City of Benson
City Council Communication

Special Meeting **June 1, 2015**

To: Mayor and Council Agenda Item # 3

From: Bradley J. Hamilton, P.E. Director of Public Works/City Engineer

Subject:

Resolution 16-2015 of the Mayor and Council of the City of Benson, Arizona, authorizing the City to enter into an Agreement with Pavex Corporation, for the Construction of a Helipad), Install Miscellaneous NAVAIDS (Rotating Beacon, Relocate Taxiway Hold Signs, Runway 10 Threshold Lighting) in the amount of $205,974.40

Discussion:

This contract is for expanding the current apron by constructing new helicopter parking pad and will also include installing miscellaneous NAVAIDS (Rotating Beacon, Relocate Taxiway Hold Signs and Runway 10 Threshold Lighting).

The City along with it consultant, has advertised a competitive bid for this project. The lowest qualified bidder was Pavex Corporation with a bid of $205,974.40.

Staff Recommendation:

Approval of Resolution 16-2015

RESOLUTION 16-2015

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT WITH PAVEX CORPORATION, FOR THE CONSTRUCTION OF A HELIPAD AND INSTALL MISCELLANEOUS NAVAIDS OF THE BENSON MUNICIPAL AIRPORT IN AN AMOUNT NOT TO EXCEED $205,974.40

WHEREAS, the Mayor and City Council of the City of Benson have determined that it is necessary to complete the construction of a Helipad and to Install miscellaneous NAVAIDS (Rotating Beacon, Relocate Taxiway Hold Signs, Runway 10 Threshold Lighting) at the Benson Municipal Airport; and

WHEREAS, the City of Benson has submitted to the Federal Aviation Administration Project Application dated April 28, 2015 for a grant of Federal funds for a project at or associated with the Benson Municipal Airport/Planning Area for Expand Apron (Construct new helicopter parking pad), Install Miscellaneous NAVAIDS (Rotating Beacon, Relocate Taxiway Hold Signs, Runway 10 Threshold Lighting); and

WHEREAS, the City of Benson has been awarded a grant by the Federal Aviation Administration for the construction of the Helipad and to Install Miscellaneous NAVAIDS (Rotating Beacon, Relocate Taxiway Hold Signs, Runway 10 Threshold Lighting); and

WHEREAS, Pavex Corporation is qualified to provide construction services and construct the above-mentioned improvements at the Benson Municipal Airport, and has presented an agreement (the "Agreement") to the staff of the City for such construction services, attached here to as Exhibit "A" and incorporated herein by this reference; and

WHEREAS, the City Council has reviewed the terms and conditions of the Agreement and determined that the proposed Agreement with Pavex Corporation represents the best and most cost effective method to provide this service to the City and its residents and entering into it is in the best interests of the City and its residents.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Benson, Arizona, as follows:

Section 1. The City is hereby authorized to enter into the Agreement between Pavex Corporation and the City of Benson, attached hereto as Exhibit "A."

Section 2. The Mayor of the City of Benson is hereby authorized and directed to execute said Agreement on behalf of the City of Benson, and the City staff is hereby authorized and directed to take all steps necessary and proper to implement said Agreement and give it effect.

Section 3. The various City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this Resolution.

Section 4. All ordinances, resolutions, or motions and parts of ordinances, resolutions or motions of the council in conflict with the provisions of this Resolution are here by repealed, effective as of the effective date of this Resolution.

Section 5. If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, this 1st day of June, 2015.

_____
TONEY D. KING, SR., Mayor

ATTEST:

_____
VICKI L. VIVIAN, CMC, City Clerk

APPROVED AS TO FORM:

_____
MESCH, CLARK & ROTHSCHILD
By GARY J. COHEN
City's Attorney

EXHIBIT “A”

The Agreement

AGREEMENT

This Agreement made and entered into this ____ day of _____, 2015, by and between CITY OF BENSON, ARIZONA, party of the first part, hereinafter in the Contract Documents referred to as the "Sponsor," and PAVEX CORP. hereinafter in the Contract Documents called the "Contractor," party of the second part.

WITNESSETH, that the Sponsor advertised that sealed proposals would be received for furnishing all labor, tools, supplies, equipment, materials and everything necessary and required for Benson Municipal Airport Improvements.

WHEREAS, A.I.P. Project No. 3-04-0077-017-2015 has been awarded to the above-named Contractor by the Sponsor and said Contractor is now willing and able to perform all of said work in accordance with said advertisement and his proposal.

NOW, THEREFORE, in consideration of the compensation to be paid the Contractor, the mutual covenants hereinafter set forth and subject to the terms hereinafter stated, it is mutually covenanted and agreed as follows:

ARTICLE 1

Contract Documents

It is agreed by the parties hereto that the following list of instruments, drawings and documents which are attached hereto, bound herewith, or incorporated herein by reference constitute and shall be referred to either as the Contract Documents or the Agreement and all of said instruments, drawings and documents taken together as a whole constitute the Agreement between the parties hereto and they are as fully a part of this Agreement as if they were set out verbatim and in full herein:

Invitation for Bids
Instructions to Bidders
Proposal
Non-Collusion Affidavit
Bid Bond
Notice of Award
Agreement
Performance, Payment and Maintenance Bonds
Certificate of Inclusion of Labor & EEO Requirements in Subcontracts
Notice to Proceed
Change Orders
Applications for Payment
Wage Rates
General Provisions
Technical Specifications
Special Provisions
Construction Safety and Phasing Plan
Construction Management Plan
Plans and Drawings
Addenda (If any)

ARTICLE 2

Statement of Work

The Contractor agrees to and shall furnish all labor, tools, supplies, equipment, materials and everything necessary for and required to do, perform and complete all of the work described, drawn, set forth, shown and included in said Contract Documents.

