owner, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, the relevant Guaranteed Maximum Price, Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive may be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and fee if permitted by the A133-2019 Agreement form, Section 6.1.3; or
- .4 As provided in Section 7.3.4.

§ 7.3.4 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Owner shall determine the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement in accordance with the A133-2019 Agreement form, Section 6.1.3. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Owner may

prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.4 shall be limited to the following:

- .1 Costs of labor, including applicable payroll taxes, fringe benefits required by agreement or custom, workers' compensation insurance, and other employee costs approved by the Owner/Owner's Representative
- .2 Costs of materials, supplies, and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use, or similar taxes, directly related to the change; and
- .5 Costs of supervision and field office personnel directly attributable to the change.

§ 7.3.5 If the Contractor disagrees with the adjustment in the Contract Time, the Contractor may make a Claim in accordance with applicable provisions of Article 15.

§ 7.3.6 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Owner of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.7 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change and in accordance with the A133-2019 Agreement form, Section 6.1.3.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Owner will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Owner determines to be reasonably justified. The Owner's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree on the adjustments in the relevant Guaranteed Maximum Price, Contract Sum and Contract Time, such agreement shall be documented in a Change Order.

§ 7.4 Minor Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in a Guaranteed Maximum Price, Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in writing. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Owner that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

ARTICLE 8 TIME

§ 8.1 Definitions

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Owner/Owner's representative in accordance with Section 9.8.

§ 8.1.4 The term “day” as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 Progress and Completion

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, commence the Work prior to the effective date of insurance required to be furnished by the Contractor and Owner.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 Delays and Extensions of Time

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; or (3) by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, adverse weather conditions documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor’s control, then the time provided for in the relevant Guaranteed Maximum Price Amendment and the Contract Time shall be equitably extended.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 Contract Sum

§ 9.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the maximum total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.2 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 9.2 Schedule of Values

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit a schedule of values to the Owner before the first Application for Payment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be prepared in the form, and supported by the data to substantiate its accuracy, required by the Owner. This schedule, unless objected to by the Architect or Owner, shall be used as a basis for reviewing the Contractor’s Applications for Payment. Any changes to the schedule of values shall be submitted to the Owner and supported by such data to substantiate its accuracy as the Owner may require, and unless objected to by the Owner, shall be used as a basis for reviewing the Contractor’s subsequent Applications for Payment.

§ 9.3 Applications for Payment

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Owner an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. The application shall be notarized, if required, and supported by all data substantiating the Contractor’s right to payment that the Owner requires, such as copies of requisitions, and releases and waivers of liens from Subcontractors and suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Owner, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage, and transportation to the site, for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims, security interests, or encumbrances, in favor of the Contractor, Subcontractors, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work.

§ 9.4 Certificates for Payment

§ 9.4.1 The Owner or Owner's Representative will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue to a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue a Certificate for Payment for such amount as the Owner or Owner's Representative determines is properly due, and notify the Contractor and Owner of the reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Architect's reason for withholding certification in whole as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will not be a representation that the Owner has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques, sequences, or procedures; (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 Decisions to Withhold Certification

§ 9.5.1 The Owner or Owner's Representative may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Owner's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Owner is unable to certify payment in the amount of the Application, the Owner will notify the Contractor as provided in Section 9.4.1. If the Contractor and Owner cannot agree on a revised amount, the Owner will promptly issue a Certificate for Payment for the amount for which the Owner agrees. The Owner or Owner's Representative may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Owner's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims, unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or suppliers for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a Separate Contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
- or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When either party disputes the Owner's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, that party may submit a Claim in accordance with Article 15.

§ 9.5.3 When the reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.4 If the Owner withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or supplier to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Owner and the Contractor shall reflect such payment on its next Application for Payment.

§ 9.6 Progress Payments

§ 9.6.1 After the Owner or the Owner's Representative has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents.

§ 9.6.2 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Owner will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors and suppliers to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay, or to see to the payment of money to, a Subcontractor or supplier, except as may otherwise be required by law.

§ 9.6.5 The Contractor's payments to suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors or provided by suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, create any fiduciary liability or tort liability on the part of the Contractor for breach of trust, or entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.6.8 Provided the Owner has fulfilled its payment obligations under the Contract Documents, the Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

§ 9.7 Failure of Payment

If the Owner does not pay the Contractor within seven days after the date established in the Contract Documents, the amount certified by the Owner or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' notice to the Owner, stop the Work until payment of the amount owing has been received. The

Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 Substantial Completion

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Owner/Owner's Representative a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Program Manager and Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Project Manager and/or Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Program Manager or Architect. In such case, the Contractor shall then submit a request for another inspection by the Program Manager and Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Owner/Owner's Representative will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate. Upon such acceptance, and consent of surety if any, the Owner shall make payment of retainage applying to the Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 Partial Occupancy or Use

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor, and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 Final Completion and Final Payment

§ 9.10.1 Upon receipt of the Contractor's notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment and all documents and information required to be provided by the Contractor as part of the close out of the Project, the Owner/Owners representative will promptly make such inspection. When the Owner/Owner's representative finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Owner (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties, such as manufacturers' warranties or specific Subcontractor warranties, and (6) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging the lien, claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed, corrected, and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of the surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests, or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents;
- .3 terms of special warranties required by the Contract Documents; or
- .4 audits performed by the Owner, if permitted by the Contract Documents, after final payment.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor, or a supplier, shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 Safety of Persons and Property

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury, or loss to

- .1 employees on the Work and other persons who may be affected thereby;

- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody, or control of the Contractor, a Subcontractor, or a Sub-subcontractor; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures, aircraft, vehicles, and utilities all to the extent they are not designated for removal, relocation, or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with, and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss. The Contractor shall comply with all of the Owner's Rules and Regulations and any other law, rule, or policy applicable to the Contractor's access to and use of the Owner's property. The Contractor shall comply with all safety rules, policies, and other requirements established by the Owner, including safety related to the performance of construction work and safety related to operations and work on airport property.

§ 10.2.3 The Contractor shall implement, erect, and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards; promulgating safety regulations; and notifying the owners and users of adjacent sites and utilities of the safeguards.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment, or unusual methods are necessary for execution of the Work, the Contractor shall first coordinate this work with the Owner and, if required, the Federal Aviation Administration, Transportation Security Administration, and any other agency or administration with authority over the activity. The Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 Injury or Damage to Person or Property

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 Hazardous Materials and Substances

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and notify the Owner and Architect of the condition.

§ 10.3.2 Upon receipt of the Contractor's notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract

Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of the material or substance or who are to perform the task of removal or safe containment of the material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable additional costs of shutdown, delay, and start-up.

§ 10.3.3 [Reserved]

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for hazardous materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall reimburse and indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall reimburse the Contractor for all cost and expense thereby incurred.

§ 10.4 Emergencies

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 Contractor's Insurance and Bonds

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner, Architect, and Architect's consultants shall be named as additional insureds under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

§ 11.1.2 The Contractor shall provide surety bonds of the types, for such penal sums, and subject to such terms and conditions as required by the Contract Documents. The Contractor shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located.

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ 11.1.4 Notice of Cancellation or Expiration of Contractor's Required Insurance. Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

§ 11.3 Waivers of Subrogation

§ 11.3.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other for damages caused by fire, or other causes of loss, to the extent those losses are covered by property insurance required by the Agreement or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance. The policies of insurance purchased and maintained by each person or entity agreeing to waive claims pursuant to this section 11.3.1 shall not prohibit this waiver of subrogation. This waiver of subrogation shall be effective as to a person or entity (1) even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) even though that person or entity did not pay the insurance premium directly or indirectly, or (3) whether or not the person or entity had an insurable interest in the damaged property.

§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance

The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Contractor and Architect for loss of use of the Owner's property, due to fire or other hazards however caused.

§11.5 Adjustment and Settlement of Insured Loss

§ 11.5.1 A loss insured under the property insurance required by the Agreement shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The Owner shall pay the Architect and Contractor their just shares of insurance proceeds received by the Owner, and by appropriate agreements the Architect and Contractor shall make payments to their consultants and Subcontractors in similar manner.

§ 11.5.2 Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall deposit the insurance proceeds in a separate account and make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 Uncovering of Work

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Owner, be uncovered for the Architect's and/or Owner's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Owner has not specifically requested to examine prior to its being covered, the Owner may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, the Contractor shall be entitled to an equitable adjustment to the Contract Sum and Contract Time as may be appropriate. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

§ 12.2 Correction of Work

§ 12.2.1 Before Substantial Completion

The Contractor shall promptly correct Work rejected by the Owner or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses and the Owner's expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 After Substantial Completion

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of notice from the Owner to do so, unless the Owner has previously given the Contractor an express written acceptance of such condition. The Owner's final payment, itself, shall not be evidence that the Owner gave the Contractor an express written acceptance of the condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.5.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or Separate Contractors, whether completed or partially completed, caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 Acceptance of Nonconforming Work

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 Governing Law

The Contract shall be governed by the law of the State of California, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 Successors and Assigns

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.

§ 13.3 Rights and Remedies

§ 13.3.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law.

§ 13.3.2 No action or failure to act by the Owner, Architect, or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed upon in writing.

§ 13.4 Tests and Inspections

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections, and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 13.4.2 If the Architect, Owner, or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Section 13.4.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection, or approval, by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.4.3, shall be at the Owner's expense.

§ 13.4.3 If procedures for testing, inspection, or approval under Sections 13.4.1 and 13.4.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure, including those of repeated procedures and compensation for the Architect's services and expenses, shall be at the Contractor's expense.

§ 13.4.4 Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.4.5 If the Architect is to observe tests, inspections, or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.4.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.5 Interest

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate the parties agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 Termination by the Contractor

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped; or
- .2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work,

repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' notice to the Owner, terminate the Contract and recover from the Owner payment for Work properly executed and a fee calculated as the agreed percentage for the Contractor's fee times the Cost of the Work properly executed. This calculation of the fee is in place of the fee agreed to in any Guaranteed Maximum Price Amendment. The Contractor shall not be entitled to any other payment of costs, overhead, fee, profit, or any other measure of amounts due.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' notice to the Owner, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 Termination by the Owner for Cause

§ 14.2.1 In addition to the termination rights provided for in Exhibit A, the Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements between the Contractor and the Subcontractors or suppliers;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the reasons described in Exhibit A or Section 14.2.1 exist, the Owner may, without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' notice, terminate employment of the Contractor and may:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4;
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work; and/or
- .4 Notify the Contractor's surety and demand performance on the Contractor's Performance Bond.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 Suspension by the Owner for Convenience

§ 14.3.1 In addition to the termination rights provided for in Exhibit A, the Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work, in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 Termination by the Owner for Convenience

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1** cease operations as directed by the Owner in the notice;
- .2** take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3** except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed; costs incurred by reason of the termination, including costs attributable to termination of Subcontracts; and a fee calculated as the agreed percentage for the Contractor's fee times the Cost of the Work properly executed. This calculation of the fee is in place of the fee agreed to in any Guaranteed Maximum Price Amendment. The Contractor shall not be entitled to any other payment of costs, overhead, fee, profit, or any other measure of amounts due

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 Claims

§ 15.1.1 Definition

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

§ 15.1.2 Time Limits on Claims

The Owner and Contractor shall commence all Claims and causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the binding dispute resolution method selected in the Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all Claims and causes of action not commenced in accordance with this Section 15.1.2.

§ 15.1.3 Notice of Claims

§ 15.1.3.1 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered prior to expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party and to the Initial Decision Maker. Claims by either party under this Section 15.1.3.1 shall be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3.2 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party. In such event, no decision by the Initial Decision Maker is required.

§ 15.1.4 Continuing Contract Performance

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

§ 15.1.4.2 The Contract Sum and Contract Time shall be adjusted in accordance with the Initial Decision Maker's decision, subject to the right of either party to proceed in accordance with this Article 15. The Owner or Owner's Representative will issue Certificates for Payment in accordance with the decision of the Initial Decision Maker.

§ 15.1.5 Claims for Additional Cost

If the Contractor wishes to make a Claim for an increase in the Contract Sum, notice as provided in Section 15.1.3 shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.6 Claims for Additional Time

§ 15.1.6.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, notice as provided in Section 15.1.3 shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.6.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated, and had an adverse effect on the scheduled construction.

§ 15.1.7 Waiver of Claims for Consequential Damages

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit, except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 Initial Decision

§ 15.2.1 Claims, excluding those where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2 or arising under Sections 10.3, 10.4, and 11.5, shall be referred to the Initial Decision Maker for initial decision. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim. If an initial decision has not been rendered within 30 days after the Claim has been referred to the Initial Decision Maker, the party asserting the Claim may demand mediation and binding dispute resolution without a decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of the request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished, or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of receipt of an initial decision, demand in writing that the other party file for mediation. If such a demand is made and the party receiving the demand fails to file for mediation within 30 days after receipt thereof, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 Mediation

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract, except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.7, shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise. The parties shall mutually select a mediator experienced in construction disputes of the type and nature that forms the basis for the Claim. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 [Reserved]

§ 15.3.4 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof subject to any requirements under California law.

AIA[®] Document E234[™] - 2019

Sustainable Projects Exhibit, Construction Manager as Constructor

This Exhibit dated the 19th day of February in the year 2025 is incorporated into the agreement

the “Agreement”) between the Parties for the following Project:

Replacement Terminal Facility

Monterey Regional Airport

TABLE OF ARTICLES

1	GENERAL PROVISIONS
2	ARCHITECT
3	CONSTRUCTION MANAGER
4	OWNER
5	CLAIMS AND DISPUTES
6	MISCELLANEOUS PROVISIONS
7	SPECIAL TERMS AND CONDITIONS

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 This Exhibit provides for the establishment of the services of the Architect, the Work of the Construction Manager, and requirements and services of the Owner, where the Project includes achievement of a Sustainable Objective.

§ 1.2 Definitions

§ 1.2.1 Sustainable Objective

The Sustainable Objective is the Owner’s goal of incorporating Sustainable Measures into the design, construction, maintenance, and operations of the Project to achieve a Sustainability Certification or other benefit to the environment, to enhance the health and well-being of building occupants, or to improve energy efficiency. The Sustainable Objective is for the Project to obtain a minimum rating of Platinum with the United States Green Building Council’s (“USGBC”) Leadership in Energy and Environmental Design (LEED®) rating system.

§ 1.2.2 Sustainable Measure

A Sustainable Measure is a specific design or construction element, or post-occupancy use, operation, maintenance, or monitoring requirement that must be completed to achieve the Sustainable Objective. The Owner, Architect, and Construction Manager shall each have responsibility for the Sustainable Measure(s) allocated to them in the Sustainability Plan.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

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§ 1.2.3 Sustainability Plan

The Sustainability Plan is a Contract Document that identifies and describes: the Sustainable Objective; the targeted Sustainable Measures; implementation strategies selected to achieve the Sustainable Measures; the Owner's, Architect's, and Construction Manager's roles and responsibilities associated with achieving the Sustainable Measures; the specific details about design reviews, testing, or metrics to verify achievement of each Sustainable Measure; and the Sustainability Documentation required for the Project.

§ 1.2.4 Sustainability Certification

The Sustainability Certification is the initial third-party certification of sustainable design, construction, or environmental or energy performance, such as LEED[®], Green Globes[™], Energy Star, or another rating or certification system, that may be designated as the Sustainable Objective or part of the Sustainable Objective for the Project. The term Sustainability Certification shall not apply to any recertification or certification occurring subsequent to the initial certification.

§ 1.2.5 Sustainability Documentation

The Sustainability Documentation includes all documentation related to the Sustainable Objective or to a specific Sustainable Measure that the Owner, Architect, or Construction Manager is required to prepare in accordance with the Contract Documents. Responsibility for the preparation of specific portions of the Sustainability Documentation will be allocated among the Owner, Architect, and Construction Manager in the Sustainability Plan and may include documentation required by the Certifying Authority.

§ 1.2.6 Certifying Authority

The Certifying Authority is the entity that establishes criteria for the achievement of a Sustainability Certification and is authorized to grant or deny a Sustainability Certification.

§ 1.3 Set forth below any incentive programs related to the Sustainable Objective the Owner intends to pursue, any deadlines for receiving the incentives, and any requirements related to the incentive programs that apply to the Architect or the Construction Manager or the performance of the Architect's or the Construction Manager's services:

(Identify applicable incentive programs, deadlines, and any related requirements that apply to the Architect or Construction Manager or their respective services.)

« The Owner intends that the Project shall obtain LEED[®] Platinum certification »

§ 1.4 The Parties agree to incorporate this Exhibit into the agreements with the project participants performing services or Work in any way associated with the Sustainable Objective.

ARTICLE 2 Reserved

ARTICLE 3 CONSTRUCTION MANAGER

§ 3.1 During the Preconstruction Phase and Construction Phase, the Construction Manager shall perform those Sustainable Measures identified as the responsibility of the Construction Manager in the approved Sustainability Plan and any approved changes to the Sustainability Plan.

§ 3.2 Preconstruction Phase

§ 3.2.1 The Construction Manager shall provide a preliminary evaluation of the Owner's anticipated Sustainable Objective.

§ 3.2.2

§ 3.2.3 Sustainability Documentation

The Construction Manager shall prepare, and submit to the Owner's Representative, the Sustainability Documentation required from the Construction Manager by the Sustainability Plan.

§ 3.2.4 Consultation

§ 3.2.4.1 As part of the Construction Manager's consultation services in accordance with the Owner-Construction Manager as Constructor Agreement, the Construction Manager shall discuss the requirements of the Sustainability Plan with the Owner and Architect, and shall provide recommendations consistent with the Sustainability Plan.

§ 3.2.4.2 The Construction Manager shall identify, in the Project schedule, items that could affect timely achievement of the Sustainable Objective, and include specific milestone dates related to the requirements of the Sustainability Plan.

§ 3.2.5 Cost Estimates

§ 3.2.5.1 The Construction Manager shall include the Owner's anticipated Sustainable Objective in the Construction Manager's preliminary estimates of the Cost of the Work, or the cost of the program requirements, for the Architect's review and Owner's approval.

§ 3.2.5.2 In its updates of the estimate of the Cost of the Work, the Construction Manager shall ensure the project construction meets the expectations of the Sustainability Plan.

§ 3.2.6 Extent of Responsibility

The Construction Manager is not required to ascertain that the Sustainability Plan is in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, or requirements of the Certifying Authority, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 3.2.7 Guaranteed Maximum Price Proposal or Control Estimate

§ 3.2.7.1 To the extent that the Sustainability Plan and other Contract Documents are anticipated to require further development, the Construction Manager shall provide, in the Guaranteed Maximum Price or in the Control Estimate, as applicable, for such further development consistent with the Contract Documents and reasonably inferable therefrom.

§ 3.2.7.2 The Construction Manager shall include the Sustainability Plan, and related clarifications and assumptions, in its written statement of the basis of the Guaranteed Maximum Price proposal or Control Estimate, as applicable.

