

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET

This contract authorizes the professional service contractor to provide professional services. (Authority: 1984 PA 431)

CONTRACT FOR PROFESSIONAL SERVICE

THIS CONTRACT, authorized this _____ of _____ in the year two-thousand and six (2006), by the Director, Department of Management and Budget, BETWEEN the STATE OF MICHIGAN acting through the FACILITIES ADMINISTRATION, DESIGN AND CONSTRUCTION DIVISION of the DEPARTMENT OF MANAGEMENT AND BUDGET, First Floor, Stevens T. Mason Building, Lansing, Michigan, hereinafter called the State,

and

the Prime Professional Services Contractor, hereinafter called the Professional,

FOR THE FOLLOWING PROJECT:

Index No.
File No.

Contract Order No. Y

Provide professional engineering quality control and material testing services, technical staff, and support personnel during the construction work for the _____ Michigan.

Construction quality control and material testing services required for this Project by the Project Design Professional architectural and/or engineering firm shall include office/laboratory and field testing services and be in compliance with the requirements of this Professional Services Contract and the attached Appendix 1 - Project/Program Statement scope of work requirements.

NOW THEREFORE, the State and the Professional in consideration of the covenants of this Contract agree as follows:

- I. The Professional shall provide the professional construction quality control and material testing services for the Project during the construction Phase/Task sequence provided in this Professional Services Contract and to the extent authorized by the Department of Management and Budget, Facilities Administration, Design and Construction Division and be solely responsible for such professional service. The professional construction quality control and material testing services shall be performed in strict accordance with this Professional Services Contract and be in compliance with the attached Appendix 1 - Project/Program Statement scope of work requirements.
- II. The State of Michigan shall compensate the Professional for providing their professional construction quality control and material testing services for the Project scope of work services in accordance with the conditions of this Professional Services Contract.
- III. CENTURY DATE COMPLIANCE PROTECTION: All fixtures, equipment or operating systems which require firmware or software systems and that are provided with and/or incorporated into the work shall include, at no increase in Contract price or Contract time, design and performance such that they will not experience firmware or software abnormality and/or generate incorrect results or performance deficiencies due to date oriented processing.

If a Construction Contract is required for this Project, the Project Design Professional architectural and/or engineering firm shall include the Century Date Compliance Protection language in the: (1) "Supplemental Conditions," of the Construction Contract of the Department of Management and Budget, Facilities Administration, Design and Construction Division, "MICHSPEC 2001 Edition of The Owner and Contractor Standard Construction Contract and General Conditions for Construction (Long Form)"; or the (2) Current Department of Management and Budget, Facilities Administration, Design and Construction Division, "DMB Short Form 401 - Proposal and Contract/Front-End Package for Small Projects for Professional Services Contractors (PSC) with General Conditions for Construction and Instructions to Bidders" as adopted and modified by the State of Michigan and incorporated into the Construction Contract. The "Supplemental Conditions," Century Date Compliance Protection language will require the Project Design Professional architectural and/or engineering firm to provide in the Construction Contract for this Project, the text provisions of the following paragraphs (A.) through (E.) below:

- A. The firmware and software design to ensure century date compliance capability, shall include, but not be limited to date structures (databases, date files, etc.) that provide four (4) digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system date; calculations and program logic (e.g. sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; and user interfaces (i.e. screen reports, etc.) that accurately treats four (4) digit year 2000 as a leap year within all calculations and calendar logic.
 - B. When requested by the State of Michigan, the Construction Contractor shall promptly provide written assurances to the State from any manufacturer of any fixtures, equipment or operating systems provided with and/or incorporated into the work that its fixtures, equipment, or operating systems have been reasonably tested and will not experience any firmware or software abnormality and/or generate incorrect results or performance deficiencies due to date oriented processing. Whether the State chooses to request such assurances, and whether such assurances are provided, will not relieve the Construction Contractor from the Construction Contractor's obligation to provide fixtures, equipment and operating systems in accordance with the Project Design Professional firm's final design Contract Documents/architectural and/or engineering drawings and specifications requirements or will represent acceptance of defective work.
 - C. If the Construction Contractor knows or has reason to know of any incorrect results and/or performance deficiencies due to date oriented processing, the Construction Contractor shall promptly notify the Professional and the State in writing of any such defective work.
 - D. The Construction Contractor specifically warrants and represents that all fixtures, equipment or operating systems provided with and/or incorporated into the work will not experience firmware or software abnormality and/or generate incorrect results or performance deficiencies due to date oriented processing. This Construction Contractor warranty shall extend until the applicable warranty otherwise covering the fixture, equipment or operating system at issue expires, whichever is later.
 - E. The Construction Contractor shall take prompt corrective action upon receiving any written notice of any defective work because any fixtures, equipment or operating systems experience firmware or software abnormality and/or generate incorrect results or performance deficiencies.
- IV. **DEFINITION OF TERMS:** The definition of terms and conditions of this Contract are described and outlined in the following Articles 1 through 14 and attached appendices. The capitalized defined terms used in this Professional Services Contract shall have the following definitions:

ADDENDA: Shall mean written or graphic numbered documents issued by the Department of Management and Budget, Facilities Administration, Design and Construction Division and/or the Professional prior to the execution of the Construction Contract which modifies or interprets the Project final design Contract Bidding Documents, including architectural and/or engineering drawings, and specifications, by additions, deletions, clarifications or corrections. The Addenda shall: (1) Be identified specifically with a standardized format; (2) Be sequentially numbered; (3) Include the name of the Project; (4) Specify the Project Index No., Project File No., the Contract Order No. Y, and a description of the proposed Addenda scope of work; and (5) Specify the date of Addenda issuance. As such, the Addenda are intended to become part of the Project final design Contract Bidding Documents when the Construction Contract is executed by the Project Design Professional firm's recommended lowest responsive, responsible qualified Construction Contractor. An Addendum issued after the competitive construction Bid opening to those construction Bidders who actually submitted a Bid, for the purpose of rebidding the Project work without readvertising, is referred to as a post-Bid Addendum.

BID: Shall mean a written offer by a competitive construction Bidder for the Department of Management and Budget, Facilities Administration, Design and Construction's Project construction work, as specified, which designates the competitive construction Bidder's base bid and Bid price for all alternates.

BIDDER: Shall mean the person acting directly, or through an authorized representative, who submits a competitive construction Bid directly to the Department of Management and Budget, Facilities Administration, Design and Construction Division.

BIDDING DOCUMENTS: Shall mean the Project Design Professional firm's Project final design Contract Documents/architectural and/or engineering drawings and specifications requirements as advertised, and all Addenda issued before the competitive construction Bid opening, and after the competitive construction Bid opening, if the Project construction work is rebid without readvertising. Bidding Documents shall consist of: the final design architectural and/or engineering drawings and specifications, any Addenda issued, special, general and supplemental conditions of the Construction Contract, and modifications, if any, to standard forms provided by the Department. Such forms consist of: the Project advertisement, the instructions to construction Bidders, the proposal forms, general, supplemental, and any special conditions of the Construction Contract, and the form of agreement between the Department and the Construction Contractor for the Project work requirements.

BUDGET: Shall mean the maximum legislatively authorized Budget amount to be provided by the State of Michigan and available for a specific purpose or combination of purposes to accomplish the Project scope of work for this Contract.

BULLETIN: Shall mean a standard document form (DMB-485, Bulletin Authorization No. and the DMB-489, Instructions to Construction Contractors for Preparation of Bulletin Cost Quotations for Contract Change Orders) used by the Department of Management and Budget, Facilities Administration, Design and Construction Division to describe a sequence numbered change in the Project scope of work under consideration by the Department and the Professional and to request the Construction Contractor to submit a proposal for the corresponding adjustment in the Contract price and/or Contract time, if any. These standard document forms are a part of the "DMB-460, Project Procedures" documents package.

CONSTRUCTION CONTRACT: Shall mean a separate written Contract agreement between the Construction Contractor and the Department for the construction, alteration, demolition, repair, or rebuilding of a State/Client Agency building or other State property.

CONSTRUCTION CONTRACTOR: Shall mean any construction firm under a separate Contract to the Department for construction services.