ARTICLE 3

Contract Time

The Contractor agrees to undertake the performance of the Work under the Agreement on the date stated on the Notice to Proceed and agrees to fully complete said Work within thirty days (30) consecutive calendar days unless an extension of time is granted by the Sponsor in accordance with the provisions of Section 80, paragraph 7, General Provisions.

ARTICLE 4

Liquidated Damages

It is understood and agreed by and between the Sponsor and the Contractor that should the completion of the entire project be delayed beyond the stipulated day herein specified, the Sponsor will suffer substantial damages, which damages it would be difficult to accurately determine. The parties hereto have considered the possible limit of damages and have agreed that a delay in completion of this project will cost the Sponsor not less than One Thousand Dollars ($1,000) for each calendar day. In view of these facts and in accordance with the General and Special Provisions, the Contractor agrees to pay the Sponsor as liquidated damages and not as a penalty, the sum of One Thousand Dollars ($1,000) for each calendar day, if any, which exceeds the total project time limit stated in Article 3 above with allowances for any extensions of time which the Sponsor may properly grant. If the Contractor shall fail to pay such liquidated damages promptly upon demand therefore, the Surety on the Performance Bond shall pay such damages. Also, the Sponsor may hold all or part of such liquidated damages from payments due the Contractor.

ARTICLE 5

Terms of Payment

The Contractor agrees to accept as his full and only compensation for the performance of all the work required under this Agreement, the sum or sums of money as may be proper in accordance with the price or prices set forth in the Contractor's Proposal, attached hereto and made a part hereof for the total estimated cost thereof to be Two Hundred Five Thousand Nine Hundred Seventy Four Dollars and Forty Cents ($205,974.40). Partial payments will be made for Work completed during the previous month as well as for materials (invoice cost only) delivered to the Project site and suitably stored.

Application for partial payments for stored materials must be accompanied by certified invoices showing all pertinent data that may be required by the Engineer to verify the accuracy of the invoices and their relation to the stored materials. Failure to provide certified invoices will disqualify the materials in question from consideration for partial payment. Partial payments for Work completed during the previous month will be made based on the Contractor's Application for Payment and the Engineer's Recommendation of Payment.

The Sponsor will retain, from partial payments, ten percent (10%) of the total amount due the Contractor based on the Contractor's Application for Payment and the Engineer's Recommendation of Payment.
Nothing contained herein shall be construed as relieving the Contractor and the Sureties on the Contractor's Bond from any claim or claims for work or labor done or materials or supplies furnished in the execution of the Agreement.

It is the intent of Sponsor, to make payment for partial payments in a timely manner as follows:

A. The Contractor shall submit to the Engineer his Application for Payment not later than the next to last Friday of the month.

B. The Engineer will, within 7 days after receipt, submit the Application for Payment to the Sponsor for payment along with his Recommendation of Payment, noting any changes. The Sponsor will make payment to the Contractor when funds are received from the FAA and/or State of Arizona.

ARTICLE 6

Bonds and Insurance

The party of the second part furnishes concurrently herewith the bonds and insurance required by the Contract Documents, said bonds and insurance having been approved by the Sponsor and attached hereto. The Performance Bond will be in an amount not less than one hundred percent (100%) of the Contract Price but, in any event, shall provide for the completion of the project in accordance with the Contract Documents, without additional cost to the Sponsor. The Payment Bond will be in an amount not less than one hundred percent (100%) of the Contract Price but, in any event, shall provide for the payment of all project costs in accordance with the Contract Documents, without additional cost to the Sponsor. The Maintenance Bond will be so conditioned as to provide for the correction or replacement of any portion of the Work that proves defective in materials or workmanship for a period of one year following final acceptance of the project and shall cover not only the material but also the costs of removal, correction, re-construction and any other costs incurred in the repair of defective portions of the Work.

ARTICLE 7

Civil Rights Act of 1964, Title VI – 49 CFR Part 21 - Contractual Requirements
(Version 1, 1/5/90)

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor") agrees as follows:

1. Compliance with Regulations.
The Contractor shall comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter, "D.O.T.") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this Contract.

2. Nondiscrimination.
The Contractor, with regard to the Work performed by it during the Contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of Subcontractors, including procurements of materials and leases of equipment. The

Contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the Regulations.

3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment.**
In all solicitations either by competitive bidding or negotiation made by the Contractor for Work to be performed under a Subcontract, including procurements of materials or leases of equipment, each potential Subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, color or national origin.

4. **Information and Reports.**
The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the Sponsor or the FAA, as appropriate and shall set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance.**
In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the Sponsor shall impose such Contract Sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

   A. Withholding of payments to the Contractor under the Contract until the Contractor complies and/or

   B. Cancellation, termination, or suspension of the Contract, in whole or in part.

6. **Incorporation of Provisions.**
The Contractor shall include the provisions of paragraphs 1 through 5 in every Subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any Subcontract or procurement as the Sponsor or the FAA may direct as a means of enforcing such provisions including Sanctions for noncompliance. Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a Subcontractor or supplier as a result of such direction, the Contractor may request the Sponsor to enter into such litigation to protect the interests of the Sponsor and, in addition, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

ARTICLE 8

Airport And Airway Improvement Act of 1982, Section 520 General Civil Rights Provisions
(Version 1, 1/5/90)

The Contractor assures that it will comply with pertinent statutes, Executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the tenant/concessionaire/lessee or its transferee for the period during which Federal assistance is extended to the airport program,

except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the Airport Sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits or (b) the period during which the Airport Sponsor or any transferee retains ownership or possession of the property. In the case of Contractors, this provision binds the Contractors from the Bid Solicitation period through the completion of the Contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

ARTICLE 9

Inspection Of Records – 49 CFR Part 18
(Version 1, 1/5/90)

The Contractor shall maintain an acceptable cost accounting system. The Sponsor, the FAA, the Comptroller General of the United States shall have access to any books, documents, paper and records of the Contractor which are directly pertinent to the specific Contract for the purposes of making an audit, examination, excerpts and transcriptions. The Contractor shall maintain all required records for three years after the Sponsor makes final payment and all other pending matters are closed.