§ 3.2.7.3 The Owner shall authorize the Architect to revise the Sustainability Plan to incorporate the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish the revised Sustainability Plan to the Construction Manager. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the Guaranteed Maximum Price Amendment and the revised Sustainability Plan.

§ 3.3 Construction Phase

§ 3.3.1 The Construction Manager shall record the progress toward achievement of the Sustainable Objective, and include this information in its written progress reports to the Owner and Architect.

§ 3.3.2 The Construction Manager shall meet with the Owner and Architect to discuss alternatives in the event the Owner or Architect recognizes a condition that will affect achievement of a Sustainable Measure or achievement of the Sustainable Objective. If any condition is discovered by, or made known to, the Construction Manager that will adversely affect the Construction Manager's achievement of a Sustainable Measure for which the Construction Manager is responsible pursuant to the Sustainability Plan, the Construction Manager will promptly provide notice to the Architect and meet with the Owner and Architect to discuss alternatives to remedy the condition.

§ 3.3.3 The Construction Manager shall include, with any request for substitution, a written representation identifying any potential effect the substitution may have on the Project's achievement of a Sustainable Measure or the Sustainable Objective. The Owner and Architect shall be entitled to rely on any such representation. In preparing this representation, the Construction Manager may request additional information from the Architect describing how the product, material or equipment, for which a substitution is proposed, was intended to satisfy the requirements of a Sustainable Measure or contribute toward achievement of the Sustainable Objective.

§ 3.3.4 The Construction Manager shall be responsible for preparing and completing the Sustainability Documentation required from the Construction Manager by the Contract Documents, including any Sustainability Documentation required to be submitted after Substantial Completion. The Construction Manager shall submit the Sustainability Documentation to the Architect in accordance with any schedules or deadlines set forth in, or as otherwise required by, the Contract Documents. In the absence of schedules or deadlines for submission of Sustainability Documentation in the Contract Documents, the Construction Manager will submit the Sustainability Documentation with reasonable promptness, but in no event more than 60 days after Substantial Completion, so that the Architect may submit the Sustainability Documentation to the Certifying Authority.

§ 3.3.5 If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Construction Manager by the Contract Documents and the Construction Manager's design professional proposes the use of materials or equipment that have had limited testing or verification of performance, the Construction Manager shall discuss with the Architect and Owner the proposed use of such materials or equipment and potential effects on the Sustainable Objective that may occur if the materials or equipment fail to perform in accordance with the manufacturer's or supplier's representations. The Owner will render a written decision regarding the use of such materials or equipment in a timely manner. In the event the Owner elects to proceed with the use of such materials or equipment, the Construction Manager and Architect shall be permitted to rely on the manufacturer's or supplier's representations and shall not be responsible for any damages arising from the failure of the material or equipment to perform in accordance with the manufacturer's or supplier's representations.

§ 3.3.6 The Construction Manager shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Sustainability Plan and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Sustainability Plan.

§ 3.3.7 Construction Waste Management

The Construction Manager, in accordance with the Contract Documents, shall prepare and submit to the Architect and Owner a construction waste management and disposal plan setting forth the procedures and processes for salvaging,

recycling or disposing of construction waste generated from the Project. The Construction Manager shall recycle, reuse, remove or dispose of materials as required by the Contract Documents.

§ 3.3.8 Substantial Completion

Verification that the Project has achieved the Sustainable Objective, or the actual achievement of the Sustainable Objective, shall not be a condition precedent to issuance of a Certificate of Substantial Completion. Except for that portion of the Sustainability Documentation that by its nature must be provided after Substantial Completion, the Construction Manager shall submit all other Sustainability Documentation required from the Construction Manager by the Contract Documents no later than the date of Substantial Completion.

§ 3.3.9 Final Completion

§ 3.3.9.1 All Sustainability Documentation required from the Construction Manager by the Contract Documents shall be submitted to the Architect before final payment or any remaining retained percentage shall become due.

§ 3.3.9.2 Verification that the Project has achieved the Sustainable Objective, or the actual achievement of the Sustainable Objective, shall not be a condition precedent to issuance of the final Certificate for Payment. Final payment does not relieve the Construction Manager of its obligation to fulfill its responsibilities related to achieving the Sustainable Objective.

ARTICLE 4 OWNER

§ 4.1 Based on the Owner's approval of the Sustainability Plan and any approved changes to the Sustainability Plan, the Owner shall perform those Sustainable Measures identified as the responsibility of the Owner in the Sustainability Plan, or as otherwise required by the Contract Documents. The Owner shall require that each of its contractors and consultants perform the contractor's or consultant's services in accordance with the Sustainability Plan.

§ 4.2 The Owner shall provide to the Construction Manager and Architect any information requested by the Construction Manager or Architect that is relevant and necessary for achievement of the Sustainable Objective, including: design drawings; construction documents; record drawings; shop drawings and other submittals; operation and maintenance manuals; master plans; building operation costs; building operation budgets; pertinent records relative to historical building data, building equipment and furnishings; and repair records.

§ 4.3 The Owner shall comply with the requirements of the Certifying Authority as they relate to the ownership, operation and maintenance of the Project both during construction and after completion of the Project.

§ 4.4 The Owner shall be responsible for preparing, filing, and prosecuting appeals to the Certifying Authority, or taking any other actions determined by the Owner to be necessary or desirable, arising from the revocation or reduction of an awarded Sustainability Certification.

§ 4.5 The Owner shall provide the services of a commissioning agent who shall be responsible for commissioning of the Project, or the Owner may engage the Architect to provide commissioning services as an Additional Service.

ARTICLE 5 CLAIMS AND DISPUTES

The Owner, Construction Manager and Architect waive claims against each other for consequential damage resulting from failure of the Project to achieve the Sustainable Objective or one or more of the Sustainable Measures.

ARTICLE 6 MISCELLANEOUS PROVISIONS

§ 6.1 The Owner, Construction Manager and Architect acknowledge that achieving the Sustainable Objective is dependent on many factors beyond the Construction Manager's and Architect's control, such as the Owner's use and operation of the Project; the work or services provided by the Owner's other contractors or consultants; or interpretation of credit requirements by a Certifying Authority. Accordingly, neither the Architect nor the Construction Manager warrant or guarantee that the Project will achieve the Sustainable Objective.

§ 6.2 This Sustainable Projects Exhibit shall not be construed to create a contractual relationship of any kind

(1) between the Construction Manager and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor or (3) between the Owner and the Architect's consultants.

ARTICLE 7 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Sustainable Project Exhibit, if any, are as follows:

Included in the Project Plans and Specifications

AGENDA ITEM: H
DATE: February 19, 2025

TO: Michael La Pier, Executive Director, Monterey Regional Airport
FROM: Department Heads
SUBJECT: Monthly Department Reports

FINANCE AND ADMINISTRATION.

[Terminal Comment Card Log by Administration](#)
[Financial Summary by Mark Wilson, Controller](#)

FIRE.

[Monthly Fire Report by Monterey Fire Department](#)

OPERATIONS.

[Operations Report by Whitney Robare, Deputy Executive Director Operations and Maintenance](#)

PLANNING AND DEVELOPMENT.

[Planning and Environmental Monthly Project Report by Chris Morello, Deputy Executive Director](#)

POLICE.

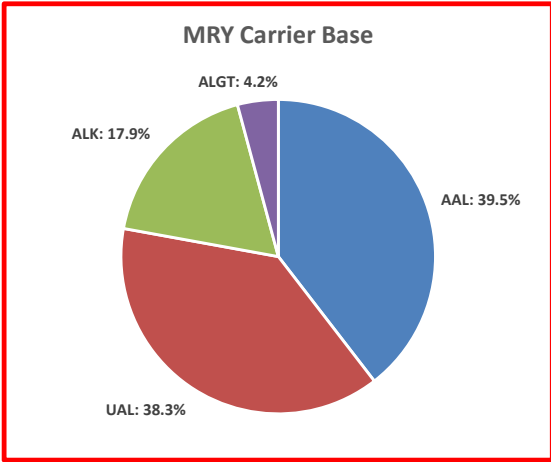
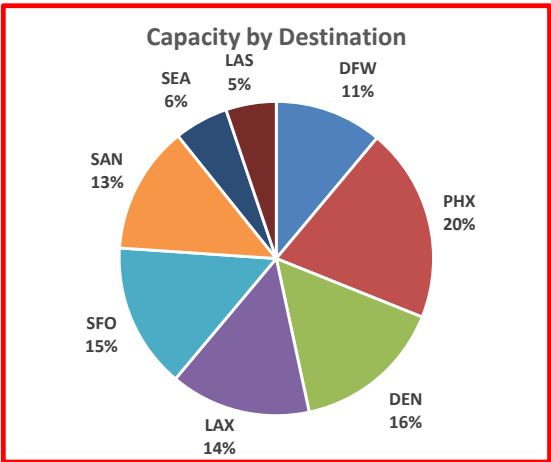
[Police Activity Report by Del Rey Oaks Police Department](#)

RATING	DATE OF VISIT	TIME OF VISIT	PURPOSE	FLIGHT	AIRLINE	COMMENT	CITY	STATE
EXCELLENT	1/4/2025	2:10 PM	Departing	AS3346	Alaska	Check in and TSA were super easy. Also love the easy of getting to my family from the airport is much easier than SJC.	San Diego	CA

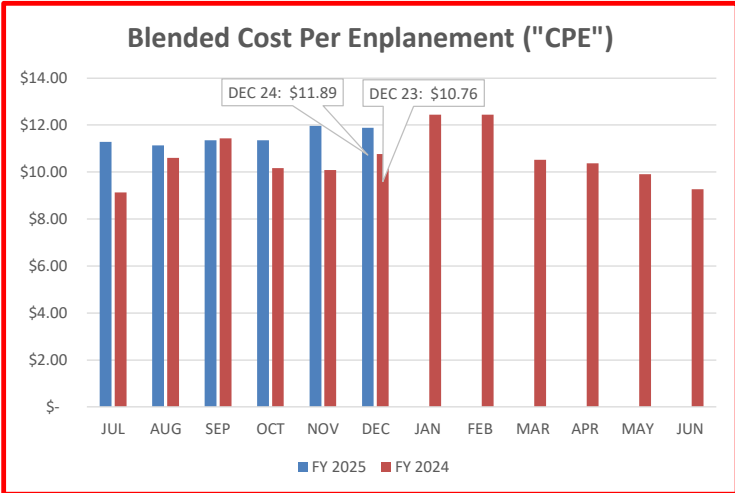
TO: Michael La Pier, Executive Director, Monterey Regional Airport
FROM: Mark Wilson, Controller
SUBJECT: Discussion and Analysis of the December 31, 2024 Financial Statements

KEY OPERATING STATISTICS. FY25 December revenue enplanements were 25,997 (vs. 25,319 budgeted), up 26.2% from the 20,599 in the same period in FY24. Non-revenue PAX were 541 for total enplanements (revenue+non-revenue) of 26,538. December commercial airline landings were more than budgeted (433 actual vs. 409 budgeted). Total Passengers (revenue+non-revenue PAX) for the month of December were 51,635, up 25% from 41,313 in the same period in FY24. Total aircraft operations for December were 4,380, up from 3,938 in the same period in FY24 (this includes Commercial, Private and Military aircraft), and Vehicle exit counts in the parking lots were 10,519, down 3.6% from the 10,911 exit counts in December of FY24.

In December 2024, American Airlines accounted for approximately 39.5% and United accounted for approximately 38.3% of the passenger enplanements. Monterey Regional Airport's enplaning passenger carrying capacity for December was 34,590 Seats, with an overall Passenger Load Factor of 75.2%.



In December, the Airport's blended CPE was \$11.89, compared to \$10.76 in the same period in FY24. The \$1.13 increase reflects the impact of the increased Rates & Charges implemented in FY25 (\$2.29) and partially offset by the favorable impact from higher enplanements.



LIQUIDITY AND CAPITAL RESOURCES. As of December 31, 2024 the Airport had unrestricted cash and investments of \$16.2M.

As of December 31, 2024 the Airport had Restricted PFC cash and investments of \$0.439M and Restricted CFC cash and investments of \$0.097M.

The Current Ratio of unrestricted current assets to current liabilities is a very healthy 25.5X. This compares favorably to an overall Airport Industry Benchmark* of 5.41X. Days Cash on Hand (based on FY 25 Budgeted Operating Expenses), was 522, which is 12.9% lower than the overall Airport Industry Benchmark* of 599 Days.

OPERATING INCOME. The Airport's higher than budgeted revenues and lower than budgeted operating expenses in December resulted in an operating income of \$302.0K, which is a favorable variance of \$216.9K to December's budgeted operating income of \$85.1K.

	OPERATING INCOME			
	December 2024 ACTUAL	December 2024 BUDGET	VARIANCE Favorable (Unfavorable)	
			\$	%
Operating Revenues	\$ 1,246,710	\$ 1,147,781	\$ 98,929	9%
Operating Expenses	(944,662)	(1,062,672)	118,010	-11%
Operating Income	<u>\$ 302,049</u>	<u>\$ 85,109</u>	<u>\$ 216,940</u>	<u>255%</u>

REVENUES. December 2024 combined Operating Revenues were \$1,246.7K, which was \$98.9K/9% higher than the budget of \$1,147.8K. This favorable variance was primarily due to higher concessions, parking lot income and interest income.

	December 2024 ACTUAL	December 2024 BUDGET	VARIANCE Favorable (Unfavorable)	
			\$	%
Terminal Revenues	\$ 717,902	\$ 638,039	\$ 79,864	13%
General Aviation	163,449	149,451	13,998	9%
Non-Aviation	201,012	205,272	(4,260)	-2%
Other Operating	98,217	113,432	(15,215)	-13%
Interest Income	66,130	41,588	24,543	59%
Total Operating Revenues	<u>\$ 1,246,710</u>	<u>\$ 1,147,781</u>	<u>\$ 98,929</u>	<u>9%</u>

* Source: Merritt Research Services Benchmark Central - Airport Medians for 2023.

Terminal Revenues:

Commercial Aviation fees (\$168.1K) for December was higher than budget (\$153.1K), primarily due to higher Landing, RON and Apron Fees from American (\$11.6K), higher landing and RON fees from United (\$3.6K). DMA reported fuel sales of 260,320 gallons to the airlines for the month (43% to American, 33% to United, 23% to Alaska, 0% to All Others).

Terminal Rents (\$208.3K) for December was higher than budget (\$204.2K). This favorable variance was primarily due to Sun Country Gate Usage (\$0.9K) and Allegiant (\$2.7K).

TNC Permits, Trip Fees & Peer-to-Peer Rentals (\$29.5K) for December was higher than the budget (\$19.7K) by (\$9.8K)/50%. This favorable variance was primarily due to higher than budgeted TNC Trip Fees (\$7.2K) from Uber.

Terminal Concessions (\$24.3K) for December was lower than budget (\$26.2K). This unfavorable variance is due to lower concessions rate charged to Woody's due to a contractual price break, (3% vs 5% above \$3M).

Rental Car Concessions (\$139.0K) for December was higher than budget (\$111.2K) by (27.8K)/25%, with favorable variances from Avis, Budget, Hertz, National/Alamo and Enterprise, partially offset by lower than budgeted revenue from GoRentals.

Parking Concession (\$148.7K) for December was higher than the budget (\$123.6K) by (\$25.1K)/20%. Parking Concession revenues for December were budgeted at 11,086 parked cars with an average of \$11.15 net to MPAD. In December, the number of parked cars was lower than budgeted at 10,519 with a higher average of \$14.14 net to MPAD per car, resulting in a favorable variance.

General Aviation Revenues:

Heavy General Aviation revenues, including landing fees (\$120.9K) for December was higher than budget (\$106.5K) due primarily to higher landing fees (\$8.0K) and higher fuel flowage fees (\$6.4K). MJC and DMA reported fuel sales of 90,751 and 133,912 gallons of Jet A, respectively, for the month. MJC and DMA reported 229 and 240 revenue landings, respectively, for the month.

Light General Aviation revenues (\$42.5K) for December was materially on budget (\$42.9K).

Non-Aviation Revenues:

Non-Aviation revenues (\$201.0K) for December was lower than budget (\$205.3K). This unfavorable variance is primarily due to continued rental to Forza at a lower rate than the planned new rental to MPI at a higher rental rate.

Other Operating Revenues:

Other Operating revenues (\$98.2K) for December were lower than budget (\$113.4K). This unfavorable variance was primarily due to utility billbacks from an adjustment for November's estimate to actual meter reading.

Interest Income:

Interest Income (\$66.1K) for December was higher than budget (\$41.6K) due to higher than budgeted interest income earned on T-Bills.

EXPENSES. Total operating expenses of \$944.7K for December were lower than the budget \$1,062.7K by \$118.0K/11%. See the following detailed analysis of significant variances:

OPERATING EXPENSES - BY MAJOR CATEGORY TYPE

	December 2024	December 2024	VARIANCE	
	ACTUAL	BUDGET	Favorable (Unfavorable)	
			\$	%
Salaries & Taxes	\$ 247,878	\$ 243,032	\$ (4,846)	-2%
Employee Benefits	143,052	139,666	(3,386)	-2%
Recruitment & Training	25,503	12,886	(12,617)	-98%
Business Expenses	37,118	39,289	2,171	6%
Supplies & Materials	6,579	11,928	5,349	45%
Repairs & Maintenance	57,170	61,567	4,397	7%
Outside Services	284,044	278,825	(5,219)	-2%
Professional Services	34,326	35,817	1,490	4%
Marketing, PR	49,370	182,552	133,182	73%
Utilities	42,393	39,961	(2,432)	-6%
Interest Expense	17,228	17,149	(79)	0%
Total Operating Expenses	\$ 944,662	\$ 1,062,672	\$ 118,010	11%

OPERATING EXPENSES - BY DEPARTMENT

	December 2024	December 2024	VARIANCE	
	ACTUAL	BUDGET	Favorable (Unfavorable)	
			\$	%
Admin & Finance	\$ 186,804	\$ 335,737	\$ 148,932	44%
Planning & Marketing	128,962	105,047	(23,914)	-23%
Maintenance	180,013	170,112	(9,901)	-6%
Operations	70,843	70,856	12	0%
Police	132,244	128,841	(3,403)	-3%
Fire	199,292	205,940	6,647	3%
Board of Directors	22,781	22,685	(96)	0%
Rental Properties	6,493	6,305	(188)	-3%
Interest Expense	17,228	17,149	(79)	0%
Total Operating Expenses	\$ 944,662	\$ 1,062,672	\$ 118,010	11%

Salary & Taxes Expenses (\$247.9K) for December were materially on budget (\$243.0K).

Employee Benefit Expenses (\$143.1K) for December were higher than budget (\$139.7K). This unfavorable variance was primarily due to higher CalPERS health premiums.

Personnel Recruitment, Training & Pre-Employment and Related Expenses (\$25.5K) for December was higher than Budget (\$12.9K). This unfavorable variance was primarily due to the timing of recruiting fees for the Exec Director position.

Business Expenses (\$37.1K) was materially in-line with the Budget (\$39.3K).

Supplies & Materials expenses (\$6.6K) for December were lower than Budget (\$11.9K) by (\$5.3K)/45%. This favorable variance is primarily due to the timing of custodial supplies purchases.