CONSULTANT: Any individual, firm, or employee thereof, not a part of the Prime Professional firm's staff, but employed by the Prime Professional and whose professional service cost is ultimately paid by the State of Michigan, either as a direct cost or reimbursement. This includes the recipient(s) of Contract Orders for material, support, and/or technical services. Also, included are persons and firms whose management and/or direction of services are assigned to the Prime Professional as may be provided elsewhere in this Contract.

CONTRACT CHANGE ORDER: A written order standard document form (DMB-403) issued and signed by the State of Michigan and signed by the Professional which amends the Project Design Professional firm's final design Contract Documents/architectural and/or engineering drawings and specifications requirements for changes in the attached Appendix 1 – Project/Program Statement scope of work requirements or an adjustment in Contract price and/or Contract time, or both.

CONTRACT DOCUMENTS: Shall mean the Project Design Professional architect and/or engineer firm's architectural and/or engineering plans/drawings, specifications, proposal, agreement, all Addendums and attachments as may be necessary to comprise a Construction Contract for the Project scope of work for providing professional construction quality control and material testing/engineering services during the Project construction work.

CONTRACT MODIFICATION: A written amendment standard document form (DMB-410) to the Contract scope of work requirements signed by the Department and the Professional. The preparation of Bulletins and Contract Change Orders resulting from changes in the attached Appendix 1 – Project/Program Statement scope of work requirements or previously unknown on-site field conditions as approved by the Department will be compensated to the Professional by way of the Contract Modification in accordance with the Article 2, Compensation text of this Contract. Any Contract Modification of this Professional Services Contract must be in writing, signed by duly authorized representatives of the parties, and shall be in such format and detail as the Department may require. No Contract Modification will be approved to compensate the Professional for correcting, or for responding to claims or litigation for the Professional firm's Contract Documents construction quality control and material testing/engineering design errors, omissions or neglect on the part of the Professional.

CONTRACT ORDER: A written order standard document form (DMB-402) issued and signed by the State of Michigan authorizing a professional firm to: (1) Begin to incur Project expenses and proceed with the Project scope of work on-site; and (2) Provide the professional services stipulated in the fully executed Contract scope of work requirements for the not-to-exceed dollar (\$) fee amount designated in the Phases of the Contract Order. Issuance of this standard document form by the State of Michigan to the Professional firm certifies that: (1) The State will enter into a Professional Services Contract for the professional services described in the Phases of this Contract; and that (2) The proper three (3) sets of Original Certificate of Insurance documents have been received and accepted by the State along with the approval and signing of the Professional firm's Professional Services Contract by the Director of the Department of Management and Budget, Facilities Administration.

DEPARTMENT: Shall mean the Department of Management and Budget. The Department will represent the State of Michigan in all matters pertaining to this Project. This Professional Services Contract will be administered through the Department of Management and Budget, Facilities Administration, Design and Construction Division on behalf of the Department.

DIRECTOR: The Director of the Department of Management and Budget or their authorized State of Michigan representative.

DIRECTOR-FA: The Department of Management and Budget, Director of Facilities Administration or their authorized State of Michigan representative.

FIELD REPRESENTATIVE: Shall mean an employee of the State under the direction of the Project Director who provides the Inspection of construction Projects for compliance with the design intent of the Project Design Professional firm's final design Contract Documents/architectural and/or engineering drawings and specification requirements and the building construction codes. The Field Representative is the liaison between the Construction Contractor, the Project Design Professional, the Professional, and the Project Director. The Project Director, or their Field Representative, has the authority to require the Project Design Professional and the independent Professional construction quality control and material testing services firm to respond to and resolve design related problems, construction field problems and to attend Project meetings. Unless delegated by specific written notice from the Department, the Field Representative has no authority to order any changes in the Project scope of work or authorize any adjustments in Contract price or Contract time.

INSPECTION: Shall mean the Professional and their Consultants on-site and/or off-site examination of the Project construction work completed or in progress by the involved Project Construction Contractor to determine and verify to the Department of Management and Budget, Facilities Administration, Design and Construction Division's, Project Director that the quantity and quality of all Project work is in accordance with the design intent of the Project Design Professional firm's final design Contract Documents/architectural and/or engineering drawings and specifications requirements.

KEY PRINCIPAL PERSONNEL/EMPLOYEE: Shall mean a Chief Executive Officer of a professional firm who is essential for the successful completion of the Project scope of work requirements.

PHASE: A discretely distinguishable construction Phase step necessary to provide the Project scope of work requirements in the course of the Professional firm's providing construction quality control and material testing services.

PRIME PROFESSIONAL SERVICES CONTRACTOR/PROFESSIONAL: Shall mean an individual, firm, partnership, corporation, association, or other legal entity who is legally permitted by law to sign and seal final design construction Contract Documents and licensed under the State of Michigan's professional licensing and regulation provisions of the Occupational Code (State Licensing Law), Act 299 of the Public Acts of 1980, Article 20, as amended, to practice architecture, engineering, environmental engineering, land surveying, or landscape architecture services in the State of Michigan.

The Prime Professional Services Contractor/Professional firm is also legally permitted by the State of Michigan's regulation provisions of the State Construction Code, Act 230 of the Public Acts of 1972, as amended, and designated in a Construction Contract by the Department of Management and Budget, Facilities Administration, Design and Construction Division to recommend construction progress payments to the Construction Contractor.

PROJECT: Shall mean any new construction, existing site, new utilities, existing building renovation, roof repairs and/or removal and replacement, additions, alteration, repair, installation, construction quality control and material testing services, painting, decorating, demolition, conditioning, reconditioning or improvement of public buildings, works, bridges, highways or roads authorized by the Department that requires professional design services as part of this Contract.

PROJECT COST: Shall mean the total Project cost including, but not limited to, site purchase, site survey and investigation, hazardous material abatement, construction, site development, new utilities, telecommunications (voice and data), professional fees, construction quality control and material testing services, testing and balancing services, furnishings, equipment, architectural and/or engineering plan(s)/drawing(s) design code compliance and plan review approval fees and all other costs associated with the Project scope of work requirements.

PROJECT DESIGN PROFESSIONAL: Shall mean the Prime Project Design Professional architectural and/or engineering firm who is under a separate Contract with the Department of Management and Budget, Facilities Administration, Design and Construction Division and is responsible for the Project design and the development of the Project construction Phase quality control and material testing services program required for this Project during the construction Phase. The construction Phase quality control and material testing services shall include office/laboratory and field testing services and be in compliance with the requirements of this Contract and the attached Appendix 1 – Project/Program Statement scope of work requirements. The Project Design Professional is required by the Department to define and specify the types of on-site tests required and approximate quantities to be tested during the Project construction Phase and the projected costs thereof. The Department will retain an independent Professional quality control and material testing firm for the Project construction Phase testing services to determine and verify whether or not the construction materials being used for the Project construction Phase is in accordance with the design intent of the Project Design Professional firm’s final design Contract Documents/architectural and/or engineering drawings and specifications requirements. Notice shall be given immediately by the Professional, to the following Project personnel: (1) the Project Design Professional; (2) the involved Construction Contractor; and (3) the Department of Management and Budget, Facilities Administration, Design and Construction Division’s, Project Director and the Field Representative of any on-site field Inspection or test which fails to meet the applicable Project construction quality control and material testing standards or the Project Design Professional’s final design Contract Documents/architectural and/or engineering drawings and specifications requirements.

PROJECT DIRECTOR: Shall mean the professional licensed State of Michigan employee of the Department of Management and Budget, Facilities Administration, Design and Construction Division, Architectural/Engineering discipline who is responsible for directing and supervising the Project Design Professional firm’s services during the life of this Professional Services Contract (See attached Appendix 1 – Project/Program Statement scope of work requirements for this Project). The Project Director is responsible for monitoring and coordinating the performance of the construction Phase services and also responsible for the overall administration and Inspection of Capital Outlay and miscellaneous operating projects (MOP’s) construction activities to ensure quality control, final design Contract Documents compliance and timely Project completion within the established Project construction Budget. The Project Director, or their Field Representative, has the authority to require the Project Design Professional and the independent Professional construction quality control and material testing services firm to respond to and resolve design related problems, construction field problems and to attend Project related meetings. Unless delegated by specific written notice from the Department, the Field Representative does not have any authority to order any changes in the Project scope of work or authorize any adjustments in Contract price or Contract time.