ARTICLE 10

Rights To Inventions – 49 CFR Part 18
(Version 1, 1/5/90)

All rights to inventions and materials generated under this Contract are subject to Regulations issued by the FAA and the Sponsor of the Federal grant under which this Contract is executed. Information regarding these rights is available from the FAA and the Sponsor.

ARTICLE 11

Breach Of Contract Terms, Sanctions – 49 CFR Part 18
(Version 1, 1/5/90)

Any Violation or breach of the terms of this Contract on the part of the Contractor or Subcontractor may result in the suspension or termination of this Contract or such other action which may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

ARTICLE 12

DBE Required Statements – 49 CFR Part 26
(11/19/01)

1. **Policy.**
   It is the policy of the Department of Transportation (D.O.T.) that Disadvantaged Business Enterprises (DBE's) as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of Contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26, apply to this Agreement.

2. **DBE Obligation.**
The Contractor or Subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of D.O.T.-assisted Contracts. Failure by the Contractor to carry out these requirements is a material breach of this Contract, which may result in result in the termination of this Contract or such other remedy, as the Sponsor deems appropriate.

3. **Prompt Payment.**
The Prime Contractor agrees to pay each Subcontractor under this Prime Contract for satisfactory performance of its Contact no later than ten (10) days from the receipt of each payment the Prime Contractor receives from the Sponsor. The Prime Contractor agrees further to return retainage payments to each Subcontractor within thirty (30) days after the Subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Sponsor. This clause applies to both DBE and non-DBE Subcontractor.

ARTICLE 13

Trade Restriction Clause – 49 CFR Part 30
(Version 1, 1/5/90)

The Contractor or Subcontractor, by submission of an offer and/or execution of a Contract, certifies that it:

A. Is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);

B. Has not knowingly entered into any Contract or Subcontract for this Project with a person that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens of nationals of a foreign country on said list;

C. Has not procured any product or subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no Contract shall be awarded to a Contractor or Subcontractor who is unable to certify to the above. If the Contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use on the Project, the Federal Aviation Administration may direct through the Sponsor cancellation of the Contract at no cost to the Government.

Further, the Contractor agrees that, if awarded a Contract resulting from this solicitation, it will incorporate this provision for certification without modification in each Contract and in all Lower Tier Subcontracts. The Contractor may rely on the certification of a prospective Subcontractor unless it has knowledge that the certification is erroneous.

The Contractor shall provide immediate written notice to the Sponsor if the Contractor learns that its certification or that of a Subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Subcontractor agrees to provide written notice to the

Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making the Award. If it is later determined that the Contractor or Subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Sponsor cancellation of the Contract or Subcontract for default at no cost to the Government.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a Contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

ARTICLE 14

Airport And Airway Improvement Act Of 1982, Section 515 Veteran's Preference
(Revised 4/8/2015)

Veteran's Preference shall be included in all contracts for work on any project funded under this grant agreement which involves labor. Such provisions are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Title 49 United States Code, Section 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

ARTICLE 15

Termination Of Contract – 49 CFR Part 18
(Version 1, 1/5/90)

1. The Sponsor may, by written notice, terminate this Contract in whole or in part at any time, either for the Sponsor's convenience or because of failure to fulfill the Contract obligations. Upon receipt of such notice services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this Contract, whether completed or in progress, delivered to the Sponsor.

2. If the termination is for the convenience of the Sponsor, an equitable adjustment in the Contract Price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.

3. If the termination is due to failure to fulfill the Contractor's obligations, the Sponsor may take over the work and prosecute the same to completion by Contract or otherwise. In such case, the Contractor shall be liable to the Sponsor for any additional cost occasioned to the Sponsor thereby.

4. If, after notice of termination for failure to fulfill Contract obligations, it is determined that the Contractor had not so failed, the termination shall be deemed to have been effected for the

convenience of the Sponsor. In such event, adjustment in the Contract Price shall be made as provided in paragraph 2 of this clause.

5. The rights and remedies of the Sponsor provided in this clause are in addition to any other rights and remedies provided by law or under this Contract.

ARTICLE 16

Clean Air And Water Pollution Control Requirements
(Version 1, 1/5/90)

Contractors and Subcontractors agree:

1. That any facility to be used in the performance of the Contract or Subcontract or to benefit from the Contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities.

2. To comply with all the requirements of Section 114 of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq. and Section 308 of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in Section 114 and Section 308 of the Acts, respectively and all other regulations and guidelines issued thereunder;

3. That, as a condition for the Award of this Contract, the Contractor or Subcontractor will notify the awarding official of the receipt of any communication from the EPA indicating that a facility to be used for the performance of or benefit from the Contract is under consideration to be listed on the EPA list of Violating Facilities;

4. To include or cause to be included in any Construction Contract or Subcontract which exceeds $100,000 the aforementioned criteria and requirements.

ARTICLE 17

Davis Bacon Requirements - 29 CFR Part 5
(Version 1, Updated 2/14/2015)

(1) Minimum Wages

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalent thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are

deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided*, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under (1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can easily be seen by the workers.

(ii)(A) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii) (B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided*, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding.

The Federal Aviation Administration or the Sponsor shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to David-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of work, all or part of the wages required by the contract, the Federal Aviation Administration may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan

or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual costs incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency). The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (*e.g.* , the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH–347 is available for this purpose from the Wage and Hour Division Web site at *http://www.dol.gov/esa/whd/forms/wh347instr.htm* or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency), the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5(a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer and mechanic (including each helper, apprentice and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly,

and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(ii) The contractor or subcontractor shall make the records required under paragraph (3)(i) of this section available for inspection, copying or transcription by authorized representatives of the Sponsor, the Federal Aviation Administration or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is

performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

(5) Compliance With Copeland Act Requirements.

The contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in this contract.

(6) Subcontracts.

The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR Part 5.5(a)(1) through (10) and such other clauses as the Federal Aviation Administration may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR Part 5.5.

(7) Contract Termination: Debarment.

A breach of the contract clauses in paragraph 1 through 10 of this section may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance With Davis-Bacon and Related Act Requirements.

All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes Concerning Labor Standards.

Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6 and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of Eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

ARTICLE 18

Contract Work Hours And Safety Standards Act Requirements – 29 CFR Part 5
(Version 1, 1/5/90)

(1) Overtime Requirements.
No Contractor or Subcontractor contracting for any part of the Contract Work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages.
In the event of any violation of the clause set forth in paragraph 1 above, the Contractor or any Subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor or Subcontractor shall be liable to the United States (in the case of work done under Contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1. above, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 above.

(3) Withholding for Unpaid Wages and Liquidated Damages.
The Federal Aviation Administration or the Sponsor shall upon its own action or upon written request of an Authorized Representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of Work performed by the Contractor or Subcontractor under any such Contract or any other Federal Contract with the same Prime Contractor, or any other Federally-assisted Contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same Prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or Subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 above.

(4) Subcontractors.
The Contractor or Subcontractor shall insert in any Subcontracts the clauses set forth in paragraphs 1 through 4 and also a clause requiring the Subcontractor to include these clauses in any Lower Tier Contracts. The Prime Contractor shall be responsible for compliance by any Subcontractor or Lower Tier Subcontractor with the clauses set forth in paragraphs 1 through 4.

(5) Working Conditions.
No Contractor or Subcontractor may require any laborer or mechanic employed in the performance of any Contract to work in surroundings or under working conditions that are unsanitary, hazardous or dangerous to his health or safety as determined under Construction Safety and Health Standards (29 CFR Part 1926) issued by the Department of Labor.

ARTICLE 19

Equal Employment Opportunity – 41 CFR Part 60-1.4(b)
(Version 1, 1/5/90)

During the performance of this contract, the contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

2. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

3. The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other Contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this Section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended and of the rules, regulations and relevant orders of the Secretary of Labor.

5. The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965 and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

6. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or Federally-assisted Construction Contracts in accordance with procedure authorized in Executive Order 11246 of September 24, 1965 and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7. The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every Subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each Subcontractor or Vendor. The Contractor will take such action

with respect to any Subcontract or Purchase Order as the administering agency may direct as a means of enforcing such provision, including sanctions for noncompliance: Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a Subcontractor or Vendor as a result of such direction by the administering agency the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

ARTICLE 20

Notices To Be Posted Per Paragraphs (1) And (3) Of The EEO CLAUSE – 41 CFR Part 60-1.4(b)

(Version 1, 1/5/90)

Equal Employment Opportunity is the Law – Discrimination is Prohibited by the Civil Rights Act of 1964 and by Executive Order No. 11246 Title VII of the Civil Rights Act of 1964 - Administered by:

The Equal Employment Opportunity Commission

Prohibits discrimination because of race, color, religion, sex, or national origin by Employers with 25 or more employees, by Labor Organizations with a hiring hall of 25 or more members, by Employment Agencies and by Joint Labor-Management Committees for Apprenticeship or Training.

Any person who believes he or she has been discriminated against should contact:

The Office of Federal Contract Compliance Programs
U.S. Department of Labor
Washington, D.C. 20210

ARTICLE 21

Standard Federal Equal Employment Opportunity Construction Contract Specifications (41 CFR 60-4.3)

(Version 1, 1/5/90)

1. As used in these specifications:

A. "Covered area" means the geographical area described in the solicitation from which this Contract resulted;

B. "Director" means Director, Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, or any person to whom the Director delegates authority;

C. "Employer Identification Number" means the Federal social security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

D. "Minority"

1) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin regardless of race);

3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

4) American Indian or Alaskan native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the Contractor, or any Subcontractor at any tier, Subcontracts a portion of the Work involving any Construction Trade, it shall physically include in each Subcontract in excess of $10,000 the provisions of these Specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this Contract resulted.

3. If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors shall be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor participating in an approved plan is individually required to comply with its obligations under the EEO clause and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's of Subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The Contractor shall implement the specific affirmative action standards provided in paragraphs 7a through 7p of these Specifications. The goals set forth in the solicitation from which this Contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered Construction Contractors performing Construction Work in a geographical area where they do not have a Federal or Federally-assisted Construction Contract shall apply the minority and female goals established for the geographical area where the Work is being performed. Goals are published periodically in the Federal Register in notice form and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal Procurement Contracting Officers. The Contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement nor the failure by a union with whom the Contractor has a collective bargaining agreement to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246 or the regulations promulgated pursuant thereto.

6. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the Contractor during the training period and the Contractor shall have made a commitment to employ the

apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U.S. Department of Labor.

7. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these Specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully and shall implement affirmative action steps at least as extensive as the following:

A. Ensure and maintain a working environment free of harassment, intimidation and coercion at all sites and in all facilities at which the Contractor's employees are assigned to Work. The Contractor, where possible, will assign two or more women to each Construction Project. The Contractor shall specifically ensure that all foremen, superintendents and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

B. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available and maintain a record of the organizations' responses.

C. Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if the referred, not employed by the Contractor, this shall be documented in the file with the reason therefore along with whatever additional actions the Contractor may have taken.

D. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement was not referred to the Contractor a minority person or female sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

E. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under 7b above.

F. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company

EEO policy on bulletin boards accessible to all employees at each location where Construction Work is performed.

G. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with on-site Supervisory Personnel such as superintendents, general foremen, etc., prior to the initiation of Construction Work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed and disposition of the subject matter.

H. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

I. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students; and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations, such as the above, describing the openings, screening procedures and tests to be used in the selection process.

J. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of a Contractor's workforce.

K. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

L. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel, for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

M. Ensure that seniority practices, job classifications, work assignments and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

N. Ensure that all facilities and company activities are nonsegregated except that separate or single user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

O. Document and maintain a record of all solicitations of offers for Subcontracts from minority and female Construction Contractors and Suppliers, including circulation of

solicitations to minority and female contractor associations and other business associations.

P. Conduct a review, at least annually, of all supervisor's adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (7a through 7p). The efforts of a contractor association, joint contractor union, contractor community, or other similar groups of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 7a through 7p of these specifications provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female and all women, both minority and nonminority. Consequently, if the particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally,) the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized.

10. The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The Contractor shall not enter into any Subcontract with any person or firm debarred from Government Contracts pursuant to Executive Order 11246.

12. The Contractor shall carry out such sanctions and penalties for violation of these Specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing Subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any Contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with these requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports

relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee, the name, address, telephone number, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay and locations at which the Work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, Contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

ARTICLE 22

Buy American Steel And Manufactured Products For Construction Contracts (Jan 1991)

A. The Contractor agrees that only domestic steel and manufactured products will be used by the Contractor, subcontractors, materialmen and suppliers in the performance of this contract, as defined in (b) below.

B. The following terms apply to this clause:

1. Steel and manufactured products.
As used in this clause, steel and manufactured products include (1) those produced in the United States or (2) a manufactured product produced in the United States, if the cost of its components mined, produced or manufactured in the United States exceeds 60 percent of the cost of all its components and final assembly has taken place in the United States.

2. Components.
As used in this clause, components means those articles, materials and supplies incorporated directly into steel and manufactured products.

3. Cost of components.
This means the costs for production of the components, exclusive of final assembly labor costs.

ARTICLE 23

Energy Conservation Requirements

The Contractor agrees to comply with mandatory standards and policies relating to energy efficiency that is contained in the state energy conservation plan issued in compliance with the Energy Policy and conservation Act (Public Law 94-163).

ARTICLE 24

Lobbying and Influencing Federal Employees

1. No Federal appropriated funds shall be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of

Congress in connection with the making of any Federal grant and the Amendment or modification of any Federal grant.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal grant, the Contractor shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.

ARTICLE 25

Bonding Clauses for Construction Contracts and Subcontracts.

1. The Contractor agrees to furnish a performance bond for 100 percent of the Contract Price. This Bond is one that is executed in connection with a Contract to secure fulfillment of all the Contractor's obligations under such Contract.
2. The Contractor agrees to furnish a Payment Bond for 100 percent of the Contract Price. This Bond is one that is executed in connection with a Contract to assure payment of all monies owing by the Contractor under the Agreement and other Contract Documents.

ARTICLE 26

General and Labor Clauses for all Construction Contracts and Subcontracts.

1. **A.I.P. Project**
   The work in this contract is included in A.I.P. Project No. 3-04-0077-017-2015, which is being undertaken and accomplished by the City of Benson in accordance with the Terms and Conditions of a Grant Agreement between the City of Benson and the United States, under the Airport and Airway Improvement Act of 1982 and FAR Part 152 (14 CFR Part 152), pursuant to which the United States has agreed to pay a certain percentage of the costs of the Project that are determined to be allowable Project Costs under that Act. The United States is not a party to this Contract and no reference in this Contract to the FAA or any representative thereof, or to any rights granted to the FAA or any representative thereof, or the United States by the Contract, makes the United States a party to this Contract.

2. **Consent to Assignment**
   The Contractor shall obtain the prior written consent of the Sponsor to any proposed assignment of any interest in or part of this Contract.

3. **Convict Labor**
   No convict labor may be employed under this Contract.

ARTICLE 27

Arizona Executive Order 75-5

This Contract complies with the provisions of Arizona Executive Order 75-5, dated April 28, 1975, related to equal opportunity. The duly Authorized Representatives of the State shall have access to any books, documents, papers and records of the Consultant which are in any way pertinent to the Contract for a period of five (5) years, in accordance with A.R.S. 35-214, for the purpose of making inspections, examinations, excerpts and transcriptions.

ARTICLE 28

Hold Harmless

All Contractors or Subcontractors performing work under this Agreement agree to hold harmless, indemnify and defend, the City of Benson and the Engineer, their consultants and each of their officers, agents and employees from any and all liability claims, losses or damage arising out of or alleged to arise from the Contractor's (or Subcontractor's) negligence in the performance of the Work described in the Construction Contract Documents, but not including liability that may be due to the sole negligence of the City of Benson, the Engineer, their consultants or their officers, agents and employees.

ARTICLE 29

Agreement Binding

The Sponsor and the Contractor each binds himself, his partners, successors, assigns and legal representatives to the other party hereto in respect to all covenants, agreements and obligations contained in the Contract Documents. The Contract Documents constitute the entire agreement between the Sponsor and the Contractor and may only be altered, amended or repealed by a duly executed written instrument. Neither the Sponsor nor the Contractor shall, without the prior written consent of the other, assign or sublet in whole or in part his interest under any of the Contract Documents and specifically, the Contractor shall not assign any moneys due or to become due without the prior written consent of the Sponsor.

IN WITNESS WHEREOF, the City of Benson has caused this Agreement to be subscribed by its Chair and sealed and attested by its City Clerk in its behalf; and the Contractor, Second Party, has signed this Contract the day and the year first mentioned herein.

This Agreement is executed in five counterparts, each deemed to be an original.