Repair & Maintenance expenses (\$57.2K) for December were lower than Budget (\$61.6K) by (\$4.4K)/7%. This favorable variance was due to timing of repair and maintenance cost of district equipment.

Outside Services expenses (\$284.0K) for December was higher than Budget (\$278.8K) by (\$5.2K)/2%. This unfavorable variance was due to the timing of holiday decorating services from Design1 in the Terminal area.

Professional Service expenses (\$34.3K) for December was materially on Budget of (\$35.8K).

Marketing and Public Relations expenses (\$49.4K) for December was lower than Budget (\$182.6K) by (\$133.2K)/73%. This favorable variance was due to the SCASDP Grant Match (\$150.0K) which was not incurred and the timing of marketing, media and sponsorships (\$19.9K).

Utilities expenses, combined (\$42.4K) for December were higher than Budget (\$40.0K) by (\$2.4K)/6%. The variance is primarily due to higher than budgeted electric expense (\$4.1K).

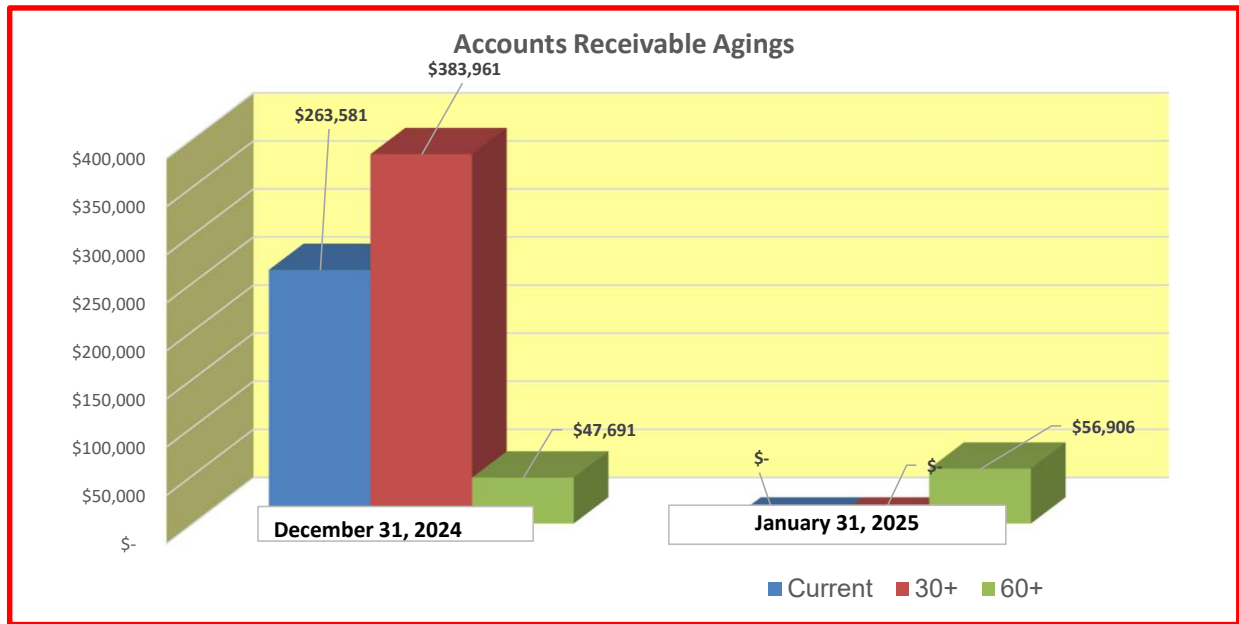
Interest expense (\$17.2K) for December was materially on budget (\$17.1K).

SELECTED BALANCE SHEET ANALYSES:

ACCOUNTS RECEIVABLE. The accounts receivable balance on December 31, 2024 was \$695.2K. This balance is \$144.5K or 17% lower than the November 30, 2024 balance of \$839.7K, and \$126.3K/22% higher than the \$569.0K balance on December 31, 2023. The accounts receivable balance over 60 days old on December 31, 2024, was \$47.7K. AR past due amounts are due to timing of collections.

Chart 2 below graphically presents the aging of accounts receivable (1) as of December 31, 2024 and (2) prior to the next billing cycle (January 31, 2025).

Chart 2



Total accounts receivable of \$695.2K as of December 31, 2024 was comprised of \$241.7K/34.8% from Commercial Airlines, \$98.0K/14.1% from Rental Car companies, \$98.6K/14.2% from FBOs, \$141.5K/20.3% from Parking, \$26.8K/3.9% from the Monterey Hi-Way Self Storage, \$34.6K/5.0% from TNCs and Taxis, (\$6.1K)/-0.9% from Woody's and \$60.2K/8.7% from all other customer accounts.

The District carries a \$10K allowance for doubtful accounts. Prepaid accounts receivable as of December 31, 2024 of \$12.0K have been reclassified to deferred revenue.

Chart 3 below graphically presents the composition of accounts receivable by major customer/concessionaire/tenant.

Chart 3

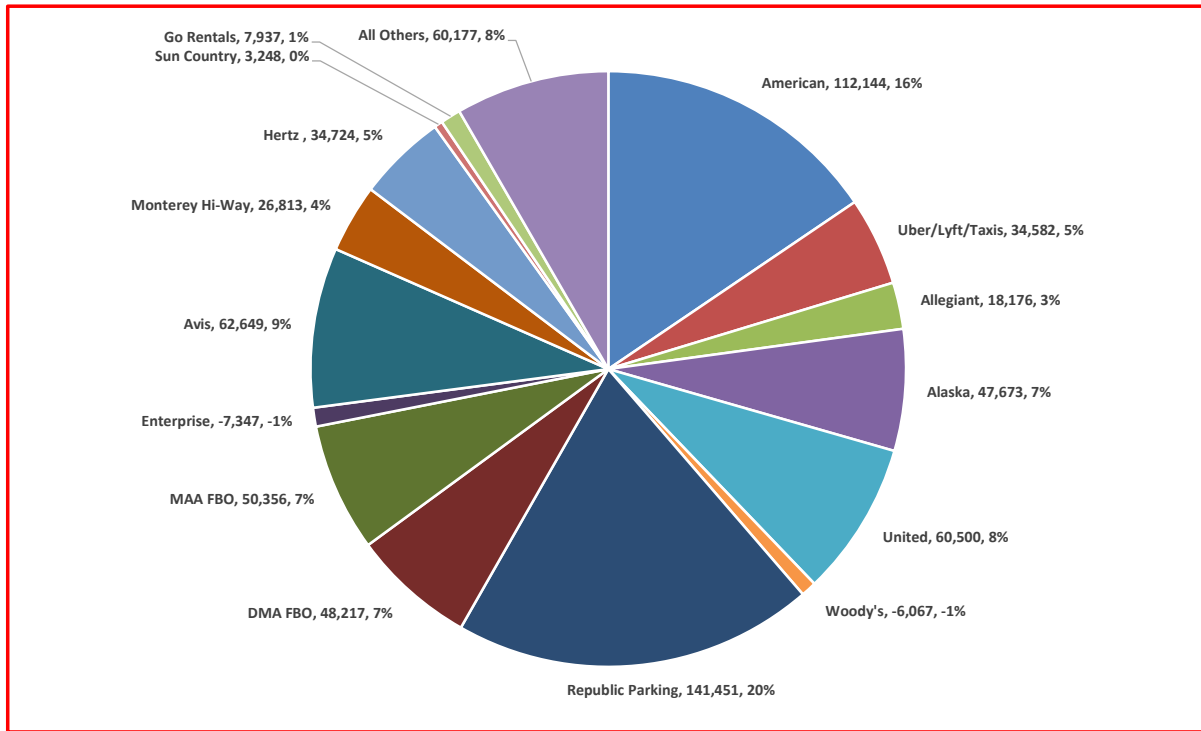
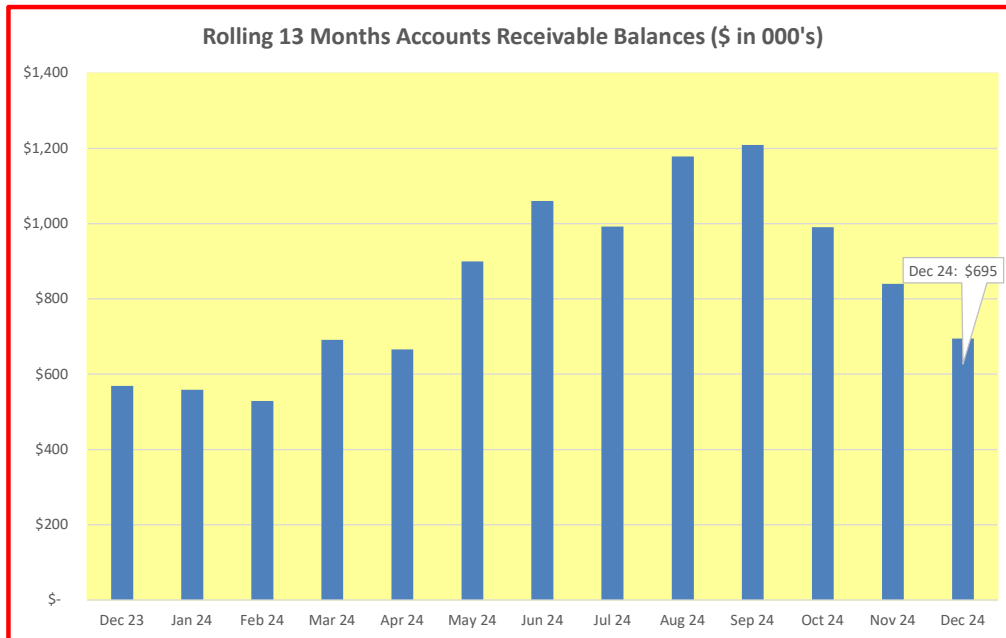


Chart 4 below depicts the total accounts receivable balances for the 13 months from December 2023 to December 2024.

Chart 4

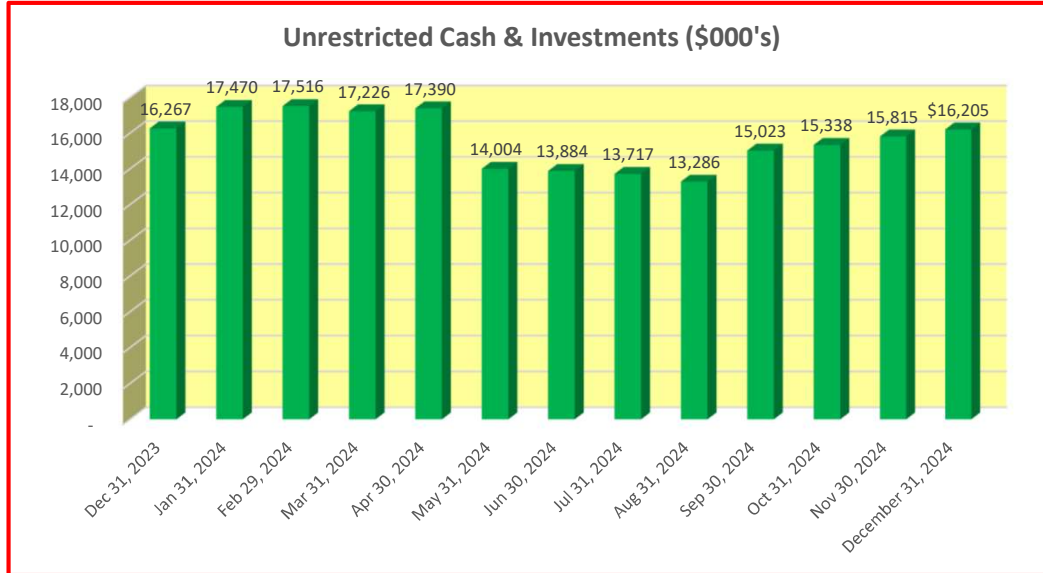


The balance of accounts receivable at month-end aligns with operating revenues in that month. On December 31, 2024, accounts receivable is 55.8% of revenues and the rolling thirteen-month average is 67.8%.

UNRESTRICTED CASH AND INVESTMENTS. The unrestricted cash and investments balance on December 31, 2024, was \$16.20M and the unrestricted cash and investments balance on November 30, 2024 was \$15.82M, an increase of \$0.39M.

Chart 6 graphically presents the monthly balances of unrestricted cash and investments.

Chart 6



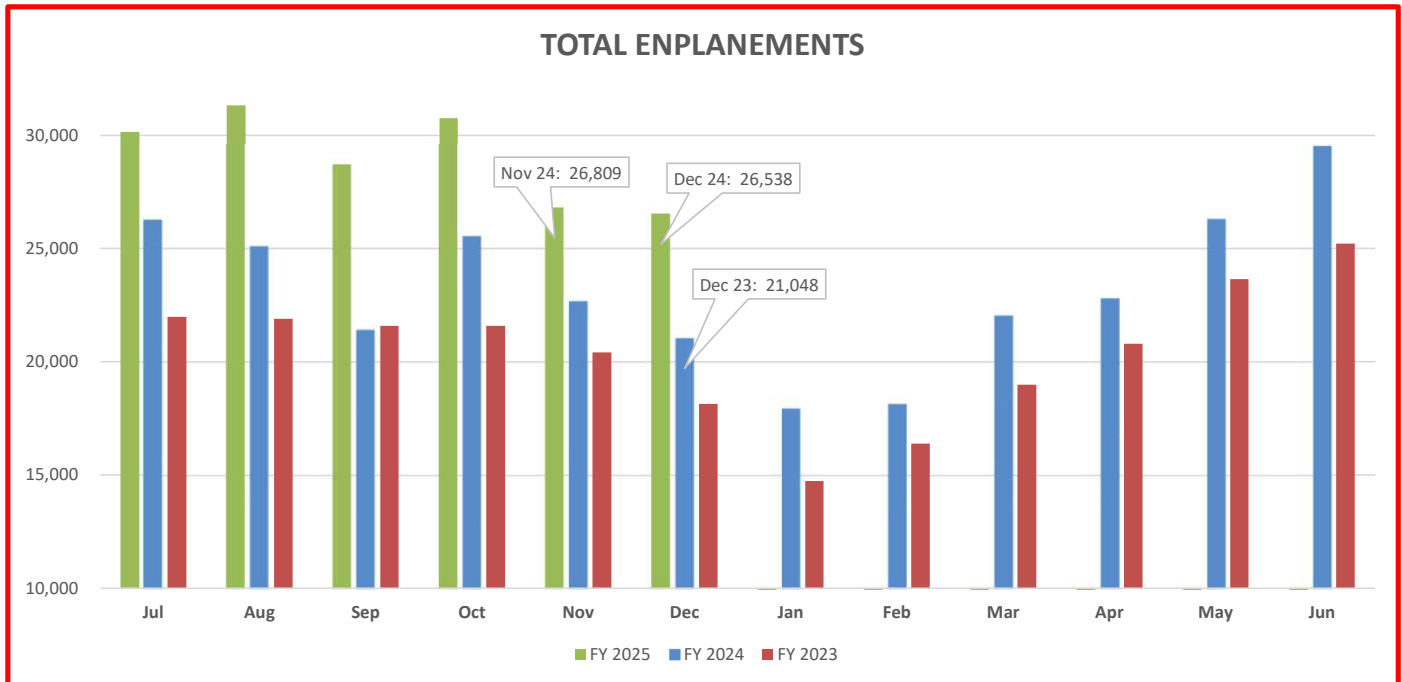
SELECTED OPERATING STATISTICS:

ENPLANEMENTS AND LOAD FACTORS. The table below presents simple load factors for fiscal years 2020 to 2025. Load factors indicate the customer utilization of available airline seat capacity which generally correlates to customer use of TCP, Taxi and TNC services, parking, and other support services. Simple load factors do not include non-revenue enplanements. Historically, annual load factors range from approximately 70% to 77%; FY21 load factors reflect the impact of COVID-19. Commercial Airline aircraft types have a direct impact on capacity and potential changes in enplanements. As the mix of aircraft and destinations change, the goal is to have load factors sustained or increased, which indicates that customers are willing to use the services offered by the Airlines.

Fiscal Year	December 31, 2024				FYTD			
	Load Factors	Enplanements	Capacity/ Available Seats	Flights	Load Factors	Enplanements	Capacity/ Available Seats	Flights
2025	75.2%	25,997	34,590	433	74.7%	170,888	228,780	2,781
2024	78.0%	20,599	26,410	325	75.1%	139,047	185,063	2,214
2023	71.3%	17,556	24,624	300	77.7%	122,894	158,179	2,280
2022	75.4%	17,575	23,295	340	75.3%	122,816	163,077	2,368
2021	40.8%	6,102	14,970	201	46.6%	39,222	84,128	1,157
2020	76.6%	19,350	25,276	384	76.8%	124,995	162,804	2,480

Chart 7 below presents a comparison of monthly enplanements (revenue+non-revenue PAX) for FY 2025 to all FY 2024 and FY 2023 enplanements (which reflect the seasonality of the Airport's business cycle). When comparing enplanements for December 2024 of 26,538 and November 2024 of 26,809, enplanements decreased by 271/-1.0%. When comparing December 2024 to December 2023, enplanements increased by 5,490/26.1%: 26,538 vs. 21,048.

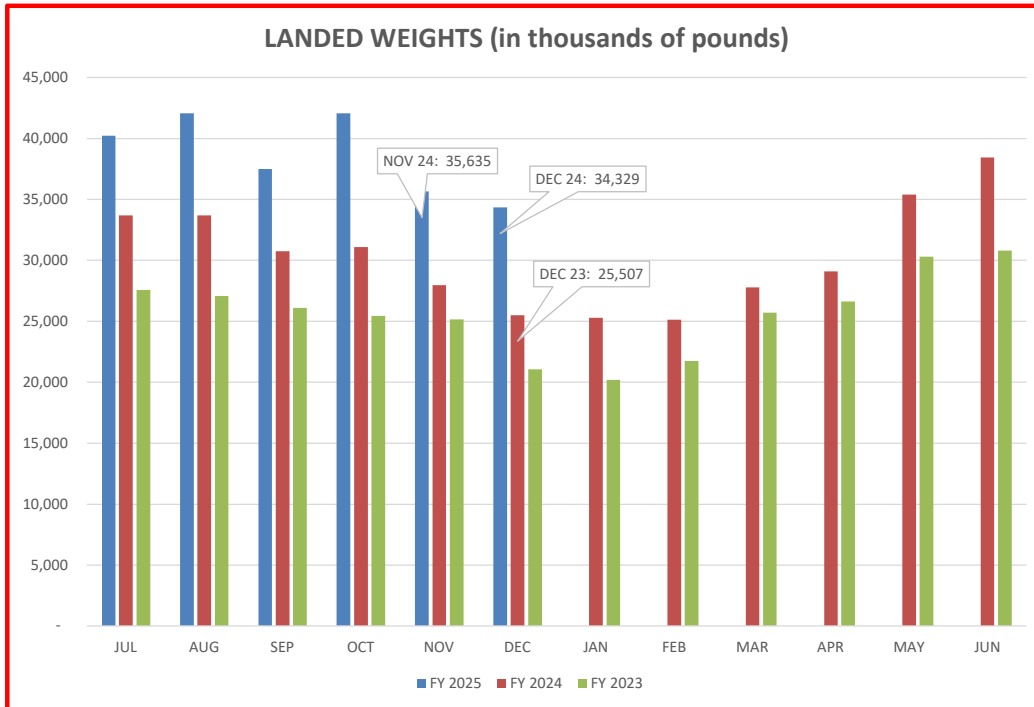
Chart 7:



LANDED WEIGHTS. Chart 8 compares the Airport's landed weights for FY 2025 to FY 2024. We anticipate landed weights for FY 2025 to increase as American continues up-gauging with heavier aircraft (the Mainline A319 has a MGLW of 137,788 pounds, as compared to a MGLW of 74,957 pounds for the Regional Embraer 175).