PROJECT/PROGRAM STATEMENT: Shall mean the attached Appendix 1 – Project/Program Statement scope of work requirements prepared by the State/Client Agency that defines the scope of the problem and describes why this Project is desirable, and provides a preferred resolution of the problem. The Project/Program Statement also requires the Professional to coordinate their professional construction quality control and material testing services with the involved Project Construction Contractor’s construction schedule (See attached Appendix 3 – Construction Schedule text) identifying critical milestone construction quality control and material testing services that shall be required and achieved for the Project scope of work requirements.

PROJECT TEAM: Consisting of the Professional, the Department of Management and Budget, Facilities Administration, Design and Construction Division’s, Project Director, the Field Representative, the Project Design Professional architect and/or engineer firm, the involved Project Construction Contractor, a representative of the State/Client Agency, and others as considered appropriate by the Department.

STATE: Shall mean the State of Michigan in its governmental capacity, including its departments, agencies, boards, commissions, officers, employees and agents. Non-capitalized references to a state refer to a state other than the State of Michigan.

STATE/CLIENT AGENCY: Shall mean a Department of the State of Michigan, for whose use the Project will ultimately serve, which requires professional architectural and/or engineering design services. The term State/Client Agency does not include an institution of higher education or a community college.

TASK: Shall mean the following: (1) A quantifiable component of construction related professional construction quality control and material testing engineering Task services required to achieve a construction Phase of the Project scope of work; (2) The most manageable sub-element within a construction Phase; (3) A unique item of work within a construction Phase for which primary responsibility can be assigned; and (4) Has a time related duration and a cost that can be estimated within a construction Phase.

- V. DEFINITION OF CONSTRUCTION TESTING REFERENCES: Will be made in capitalized abbreviated alpha numeric form to specific construction Inspection and testing agencies and/or associations for soil consolidation compaction, concrete, structural steel, bituminous paving, masonry, and roofing materials as used in construction (specifications, testing methods, practices, classifications, and definitions). Such construction testing references will be identified by the capitalized alphabetic abbreviation which identifies the specific State agency or national association followed by the numeric construction Inspection and/or testing method and shall be the latest issued date construction Inspection and/or testing method standard(s) in effect at the award of this Professional Services Contract. The Construction Inspection and/or testing abbreviations used for this Construction Contract are as follows:

<u>Abbreviation</u>	<u>State Agency or National Association</u>
AASHTO	American Association of State Highways and Transportation Officials
ACI	American Concrete Institute
AISC	American Institute of Steel Construction
ASNT	American Society for Nondestructive Testing, Inc.
ASTM	American Society for Testing and Materials
AWS	American Welding Society
MDOT	Michigan Department of Transportation
SSPC	Steel Structures Painting Council

SOIL EROSION AND SEDIMENTATION CONTROL: The planning, design and installation of appropriate Best Management Practices (as defined by the most current version of the Department's Soil Erosion and Sedimentation Control Guidebook) designed and engineered specifically to reduce or eliminate the off-site migration of soils via water runoff, wind, vehicle tracking, etc. and comply with the Soil Erosion and Sedimentation Control in the State of Michigan as regulated under the 1994 Public Act 451, as amended – The Natural Resources Environmental Protection Act, Part 91 – Soil Erosion and Sedimentation Control. Soil Erosion and Sedimentation Control associated with this Contract will be monitored and enforced by the Department of Management and Budget, Facilities Administration, Soil Erosion and Sedimentation Control Program.

ARTICLE 1 PROFESSIONAL SERVICE

The Professional shall provide all required professional construction quality control and material testing services, technical staff and support personnel necessary to achieve the Project scope of work requirements as described in the attached Appendix 1 – Project/Program Statement scope of work requirements in the best interest of the State and be within the Professional’s not-to-exceed monetary compensation fee herein authorized by the State. Project services shall comprise, without exception, every professional construction quality control and material testing service discipline and expertise necessary to meet all the requirements as described in the attached Appendix 1 - Project/Program Statement scope of work requirements and be within the professional compensation fee amount authorized by the State and be in accordance with the best industries accepted standards of professional practice for construction quality control and material testing services and Inspection.

The Professional firm’s service includes attendance at all Project related meetings and conferences in pursuance thereof. Construction quality control and material testing services shall be provided in the 600 and 700, Construction Phases and sequence shown below and shall be rendered in accordance with the Project schedule and direction as provided by the Project Design Professional architect and/or engineer firm, the involved Project Construction Contractor, the Department of Management and Budget, Facilities Administration, Design and Construction Division’s, Project Director, the Field Representative, and/or the State/Client Agency. The services of each construction Phase shall be conducted in accordance with the Phase/Task descriptions in this article except as may be otherwise prescribed by any appended specifications and/or the testing specifications of the Construction Contract for this Project, which are adopted as a separately bound part of this Contract. Written reports on construction Phase quality control and material testing services shall be provided to the Department of Management and Budget, Facilities Administration, Design and Construction Division’s, Project Director, the Field Representative, the State/Client Agency, the involved Project Construction Contractor, and the Project Design Professional architect and/or engineer firm on a daily basis or as directed by the Department of Management and Budget, Facilities Administration, Design and Construction Division’s, Project Director. The Professional acknowledges that the Department is the first interpreter of the Professional firm’s performance under this Contract.

The Professional acknowledges by signing this Professional Services Contract, having a clear understanding of the requested Project scope of work requirements and of the professional construction quality control and material testing services required by the Department to provide it, and further agrees that the terms and conditions of this Professional Services Contract provide adequate professional monetary compensation fee(s) for the Professional to provide the requested Project scope of work requirements. No increase in monetary compensation fee to the Professional will be allowed unless there is a material change made to the Project scope of work requirements as described in the attached Appendix 1 - Project/Program Statement scope of work requirements and the change in scope to the Project/Program Statement scope of work requirements is accepted and approved in writing, by the Department of Management and Budget, Facilities Administration, Design and Construction Division’s, Project Director and the Professional. Professional services shall not be performed and no Project expenses shall be incurred by the Professional firm prior to the issuance of a written and signed Professional Services Contract and a DMB Form 402 - Contract Order by the Department to the Professional, authorizing the Professional firm to start the Project work on-site. Compensation for Department directed changes to the Project or modifications to the Project scope of work requirements will be provided to the Professional by a Contract Modification and/or Contract Change Order signed by the Department and the Professional. The preparation of Bulletins and Contract Change Orders resulting from increases in the Project scope of work or previously unknown on-site field conditions will be compensated to the Professional, as approved by the Project Director, on an hourly direct payroll/billing rate basis in accordance with this article.

The Professional shall immediately inform the Department whenever it is indicated that the Professional firm’s authorized Project not-to-exceed Budget cost may be exceeded. The Professional shall make recommendations to the Department for revisions to the Project to bring the Project cost back to the Professional firm’s original authorized Budget amount. Any revision to the Project scope of work requirements must be accepted and approved by the Department in writing.

No substitution of any “Key Principal Personnel/Employee” who is essential for the successful completion of the Project scope of work requirements and identified in the Professional firm’s attached Appendix 2 – Project Organizational Chart will be allowed by the Professional firm for this Contract without the prior written consent from the Department of Management and Budget, Facilities Administration, Design and Construction Division’s, Project Director. Before any “Key Principal Personnel/Employee” substitution takes place, the Professional firm shall submit a written request to the Project Director for personnel substitution and this substitution request shall include the following information: (1) A request in writing for a No Cost Contract Modification for this “Key Principal Personnel/Employee” substitution; (2) Detailed written justification for this “Key Principal Personnel/Employee” substitution; (3) The Professional firm’s qualifications of any proposed “Key Principal Personnel/Employee” replacement; and (4) A written statement from the Professional firm assuring the Department that the Project scope of work will not be adversely affected by this “Key Principal Personnel/Employee” substitution change. This request by the Professional firm to modify their Professional Services Contract must be accepted and approved in writing by the Project Director and the Director of the Department of Management and Budget, Facilities Administration, on the Department’s, Professional Services Contract Modification form (DMB-410).