SPONSOR, First Party

City of Benson, Arizona

By_____, City Manager

ATTEST:

_____, City Clerk

CONTRACTOR, Second Party

Pavex Corp.

By_____, President
(Title)

WITNESS:

_____, Contract Administrator
(Title)

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Bond # AZC368633

CONSTRUCTION PERFORMANCE & MAINTENANCE BOND

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):
Pavex Corp.
4001 East Michigan Street
Tucson, Arizona 85714

SURETY (Name and Principal Place of Business)
Merchants Bonding Company (Mutual)
2100 Fleur Drive
Des Moines, IA 50321

OWNER (Name and Address):
City of Benson, Arizona
P.O. Box 2223
Benson, Arizona 85602

CONSTRUCTION CONTRACT
Date:
Amount: $205,974.40 Two hundred five thousand nine hundred seventy four and 40/100
Description (Name and Location):
Benson Municipal Airport
Benson, Arizona
A.I.P. Project No. 3-04-0077-017-2015

BOND
Date (Not earlier than Construction Contract Date): May 22, 2015
Amount: $205,974.40 Two hundred five thousand nine hundred seventy four and 40/100
Modifications to this Bond Form: None

CONTRACTOR AS PRINCIPAL
Company: Pavex Corp.
(Corp. Seal)

Signature: _____
Name and Title: SIAMAK SAMSAM, President

SURETY
Company: Merchants Bonding Company (Mutual)
(Corp. Seal)

Signature: Deborah K. Anderson
Name and Title: Deborah K. Anderson, Attorney-in-Fact

1. The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, including all related Construction Documents and modifications thereto, which is incorporated herein by reference.

2. If the Contractor completes the Contract and corrects all defects that appear within one year after final acceptance of all the work required under the Contract Documents, the Surety and the Contractor shall have no obligation under this bond, except to participate in conferences as provided in Subparagraph 3.1.

3. The Surety's obligations under this Bond shall arise after:

   3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below, that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Contract, or for correcting defects in workmanship or material that have appeared within one year after final acceptance of the work. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Contract, or to correct said defects in workmanship or material, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

   3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the Contract or to correct said defects. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1; and

   3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Contract or to a contractor selected to perform the Contract, or to correct said defects in accordance with the terms of the Contract with the Owner.

4. When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

   4.1 Arrange for the Contractor, with consent of the Owner to perform and complete the Contract, or to correct said defects in workmanship or material; or

   4.2 Undertake to perform and complete the Contract, or to correct said defects in workmanship or material itself, through its agents or through independent contractors; or

   4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract to (a) perform and complete the Contract or correct said defects in workmanship or materials; (b) arrange for a Contract to be prepared for execution by the Owner and the Contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Contract and (c) pay to the Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

   4.4 Waive its right to perform and complete, arrange for completion or obtain a new contractor and with reasonable promptness under the circumstances:

      1. After investigation, determine the amount for which it may be liable to the Owner and as soon as practicable after the amount is determined, tender payment therefore to the Owner; or

      2. Deny liability in whole or in part and notify the Owner citing reasons therefore.

5. If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond and the Owner shall be entitled to enforce any remedy available to the Owner if the Surety proceeds as provided in Subparagraph 4.4 and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6. After the Owner has terminated the Contractor's right to complete the Contract, or to correct said defects in workmanship or materials and if the Surety elects to act under Subparagraphs 4.1, 4.2 or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Contract and related Construction Documents and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Contract and Construction Documents. To the limit of the amount of this Bond, but subject to commitment by the Owner to pay the Balance of the Contract Price to mitigation of costs and damages of the Contract, the Surety is obligated without duplication for:

   6.1 The responsibilities of the Contractor for completion of the Contract and correction of any defects that appear within one year following final acceptance of all the work required under the Construction Contract and related Documents;

   6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, or resulting from the actions or failure to act of the Surety under Paragraph 4; and

   6.3 Liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or nonperformance of the Contractor.

7. The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Contract and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this bond to any person or entity other than the Owner or its heirs, executors, administrators, or successors.

8. The Surety hereby waives notice of any change, including changes of time and changes in the work required under the Contract or related subcontracts, purchase orders and other obligations.

9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Owner became aware, or reasonably should have become aware of Contractor Default or within two years after the Surety refuses or fails to perform its obligations under this Bond; whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period for limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10. Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

11. When this bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted hereon and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12. Definitions:

   12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Contract after all proper adjustments have been made, including allowance to the Contractor of any amount received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Contract.

   12.2 Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

   12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract.

   12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

Bond # AZC368633

CONSTRUCTION PAYMENT BOND

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):
Pavex Corp.
4001 East Michigan Street
Tucson, Arizona 85714

SURETY (Name and Principal Place of Business)
Merchants Bonding Company (Mutual)
2100 Fleur Drive
Des Moines, IA 50321

OWNER (Name and Address):
City of Benson, Arizona
P.O. Box 2223
Benson, Arizona 85602

CONSTRUCTION CONTRACT
Date:
Amount: $205,974.40 Two hundred five thousand nine hundred seventy four and 40/100
Description (Name and Location):
Benson Municipal Airport
Benson, Arizona
A.I.P. Project No. 3-04-0077-017-2015

BOND
Date (Not earlier than Construction Contract Date): May 22, 2015
Amount: $205,974.40 Two hundred five thousand nine hundred seventy four and 40/100
Modifications to this Bond Form:
None

CONTRACTOR AS PRINCIPAL
Company: Pavex Corp.
(Corp. Seal)

Signature:
Name and Title: SIAMAK SAMSAM, President

SURETY
Company: Merchants Bonding Company (Mutual)
(Corp. Seal)

Signature: Deborah K. Anderson
Name and Title: Deborah K. Anderson, Attorney-in-Fact

1. The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

2. With respect to the Owner, this obligation shall be null and void if the Contractor:

   2.1. Promptly makes payment, directly or indirectly, for all sums due Claimants and

   2.2. Defends, indemnifies and holds harmless the Owner from all claims, demands, liens or suits by any person or entity who furnished labor, materials or equipment for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety and provided there is no Owner Default.