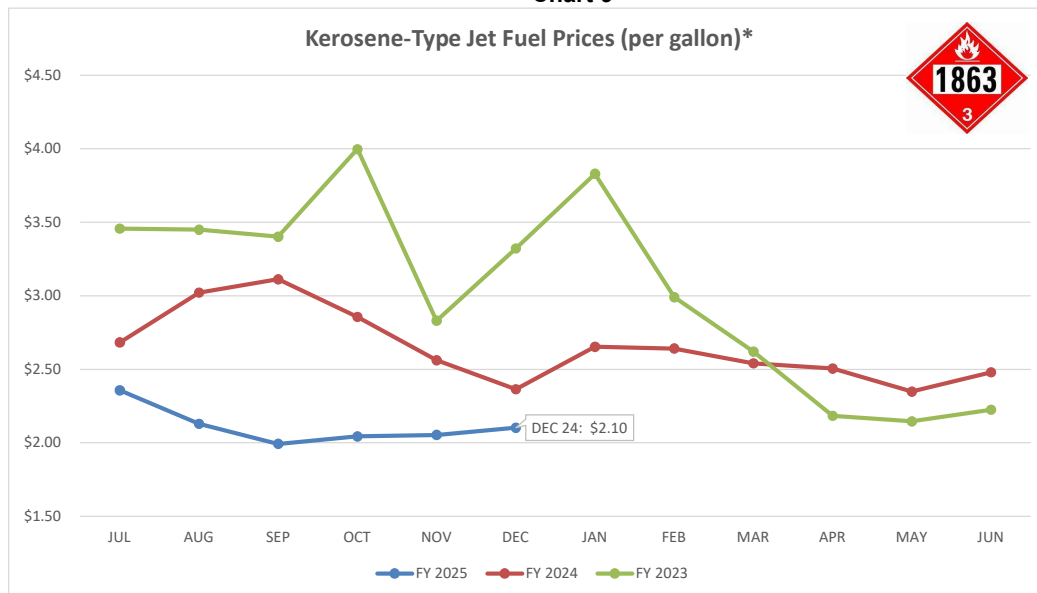
Total landed weights for December 2024 were 34,329K pounds, an increase of 8,821K pounds over the 25,507K pounds landed in the comparable period in FY24, and a decrease of 1,307K pounds over the 35,635K pounds landed in November 2024. Airport metrics are tracking to normal seasonal flows with flights of (433 in December vs. 453 in November).

Chart 8



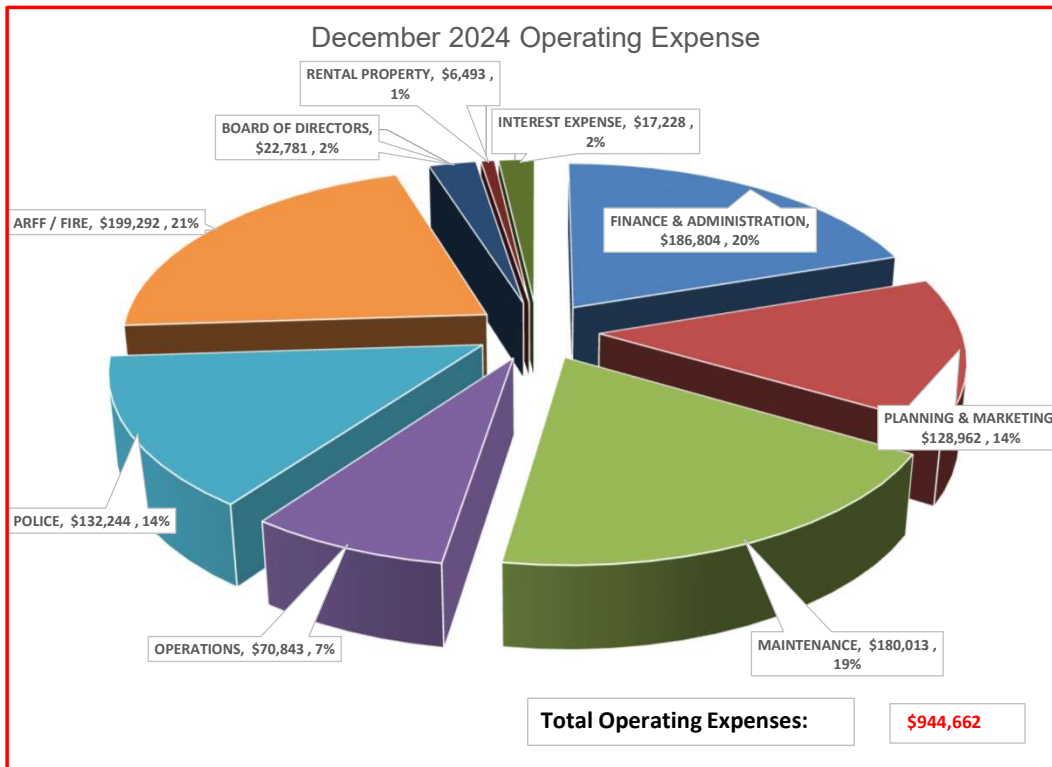
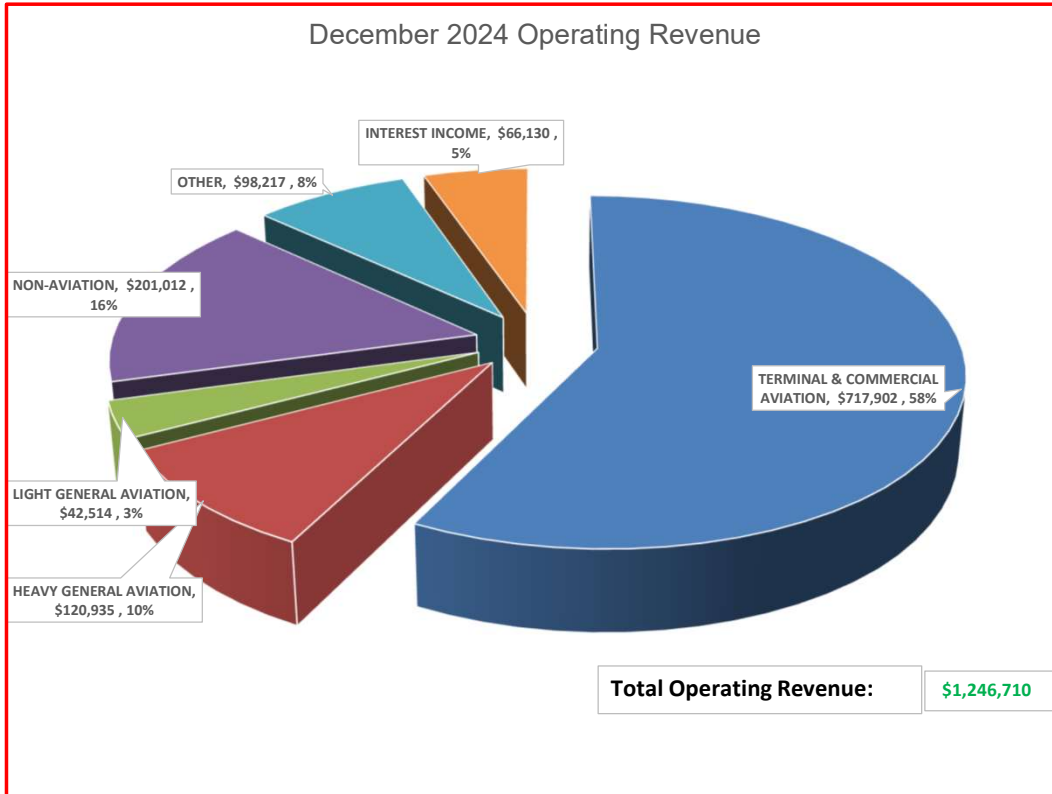
JET FUEL PRICES. Fuel (after crew costs) is an airline's largest operating cost, comprising as much as 29% of operating expenses. Rising fuel costs may put negative pressure on air carrier profitability, and as such it is an important macro indicator. Jet Fuel Prices are 100% correlated to fluctuations in crude oil spot prices, plus fluctuations in the Crack Spread (the Refinery's margin). **Chart 9** tracks the historical wholesale prices over the last 3 fiscal years.

Chart 9

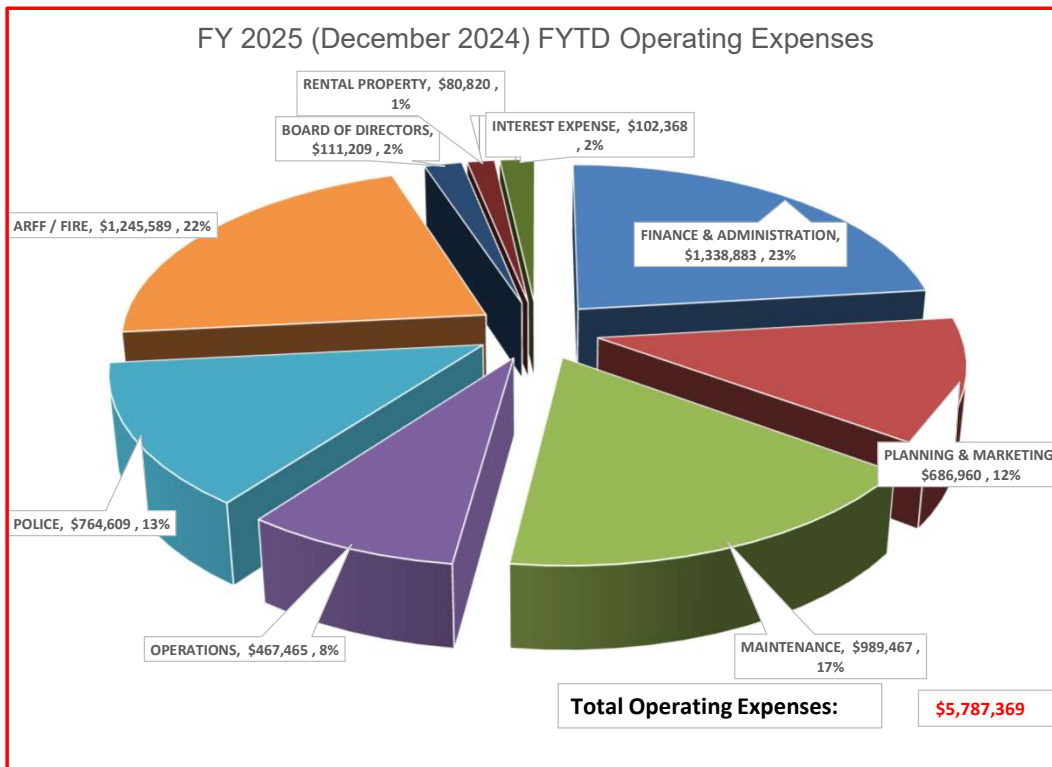
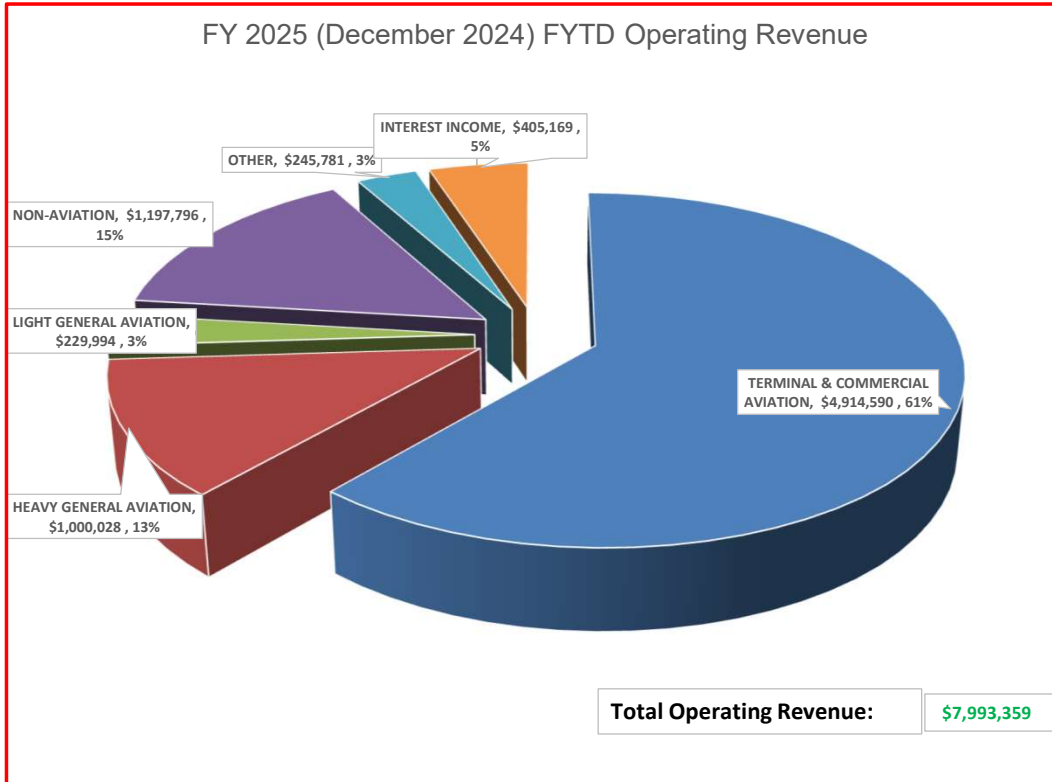


* Source: Federal Reserve Economic Data; Kerosene-Type Jet Fuel Prices: U.S. Gulf Coast.

Monterey Peninsula Airport District



Monterey Peninsula Airport District



AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY

December 2024

OPERATING STATISTICS	December 2024	Budget	%	December 2023	YTD FY 25	Budget	%	YTD FY 24
AIRPORT ACTIVITY								
Air Carrier Landings ¹	433	409	6%	325	2,781	2,726	2%	2,214
Landed Weight (in thousands of pounds)	34,329	32,322	6%	25,507	231,752	233,342	-1%	182,692
Enplanements (revenue+non-revenue)	26,538	25,319	5%	21,048	174,319	176,165	-1%	142,078
Passengers (enp/dep)	51,635			41,313	347,903			286,609
Total Cargo (in pounds)	53,921			42,239	297,760			315,252
Commercial	1,361			1,124	10,410			9,269
General Aviation	2,712			2,624	18,633			19,314
Military	307			190	638			923
TOTAL AIRCRAFT OPERATIONS	4,380			3,938	29,681			29,506
VEHICLE EXIT COUNT								
Long Term (1) Lot	1,511	1,914	-21%	1,914	11,767	17,519	-33%	17,519
Upper Short Term (2) Lot	2,773	2,624	6%	2,449	18,927	16,060	18%	14,989
Lower Short Term (3) Premium Lot	6,235	6,548	-5%	6,548	37,511	36,314	3%	36,314
TOTAL VEHICLE EXIT COUNT	10,519	11,086	-5%	10,911	68,205	69,893	-2%	68,822

1: Cancelled Flight Landings: Current Month =4 (0 - Alaska /0 - Allegiant /0 - American /4 - United) FYTD = 32 (6 - Alaska /2 - Allegiant /4 - American /20 - United)

	December 2024 ACTUAL	December 2024 Budget	\$ ▲ Favorable ▼ Unfavorable	December 2023 ACTUAL	YTD FY 25 ACTUAL	Budget	\$ ▲ Favorable ▼ Unfavorable	YTD FY 24 ACTUAL
OPERATING REVENUE								
TERMINAL								
CA Landing, RON, Apron, and Fuel Flowage Fees	\$ 168,137	\$ 153,107	\$15,030 ▲	\$ 107,485	\$ 1,143,363	\$ 1,120,172	\$23,191 ▲	764,009
Rents	208,296	204,237	4,059 ▲	173,424	1,252,178	1,219,434	32,744 ▲	1,041,206
TCP, Taxi & TNC Operator Permits	2,778	208	2,569 ▲	208	5,123	6,742	(1,618) ▼	6,742
Taxi Trip Fees	271	1,851	(1,580) ▼	1,851	17,541	16,680	861 ▲	16,888
TNC Trip Fees and Peer-to-Peer Rentals	26,501	17,663	8,838 ▲	17,663	184,813	141,641	43,172 ▲	141,638
Concessions	24,258	26,193	(1,935) ▼	26,118	161,392	162,888	(1,497) ▼	162,438
Rental Car	138,962	111,202	27,760 ▲	111,202	1,209,523	1,046,524	162,999 ▲	1,046,524
Parking	148,701	123,578	25,123 ▲	111,801	940,657	825,576	115,081 ▲	781,936
HEAVY GENERAL AVIATION								
GA Landing and Special Event Fees	27,801	19,845	7,956 ▲	21,324	350,257	289,494	60,763 ▲	315,835
FBO Rent	56,156	56,145	11 ▲	54,089	336,938	336,870	68 ▲	370,282
Fuel Flowage Fees	36,978	30,529	6,449 ▲	32,814	312,834	299,726	13,108 ▲	320,358
LIGHT GENERAL AVIATION								
	42,514	42,932	(418) ▼	30,453	229,994	257,589	(27,595) ▼	192,935
NON-AVIATION								
	201,012	205,272	(4,260) ▼	183,455	1,197,796	1,217,271	(19,475) ▼	1,104,488
OTHER OPERATING REVENUE								
	98,217	113,432	(15,215) ▼	110,921	245,781	268,355	(22,574) ▼	274,337
INTEREST INCOME								
	66,130	41,588	24,543 ▲	90,306	405,169	244,331	160,838 ▲	467,546
TOTAL OPERATING REVENUE	\$ 1,246,710	\$ 1,147,781	\$98,929 ▲	\$ 1,073,114	\$ 7,993,359	\$ 7,453,294	\$540,066 ▲	\$ 7,007,163