The Department will designate an individual to serve as the Project Director for the Project scope of work who shall be fully acquainted with the attached Appendix 1 – Project/Program Statement scope of work requirements and have the authority to render Project decisions and furnish information promptly. Except, in connection with issues under the Article 12 - Contract Claims and Disputes text, the Project Director will exercise general management and administration for the Professional firm’s services in so far as they affect the interest of the State. The Professional shall indemnify, defend, and hold harmless the State against exposure to claims arising from delays, negligence or delinquencies by the Professional for the professional services of this Contract.

During the construction Phase administration of this Project, the Professional shall be required to obtain from the Department of Management and Budget, Facilities Administration, Design and Construction Division’s, Project Director, the on-site Inspection record standard document form titled “DMB-452, The Professional’s Inspection Record” for all on-site Inspection visits to the Project site. This standard document form is a part of the “DMB-460, Project Procedures” documents package. The Professional’s Inspection Record standard document form shall be completed and signed by the Professional and compiled monthly with the original document sent to the Department of Management and Budget, Facilities Administration, Design and Construction Division’s, Project Director and a copy sent to the Project Design Professional, and the involved Project Construction Contractor. The on-site Inspection record standard document form shall be completed and accompany the Professional firm’s monthly submitted payment request.

The “DMB-460, Project Procedures” documents package shall be used by the Professional in the administration of this Contract and contains the following Department of Management and Budget, Facilities Administration standard document forms: (1) DMB-413, General Release – Visitors; (2) DMB-426, Builder’s Risk Claim; (3) DMB-434, Certification of Off-Site Material Storage; (4) DMB-437, Guarantee and Indebtedness Statement; (5) DMB-440, Payment Request; (6) DMB-441, Meeting Attendance Record; (7) DMB-445, Certificate of Substantial Completion; (8) DMB-452, Professional’s Inspection Record; (9) DMB-485, Bulletin Authorization No.; (10) Instructions for Schedule of Value; (11) DMB-487, Material Stored on Project/Job Site; and (12) DMB-489, Instructions to Construction Contractors for Preparation of Bulletin Cost Quotations for Contract Change Orders.

The professional construction quality control and material testing services required for each Phase of this Contract shall be performed by the Prime Professional firm and their Consultants in accordance with Task service descriptions in this article. The following construction Phase/Task descriptions intend to outline the Department’s standard of care method for describing the Professional firm’s responsibilities for providing the professional construction quality control and materials testing services for this Professional Services Contract, but do not limit or exclude, any regular or normal professional services necessary to accomplish the Project scope of work and be in accordance with the best industries accepted standards of professional practice for: (1) Construction quality control and material testing services/office/laboratory requisites and (2) The American Society for Testing and Materials, ASTM E329 testing procedures, inspection and testing standards.

PRELIMINARY PLANNING - FOUNDATION ANALYSIS

PHASE 600 - CONSTRUCTION ADMINISTRATION - OFFICE/LABORATORY SERVICES

- Task 600 **ADMINISTRATIVE OFFICE/LABORATORY SERVICES:** Determine whether or not the construction materials being used for the Phase 600, Construction Phase are in compliance with the Project Design Professional firm's final design Contract Documents specification requirements. Provide all administrative office, laboratory and engineering services to analyze, evaluate and report the results of all field operations, sampling and testing. Conduct, prepare, and submit all tests and test result reports, and any associated correspondence. Provide copies to the Department of Management and Budget, Facilities Administration, Design and Construction Division's, Project Director, the Field Representative, the State/Client Agency, the involved Project Construction Contractor and the Project Design Professional architect and/or engineer firm. Provide up to five (5) copies and distribute as the Department may direct. Transmittals of any test result data shall specifically point out any test results not meeting applicable construction quality control and material testing standards or the Project Design Professional firm's final design Contract Documents specifications requirements.
- Task 601 **SOIL CONSOLIDATION/COMPACTION:** Provide laboratory testing and engineering analysis for bearing capacity and consolidation of natural soils, densification of proposed soils to be used for controlled fill and backfill areas, as well as control of site drainage. Indicate whether the material being tested meets the Project Design Professional firm's established final design Contract Documents specifications requirements.
- a. Affirm bearing capacity and calculations.
 - b. Determine the standard and modified field moisture-density relationships (ASTM 698, ASTM D1557, ASTM D4253 and ASTM D4254) and on soils to be used for fill or backfill on the Project.
 - c. Determine Atterberg Limits (ASTM D4318) of cohesive soils and Grain Size Analysis of (ASTM D422) granular soils as required by ASTM D423 (liquid limit), ASTM D434 (plastic limit), and ASTM D1140 (wash loss).
- Task 602 **CONCRETE:** Provide laboratory testing and analysis of concrete.
- a. Review ASTM C94 and ACI 211 concrete mix designs.
 - b. Conduct compression tests on cylinders (ASTM C39) as per the Project Design Professional firm's final design Contract Documents specifications.
 - c. Perform sieve analysis (ASTM C136), organic colormetric (AASHTO T21), and soft particle determination on aggregates as required by ASTM C33 (aggregate evaluation) and ASTM D422 (aggregate gradation).
- Task 603 **STRUCTURAL STEEL:** Provide shop testing of structural steel.
- a. Verify welder certification (AWS D1.1).
 - b. Test high strength tension bolts (AISC).
 - c. Perform metallurgical analysis of questionable materials.
 - d. Verify weld procedures (AWS D1.1).
- Task 604 **BITUMINOUS PAVING:** Provide laboratory testing, and analysis of bituminous paving.
- a. Review Marshall Mix design (if prepared by others).
 - b. Test aggregate base course for compliance with the Project Design Professional firm's final design Contract Documents specifications (ASTM C136, ASTM D1557 (Modified Proctor), ASTM D692 (course aggregate), ASTM D1073 (fine aggregate), and AASHTO T88 (gradation)).

- c. Conduct extraction of bituminous paving mixtures as required by ASTM D2172 and ASTM C136, ASTM D692 (coarse aggregate), ASTM D1073 (fine aggregate), AASHTO T88 (gradation), and AASHTO T164 (extraction).
- d. Determine penetration of liquid asphalt as required by ASTM D5) (original penetration) and ASTM (recovered penetration).
- e. Record and report test results and observations.

Task 605 MASONRY: Provide laboratory testing and analysis of masonry.

- a. Review material requirements for compliance with the Project Design Professional firm's final design Contract Documents specifications for:
 - 1. Reinforcing Materials - size and type.
 - 2. Units - size and type.
 - 3. Masonry Sand - type and storage.
 - 4. Mortar, Cement, and Lime - types and storage.
- b. Review the compressive strength mix designs for compliance with the Project Design Professional firm's final design Contract Documents specifications for:
 - 1. Mortar and Grout.
 - 2. Masonry Units.
 - 3. Prisms.
- c. Review material certifications for compliance with the Project Design Professional firm's final design Contract Documents specifications for:
 - 1. Block/Concrete Masonry Units.
 - 2. Brick.
 - 3. Pavers.
 - 4. Sound Barriers.
- d. Test each different clay masonry unit per ASTM C67.
- e. Test each different concrete masonry unit for strength, absorption, and moisture content per ASTM C140.
- f. Perform prism tests per ASTM E447, Method B, Mortar (ASTM 270), and Grout (ASTM C1019).
- g. Record and report test results and observations.

Task 606 ROOFING: Provide laboratory testing and analysis of roofing system.

- a. Attend preliminary roofing conference.
- b. Collect roofing material certifications and compare to the Project Design Professional firm's final design Contract Documents specifications.
- c. Review roofing installer's certification.
- d. Attend preapplication roofing conference.
- e. Record and report test results and observations.