3. With respect to Claimant's this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

4. The Surety shall have no obligation to Claimants under this Bond until:

   4.1. Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

   4.2. Claimants who do not have a direct contract with the Contractor:

      1. Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and

      2. Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly; and

      3. Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.

5. If a notice required by Paragraph 4 is given by the Owner to the Contractor or to the Surety, that is sufficient compliance.

6. When the Claimant has satisfied the conditions of Paragraph 4, the Surety shall promptly and at the Surety's expense take the following actions:

   6.1. Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

   6.2. Pay or arrange for payment any undisputed amounts.

7. The Surety's total obligation shall not exceed the amount of this Bond and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

8. Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

9. The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

11. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Subparagraph 4.1 or Clause 4.2 (3) , or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12. Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be accomplished shall be sufficient compliance as of the date received at the address shown on the signature page.

13. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or legal requirement shall be deemed incorporated herein. The intent is, that this Bond shall be construed as a statutory bond and not as a common law bond.

14. Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15. DEFINITIONS

   15.1. Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

   15.2. Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes hereto.

   15.3. Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MERCHANTS
BONDING COMPANY™

POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations duly organized under the laws of the State of Iowa (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint, individually,

Deborah K Anderson; Lori L Dawson-Brown; Michael D Specht; Mikal F Cronin; Steven E Minard

of Phoenix and State of Arizona their true and lawful Attorney-in-Fact, with full power and authority hereby conferred in their name, place and stead, to sign, execute, acknowledge and deliver in their behalf as surety any and all bonds, undertakings, recognizances or other written obligations in the nature thereof, subject to the limitation that any such instrument shall not exceed the amount of:

FIVE MILLION ($5,000,000.00) DOLLARS

and to bind the Companies thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of the Companies, and all the acts of said Attorney-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This Power-of-Attorney is made and executed pursuant to and by authority of the following By-Laws adopted by the Board of Directors of the Merchants Bonding Company (Mutual) on April 23, 2011 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 24, 2011.

> "The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.
>
> The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 13th day of August, 2014.

MERCHANTS NATIONAL BONDING, INC. INCORPORATED -o- 2003

MERCHANTS BONDING COMPANY (MUTUAL) INCORPORATED -o- 1933

MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

By Larry Taylor
President

STATE OF IOWA
COUNTY OF POLK ss.

On this 13th day of August, 2014, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument is the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.

In Testimony Whereof, I have hereunto set my hand and affixed my Official Seal at the City of Des Moines, Iowa, the day and year first above written.

NOTARIAL SEAL IOWA
WENDY WOODY
Commission Number 784654
My Commission Expires
June 20, 2017

Wendy Woody
Notary Public, Polk County, Iowa

STATE OF IOWA
COUNTY OF POLK ss.

I, William Warner, Jr., Secretary of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 22nd day of May, 2015

MERCHANTS NATIONAL BONDING, INC. INCORPORATED -o- 2003

MERCHANTS BONDING COMPANY (MUTUAL) INCORPORATED -o- 1933

William Warner Jr.
Secretary

POA 0014 (7/14)

CERTIFICATION OF INCLUSION OF LABOR & EEO REQUIREMENTS IN SUBCONTRACTS

A.I.P. Project NO. 3-04-0077-017-2015 AIRPORT : Benson Municipal Airport

The Prime Contractor whose signature appears below certifies that a Subcontract was awarded on _____ to _____ to perform the following Work: _____

_____

_____

In the amount of $_____

All of the required clauses and certifications are incorporated into the Subcontract for this Work.

BY: _____
(Signature)

_____
(Name and Title)

_____, 2015

Applicable to subcontracts over $2,000 and as noted:

The Subcontractor whose signature appears below certifies that the following provisions of the Prime Contractor of the above A.I.P. project are incorporated into and made a part of its Subcontract:

(1) Standard Equal Employment Opportunity Clauses and Specifications (if over $10,000)

(2) Davis Bacon Act

(3) Contract Work Hours and Safety Standards Act - Overtime Requirements

(4) Apprentices and Trainees

(5) Payrolls and Records

(6) Compliance with Copeland Regulations

(7) Withholding of Funds for Unpaid Wages and Liquidated Damages

(8) Subcontracts

(9) Contract Termination-Debarment

(10) Working Conditions

(11) Minimum Wages and Wage Rates

(12) Violations; Liability for Unpaid Wages; Liquidated Damages

(13) Goals and Timetables for Minority and Female Participation (if over $10,000)

(14) Standard Assurance Provision required by 14 CFR Part 152, Subpart E, "Non-discrimination in Airport Aid Program (all contract and subcontracts).

The Subcontract should also contain Certificate of Nonsegregated Facilities as a part of said Subcontract.

The Subcontractor whose signature appears below also acknowledges his responsibility under the Subcontract for including these clauses in any Lower Tier Subcontract.