OPERATING EXPENSE								
Finance & Administration	\$ 186,804	\$ 335,737	\$148,932 ▲	\$ 218,452	\$ 1,338,883	\$ 1,377,689	\$38,806 ▲	\$ 1,207,991
Planning & Marketing	128,962	105,047	(23,914) ▼	81,589	686,960	695,414	8,454 ▲	517,715
Maintenance & Custodial Services	180,013	170,112	(9,901) ▼	164,323	989,467	974,059	(15,409) ▼	822,935
Airport Operations	70,843	70,856	12 ▲	65,276	467,465	446,311	(21,154) ▼	351,175
Police Services	132,244	128,841	(3,403) ▼	113,139	764,609	773,687	9,078 ▲	681,684
ARFF/Fire Services	199,292	205,940	6,647 ▲	175,739	1,245,589	1,214,956	(30,633) ▼	902,236
Board of Directors	22,781	22,685	(96) ▼	14,502	111,209	126,809	15,600 ▲	90,400
Office Rentals	6,493	6,305	(188) ▼	33,499	80,820	81,066	246 ▲	117,717
Interest Expense	17,228	17,149	(79) ▼	17,926	102,368	102,895	527 ▲	106,518
TOTAL OPERATING EXPENSE	\$ 944,662	\$ 1,062,672	\$118,010 ▲	\$ 884,446	\$ 5,787,369	\$ 5,792,886	\$5,517 ▲	\$ 4,798,370

OPERATING INCOME	\$ 302,049	\$ 85,109	\$216,940 ▲	\$ 188,668	\$ 2,205,990	\$ 1,660,407	\$545,582 ▲	\$ 2,208,793
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DISTRICT CAPITAL EXPENDITURES (See Page 20)	\$ (58,668)	\$ (35,000)	(\$23,668) ▼	\$ (1,796,051)	\$ (425,865)	\$ (830,000)	\$404,135 ▲	\$ (4,074,651)
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DEBT SERVICE - PRINCIPAL ONLY	\$ (80,890)			\$ (4,442)	\$ (86,903)			\$ (105,545)
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MONTEREY PENINSULA AIRPORT DISTRICT
Statements of Net Position

	Dec. 31, 2024 (Unaudited)	June 30, 2024 (Audited)
ASSETS:		
Current assets:		
Unrestricted:		
Cash	\$ 306,803	\$ 360,278
Investments - L.A.I.F.	171,112	168,231
Investments - T-Bills	15,478,196	12,860,387
Investments - Negotiable CDs	248,798	494,723
Accounts receivable, net of \$10,000 allowance	685,233	1,050,087
Accrued Interest receivable	64,838	115,926
Leases receivable (GASB 87), current portion ⁽¹⁾	1,280,411	1,280,411
FAA & Other Grant Receivable	58,880	5,161,546
Prepaid and other assets	623,861	255,925
	<u>18,918,132</u>	<u>21,747,512</u>
Restricted:		
Cash	128,142	521,175
Investments - T-Bills	1,123,072	3,157,647
Investments - Negotiable CDs	99,519	97,946
PFC Receivable	195,310	220,339
Accrued Interest Receivable	1,577	16,941
Total restricted current assets	<u>1,547,620</u>	<u>4,014,048</u>
Total Current Assets	<u>20,465,752</u>	<u>25,761,560</u>
Noncurrent assets:		
Leases receivable (GASB 87), net of current portion ⁽¹⁾	9,429,531	9,429,531
Tenant receivable, net of current portion	17,291	24,922
Right-of-Use (GASB 96), net of current portion	3,477	3,477
Bond Offering Costs	1,500	1,500
Capital assets:		
Construction-in-Process	36,966,999	36,982,706
Non-depreciable land	4,206,755	4,206,755
Depreciable capital assets, net	84,474,273	73,494,281
Total Capital assets:	<u>125,648,027</u>	<u>114,683,742</u>
Total Noncurrent assets:	<u>135,099,826</u>	<u>124,143,171</u>
Total Current and Noncurrent assets:	<u>155,565,578</u>	<u>149,904,731</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Actuarial valuation of deferred outflows related to pensions ⁽²⁾	5,416,264	5,416,264
Actuarial valuation of deferred outflows related to OPEB ⁽⁴⁾	244,433	244,433
	<u>5,660,697</u>	<u>5,660,697</u>
LIABILITIES:		
Current liabilities:		
Accounts Payable	2,612,221	6,432,750
Accrued liabilities	118,203	167,771
Accrued Interest	128,770	36,567
Unearned revenues, current portion	37,368	26,010
Loans payable, current portion	313,247	320,462
SBITA (GASB 96) liability	3,477	3,477
Funds held in trust (CFCs)	105,559	1,628,390
Accrued compensated absences, current portion	39,467	44,827
Total Current Liabilities	<u>3,358,313</u>	<u>8,660,254</u>
Long-term liabilities:		
Security deposits	430,672	440,829
Unearned revenues, net of current portion	207,852	212,290
Accrued compensated absences, net of current portion	168,958	163,361
Actuarial valuation of net pension liability ⁽⁶⁾	8,381,298	8,381,298
Actuarial valuation of OPEB liability ⁽⁷⁾	1,386,786	1,386,786
Loans payable, net of current portion	5,233,953	5,313,640
Total Long-Term Liabilities	<u>15,809,518</u>	<u>15,898,205</u>
Total Liabilities	<u>19,167,832</u>	<u>24,558,458</u>
DEFERRED INFLOWS OF RESOURCES:		
Actuarial valuation of deferred inflows related to pensions ⁽³⁾	3,550,993	3,550,993
Actuarial valuation of deferred inflows related to OPEB ⁽⁵⁾	805,752	805,752
Deferred inflows related to leases (GASB 87) ⁽¹⁾	10,709,942	10,709,942
Total Deferred Inflows of Resources	<u>15,066,687</u>	<u>15,066,687</u>
NET POSITION:		
Net investment in capital assets	117,597,216	104,943,814
Restricted - unspent Passenger Facilities Charges	440,347	860,839
Restricted - Cash Assets	102,389	(541,790)
Unrestricted	8,851,805	10,677,420
	<u>\$ 126,991,757</u>	<u>\$ 115,940,283</u>

See Notes to Statements of Net Position.

Notes to Statement of Net Position
As of Dec. 31, 2024

	Lease Receivable	Lease Interest	Total Lease Payments
1. Lease Receivable (GASB 87)			
Current:			
FY 2025	\$ 1,280,411	\$ 426,400	\$ 1,706,811
Noncurrent:			
FY 2026	1,225,625	373,367	1,598,991
FY 2027	1,273,892	321,022	1,594,914
FY 2028	890,517	272,670	1,163,187
FY 2029	713,259	239,752	953,011
FY 2030-FY2034	1,969,860	882,516	2,852,376
FY 2035-FY2039	921,598	608,061	1,529,659
FY 2040-FY2044	1,057,395	406,979	1,464,374
FY 2045-FY2049	985,112	177,000	1,162,112
FY 2049-FY2053	392,274	31,415	423,689
	9,429,531	3,312,782	12,742,313
	\$ 10,709,942	\$ 3,739,182	\$ 14,449,124

The District recognizes lease revenues by category and three categories were impacted by the implementation of GASB 87: General Aviation, Terminal Concessions and Non-Aviation revenue categories.

GASB 87 specifically excludes Regulated leases for which the District is the lessor. Terminal space, aircraft hangars, and recreational vehicle parking space future lease revenue are excluded.

	Combined	Miscellaneous	Safety
2. Deferred Outflows of Resources related to Pensions			
Pension contributions subsequent to measurement date	\$ 469,305	\$ 147,695	\$ 321,610
Changes of Assumptions	494,083	148,108	345,975
Differences between expected and actual experience	560,555	125,320	435,235
Net Difference between Projected and Actual Earnings	1,208,452	397,187	811,265
Adjustments due to differences in proportions	1,010,547	8,467	1,002,080
Difference in actual to proportionate share contribution	1,673,382	388,269	1,285,113
	\$ 5,416,324	\$ 1,215,046	\$ 4,201,278

	Combined	Miscellaneous	Safety
3. Deferred Inflows of Resources related to Pensions			
Differences between expected and actual experience	\$ 56,701	\$ 19,440	\$ 37,261
Adjustments due to differences in proportions	2,853,479	615,835	2,237,644
Differences between actual contributions and the proportionate share of contributions	640,812	227,702	413,110
	\$ 3,550,992	\$ 862,977	\$ 2,688,015

The District's proportion of the net pension liability was based on the District's share of the actuarial accrued liability of the cost-sharing plan, less the District's share of the fiduciary net position.

4. Deferred Outflows of Resources related to OPEB	
Changes in assumptions	\$ 86,893
Differences between expected and actual experience	91,840
Contributions made subsequent to the Measurement Date	65,700
	\$ 244,433

5. Deferred Inflows of Resources related to OPEB	
Changes in assumptions	\$ 317,808
Differences between expected and actual experience	487,944
	\$ 805,752

6. Net Pension Liability	
CalPERS - Miscellaneous Plan (6/30/2022 Measurement Date)	\$ 2,453,151
CalPERS - Safety Plan (6/30/2022 Measurement Date)	5,928,146
	\$ 8,381,297

7. Total OPEB Liability	
Police	\$ 357,799
Fire	606,670
Miscellaneous Plan	422,317
	\$ 1,386,786

MONTEREY PENINSULA AIRPORT DISTRICT
Statement of Cash Flows

	December 2024 (Unaudited)	FYTD 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 996,540	\$ 6,458,901
Payments to vendors for goods and services	(478,358)	(3,544,483)
Payments for employees pension and OPEB benefits	(77,828)	(479,939)
Payments to employees for services	(302,159)	(1,811,640)
Net Cash Provided (Used) by Operating Activities	138,196	622,839
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from FAA Grants and Passenger Facilities Charges	2,221,509	11,208,307
Proceeds from Customer Facilities Charges	369,903	1,859,633
Acquisition and construction of capital assets	(2,732,048)	(14,172,624)
Interest paid on loans	(10,164)	(10,164)
Principal paid on loans	(80,890)	(86,903)
Net cash provided (used) by capital and related financing activities	(231,690)	(1,201,752)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income received	130,017	473,194
Investments matured (purchased)	(245,336)	(340,789)
Net cash (used) by investing activities	(115,319)	132,405
CASH FLOWS FROM NON-OPERATING ACTIVITIES:		
	-	-
Net Change in Cash and Cash equivalents	(208,813)	(446,507)
Cash and Cash Equivalents at Beginning of Period	643,759	881,453
Cash and Cash Equivalents at End of Period	\$ 434,946	\$ 434,946
STATEMENT OF NET POSITION		
CLASSIFICATION OF CASH AND CASH EQUIVALENTS:		
Unrestricted	\$ 306,803	\$ 306,803
Restricted	128,142	128,142
Total cash and cash equivalents	\$ 434,946	\$ 434,946
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating Loss after Depreciation and Amortization	\$ (325,577)	\$ (1,335,399)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	579,717	3,247,095
(Increase) decrease in:		
Accounts receivable	144,496	385,290
Prepaid and other current assets	120,239	(352,285)
Increase (decrease) in:		
Accounts payable	(64,513)	253,139
Accrued liabilities	7,850	(43,334)
Interest Payable	-	-
Security deposits	(250)	(10,157)
Funds held in trust (CFCs)	(328,286)	(1,515,911)
Accrued compensated absences	4,519	(5,600)
Total Adjustments	463,772	1,958,238
Net cash provided (used) by operating activities	\$ 138,196	\$ 622,839
Non-cash capital and related financing activities:		
Acquisition of capital assets in accounts payable	\$ 2,503,611	\$ 2,503,611
Accrued interest on CEC and CalTrans loans	\$ 17,228	\$ 102,368

MONTEREY PENINSULA AIRPORT DISTRICT
FINANCIAL STATEMENTS UNAUDITED

	FY 2025 December ACTUAL	FY 2025 YEAR-TO-DATE ACTUAL
SOURCES AND USES OF CASH -- OPERATIONS		
SOURCES OF CASH:		
CASH RECEIVED - OPERATING REVENUE	\$ 1,180,580	\$ 7,588,191
CASH RECEIVED - INTEREST INCOME	<u>66,130</u>	<u>405,169</u>
CASH RECEIVED	<u>1,246,710</u>	<u>7,993,359</u>
USES OF CASH -- OPERATIONS:		
CASH (DISBURSED) - OPERATING EXPENSE	(927,433)	(5,685,002)
CASH (DISBURSED) - DEBT SERVICE (INTEREST EXPENSE)	(17,228)	(102,368)
CASH (DISBURSED) - DEBT SERVICE (PRINCIPAL REDUCTION)	<u>(80,890)</u>	<u>(86,903)</u>
CASH (DISBURSED)	<u>(1,025,552)</u>	<u>(5,874,272)</u>
CHANGE IN CASH POSITION FROM OPERATIONS & DEBT SERVICE	<u>221,158</u>	<u>2,119,087</u>
USES OF CASH -- CAPITAL PROGRAM:		
CASH (DISBURSED) - ALL CAPITAL PROJECTS (See Page 20)	(2,732,048)	15,707
CASH REIMBURSED - ALL CAPITAL PROJECTS (See Page 21)	<u>369,903</u>	<u>11,461,316</u>
CHANGE IN CASH POSITION FROM CAPITAL PROGRAM	<u>(2,362,145)</u>	<u>11,477,023</u>
CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL & DEBT SERVICE	<u>\$ (2,140,987)</u>	<u>\$ 13,596,110</u>

FISCAL YEAR 2025
FINANCIAL STATEMENTS UNAUDITED
Construction-In-Progress
December 31, 2024

Project Number/AIP #	Project Name	Balance at June 30, 2024	FYTD Additions	FYTD Placed in Service	Balance at December 31, 2024	Total Spent And/Or Committed	Total Project Budget	Percentage Physically Complete
District Only Funded:								
2025-03	East TSA Access Road	-	14,774		14,774	14,774	210,000	7%
2025-04	Airfield and Property Maintenance	-	7,294		7,294	7,294	140,000	5%
2025-05	Plan of Finance	-	58,650		58,650	58,650	1,000,000	6%
2025-06	2801 MSH Property Repairs \$0.29M	-	52,290		52,290	52,290	290,000	18%
2023-08	SE Hangar Relocation - \$7M	7,090,542	(3,500)		7,087,042	7,087,042	7,100,000	100%
		<u>7,090,542</u>	<u>129,508</u>	<u>-</u>	<u>7,220,050</u>	<u>7,220,050</u>	<u>8,740,000</u>	
FAA/PFC/District Funded:								
2023-01/AIP 82	SEP Phase D1 - Terminal Design	1,100,548	2,393,434		3,493,982	3,493,982	3,664,550	95%
2023-02/AIP 83	Runway 28L-10R Treatmnt-2.17M	-	370,912		370,912	370,912	2,170,000	17%
2023-03/AIP 80	Commercial Apron (B2)	13,974,278	6,974,771		20,949,049	20,949,049	44,707,180	47%
2025-07/AIP 84	SEP Phase 2B - Apron - AIP 84	-	1,956,029		1,956,029	1,956,029	-	0%
2025-01/AIP 86	Landside Improvement Project	-	14,500		14,500	14,500	8,469,730	0%
2025-02/AIP 85	Purchase Primary ARFF Vehicle	-	-		-	-	1,100,000	0%
2025-09	Replacement Terminal	-	20,150		20,150	20,150	-	0%
		<u>15,074,826</u>	<u>11,729,796</u>	<u>-</u>	<u>26,804,622</u>	<u>26,804,622</u>	<u>60,111,460</u>	
CFC/District Funded:								
2019-03	Water Distribution System	1,303,879	1,638,448		2,942,328	2,942,328	3,455,003	85%
		<u>1,303,879</u>	<u>1,638,448</u>		<u>2,942,328</u>	<u>2,942,328</u>	<u>3,455,003</u>	
		\$ 23,469,248	\$ 13,497,752	\$ -	\$ 36,966,999	\$ 36,966,999	\$ 72,306,463	
FY 2025 Closed Projects:								
2022-01/AIP 79	SEP Phase B1/B2/B3 - ARFF D & C	10,516,615	513,821	(11,030,436)	-	-	10,809,740	0%
2024-01/AIP 81	SEP Phase D1 - Terminal Design (BIL ATP)	2,996,843	161,052	(3,157,895)	-	-	3,150,000	0%
		<u>\$ 13,513,459</u>	<u>\$ 674,873</u>	<u>\$ (14,188,331)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,959,740</u>	
		\$ 36,982,706	\$ 14,172,624	\$ (14,188,331)	\$ 36,966,999	\$ 36,966,999	\$ 86,266,203	

FISCAL YEAR 2025
Airport Capital Improvements / Capital Expenditures
FINANCIAL STATEMENTS UNAUDITED
December 31, 2024

Airport Improvement Programs

District Expenditures		
AIP -- FAA Funded Expenditures		
AIP -- PFC Funded Expenditures		
AIP -- CFC Funded Expenditures		
Total Capital Improvement Expenditures		

Actual FY 2025		
Current Period		
\$	58,667.95	2%
	2,297,751.00	84%
	247,981.61	9%
	127,647.15	5%
\$	2,732,047.71	100%

Actual FY 2025		
Year-To-Date		
\$	425,865.48	-2711%
	(1,962,088.00)	12492%
	(117,932.74)	751%
	1,638,448.40	-10431%
\$	(15,706.86)	100%

FY 2024 District Capital Expenses/Budget:

District Funded:

	<u>December 2024</u>	<u>Budget</u>	<u>Actual FYTD</u>	<u>Budget FYTD</u>
2023-02 Runway 28L-10R Treatmnt-2.17M	(10,050.35)	-	3,002.45	-
2023-03 Commercial Apron Construction (B2)	-	35,000.00	246,943.47	210,000.00
2023-04 2801 Property Repairs	-	-	-	270,000.00
2025-03 East TSA Access Road	-	-	14,774.00	210,000.00
2025-04 Airfield and Property Maintenance	-	-	7,293.62	140,000.00
2025-05 Plan of Finance	58,650.00	-	58,650.00	-
2025-06 2801 MSH Property Repairs \$0.29M	-	-	52,290.00	-
2023-08 Southeast Hangar Relocation	-	-	(3,500.00)	-
2025-01 Commercial Apron Construction (D3)	(1,214.00)	-	-	-
2025-07 SEP Phase 2B - Apron - AIP 84	-	-	26,261.80	-
2025-09 Terminal Replacement	11,282.30	-	20,150.14	-
	<u>58,667.95</u>	<u>35,000.00</u>	<u>425,865.48</u>	<u>830,000.00</u>

FAA/PFC Funded:

2022-01 SEP Phase B1/B2/B3-ARFF Design	-	-	(10,516,615.22)	374,466.00
2023-01 SEP Phase D1 Terminal Design	81,925.91	81,997.00	2,393,433.98	2,435,615.00
2023-02 Runway 28L-10R Treatmnt-2.17M	241,210.66	730,000.00	367,909.66	1,151,000.00
2023-03 Commercial Apron Construction (B2)	1,663,973.78	2,450,729.00	6,727,827.04	14,704,374.00
2025-01 Commercial Apron Construction (D3)	1,214.00	975,064.00	14,500.00	975,064.00
2024-01 Terminal Design (BIL ATP)	-	-	(2,996,843.31)	357,255.00
2025-07 SEP Phase 2B - Apron - AIP 84	557,408.26	-	1,929,767.11	-
	<u>2,545,732.61</u>	<u>4,784,790.00</u>	<u>(2,080,020.74)</u>	<u>20,544,774.00</u>

CFC Funded:

2019-03 Water Distribution System	\$ 127,647.15	-	\$ 1,638,448.40	\$ 1,580,844.00
	\$ 2,732,047.71	\$ 4,819,790.00	\$ (15,706.86)	\$ 22,955,618.00

FISCAL YEAR 2025
FINANCIAL STATEMENTS UNAUDITED
Non-District Funding and Reimbursements of Construction-In-Progress
Dec. 31, 2024

Project Number/AIP #	Project Name	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Reimbursements & Transfers from Restricted Cash								
CFC Funded:								
2019-03	Water Distribution System	\$ 348,832	\$ 475,191	\$ 3,063	\$ 1,293	\$ 661,352	\$ 369,903	\$ 1,859,633
FAA Reimbursed:								
2022-01/AIP 79	SEP Phase B1/B2/B3 - ARFF	-	-	-	-	120,408	-	120,408
2023-03/AIP 80	Commercial Apron Construction	-	132,447	269,054	-	824,281	872,230	2,098,012
2023-08/AIP 80	Commercial Apron Construction	-	1,596,451	1,115,917	-	-	-	2,712,368
2023-01/AIP 82	SEP Phase 1 D1- Terminal Design	-	-	1,332,390	414,992	414,746	441,058	2,603,186
2024-01/AIP 81	Terminal Design (BIL ATP)	-	152,997	448,269	-	-	-	601,266
2023-02/AIP 83	Runway 28L-10R Treatmnt-2.17M	-	-	-	-	33,710	-	33,710
2025-01/AIP 86	SEP Landside Improv \$18.5M	-	-	-	-	-	13,146	13,146
2025-07/AIP 84	SEP Phase 2B - Apron - AIP 84	-	-	-	709,634	362,769	347,184	1,419,587
		<u>\$ -</u>	<u>\$ 1,881,895</u>	<u>\$ 3,165,630</u>	<u>\$ 1,124,626</u>	<u>\$ 1,755,914</u>	<u>\$ 1,673,618</u>	<u>\$ 9,601,683</u>
Grand Totals		<u>\$ 348,832</u>	<u>\$ 2,357,086</u>	<u>\$ 3,168,693</u>	<u>\$ 1,125,919</u>	<u>\$ 2,417,266</u>	<u>\$ 2,043,521</u>	<u>\$ 11,461,316</u>

FISCAL YEAR 2025
Schedule Of Cash and Investments
FINANCIAL STATEMENTS UNAUDITED

	Par Value	Settle Date	Maturity Date	Value At Dec. 31, 2024	Yield/ Interest Rate
UNRESTRICTED:					
U.S. Treasury Bills - MPAD (JP Morgan custodian):					
U.S. Treasury Bill - \$400,000 - 1 Month	\$ 400,000.00	12/2/24	1/2/25	\$ 398,542.50	4.45%
U.S. Treasury Bill - \$401,000 - 1 Month	\$ 401,000.00	12/4/24	1/2/25	\$ 399,669.17	4.34%
U.S. Treasury Bill - \$451,000 - 1 Month	\$ 451,000.00	12/10/24	1/9/25	\$ 449,412.67	4.30%
U.S. Treasury Bill - \$275,000 - 1 Month	\$ 275,000.00	12/12/24	1/9/25	\$ 274,107.01	4.25%
U.S. Treasury Bill - \$521,000 - 1 Month	\$ 521,000.00	12/17/24	1/14/25	\$ 519,323.39	4.21%
U.S. Treasury Bill - \$240,000 - 1 Month	\$ 240,000.00	12/19/24	1/21/25	\$ 239,094.92	4.19%
U.S. Treasury Bill - \$301,000 - 1 Month	\$ 301,000.00	12/20/24	1/21/25	\$ 299,899.70	4.18%
U.S. Treasury Bill - \$502,000 - 1 Month	\$ 502,000.00	12/26/24	1/23/25	\$ 500,395.66	4.19%
U.S. Treasury Bill - \$403,000 - 1 Month	\$ 403,000.00	12/31/24	1/28/25	\$ 401,711.74	4.18%
U.S. Treasury Bill - \$528,000 - 2 Month	\$ 528,000.00	11/12/24	1/9/25	\$ 524,299.60	4.44%
U.S. Treasury Bill - \$291,000 - 2 Month	\$ 291,000.00	11/21/24	1/14/25	\$ 289,114.97	4.41%
U.S. Treasury Bill - \$400,000 - 2 Month	\$ 400,000.00	12/2/24	1/30/25	\$ 397,204.72	4.43%
U.S. Treasury Bill - \$402,000 - 2 Month	\$ 402,000.00	12/4/24	1/28/25	\$ 399,432.73	4.35%
U.S. Treasury Bill - \$452,000 - 2 Month	\$ 452,000.00	12/10/24	2/4/25	\$ 449,038.14	4.30%
U.S. Treasury Bill - \$276,000 - 2 Month	\$ 276,000.00	12/12/24	2/4/25	\$ 274,271.55	4.26%
U.S. Treasury Bill - \$523,000 - 2 Month	\$ 523,000.00	12/17/24	2/11/25	\$ 519,626.19	4.23%
U.S. Treasury Bill - \$241,000 - 2 Month	\$ 241,000.00	12/19/24	2/20/25	\$ 239,264.92	4.21%
U.S. Treasury Bill - \$303,000 - 3 Month	\$ 303,000.00	11/21/24	2/20/25	\$ 299,700.43	4.43%
U.S. Treasury Bill - \$505,000 - 3 Month	\$ 505,000.00	10/15/24	1/9/25	\$ 499,662.94	4.53%
U.S. Treasury Bill - \$404,000 - 3 Month	\$ 404,000.00	11/5/24	1/30/25	\$ 399,848.57	4.41%
U.S. Treasury Bill - \$530,000 - 3 Month	\$ 530,000.00	11/12/24	2/6/25	\$ 524,520.90	4.43%
U.S. Treasury Bill - \$400,000 - 3 Month	\$ 400,000.00	12/2/24	2/27/25	\$ 395,903.06	4.39%
U.S. Treasury Bill - \$404,000 - 3 Month	\$ 404,000.00	12/4/24	3/6/25	\$ 399,662.36	4.35%
U.S. Treasury Bill - \$454,000 - 3 Month	\$ 454,000.00	12/10/24	3/6/25	\$ 449,441.61	4.30%
U.S. Treasury Bill - \$277,000 - 3 Month	\$ 277,000.00	12/12/24	3/13/25	\$ 274,085.44	4.27%
U.S. Treasury Bill - \$525,000 - 3 Month	\$ 525,000.00	12/17/24	3/13/25	\$ 519,835.40	4.22%
U.S. Treasury Bill - \$242,000 - 3 Month	\$ 242,000.00	12/19/24	3/20/25	\$ 239,462.88	4.25%
U.S. Treasury Bill - \$278,000 - 4 Month	\$ 278,000.00	12/12/24	4/8/25	\$ 274,257.25	4.26%
U.S. Treasury Bill - \$243,000 - 4 Month	\$ 243,000.00	12/19/24	4/15/25	\$ 239,745.44	4.23%
U.S. Treasury Bill - \$405,000 - 4 Month	\$ 405,000.00	12/4/24	4/1/25	\$ 399,442.13	4.34%
U.S. Treasury Bill - \$532,000 - 4 Month	\$ 532,000.00	11/12/24	3/11/25	\$ 524,451.40	4.41%
U.S. Treasury Bill - \$456,000 - 4 Month	\$ 456,000.00	12/10/24	4/8/25	\$ 449,695.58	4.30%
U.S. Treasury Bill - \$527,000 - 4 Month	\$ 527,000.00	12/17/24	4/15/25	\$ 519,827.20	4.23%
U.S. Treasury Bill - \$400,000 - 4 Month	\$ 400,000.00	12/2/24	4/1/25	\$ 394,344.19	4.40%
U.S. Treasury Bill - \$536,000 - 4 Month	\$ 536,000.00	11/12/24	5/8/25	\$ 524,957.95	4.34%
U.S. Treasury Bill - \$530,000 - 6 Month	\$ 530,000.00	12/17/24	6/12/25	\$ 519,393.48	4.21%
U.S. Treasury Bill - \$245,000 - 6 Month	\$ 245,000.00	12/19/24	6/20/25	\$ 239,940.49	4.21%
U.S. Treasury Bill - \$849,000 - 12 Month	\$ 849,000.00	11/12/24	10/30/25	\$ 815,607.89	4.20%
	<u>\$ 15,652,000.00</u>			<u>\$ 15,478,196.17</u>	4.31%
Pooled Money Investment Account - MPAD					
State of California - Local Agency Investment Fund		Various	Various	170,759.93	4.71%
Money Market Account - MPAD					
JP Morgan Chase - District Reserve - Money Market Account				0.03	0.01%
Royal Alliance - Certificates of Deposits and Cash Equivalents - MPAD					
Capital One Bank USA New York CFT DEP ACT/365		04/13/22	04/15/25	250,000.00	2.60%
Cash And Cash Equivalents		Various	Various	7,407.80	Variable
				<u>257,407.80</u>	
General Accounts - MPAD					
JP Morgan Chase - various checking accounts				299,395.57	
				16,205,759.50	
				351.95	
				<u>(1,202.50)</u>	
				<u>\$ 16,204,908.95</u>	
				<u>\$ 306,803.40</u>	
				<u>\$ 15,898,105.55</u>	
				<u>\$ 16,204,908.95</u>	

FISCAL YEAR 2025
Schedule Of Cash and Investments
FINANCIAL STATEMENTS UNAUDITED

	<u>Par Value</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Value At Dec. 31, 2024</u>	<u>Yield/ Interest Rate</u>
RESTRICTED:					
Tenant's Security Deposits - RESTRICTED:					
U.S. Treasury Bills - MPAD (JP Morgan custodian):					
U.S. Treasury Bill - \$458,000 - 6 Month	\$ 458,000.00	9/19/24	3/20/25	<u>\$ 447,962.55</u>	4.49%
Passenger Facility Charges (PFCs) - RESTRICTED:					
Chase Bank - Passenger Facility Charges (PFCs)				11,033.26	0.01%
U.S. Treasury Bill - \$328,000 - 1 Month	\$ 328,000.00	12/4/24	1/2/25	<u>326,911.44</u>	4.34%
Royal Alliance - Certificates of Deposits and Cash Equivalents:					
Capital One Bank USA New York CFT DEP ACT/365		04/13/22	04/15/25	100,000.00	2.60%
Cash and Cash Equivalents		Various	Various	1,306.68	Variable
				<u>101,306.68</u>	
				<u>\$ 439,251.38</u>	
Customer Facility Charges (CFCs) - RESTRICTED:					
Chase Bank - Customer Facility Charges (CFCs)				<u>\$ 97,389.01</u>	0.01%
Tenant's Security Deposits - RESTRICTED:					
Chase Bank - Money Market Account				<u>\$ 10,112.72</u>	0.01%
Airport Improvement Program - RESTRICTED:					
Chase Bank - AIP Checking Account				<u>\$ 5,000.00</u>	
CalTrans Annual Debt Service - RESTRICTED:					
U.S. Treasury Bill - \$349,000 - 6 Months	\$ 356,000.00	9/19/24	3/20/25	\$ 348,197.96	4.49%
Chase Bank - Checking Account				3,300.69	
				<u>\$ 351,498.65</u>	
				1,351,214.31	
				<u>(481.00)</u>	
				<u>\$ 1,350,733.31</u>	
				\$ 128,142.36	
				1,222,590.95	
				<u>\$ 1,350,733.31</u>	



MONTEREY FIRE DEPARTMENT

Report to Airport Board of Directors

January 2025

1. Incident Responses

Engine assigned to Fire Station 16 (Airport) responded to a total of 52 incidents during the month as follows:

- MPAD property – 7
- City of Monterey – 34
- Other Cities in Monterey Fire Jurisdiction – 9
- Auto / Mutual Aid – 2

2. Training

Personnel completed a total of 31.0 hours of Airport-related training during the month.

Currently the following numbers of personnel are qualified in the ARFF training program:

- Awareness (familiar with operations at the Airport): 76
- Operational (qualified to work at Airport, but live fire training not current): 34
- Technician (fully qualified to be the designated ARFF fire engineer): 12

3. Other

- During our participation in the FAA inspection, it was noted that our training records were well maintained and thorough. In the timed response drill, ARFF 16 reached the designated point on Taxiways G and A intersection within the required 3-minute time (2:45). Also, FAA inspector was appreciative for facilitating the input based AFFF testing system for the annual test.

4. Incident List – on Airport property incidents

Alarm Date / Time	Response Time	Location	Incident Type
1/4/2025 6:13 PM	0:03:35	200 Fred Kane DR	Aircraft standby
1/5/2025 12:13 PM	0:00:00	200 Fred Kane DR	Person in distress, other
1/6/2025 12:01 PM	0:02:51	200 Fred Kane DR	Alarm system activation, no fire – unintentional
1/20/2025 2:12 PM	0:04:35	300 Sky Park DR	Assist invalid
1/20/2025 3:24 PM	0:00:57	300 Sky Park DR	Assist invalid
1/30/2025 10:35 AM	0:05:29	200 Fred Kane DR	EMS call, excluding vehicle accident with injury
1/30/2025 4:38 PM	0:07:02	200 Fred Kane DR	Alarm system sounded due to malfunction

TO: Michael La Pier, Executive Director
FROM: Operations Department
DATE: February 4, 2024
SUBJ: Operations Report

The following is a summary of the activity of general Airport Operations for January 2025 and planned airline activities for February 2025.

1. The following reports are attached:
 - January 2025 Noise Comment Report
 - Operating and Expense Reports for the Taxi (through January 2025) and TNC ground transportation systems (through December 2025)
 - Commercial Flight Cancellations & Delays Report for January 2025
 - Commercial Flight Schedule for February 2025
2. The Operations department hosted the FAA for our annual certification inspection Tuesday January 21st – Friday January 24th. Minor discrepancies were noted that the department is working on to get corrected.
3. Below is the summary of scheduled airline activity for February 2025:

Alaska Air operated by SkyWest / Horizon

- SAN operates twice a day using the E175.
- SEA resumes service four days a week from Feb 13th using the E175.
- Scheduled to operate a monthly total of 132 flights (Arrivals and Departures)

Allegiant Air

- Continues to operate twice weekly to LAS using the Airbus 319/320 Series
- Scheduled to operate a total of 16 flights (Arrivals and Departures)

United operated by SkyWest

- SFO operates a daily flight with a second flight on selected dates using a CRJ200/700/ E175 mix.
- LAX operates twice a day using E175 aircraft.
- DEN operates twice daily using a mix of CRJ7 & E175 aircraft.
- Scheduled to operate a monthly total of 320 flights (Arrivals and Departures)

American operated by American Airlines / Mesa / Envoy

- PHX twice daily with third and fourth flights a day on selected dates using a mix of CRJ7, E175 & A319.
- DFW four times a week before reverting to daily from the 15th using the A319.
- Scheduled to operate a monthly total of 278 flights (Arrivals and Departures)

Cumulatively speaking, the airlines have increased flights by 148 (746 vs 598) compared to February 2024, an increase of 24%. The number of available seats has increased by approximately 19% (59,950 vs. 49,984).

**MRY AIRPORT NOISE COMMENT LOG
JANUARY 2025**

Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Comments	By	Action Taken	Reported Weather /Notes		
AIR OPERATIONS CENTERED AT MONTEREY AIRPORT											
1	Harvey	Monterey	1/3/2025	11:40 PM	E175	10R Arr		Flight UA 5670 landed using runway 10R which caused an extremely loud noise up above my hotel stay while I was trying to get some sleep. This website states arrivals are to land using runway 28. Its unacceptable to be causing this much noise this late at night above hotels and neighborhoods.	DW	We do prefer pilots use the Runway 28L, however this changes with weather and wind direction throughout the day for safety. Planes can slow down more efficiently against the wind and typically turn their engines to idle before landing. This flight is one of our Scheduled Air Carriers and is a Daily Flight guided by FAA.	rain
2	Howard	Monterey	1/4/2025	1:15-3:00	N/A	10R App		Understanding it is a bit abnormal for approaching flights to fly over New Monterey in good weather, I was surprised to count 8 within a two hour period. I lost track, but I believe there were at least 8 and probably 11 during the time period above. While some were hardly noticeable, others were a disturbance. Is it possible to ascertain why there was this deviation from normal procedures? It would help to understand the reasons behind the cause of this modification of the norm. Weather conditions by the way, were perfect. Thank you.	DW	Confirmed with Tower that approaching flights were flying over New Monterey due to wind direction. Explained to the commenter the reason for the abnormality. Although there was no cloud cover, wind direction is also a major factor in the determination of the active runway.	clear
3	Sarah Hunter	Monterey	1/11/2025	4:15 PM	C-172	Pattern		(Tail number removed) is currently on tng number 8 in 30 minutes. This craft is hangared at the airport. This isn't the first time this aircraft has abused noise abatement guidelines. Is it possible to put out a friendly reminder to airport hangar tenants about following noise guidelines? Several aircraft abuse tng policies that are hangared there. (tail numbers removed) are regularly abusive behavior with tng. I just haven't had the energy to constantly fill out noise comments. I hope to attend board meeting this month. Thank you	DW	Reached out to Flight School.	

**MRY AIRPORT NOISE COMMENT LOG
JANUARY 2025**

Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Comments	By	Action Taken	Reported Weather /Notes
4 Arnold Owens	Fisherman Flats	1/26/2025	Not given	Not given	Departure 10R	Dear sir's,Thank you for allowing me to hear the loud and annoying jet airplane noise all day long with the planes going from west to east on take off. I especially like the engine wind up noise before take off and I can enjoy all this without even leaving my house. As usual I don't expect any meaningful reply to airport noise problems. I sincerely hope wherever you live it's peaceful and quiet. If however you would like to enjoy hearing more jet engine noise, by all means come over to my neighborhood at anytime.	KC	Our noise abatement guidelines try to ensure aircraft take off in a westerly direction and turn out over bay to reduce the noise pollution. However, due to the wind over the last few days this was not applicable as the strong winds blowing west to east made it unsafe to depart in a westerly direction favoring an easterly departure.	
5 Cheryl Parker	Del Rey Oaks	1/28/2025	1:30/2:30AM	Not given	Not given	I was awoken by my windows and walls rattling as a large plane landed at 1:30 am. And then again just now as the takeoff of a large plane, so loud my dog also growled, at 2:30 am.	KC	Based on the time you provided after reviewing flight radar I was unable to find specifically which two flights you were referring too. We did have a jet land around 12:30 am, however we couldn't see anything for the hours you provided. As a public use airport, the FAA does require us to be open for all aircraft operation 24 hours a day. At the times you provided, the tower is closed so the approach flown into the airport is at the complete discretion of the pilot.	
6 Sarah Hunter	Seaside	1/28/2025	12:35 PM	C172	Pattern	A Cessna Skyhawk 172P has been flying without a CALL SIGN since Last week. Doing too many tng. Current on pass number 7. My undergraduate is that at class C airports, call sign AND transponder are both required. I'm certain this is one of our frequent abusers, who has decided to try and evade tracking by cloaking tail number! This has really got to stop. Doesn't the tower see this happening? (Tail number removed) also just abused noise abatement at the same time... Please help us. Thank you	KC	Reported aircraft has not flown into MRY today according to flight radar. Tail numbers are not available for public tracking on numerous aircraft. This is not to avoid detection from noise abatement violations but for privacy of the owner and operator. Just because a tail number is blocked does not mean it does not have a call sign or transponder.	