PHASE 700 -CONSTRUCTION ADMINISTRATION - FIELD INSPECTION/TESTING

Task 700 FIELD INSPECTION/TESTING: Determine whether or not the construction materials being used for the Phase 700, Construction Phase are in compliance with the Project Design Professional firm's final design Contract Documents specifications requirements. Provide all on-site field Inspections, sampling, testing and Inspections as required by the Project construction testing program/requirements to the Department of Management and Budget, Facilities Administration, Design and Construction Division's, Project Director, the Field Representative, the State/Client Agency, the involved Project Construction Contractor, the

Project Design Professional architect and/or engineer firm, and the Department on a daily basis or as directed by the Project Director. Monitor and coordinate on-site field time to efficiently coordinate with the Construction Contractor operations requiring testing. On-site field time to provide testing for operations whose planned duration will require overtime shall be reviewed with, and approved by the Department. Notice shall be given immediately to the Construction Contractor and to the Department of Management and Budget, Facilities Administration, Design and Construction Division's, Project Director, the Field Representative, of any on-site field Inspection or test which fails to meet applicable construction quality control and material testing standards or the Project Design Professional firm's final design Contract Documents specifications requirements.

Task 701 SOIL CONSOLIDATION COMPACTION: Provide on-site field testing and engineering analysis for bearing capacity and consolidation of natural soils, densification of proposed soils to be used for controlled fill and backfill areas, as well as control of site drainage.

- a. Verify the Project Design Professional firm's final design Contract Documents specification design allowable soil bearing capacity at foundation/footing locations.
- b. Perform field density testing as required by ASTM D1556 (sand cone), ASTM D2167 (balloon), and ASTM D292 (nuclear density meter).
- c. Record and report test results and on-site field Inspections.

Task 702 CONCRETE: Provide on-site field quality control and sampling of concrete as required by ASTM C172 (sampling fresh concrete), ASTM C143 (volumetric air content), ASTM C231 (pressure air content), ASTM C31 (making test cylinders), and ASTM C138 (unit weight and yield).

- a. Test plastic concrete for unit weight/yield, slump, air content, and temperature.
- b. Collect and verify delivery ticket data from each redi-mix concrete truck. Document the batch time, placement time, and the age of the concrete. Determine the concrete mix design used, and the actual batch weights used for each day of concrete placement, this will include the actual aggregate moisture contents and batch water used.
- c. Fabricate three (3) cylinders for compressive strength (ASTM C31) for each one-hundred (100) cubic yards or fraction of placement. Indicate the number of cylinders frequency of sampling, and curing times to compressive strength testing.
- d. Record and report test results and on-site field Inspections.

Task 703 STRUCTURAL STEEL: Provide shop and on-site field testing of structural steel as required by AWS D1.1, AISC, ASTM A6 (fabrication shop), AISC for bolted connections for ASTM A325/A490, ASTM F959 (bolted connections), AWS D1.1 (field welding/subsection 7.8.1: stud welding), ASTM E605, E736L (fireproofing), SSPC (paint), and ASNT (nondestructive testing (NDT) requirements).

- a. Inspect structural steel fabricator's facility and equipment.
- b. Check structural steel mill certificates to verify that materials are in accordance with the Project Design Professional firm's final design Contract Documents specifications.
- c. Verify welder certifications.
- d. Inspect completed structural steel fabrications for conformity to the Project Design Professional firm's Contract Documents specifications.
- e. Examine critical welds by appropriate nondestructive testing (NDT) methods such as Ultrasonic or Magnetic Particle.
- f. Test bolted connections for proper bolt tension.
- g. Test shear studs (AWS D1.1).
- h. Inspect metal deck for fastening and welding.
- i. Record and report test results and on-site field Inspections.

Task 704 BITUMINOUS PAVING: Provide on-site field Inspection and testing of bituminous paving.

- a. Inspect proof-rolling of subgrade.
- b. Perform density tests (ASTM D2922 or ASTM D2167) on subgrade and aggregate base course.
- c. Verify thickness of aggregate base.
- d. Inspect bituminous concrete paving placement as required by ASTM D2950 (nuclear density), and MDOT - Michigan Modified Marshall Test.
- e. Sample bituminous mixture for laboratory tests (ASTM D979).
- f. Determine density (ASTM D2950), asphalt content (ASTM 4125), and degree of compaction of pavement as required by ASTM D2950 (nuclear density), and MDOT - Michigan Modified Marshall Test.
- g. Determine thickness of bituminous paving (ASTM D3549).
- h. Record and report test results and on-site field Inspections.

Task 705 MASONRY: Provide on-site field Inspection, testing, and engineering analysis of masonry work.

- a. Inspect masonry materials as delivered to the Project site.
- b. Review mixing and proportioning techniques of mortar and grout.
- c. Collect sand, mortar, and grout samples for property requirements test of ASTM C144.
- d. Collect mortar samples for property requirements of ASTM C270.
- e. Inspect and evaluate masonry walls for masonry quality assurance labor procedures and for placement of:
 1. Head and bedding joints.
 2. Vertical and horizontal reinforcing.
 3. Wall tie spacing.
 4. Headers, lintels and other trade embeds, including bearing areas.
 5. Flashing, weeps, and vents at all areas detailed in the Project Design Professional firm's final design Contract Documents drawings.
 6. Grout placement including clean-outs and consolidation of lifts.
- f. Evaluate quality assurance labor procedures and details that are specific to the Project scope of work.
- g. Evaluate and report on overall housekeeping of the Project site.
- h. Record and report test results and on-site field Inspections.

Task 706 ROOFING: Provide on-site field Inspection and material review of building elements to be used for the Project roofing system.

- a. Visually Inspect roof areas for complete removal of unsatisfactory roofing materials.
- b. Verify the roofing materials are in compliance with the Project Design Professional firm's final design Contract Documents specifications.
- c. Inspect roofing system installation and applications.
- d. Record and report results of on-site field Inspections.

ARTICLE 2 COMPENSATION

Compensation fee to the Professional for their Project construction quality control and material testing services shall be on an hourly direct payroll rate basis for professional services rendered by salaried and nonsalaried professional, technical and support employees, except for any authorized reimbursable expenses provided for in this Contract. Total compensation for any construction Phase shall not exceed the monetary compensation fee amount authorized for that Phase. Compensation for professional services and authorized reimbursables shall not exceed the monetary compensation fee amount(s) authorized in the construction Phases of the Contract Order or the Contract Change Order signed and issued by the Department to the Professional. Professional services shall not be performed and no Project expense shall be incurred by the Professional firm prior to the issuance of a written and signed Professional Services Contract and a DMB Form 402 - Contract Order by the Department to the Professional, authorizing the Professional firm to start the Project work on-site. The Professional acknowledges having a clear understanding of the requested Project scope of work requirements and of the professional construction

quality control and material testing services required by the Department to provide it, and further agrees that the terms of this Contract provide adequate professional monetary compensation fee(s) to provide the requested Project scope of work requirements. No increase in monetary compensation fee to the Professional will be allowed unless there is a material change made to the Project scope of work requirements as described in the attached Appendix 1 - Project/Program Statement scope of work requirements and the change in scope to the Project/Program Statement scope of work requirements is accepted and approved in writing, by the Department of Management and Budget, Facilities Administration, Design and Construction Division's, Project Director and the Professional. The Professional shall provide, but no additional monetary compensation shall be allowed, for professional services necessary to respond to and resolve the involved Project Construction Contractor claims arising wholly or in part from Project construction quality control and material testing/engineering design errors or omissions or other aspects of the Professional firm's performance which is inconsistent with the Professional firm's or Construction Contract.

Compensation for Department directed changes to the Project or modifications to the Project scope of work requirements will be provided to the Professional by a Contract Modification and/or Contract Change Order signed by the Department and the Professional. The preparation of Bulletins and Contract Change Orders resulting from increases in the Project scope of work or previously unknown on-site field conditions will be compensated, as approved by the Project Director, on an hourly direct payroll/billing rate basis in accordance with this article.