_____, 2015
(Date)

By:_____
(Signature)

_____
(Name and Title)

SOURCES OF LABOR RECEIVING STANDARD FORM 36 "NOTICE OF NONDISCRIMINATION IN EMPLOYMENT"

_____

_____

_____

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Client#: 1177203 PAVEXCOR1

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 5/27/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
USI Insurance LLC
2375 E. Camelback Rd #250
Phoenix, AZ 85016
602 395-9111

CONTACT NAME:
PHONE (A/C, No, Ext): - FAX (A/C, No): 602-279-5899
E-MAIL ADDRESS: phx-certificate@usi.biz

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Cincinnati Indemnity	23280
INSURER B : Navigators Specialty Insurance	36056
INSURER C : Copper Point Western Ins Co	13209
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Pavex Corp.
4001 E. Michigan St.
Tucson, AZ 85714

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY	X	X	EPP0294966	12/07/2014	12/07/2015	EACH OCCURRENCE	$1,000,000
	X COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
	CLAIMS-MADE X OCCUR						MED EXP (Any one person)	$10,000
	X PD Ded:1,000						PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$2,000,000
	POLICY X PRO-JECT LOC							$
A	AUTOMOBILE LIABILITY	X	X	EBA0294966	12/07/2014	12/07/2015	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS / X NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
B	UMBRELLA LIAB X OCCUR			LA14EXC830523IC	12/07/2014	12/07/2015	EACH OCCURRENCE	$2,000,000
	X EXCESS LIAB CLAIMS-MADE						AGGREGATE	$2,000,000
	DED RETENTION $							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		X	1009840	01/01/2015	01/01/2016	X WC STATU-TORY LIMITS OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000
A	Equipment Floater Special Peril/ACV			EPP0294966	12/07/2014	12/07/2015	Lsd/Rnt - 250,000 Scheduled - 1,055,517 Deduct - 1,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Benson Municipal Airport - Benson, Arizona / AIP Project# 3-04-0077-017-2015
The general liability policy(s) includes an automatic Additional Insured endorsement that provides Additional Insured status to the Certificate Holder only when there is a written contract that requires such status, and only with regard to work performed on behalf of the named insured.

CERTIFICATE HOLDER

City of Benson, Arizona
PO Box 2223
Benson, AZ 85602

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Ann F Ellington

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This page has been left blank intentionally:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA AUTOMATIC ADDITIONAL INSURED - WHEN REQUIRED IN CONTRACT OR AGREEMENT WITH YOU - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. **SECTION II - WHO IS AN INSURED, 2.** is amended to include:

e. Any person or organization, hereinafter referred to as **Additional Insured:**

(1) Who or which is not specifically named as an additional insured under any other provision of, or endorsement added to, this Coverage Part; and

(2) For whom you are required to add as an additional insured, except any architect, engineer or surveyor, on a completed operations basis on this Coverage Part

under a written contract or written agreement:

(1) But only with respect to liability caused, in whole or in part, by "your work" performed for that additional insured by you or on your behalf; and

(2) If the written contract or written agreement specifies coverage for the additional insured in the "products-completed operation hazard".

With respect to the person(s) or organization(s) referenced in Paragraph **A.2.e.** above, their status as an additional insured under this endorsement will not apply beyond the period of time required in that written construction contract or agreement referred to in Paragraph **A.2.e.** above. If that written construction contract or agreement does not specify a period of time, this coverage will not apply beyond 1 year from the completion of "your work" where the work that caused the "bodily injury" or "property damage" occurred. "Your work" will be deemed completed as specified in Paragraph **a.(2)** of **SECTION V - DEFINITIONS, 19.** "Products-completed operations hazard".

B. With respect to the additional insureds referenced in Paragraph **A.2.e.** above, the following exclusion is added to Paragraph **2. Exclusions** of **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, this insurance does not apply to "bodily injury" or "property damage" arising out of:

1. The rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:

a. Providing engineering, architectural or surveying services to others; and

b. Providing or hiring independent professionals to provide engineering, architectural or surveying services in connection with the construction work you perform.

Subject to the final paragraph of this exclusion below, professional services include:

a. Preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and

b. Supervisory or inspection activities performed as a part of any architectural or engineering activities.

Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with construction work you perform.

2. "Your work" for which a consolidated (wrap-up) insurance program has been provided by the prime contractor / project manager or owner of the construction project in which you are involved.

3. "Bodily injury" or "property damage" arising out of "residential construction".

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C. **SECTION III - LIMITS OF INSURANCE** is amended to include:

The limits of insurance available to the additional insured(s) will not exceed:

1. Those limits specified in the written construction contract or agreement referred to in Paragraph **A.2.e.** above; or

2. The Limits of Insurance specified in the Declarations of this Coverage Part;

whichever are less. If no limits are specified in that written construction contract or agreement, the limits available to the additional insured(s) will not exceed the Limits of Insurance specified in the Declarations of this Coverage Part. The limits of insurance available to the additional insured(s) are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.

D. **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended to include the following:

AUTOMATIC ADDITIONAL INSURED PROVISION

The written construction contract or agreement referred to in Paragraph **A.2.e.** above must:

1. Be currently in effect or become effective during the term of this Coverage Part; and

2. Have been executed prior to the "bodily injury" or "property damage" to which this endorsement pertains.

E. **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 5. Other Insurance, b. Excess Insurance** is amended to include the following:

1. Where required by the written construction contract or agreement referred to in Paragraph **A.2.e.** above, this insurance is primary and / or noncontributory as respects any other insurance policy issued to the additional insured, and such other insurance policy shall be excess and / or noncontributing, whichever applies, with this insurance.

2. Any insurance provided by this endorsement shall be primary to other insurance available to the additional insured except:

   a. As otherwise provided in **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 5. Other Insurance, b. Excess Insurance**; or

   b. When other valid and collectible insurance is available to the additional insured:

      (1) As an additional insured by attachment of an endorsement to another insurance policy; and

      (2) On an excess basis.

   In such case the coverage provided under this endorsement shall also be excess.

F. **SECTION V - DEFINITIONS** is amended to include:

1. "Residential construction" means:

   a. A structure where any of the structure's square foot area is used, or is intended, for the purpose of human habitation and includes, but is not limited to, single-family housing, multi-family housing, apartments, condominiums, townhouses, and similar structures intended for human habitation; and

   b. Common areas and appurtenant structures of those structures listed in Paragraph **1.a.** above.

   "Residential construction" does not include:

   a. Hospitals or prisons; and

   b. Military housing, dormitories, long-term care facilities, hotels or motels, provided there is no individual ownership of units.

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