**MRY AIRPORT NOISE COMMENT LOG
JANUARY 2025**

Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Comments	By	Action Taken	Reported Weather /Notes
7 Sarah Hunter	Seaside	1/28/2025	12:35 PM	N737JA	Pattern	(Tail number removed) is the BLOCKED plane that just did NINE TNG in an hour over Monterey airport. Aero Aviation is the owner.... So, they tried to Block tail number to violate noise abatement...this is getting ridiculous. Our neighbors is exhausted. How can we stop this terrible abuse? Thank you	KC	Reported aircraft has not flown into MRY today according to flight radar. Tail numbers are not available for public tracking on numerous aircraft. This is not to avoid detection from noise abatement violations but for privacy of the owner and operator. Just because a tail number is blocked does not mean it does not have a call sign or transponder.	
AIR OPERATIONS ORIGINATING FROM ANOTHER AIRPORT									
AIR OPERATIONS OF UNKNOWN ORIGIN									
1 Richard Chelew	Monterey	1/13/2025	2:25 PM	Military	10R Arr	Low flying smallish jet flew overhead, towards airport as if to land. Extremely loud, rattling my home, upsetting animals, and setting off car alarms in the neighborhood. The sound was audible for 3 minutes or more.	MC	Explained it was a military jet that did not land at the airport.	
2 Tori Marsov	Old Monterey	1/13/2025	2:25 PM	Military	10R App	I am writing to formally complain about an extremely noisy and low-flying plane that disrupted my home on January 13, 2025, at approximately 2:25 PM. The plane flew over my house at 285 Spencer St, Monterey, CA 93940, and was so loud that it shook my entire home. The noise level and low altitude of the plane were not only disturbing but also concerning for the safety of the neighborhood. Such events greatly impact the quality of life for residents and could potentially pose safety risks. I kindly request that this matter be investigated and steps taken to prevent such disturbances in the future. Please let me know if any additional details are needed to address this issue. Thank you for your attention to this matter. Sincerely, Tori	KC	Based on the time frame you provided and the location of your address, it appears that you are referring to the pair of F-35 aircraft engaged in slow flight operations over the airport. These military aircraft did not land at the airport, and the airport had no prior knowledge of their arrival in the area.	

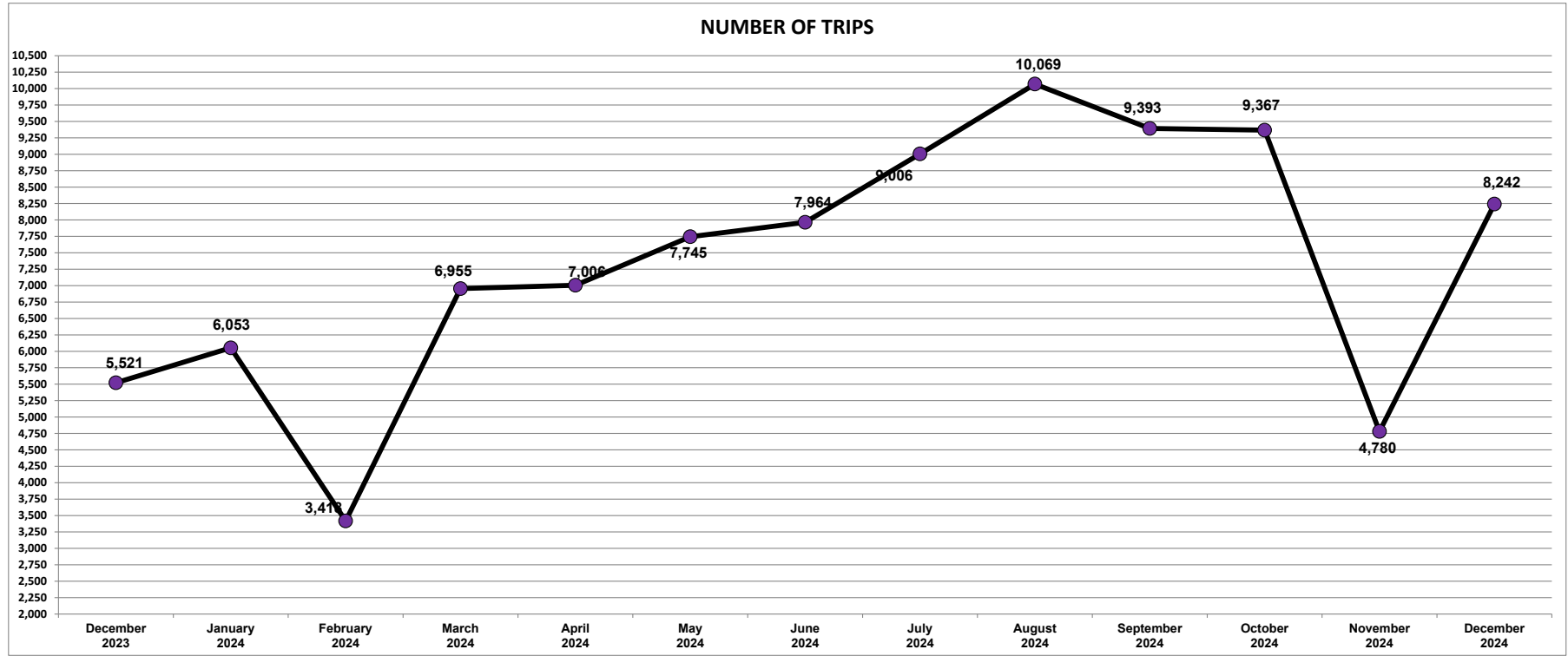
MRY AIRPORT NOISE COMMENT LOG JANUARY 2025

Name	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Comments	By	Action Taken	Reported Weather /Notes
3 Vickram Marson	Monterey	1/15/2025	2:35 PM	F-35 x 2	28L Arr	I am writing to express my concern about a very loud and low-flying plane that passed over my home on January 16, 2025, at approximately 2:36 PM. The plane flew over my residence at 805 Dickman Ave, Monterey, CA 93940, and was so loud that it caused my entire home to shake. The combination of the excessive noise and the low altitude of the aircraft was both disruptive and alarming, raising concerns about the safety and well-being of our neighborhood. Such incidents significantly affect the quality of life for residents and their pets, and may pose potential safety hazards. I kindly ask for this matter to be investigated and for measures to be taken to prevent similar disturbances in the future. Thank you for your attention to this issue.	MC	Explained the noise was caused by two F-35s that came in from the east, flew over the airport then departed out over the ocean. They did not land at the airport. I also noted we have no control over military aircraft.	

MONTHLY TOTALS and COMPARISONS

	Jan-25	Jan 24	% Change	Other Airport	UNKNOWN ORIGINS
Number of Complaints:	7	0	N/A	3	0
Number of Operations:	4,978	4,502	11%		
			% Change		
Annual Total	7	0	N/A	3	0

Transportation Network Companies (TNCs)



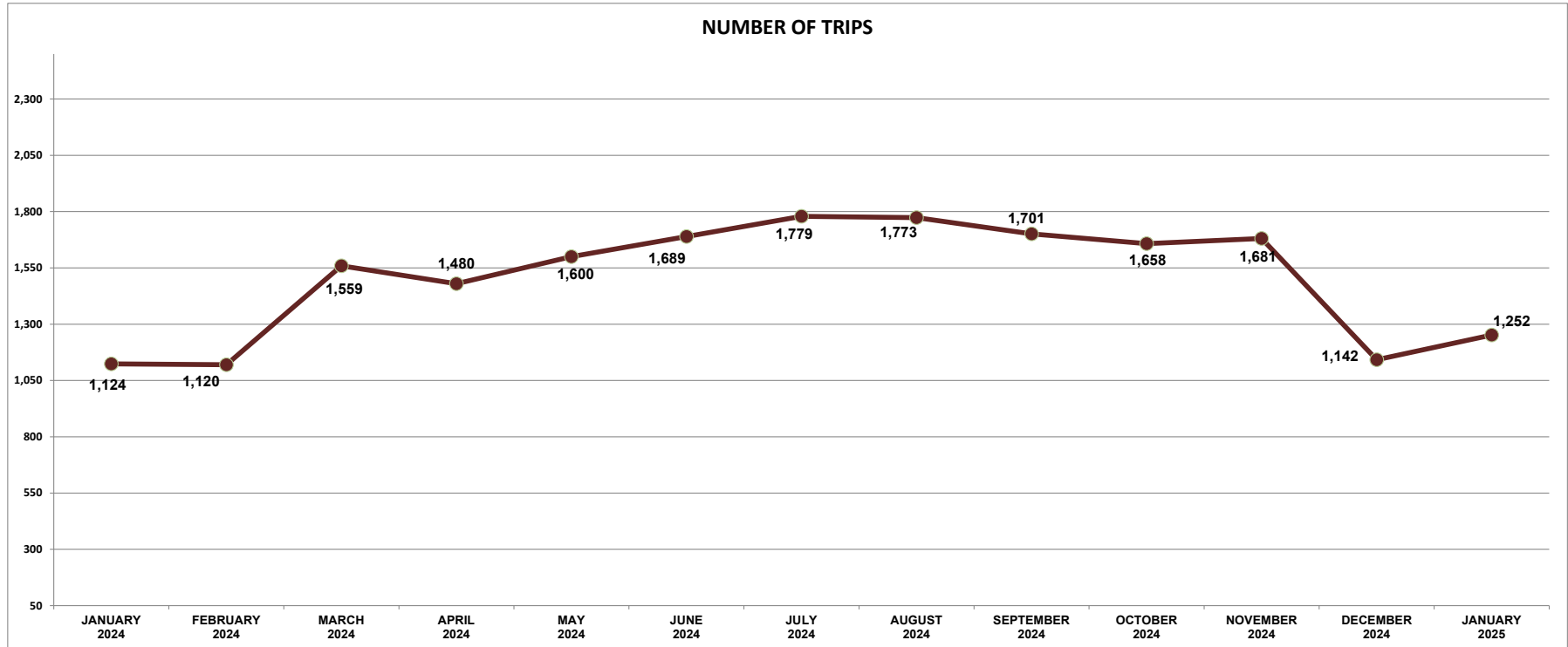
	2023 December	2024 January	2024 February	2024 March	2024 April	2024 May	2024 June	2024 July	2024 August	2024 September	2024 October	2024 November	2024 December
NUMBER OF TRIPS	5,521	6,053	3,418	6,955	7,006	7,745	7,964	9,006	10,069	9,393	9,367	4,780	8,242
NUMBER OF TNCs	2	2	2	2	2	2	2	2	2	2	2	2	2
TNC TRIP FEES	\$ 16,563	\$ 18,159	\$ 10,254	\$ 20,865	\$ 21,018	\$ 23,235	\$ 23,892	\$ 27,018	\$ 30,207	\$ 28,179	\$ 28,101	\$ 14,340	\$ 24,726
TNC PAYMENT PENALTIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TNC - TOTAL REVENUE	\$ 16,563	\$ 18,159	\$ 10,254	\$ 20,865	\$ 21,018	\$ 23,235	\$ 23,892	\$ 27,018	\$ 30,207	\$ 28,179	\$ 28,101	\$ 14,340	\$ 24,726

Cumulative 12-Month Operating Income: \$ 269,994

Fiscal Year To Date (July 2024 - December 2024) Operating Income: \$ 176,463

13-MONTH ROLLING COMPARISON

Taxis



	2024 JANUARY	2024 FEBRUARY	2024 MARCH	2024 APRIL	2024 MAY	2024 JUNE	2024 JULY	2024 AUGUST	2024 SEPTEMBER	2024 OCTOBER	2024 NOVEMBER	2024 DECEMBER	2025 JANUARY
NUMBER OF TRIPS	1,124	1,120	1,559	1,480	1,600	1,689	1,779	1,773	1,701	1,658	1,681	1,142	1,252
PERMITS SOLD	0	1	1	0	0	10	14	1	2	1	1	0	0
TAXI TRIP FEES	\$ 3,372	\$ 3,360	\$ 4,677	\$ 4,440	\$ 4,800	\$ 5,067	\$ 5,337	\$ 5,319	\$ 5,103	\$ 4,974	\$ 5,043	\$ 3,426	\$ 3,756
TAXI PERMIT FEES	\$0	\$100	\$100	\$100	\$1,200	\$1,000	\$1,400	\$100	\$200	\$0	\$100	\$0	\$0
TAXI - TOTAL REVENUE	\$ 3,372	\$ 3,460	\$ 4,777	\$ 4,540	\$ 6,000	\$ 6,067	\$ 6,737	\$ 5,419	\$ 5,303	\$ 4,974	\$ 5,143	\$ 3,426	\$ 3,756
CURB MGMT CONTRACT													
OBD LICENSING	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,083	\$ 2,916	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004
TAXI - TOTAL EXPENSE	\$ 2,083	\$ 2,083	\$ 2,916	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004	\$ 3,004

OPERATING INCOME / (LOSS) \$ 1,289 \$ 1,377 \$ 1,861 \$ 1,536 \$ 2,996 \$ 3,063 \$ 3,733 \$ 2,415 \$ 2,299 \$ 1,970 \$ 2,139 \$ 422 \$ 752

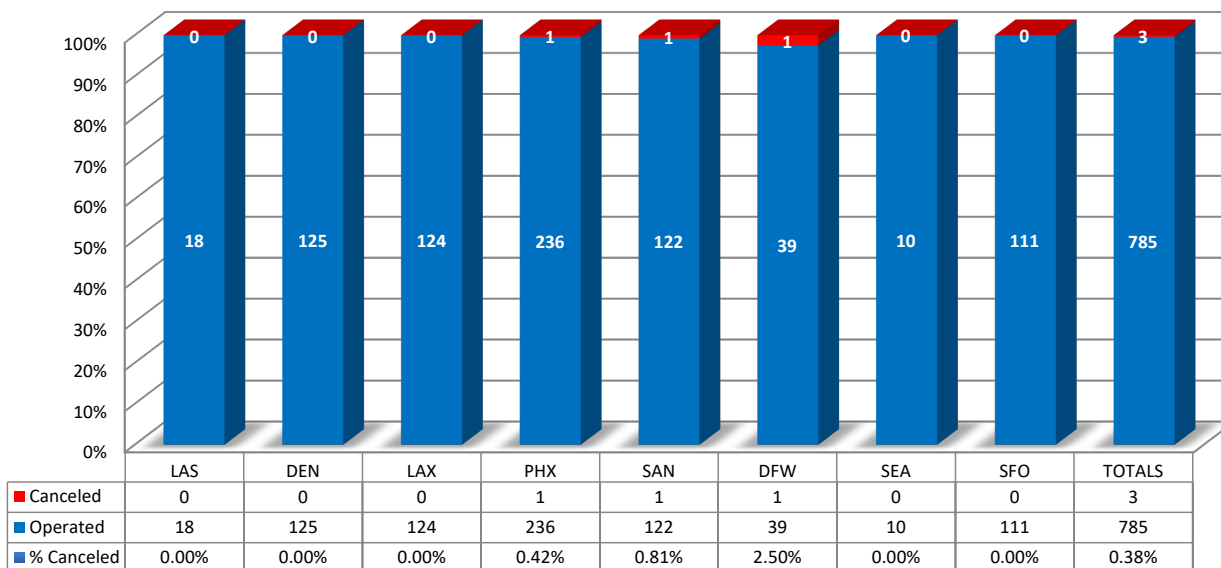
FYTD 2024 (July 2024 - January 2025) OPERATING INCOME / (LOSS) \$ 13,729

CUMULATIVE (12-MONTH) OPERATING INCOME / (LOSS) \$ 24,562

* February 1st swap to "OBD" system

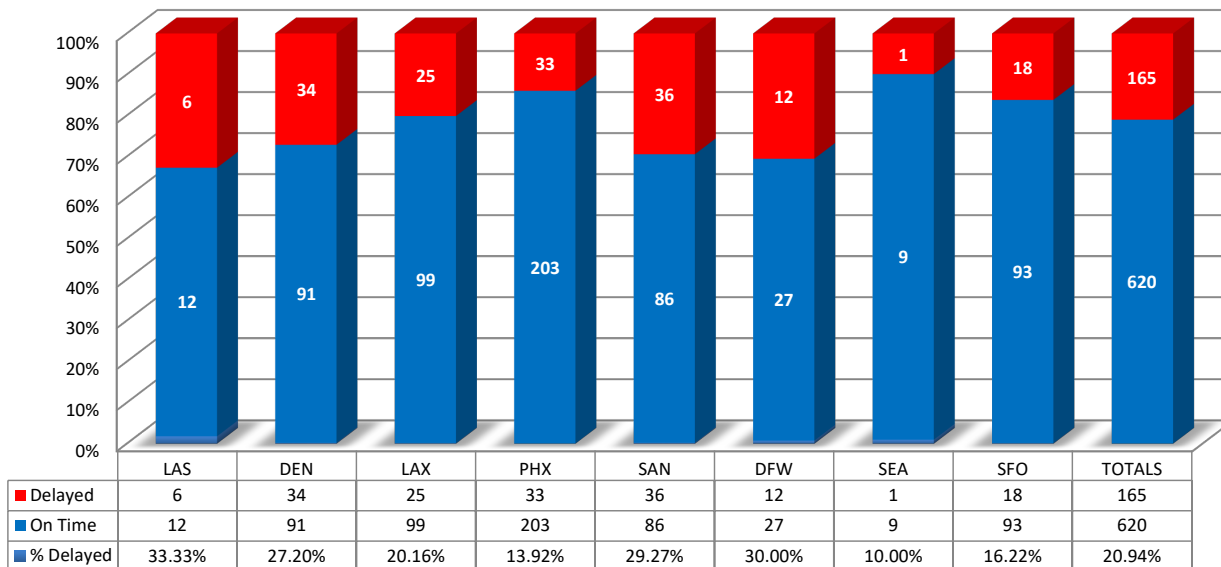
January 2025

January Commercial Flights Operated vs. Canceled



TOTAL CANCELLATIONS: 3

January Commercial Flights On Time vs. Delayed



TOTAL DELAYS: 165



Monterey Regional Airport February 2025 Flight Schedule



		ARRIVALS				DEPARTURES						
Aircraft Type (Seats)	FROM	AIRLINE	FLIGHT	TIME	SCHD	TO	AIRLINE	FLIGHT	TIME	SCHD	Aircraft Type (Seats)	
CRJ700 (66)	PHX		6461	9:25 AM	DAILY	DEN		5587	5:00 AM	DAILY	EMB175 (76)	
A319 (128)	DFW		2212	11:50 AM	SUN,MON,TH,FRI 15-28	SAN		3474	6:00 AM	DAILY	EMB175 (76)	
EMB175 (76)	LAX		5630	11:50 AM	DAILY	PHX		3952	6:00 AM	DAILY	A319 (128)	
EMB175 (76)	PHX		3378	12:25 PM	SUN,MON,TH,FRI 15-28	LAX		5335	6:00 AM 7:30 AM 8:10 AM	1, 8, 13, 16, 22, 23 15, 2-7, 9-12 14, 17-21, 24-28	EMB175 (76)	
EMB175 (76)	DEN		5438	1:30 PM	DAILY	SFO		5515	6:10 AM 7:55 AM	13-28 1-12	CRJ700 (66)	
EMB175 (76)	SFO		5253	2:00 PM 12:00 PM	1-12 EX 1, 4,8, 11 13-28 EX SAT/SUN	PHX		6461	10:00 AM	DAILY	CRJ700 (66)	
EMB175 (76)	SAN		3346	2:10 PM	DAILY	DFW		2212	12:30 PM 12:30 PM	SUN,MON,THU,FRI 15-28	A319 (128)	
CRJ700 (66)	PHX		6228	4:00 PM	DAILY	DEN		5551	12:50 PM	DAILY	EMB175 (76)	
EMB175 (76)	PHX		3738	6:40PM	DAILY	PHX		3513	1:00PM 12:45 PM	SUN,MON,THU,FRI 15-28	CRJ700 (66)	
EMB175 (76)	SEA		2290	7:00PM	13-28 MON, TH, F, SUN	LAX		5734	2:00 PM	DAILY	EMB175 (76)	
EMB175 (76)	LAX		5398	9:00 PM	DAILY	SFO		4729	2:40 PM	MON-FRI, 2,9 EX 4, 11	EMB175 (76)	
EMB175 (76)	DEN		5413	9:20 PM	DAILY	SAN		3346	2:50 PM	DAILY	EMB175 (76)	
EMB175 (76)	SAN		3392	10:30 PM	DAILY	PHX		6228	4:30 PM	DAILY	CRJ700 (66)	
EMB175 (76)	PHX		1762	10:30 PM	2,6,9,13,14,16,17,19,20,2123,26,27,28	SEA		2290	7:00 PM	13-28 MON, TH, F, SUN	EMB175 (76)	
CRJ200 (56)	SFO		5670	11:55 PM	DAILY	PHX		4032	7:05 PM 7:05 PM	2,6,9,13,14,16,17,19,20,2123,26,27 28	EMB175 (76)	
A319 (156)	LAS		53	9:20 PM	MON/FRI	LAS		41	10:00PM	MON/FRI	A319 (156)	

*Flight Schedule is general information and subject to change. Schedules are updated monthly and can change daily. Please contact your airline for further information.