No substitution of any "Key Principal Personnel/Employee" who is essential for the successful completion of the Project scope of work requirements and identified in the Professional firm's attached Appendix 2 – Project Organizational Chart will be allowed by the Professional firm for this Contract without the prior written consent from the Department of Management and Budget, Facilities Administration, Design and Construction Division's, Project Director. Before any "Key Principal Personnel/Employee" substitution takes place, the Professional firm shall submit a written request to the Project Director for personnel substitution and this substitution request shall include the following information: (1) A request in writing for a No Cost Contract Modification for this "Key Principal Personnel/Employee" substitution; (2) Detailed written justification for this "Key Principal Personnel/Employee" substitution; (3) The Professional firm's qualifications of any proposed "Key Principal Personnel/Employee" replacement; and (4) A written statement from the Professional firm assuring the Department that the Project scope of work will not be adversely affected by this "Key Principal Personnel/Employee" substitution change. This request by the Professional firm to modify their Professional Services Contract must be accepted and approved in writing by the Project Director and the Director of the Department of Management and Budget, Facilities Administration, on the Department's, Professional Services Contract Modification form (DMB-410).

Compensation for the Professional firm to provide the professional construction quality control and material testing services and authorized technical and technical support employees performing a direct service for this Project shall be determined using the current hourly direct payroll rate costs times the Professional firm's calculated multiplier. The Professional firm's multiplier shall include all direct and indirect costs, but is not limited to, such overhead items as measuring, monitoring, testing instruments and equipment, fringe benefits, vacations, sick leave, insurance, meals, lodging, Project related travel for Projects less than one-hundred (100) miles in each direction from the Professional firm's Michigan office, computer costs/operating costs and time, telephone services, postage, reproduction services for other than Contract Bidding Documents, employees not providing a direct professional service, other indirect costs, profit, etc. The direct payroll hourly rate cost shall be the actual amount paid the employee for services on the Project exclusive of fringe benefits, vacations, sick leave, other indirect costs and profit. Such costs and multipliers shall not change during the life of this Contract without written approval by the Department. The multiplier also includes: (1) All consumables used by the Professional or the Professional firm's Consultant's for collection of samples to be tested and analyzed by others; and (2) The costs of owning, operating, maintaining, insuring, and replacing all direct reading/measuring and testing instruments designed for office/laboratory services and on-site field Inspection and testing work, along with their computer or data recorders, as the Professional may use for on-site field Inspections, investigations, measuring, sampling, or testing services. Reimbursement for the attached Appendix 1 - Project/Program Statement scope of work requirements will be provided to the Professional firm only for Department approved items authorized for reimbursement compensation in this Contract. Compensation expenses are approved and authorized by the Department on a per test basis for office/laboratory testing services by professional consultant firm(s) identified and listed in this Contract to: (1) Test and analyze

samples collected by their technical employees; and (2) The Professional firm's Consultants per test costs shall be recognized by the Department to include all consumables necessary to prepare and secure the respective sample(s) and to conduct the required analytical construction quality control and material testing procedures thereon. Project related travel for Projects **more than** one-hundred (100) miles in each direction from the Professional firm's Michigan office shall be treated as a reimbursable expense at the State of Michigan's current travel rates (See Article 2.4 text of this Contract).

Compensation for the Professional firm to provide the professional construction quality control and material testing services shall be determined using the current hourly direct payroll rate costs for employees performing a direct service for the Project times the Professional firm's calculated multiplier. Such costs and multipliers shall not change during the life of this Contract without written approval by the Department. The Professional shall provide, but no additional monetary compensation shall be allowed, for the professional services necessary to respond to and resolve all Construction Contractor claims arising wholly or in part from the Professional firm's construction quality control and material testing/engineering design errors or omissions or other aspects of the Project design or the Professional firm's performance which is inconsistent with the Professional or Construction Contract.

2.1 **EMPLOYEE DIRECT PAYROLL HOURLY RATES:** The salaried employees direct hourly payroll rate is determined by dividing the annual salary, exclusive of bonuses and profit sharing, by 2,080 and adjusting such rate to reflect the actual reduced per-hour cost if more than eight (8) hours per day or forty (40) hours per week are worked in any payroll period. Salaried employees shall be clearly identified. Direct payroll rates for nonsalaried employees is the basic hourly wage rate received by an employee exclusive of fringe benefits, vacations, sick leave, other indirect costs and profit. No lump-sum subcontracts for the professional services of any employee may be billed against this Contract. Any employee associated with this Project who performs the professional services of a subordinate or of a position classification having a lower classification/pay range shall be accounted and paid for at the lower direct payroll/billing hourly pay rate. The direct payroll/billing rate hourly charge of any employee may be changed by the Professional firm with a written and Department approved Contract Modification during the life of this Contract to account for normal personnel pay increases.

The Professional shall provide only one (1) "Key Principal Personnel/Employee" (Chief Executive Officer) from each design discipline to contribute direct services to this Project.

2.2 **MULTIPLIER:** The fixed multiplier of the Professional and/or the Professional firm's Consultant's shall be applied to the respective employee's current direct payroll rate to derive a billing rate hourly charge. Multipliers will include all direct and indirect costs to the State for the Professional firm's services under this Contract other than the authorized and approved reimbursements (See Appendix 6). Multipliers shall be based on the Professional firm's documented historical operating expenses and adjusted for Project specific costs. In no case shall this documentation period include more than eighteen (18) months prior to the date of award of this Contract. The Professional firm's use of providing different multipliers for different Phases is not allowed. No multiplier may be increased during the life of this Contract.

Multipliers include, but are not limited to: Overhead items such as employee fringe benefits, vacations, sick leave, insurance, taxes, pension funds, retirement plans, meals, lodging, and all Project related travel expenses for Projects **less than** one-hundred (100) miles in each direction from the Professional firm's Michigan office, computer costs/operating costs and time, the cost of all telephone-related services and all reproduction services (except Contract Bidding Documents/architectural and/or engineering drawings and specifications) and where specifically authorized elsewhere in this Contract, the reproduction of Contract Documents for legislative presentation. The multiplier also includes, all reproduction costs for clarifications and Bulletins related to the Project construction quality control and material testing/engineering design errors or omissions and all similar, or avoidable costs shall be accounted as part of the Professional firm's calculated multiplier. All postage, mail or other shipping or delivery services, acquisition, bad debts, previous business losses, employment fees, depreciation and operating costs for equipment, including computer design and/or computer drafting systems, and any specialized testing equipment are to be included. The multiplier shall include, without exception, secretarial, computer/typing/word processing, editing, and clerical services utilized in any way for the Project as well as other nontechnical and/or overhead employees. All other direct or indirect costs,

including that of processing the costs of the Professional firm's Consultant's, and reimbursable expense items shall be included. The multiplier also includes all profit without regard to its form or distribution. Any total profit greater than ten percent (10%) of the direct billable labor costs (before the multiplier) must be justified, in writing, by the Professional and accepted by the Department. Project related travel for Projects **more than** one-hundred (100) miles in each direction from the Professional Firm's Michigan office shall be treated as an authorized reimbursable expense at the State of Michigan's current travel rates (See Article 2.4 text of this Contract).

Items not allowable as part of the Professional firm's calculated multiplier, include, but are not limited to: Any costs associated with litigation and settlements for the Professional, or other liability suits, out-of-state offices and associated travel, bonuses, profit sharing, premium/overtime costs, public relations, entertainment, business promotion, contributions, and various speculative allowances.

All multipliers must be substantiated in writing and accompanied with accounting records prepared by a qualified accountant justifying each Professional firm's calculated multiplier. No Professional firm's multiplier shall exceed two (2) numerical digits after the decimal point and any Professional firm's multipliers with three (3) or more numerical digits shall be rounded off to two (2) numerical digits. Multipliers above 2.70 will not be accepted for award of Contracts by the Department of Management and Budget, Facilities Administration, Design and Construction Division for the Professional firm's services or for the Professional firm's Consultant's services.

The multiplier for the Professional may not be applied to the work of the Professional firm's Consultant's. Each Consultant must submit a separate multiplier with proper documentation for the Consultant services they will provide. The multiplier of the respective Consultant's shall be used for that Consultant firm's personnel only. No mark-up may be applied by the Professional to their Consultant's billing rate(s) hourly charges. The Consultant services of all the Professional firm's Consultants shall be billed as a reimbursable expense item.

All Project reproduction costs for clarifications and Bulletins dealing with the Professional firm's construction quality control and material testing/engineering design errors or omissions or avoidable costs shall be accounted as part of the Professional firm's calculated multiplier.

2.3 RANGE OF EMPLOYEE DIRECT PAYROLL/BILLING RATES: The Professional shall identify the construction quality control and material testing engineering discipline service being provided and include the Primary Professional firm's Consultant's technical employee(s) full payroll signature names and position classifications for the Project and their current hourly direct payroll rates and hourly billing rates at the beginning of the Project. Also, provide the technical employee(s) anticipated hourly direct payroll rates and hourly billing rates at the end of the Project based on the Professional firm's estimated schedule duration. This range of current and anticipated hourly direct payroll and billing rates shall reflect the actual costs currently being paid to all of the Primary Professional firm's Consultants technical employees for the professional services within their specified position classification, and shall include any anticipated pay increases over the life of the Professional firm's Consultant's estimated construction Contract schedule. The range of direct payroll rates and/or billing rates for any employee position or classification may not be changed without a Contract Modification approved by the Department in writing. No mark-up of the Professional firm's Consultant's billing or rates will be allowed.

2.4 DIRECT COST REIMBURSEMENT ITEMS: The professional services of all the Professional firm's Consultants, shall be treated as reimbursable expenses at a direct cost times a 1.0 multiplier. Reimbursement of authorized expense items at direct cost times a 1.0 multiplier is intended only as a means to compensate the Professional for their direct costs. The Professional shall be responsible for; (1) The selection of the supplier of their professional services or materials; (2) The coordination, adequacy and application of their professional services, whether provided by the Professional firm's staff or provided by their Consultant; and (3) Any Project costs that exceed the Contract per Phase reimbursement Budget.

All reproduction costs for clarifications and bulletins dealing with the Professional firm's construction quality control and material testing/engineering design errors or omissions or avoidable costs shall be accounted as part of the Professional firm's calculated multiplier. Unless authorized elsewhere in this Contract, reimbursement expense items shall be limited to: Printing and reproduction of the Phase 600 and/or 700 - Construction Quality Control and Material Testing Services, Final Reports, the Phase 500 - Contract Bidding Documents/ architectural and/or engineering drawings and specifications and the United States (U.S.) Mail regular shipping postage and handling of Contract Bidding Documents, documents for legislative presentation, artistic productions, mobilization of testing equipment, laboratory costs for testing samples, per-linear-foot cost of soil borings and specialized inspections of the structural, mechanical, electrical, chemical or other essential components of the Project. Where reproduction of the Phase 500 - Contract Bidding Documents is by the Professional, reimbursement expenses shall be limited to the cost of materials only.

The multiplier (See Appendix 6) does not include and the Department of Management and Budget, Facilities Administration, Design and Construction Division will pay the Professional for (under Appendix 4 – Reimbursable Tests and \$ Expenses) travel mileage costs for State of Michigan Projects **more than** one-hundred (100) miles in each direction from the Professional firm's Michigan office if the Professional firm can demonstrate a cost savings to the State, if reimbursed for travel mileage in accordance with the current travel rates provided in the State of Michigan's "Schedule of Travel and Meal Reimbursement Rates" versus an adjustment to the Professional firm's calculated multiplier. Compensation to the Professional firm for Project related travel when authorized by the Department, will be in the attached Appendix 4 – Reimbursable Tests and \$ Expenses text and will be limited and reimbursed by the Department in accordance with the current travel rates provided in the State of Michigan's "Schedule of Travel and Meal Reimbursement Rates."

Compensation for department directed changes to the original Project scope of work or modifications to the Project scope of work requirements will be provided to the Professional by an approved Contract Modification and/or Contract Change Order signed by the Department and the Professional.

Prime Professional Firm:

Multiplier:

Position/ Classification	Individual	Hourly \$ Range	
		Direct Payroll Rate From - To	Billing Rate From - To

*Key Principal Personnel/Employee

Consultant Firm:
City, State

Multiplier:

Position/ Classification	Individual	Hourly \$ Range	
		Direct Payroll Rate From - To	Billing Rate From - To

*Key Principal Personnel/Employee

Consultant Firm: As Selected ~ Printing and Reproduction of the Phase 500 - Final Design Contract Bidding Documents, Drawings and Specifications and the Phase 600 and/or 700 – Construction Quality Control and Material Testing Services, Final Reports

Multiplier: 1.0

- 2.5 **DIRECT COST/REIMBURSABLE CONSULTANT SERVICES:** The professional services of all the Professional firm’s Consultants shall be treated as an authorized reimbursable expense at a direct cost times a 1.0 multiplier.
- 2.6 **DIRECT COST REIMBURSEMENT ITEMS:** Reimbursement of authorized expense items at direct cost times a 1.0 multiplier is intended only as a means to compensate the Professional for their direct costs. The Professional shall be responsible for: (1) The selection of the supplier of their professional services or materials; (2) The coordination, adequacy and application of their professional services, whether provided by the Professional firm’s staff or provided by their Consultant; and (3) Any Project costs that exceed the Contract per Phase reimbursement Budget.

Reproduction costs for the Professional firm’s construction quality control and material testing services clarifications and Bulletins necessary to achieve the Contract scope of work is not allowed for reimbursement and shall be accounted as part of the Professional firm’s calculated multiplier.

Compensation fee to the Professional for the individual Tasks described in Article 1 shall not exceed the following amounts per Project Phase unless authorized by a Department approved Contract Change Order signed by the Department and the Professional.

<u>PROJECT PHASE</u>	<u>SUBTOTAL AMOUNTS</u>	<u>MULTIPLIER***</u>	<u>COMPENSATION NOT TO EXCEED</u>
600 Construction Adm. – Office/Laboratory Services			
Direct Payroll	\$		\$
Laboratory Testing*		1.0	_____
TOTAL			\$
700 Construction Adm. - Field Inspection/Testing			
Direct Payroll	\$		\$
Reimbursables**		1.0	_____
TOTAL			\$
TOTAL CONTRACT AMOUNT			\$ _____

* All laboratory work, samples, and sample analysis, shall be itemized and listed in the Phase 600 services. See attached Appendix 4 for authorized reimbursable laboratory tests and \$ expenses on a unit price basis.

** Soil Borings and Mobilization \$ costs.

*** See attached Appendix 6 guideline form for computation instructions regarding the overhead items allowed by the Department for the Professional Services Contractor's multiplier calculation. No Professional firm’s multiplier shall exceed two (2) numerical digits after the decimal point and any Professional firm’s multipliers with three (3) or more numerical digits shall be rounded off to two (2) numerical digits.

ARTICLE 3 PAYMENTS

Payment of the professional fee, by the State of Michigan to the Professional, shall be based on the Professional firm’s performance of authorized Contract professional service(s) expenses performed prior to the date of each monthly submitted payment request. Payment requests shall be submitted monthly to the Department of Management and Budget, Facilities Administration, Design and Construction Division’s, Project Director as the Project progresses on a Department payment request form (DMB-440). Payment to the Professional by the Department for each monthly submitted payment request invoice shall be made to the Professional within thirty (30) consecutive calendar days following the Department’s receipt and approval of an approved payment request invoice from the Professional. Payment for reimbursable expenses shall be made only for authorized Contract obligations in the amount incurred

prior to the date of the payment request application. Payment requests to the Department of Management and Budget, Facilities Administration, Design and Construction Division's, Project Director shall include signed certification by the Professional and shall graphically illustrate the following items: (1) The actual percentage (%) of work necessary to fulfill and complete the Contract requirements for the total Project; (2) The actual percentage (%) of Project work completed as of the date of the monthly submitted payment request; and (3) The actual percentage (%) of work completed for each Task of the current Project Phase. This information shall be provided monthly with each submitted payment request and graphically displayed on a copy of the Professional firm's original/revised submitted Project schedule.