TO: Michael La Pier, Executive Director
FROM: Chris Morello, Deputy Executive Director
DATE: February 3, 2025
SUBJ: Planning/Marketing and Capital Projects Monthly Report

Attached is the current monthly Project Report for the Planning and Marketing Departments with the following highlights for January 2025:

- **The East TSA Access Road and Short-term parking lot**
 - ✓ Repairs were completed over two days by Graniterock in January, 2025. This project was completed in accordance with the contract documents and on budget.

- **Runway 28L-10R**
 - ✓ Phase one repairs were completed in January 2025 by Granite Rock Company over a four-night runway closure. The contractor will be back onsite 30 days after the pavement was installed to complete the final coat of runway markings. Phase 2, the global sealcoat of the full runway, will be scheduled for early fall, after summer travel and when the weather temperatures are warmer.

- **Art at the Airport**
 - ✓ The main art exhibit, installed by the Central Coast Art Association, was taken down at the end of January. The 2025 exhibit will be installed by the Monterey County Film Commission showcasing Monterey's rich cinematic heritage. The exhibit is divided into six thematic cases, each highlighting unique aspects of Monterey's filmmaking history, cultural impact, and natural allure. Case themes are History of filmmaking in Monterey; Behind-the-scenes; Iconic films and TV shows; Monterey's natural beauty as a filming location; The art of filmmaking; and Monterey's film genres. The exhibit aims to educate, entertain, and inspire visitors while emphasizing Monterey's role as a prominent filmmaking destination.

FUNDING				EXPENDITURES				STATUS			
PROJECT #	AIP #	PFC	Total Project Budget	Spent in Prior Fiscal Years	FY 2025 Expenditures to Date	1/31/2025	% Physical Complete	Project Name	Current Status	4 Week Look Ahead	
<u>ACTIVE FEDERALLY-FUNDED PROJECTS:</u>											
1	2022-01	79	18-22-C-00-MRY	\$11,209,740	\$10,515,600	\$514,836	\$11,030,436	100%	SEP Phase C1/C2/C3 ARFF Design/Construction Demo/Airfield Access	The fire personnel moved into the new location on October 18, 2023. Hazardous abatement was completed on the southside location on October 27, 2023. Demolition began on November 28, 2023 after PG&E disconnected the utilities.	Project close out was initiated with FAA on October 31, 2024.
2	2023-01	82	18-22-C-00-MRY	\$3,664,550	\$1,056,320	\$2,437,661	\$3,493,982	99%	SEP Phase D1 Terminal Design	The BIL entitlement grant was executed in August and it will fund 47% of the HOK design and 100% of KHA contract. An update on the Design Development was provided by HOK at the August Board meeting. HOK is working on bid documents that will be ready in November 2024.	HOK presented the final construction drawing presentation to the BOD at the November 20, 2024 meeting. This grant will be closed out once the contractor is identified and they provide a full review of the plans.
3	2024-01	81	18-22-C-00-MRY	\$3,157,895	\$2,575,062	\$582,833	\$3,157,895	100%	SEP Phase D1 Terminal Design	The BIL ATP grant application was executed on September 13, 2023 which funds 53% of the HOK design services. HOK made a presentation to the BOD on 11/30/23 and a design concept was chosen.	With the submittal of the 50% construction drawings, the ATP funding requirements have been met and this grant close out request has been submitted.
4	2023-02	83	25-26-C-00-MRY	\$3,105,891	\$0	\$370,912	\$370,912	50%	RUNWAY 28L-10R TREATMENT	A contract based on bids was approved at the August board meeting with award to Granite Rock Company. GRC is currently working on the project schedule.	Phase 1 mill and fill construction was completed in mid-January 2025. The next phase won't be completed until the fall of 2025 during warmer weather.
5	2023-03 2028-07	80-84	18-22-C-00-MRY and 25-26-C-00-MRY	\$44,707,180	\$10,701,033	\$12,204,045	\$22,905,078	50%	SEP Phase B2 Commercial Apron Construction	A notice to proceed was executed on 11/30/2023 and GRV JV began mobilization.	The concrete batch plant was erected on October 31, 2024. Concrete paving began the first week of December 2024, weather permitting. Concrete paving will continue throughout the month of March 2025.

FUNDING				EXPENDITURES				STATUS			
PROJECT #	AIP #	PFC	Total Project Budget	Spent in Prior Fiscal Years	FY 2025 Expenditures to Date	1/31/2025	% Physical Complete	Project Name	Current Status	4 Week Look Ahead	
6	2025-01	86	18-22-C-00-MRY	\$18,469,730		\$14,500	\$14,500	0%	SEP Phase D3 Landside circulation	The construction costs based on a Guaranteed Maximum Price that was provided by OTTO Construction was approved at the August board meeting. OTTO continues to work with HOK to review the plans and discuss value engineering options.	OTTO continues to work with HOK to review the plans and discuss value engineering options. Otto has submitted the utility relocation applications to PGE.
7	2025-02	85	25-26-C-00-MRY	\$1,056,997		\$0	\$0	0%	Purchase Primary ARFF Vehicle	The BOD adopted Resolution 1881 authorizing a contract with Oshkosh Airport Products based on bids received for a replacement ARFF Vehicle.	The tentative delivery of the new vehicle is October 2025.
8	2025-09	XX	25-26-C-00-MRY	\$5,620,864		\$0	\$0	0%	SEP Phase D3 Relocated parking		OTTO continues to work with HOK to review the plans and discuss value engineering options. Otto submitted a GMP for the parking in December. Subsequently a grant application from BIL AIG was submitted to FAA for funding consideration.
9	2025-09	XX	25-26-C-00-MRY	\$88,654,699		\$20,150	\$20,150	0%	SEP Phase D2 Replacement Terminal Construction	HOK presented the final construction drawing presentation to the BOD at the November 20, 2024 meeting.	Staff have begun the contractor procurement process based on federal procurement requirements. A CMAc team contract will be brought to the BOD for consideration at the February 2025 board meeting.
<u>OUTSIDE FUNDED PROJECTS:</u>											
10	2019-03	N/A	N/A	\$2,828,058	\$955,048	\$1,987,280	\$2,942,328	99%	WATER DISTRIBUTION SYSTEM	The contractor began to construct the connections in front of the terminal and through the rental car parking lot in September	The final phase will include getting power to the well head at 2801. We are currently waiting on the electrical panel, which is on back order until the spring.
<u>DISTRICT ONLY FUNDED PROJECTS</u>											

FUNDING				EXPENDITURES				STATUS			
PROJECT #	AIP #	PFC	Total Project Budget	Spent in Prior Fiscal Years	FY 2025 Expenditures to Date	1/31/2025	% Physical Complete	Project Name	Current Status	4 Week Look Ahead	
11	2025-06	N/A	N/A	\$290,000		\$52,290	\$52,290	0%	2801 PROPERTY REPAIRS	MESS completed the final phase of the asbestos abatement in August 2024.	
12	2025-03	N/A	N/A	\$210,000		\$14,774	\$14,774	5%	EAST TSA ACCESS RD, SHORT TERM LOT IMPROVEMENTS		Granite Rock Company completed the work in January 2025.
13	2025-04	N/A	N/A	\$125,000		\$7,294	\$7,294	0%	AIRFIELD AND PROPERTY MAINTENANCE		
14	2025-05	N/A	N/A	\$1,000,000		\$58,650	\$58,650	0%	PLAN OF FINANCE TEAM FEES		A letter of intent has been submitted to the Build America Bureau, which has begun the project development TIFIA loan process. Ballard Spahr has begun to draft a Master Resolution relating to the issuance of the proposed bonds for the Monterey Regional Airport terminal financing, that will come before the BOD for consideration in the near future.



POLICE

DEL REY OAKS

MONTHLY POLICE ACTIVITY REPORT

January 2025

TO: Michael La Pier, Executive Director
FROM: Commander Roger Guzman
DATE: February 9th, 2025
SUBJECT: Police Activity Report for January 2025

The following is a summary of significant activity in the Police Department in January 2025:

Highlights

Del Rey Oaks Police Officers responded to approximately 30 **door and gate alarms** in January. Daily Sterile Area Sweeps conducted with TSA Personnel, no discrepancies observed. Daily testing of the Law Enforcement paging system conducted without error. DRO PD Officers conducted the Weekly Duress Alarm testing with TSA Personnel, all test alarms performing as required. Officers continued assisting Airport Operations with the closing times for rental car counters.

Officers responded to 4 Elevator Alarms during the course of the month.

Training

Officer Dowson provided updated training regarding MRY OPS. Met with Airport Operations throughout the month to ensure proper Airport protocols were being followed. Drivers training to be conducted annually in July for members of the Police Department with SIDA Badges.

Calls for Service

1. 01/01/2025 12:48 PM Ofcr J Andoy
Terminal: Lost and Found
Blue/black backpack was left outside in front of terminal, near departures. Backpack was taken to Lost & Found.
2. 01/01/2025 1:06 PM Ofcr J Andoy
TSA: Medical Emergency
Male attempted to go through the TSA checkpoint without a boarding pass. Fortunately, he was stopped and did not make it through. Male stated he was having a panic attack and someone was following him. The male calmed down and agreed to get check out by paramedics. See Report for further. DRO CR #25-001
3. 01/01/2025 04:07 PM Ofcr J Andoy
Terminal: Lost and Found
Owner of backpack returned to the Airport and claimed his property.

4. 01/02/2025 12:02 PM Ofcr J Andoy
Blue Patrol: Traffic Stop
Driver of a white Chevrolet Traverse failed to stop at stop sign near Admin Lot. Driver cited.
5. 01/02/2025 12:36 PM Ofcr J Andoy
Terminal: Lost and Found
MPAD employee advised of black backpack left unattended on the top floor near water fountains & bathrooms. PD unable to locate backpack.
6. 01/04/2025 06:42 AM Ofcr Gomez
Terminal: Elevator Alarm
Advised of elevator alarm. Both elevators check no one in distress located.
7. 01/04/2025 11:38 AM Ofcr J Andoy
Blue Patrol: Parking Citation
Single vehicle cited for parking unattended.
8. 01/05/2025 01:30 PM Ofcr Dowson
Terminal: Elevator Alarm
East Elevator Alarm (No one in distress located)
9. 01/05/2025 02:05 PM Ofcr Dowson
Blue Patrol: Parking Citation
Traffic Enforcement Front Curb, Heavy traffic. (1 Citation Issued)
10. 01/05/2025 1:55 AM Ofcr Tang
Blue Patrol: Short Term Parking Lot
South End lights of the Parking lot not functioning.
11. 01/06/2025 5:45 AM Ofcr Tang
Terminal: Elevator Alarm
Dispatch advised a 911 call from an elevator, welfare check conducted, no distress.
12. 01/06/2025 12:01 PM Ofcr Dowson
Terminal: Fire Alarm
Fire Alarm activation in the Gate 5 boarding area bathroom. Determined to be an individual "Vaping" no cameras observed who was in the restroom at the activation time. The bathroom was located locked but empty.
13. 01/06/2025 7:29 PM Ofcr Gomez
Blue Patrol: FI 985
Waitress at Woody's called to relate the parking attendant Michael BAKER was harassing her. Waitress requested I speak with BAKER and let him know not to interact with the waitress in any way and stay away from her place of work. BAKER stated he understood and would not interact with her anymore. DROPD FI: 985
14. 01/07/2025 02:02 PM Ofcr Gomez
Blue Patrol: Hi-Way Self Storage
Vehicle rolled away at Highway storage and collided with side of building. Damage to wall/bathroom. Owner of vehicle contacted property owner at time of collision. Vehicle owner would provide property owner with vehicle insurance. DROPD FI: 986

15. 01/07/2025 5:20 PM Ofcr Dowson
Blue Patrol: Parking Citation
Front Curb 1 vehicle cited for being unattended.
16. 01/07/2025 8:45 PM Ofcr Bough
Terminal: Lost and Found
A passenger called to report she might have left her small black Kate Spade clutch purse in the restroom near gate 5. She says she also might have left it on the plane when she got off. It contained \$200 cash and 3 credit cards (which she cancelled). I checked thoroughly in all of the restrooms, trash cans and seats with no luck.
17. 01/13/2025 03:30 PM Ofcr Dowson
Blue Patrol: Parking Citation
Parking citation issued in the Long Term Lot.
18. 01/14/2025 8:05 AM Ofcr Dowson
Terminal: Lost and Found
On foot patrol in the Main Terminal a jacket was located, it was turned in to the Airport Lost and Found.
19. 01/14/2025 10:51 AM Ofcr Dowson
Blue Patrol: Parking Citations
2 parking citations issued, one in the Long Term Lot and 1 in the Short Term Lot.
20. 01/16/2025 08:20 AM Ofcr Gomez
Terminal: Maintenance Issue
American Airlines staff advised their bag roll up door was not opening. Ops and maintenance notified.
21. 01/17/2025 08:36 AM Ofcr J Andoy
Terminal: Elevator Alarm
East Elevator alarm, no one in distress located.
22. 01/17/2025 01:41 PM Ofcr J Andoy
Blue Patrol: Parking Citation
1 Parking citation issued along the Front Curb.
23. 01/17/2025 03:15 PM Ofcr J Andoy
Terminal: Lost and Found
Found laptop bag by baggage claim. Bag was taken to lost & found.
24. 01/18/2025 06:05 AM Ofcr Gomez
TSA: Medical
Passenger on board American plane had complaint of chest pain. Fire/AMR assessed: possible panic attack. Passenger's wife would pick up and take to urgent care or ER if needed.
25. 01/21/2025 12:20 AM Ofcr Sgt Nguyen
Red Patrol: Gate Alarm
V-12 Alarm activated through phone alert. Construction crews on-site and properly badged/escorted
26. 01/21/2025 01:00 AM Sgt Nguyen
Terminal: Citizen Assist
Assisted a stranded passenger, courtesy transportation given to the City of Del Rey Oaks.

27. 01/22/2025 11:00 AM Ofcr Bough
Terminal: Upset passenger
Radio dispatched me to United on a disturbance involving a customer wanting a refund. He was gone by the time I got downstairs from the office.
28. 01/24/2025 09:51 AM Ofcr Gomez
TSA: Lost and Found
TSA found books near check point in non-sterile area. Turned in to lost and found
29. 01/27/2025 03:15 AM Ofcr Dowson
Terminal: Lost and Found
Jacket located in front of TSA Checkpoint and placed in lost and found.
30. 01/27/2025 11:00 AM Ofcr Dowson
Blue Patrol: Parking Citation
1 citation issued in the Long Term Lot.
31. 01/27/2025 04:15 PM Ofcr Dowson
Blue Patrol: Parking Citation
1 citation issued in the Short Term Lot
32. 01/28/2025 07:00 AM Ofcr Dowson
Red Patrol: Vehicle Inspection
Officers requested for vehicle inspection at gate V-29. Vehicle never arrived.
33. 01/29/2025 06:30 AM Ofcr J Andoy
Red Patrol: Vehicle Inspection
Fork Lift inspected at V-29 to pick up large safe.
34. 01/30/2025 11:15 AM Ofcr Gomez
TSA: Medical Emergency
Medical off of American Airlines Dallas flight. Elderly female felt nauseous and weak. AMR transported to CHOMP.
35. 01/30/2025 03:32 PM Ofcr Gomez
TSA: Patrol
Unattended box in women's bathroom. Was to go food container with bread. Disposed of in trash.
36. 01/30/2025 04:37 PM Ofcr Gomez
Terminal: Fire Alarm
Fire alarm activation in men's restroom next to Woody's. Negative fire. Spoke to person walking out of restroom who stated he did not smoke anything and did not see anyone smoking in the restroom. Fire dept. reset system.
37. 01/30/2025 05:05 PM Ofcr Gomez
Red Patrol: Vehicle Inspection
Searched Roto Rooting plumbing vehicle at V7 (CA Lic. 4942C3, Wht Merc Sprinter van). Maintenance escorted.

38. 01/31/2025 08:25 AM Ofcr J Andoy/Dowson
Dignitary Detail
Vehicle inspections and escort provided from V-7 to Commercial Ramp. American Airlines employees on scene for additional escorts.
39. 01/31/2025 11:00 AM Ofcr J Andoy
Blue Patrol: Traffic Stop
Traffic stop, driver issued a citation.
40. 01/31/2025 03:19 PM Ofcr J Andoy
Red Patrol: Vehicle Inspection
Vehicle inspected at V-7. Vehicle escorted by UGE.
41. 01/31/2025 09:45 PM Ofcr Moore/Dowson
Dignitary Detail
Vehicles inspected at V-7 and escorted to commercial ramp by American Airlines Employees.

End of Report.