Payment request applications shall be submitted monthly by the Professional to the Department, appropriately itemized, indicating the separate amounts being requested for each Phase of the Project service and reimbursement of each authorized expense and the total amount previously paid, if any, for such purposes. Payment request applications shall not be submitted to the Department in amounts exceeding those indicated in the Department's signed Contract Order or Contract Change Order(s). Except as may be required by Department approved Contract Change Orders, no payment request will be processed for Project work accounted against any previous Phase after the date that the Project submittals of that Phase have been finalized and accepted by the Department, and in no case later than the designated date that Project work on any subsequent Phase is authorized by the Department. All invoicing for payment requests for the professional services work of a completed Phase must be finalized within sixty (60) calendar days of the end of the month in which the Project Phase scope of work is completed. The Professional firm's payment request applications shall summarize the amounts authorized, earned, previously paid and currently due for each Project Phase.

The Professional shall submit with their monthly payment request application a sworn statement stating that the amounts previously invoiced for professional services performed by their Consultant's have been paid to such Consultant's. Payment request applications to the Department of Management and Budget, Facilities Administration, Design and Construction Division's, Project Director shall be supported by itemized Project work documentation supporting the requested professional services fee amounts for each Project Phase and shall include, but not be limited to:

- a) Phase/Task Numbers for the professional services provided for the Project scope of work.
- b) Name of individual providing professional service and position/classification title as defined in the Article 2 - Compensation text.
- c) Hours worked: Authorized reimbursable expense items provided.
- d) Current direct payroll hourly rate, multiplier and the billing rate hourly charge.
- e) Copy of certified on-site visitation log or site visit report showing time on-site.
- f) Receipts for authorized reimbursable expense items.
- g) Itemized invoices from each of the Professional firm's Consultant's documenting that firm's professional services charge and the Project work related services provided.

ARTICLE 4 ACCOUNTING

Authorization for the Professional firm to begin to incur costs for the Project professional services shall be made by the Department with a Department signed Professional Services Contract and a Department approved and signed DMB Form 402 - Contract Order. This Contract Order may authorize funds for all Project professional service Phases or authorizations may be made for sequential Phases according to the Project needs. It shall be the Professional firm's responsibility to carefully monitor their Project costs and their Consultant's professional service costs, activities, and progress and to give timely notification of any justifiable need to increase the authorized Project Budget funds. Increases or decreases to authorized Project funds will be provided to the Professional by the Department of Management and Budget, Facilities Administration, Design and Construction Division's, Project Director by a revised and Department approved Contract Change Order signed by the Department and the Professional. No unauthorized Project work shall be performed by the Professional.

The Professional shall keep records of costs and expenses of hourly direct payroll rates, billing rates, and authorized reimbursable expense items and all other Project related document accounting costs to support the Professional firm's monthly application for payment. Project records shall be kept on a generally recognized accounting basis. Such records shall be available to the Department for a period of three (3) years after the Department's final payment to the Professional. The State of Michigan reserves the right

to conduct, or have conducted, an audit and Inspection of these Project records at any time during the Project or following its completion.

ARTICLE 5 INSURANCE

The Professional shall purchase, maintain and require such insurance that will provide protection from claims set forth below which may arise out of or result from the Professional firm's services under this Contract, whether such service is performed by the Professional or performed any of the Professional firm's Consultant's or by anyone directly or indirectly employed by them, or by anyone for whose acts they may be liable. The following insurance policy limits described below are intended to be the minimum coverage acceptable by the State:

- a) Workers' Compensation Insurance for claims under the Michigan's Workers' Compensation Act or other similar employee benefit act of any other state applicable to an employee.

Employers' Liability Insurance, in conjunction with the Workers' Compensation Insurance, for claims for damages because of bodily injury, occupational sickness or disease or death of an employee when workers' compensation may not be an exclusive remedy, subject to a limit of liability of not less than \$100,000 each accident.

- b) Automobile Insurance required by law for claims arising from ownership, maintenance or use of a motor vehicle.
- c) General Liability Insurance for claims for damages because of bodily injury or death of any person, other than the Professional firm's employees, or damage to tangible property of others, including loss of use resulting therefrom, to the extent that such kinds of liability are not insured by other specific liability insurance and are ordinarily insurable under general liability insurance, subject to bodily injury limits of not less than \$100,000 each occurrence and \$300,000 annual aggregate and property damage limits of not less than \$100,000 each occurrence and \$300,000 annual aggregate, or combined bodily injury/property damage single limit of not less than \$300,000 each occurrence and \$500,000 annual aggregate.
- d) Professional Liability Insurance for claims for damages arising out of an error, omission or negligent act in the performance of professional services, subject to limits of liability of not less than \$100,000 each claim and an annual policy period aggregate of not less than \$100,000.
- e) Contractual Liability Insurance for claims for damages that may arise from the Professional firm's assumption of liability on behalf of the State under Article 6 concerning indemnification for errors, omissions, or negligent acts in the course of the professional service or other provision within this Contract to the extent that such kinds of contractual liability are insurable in connection with and subject to limits of liability not less than for the professional liability insurance and general liability insurance set forth in subsections (c) and (d) above.

Original signed Certificate of Insurance documents, acceptable to the State, shall be provided and filed with the State prior to commencement of the Professional firm's Project scope of work services unless otherwise approved, in writing, by the Department. Faxes or Portable Document Format (PDF) copies of the required original Certificate of Insurance documents will not be accepted, only the original documents are acceptable. Signatures on the original Certificate of Insurance documents must be blue pen and ink and cannot be laser facsimile. The insurance company shall attach evidence that it is authorized by the Department of Labor and Economic Growth, Office of Financial and Insurance Services, to do business as an insurer in the State of Michigan, and must have an insurance rating of "A-" or better, as listed by the A.M. Best Company unless, otherwise authorized in writing, by the State of Michigan. The original Certificate of Insurance documents must specify on the certificate in the oblong rectangle space labeled "Description of Operations/Locations/Vehicles/ Exclusions Added By Endorsement/Special Provisions/Special Items" the following items: (1) The Project Index No.; (2) The Project File No.; (3) The Project Title; (4) Description of the Project Scope of Work; and (5) The State of Michigan must be named as an "Additional Insured on the General Liability Insurance Policy." The original Certificate of Insurance documents shall contain a provision that the Project insurance coverage afforded under the insurance policies for this Contract will not be modified or canceled without at least thirty (30) consecutive calendar days prior to written notice to the State of Michigan, Department of Management

and Budget, Facilities Administration, Design and Construction Division. To view the latest A.M. Best's Key Ratings Guide and the A.M. Best's Company Reports (which include the A.M. Best's Ratings) visit the A.M. Best Company internet web site at <http://www.ambest.com>.

The attached Appendix 7, Original Certificates of Insurance documents required for this Project shall be in force for this Project until the final payment by the State to the Professional is made and shall be written for not less than any limits of liability specified above. The Professional has the responsibility for having their Consultant's comply with these insurance requirements.

Also, be advised that if a Construction Contract is required for this Project, the original surety bonds required for a Construction Contract will not be accepted by the State of Michigan unless, the surety bonding company is listed in the current United States Government, Department of Treasury's, Listing of Approved Sureties (bonding/insurance companies), Department Circular 570. This Circular 570 Listing is published annually every July 1, in the Federal Register solely for the information of providing a listing of companies holding certificates of authority as acceptable sureties on Federal bonds and as acceptable reinsuring companies required to provide surety bonds to the United States Government. Copies of the current Circular 570 Listing of approved surety bonding/insurance companies and interim changes may be obtained through the internet web site at <http://www.fms.treas.gov/c570/c570.html>.

ARTICLE 6 INDEMNIFICATION

(a) To the extent permitted by law, the Professional shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Professional in the performance of this Contract and that are attributable to the negligence or tortious acts of the Professional or any of its Subcontractors/Consultants, or by anyone else for whose acts any of them may be liable.

(b) Employee Indemnification

In any and all claims against the State of Michigan, its departments, divisions, agencies, boards, sections, commissions, officers, employees and agents, by any employee of the Professional or any of its Subcontractors/Consultants, the indemnification obligation under this Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Professional or any of its Subcontractors/Consultants under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

(c) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Professional shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Professional or its Subcontractors/Consultants, or the operation of such equipment, software, commodity or service, or the use of reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or services, or its operation, become or in the State's or Professional firm's opinion be likely to become the subject of a claim of infringement, the Professional shall at the Professional firm's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Professional, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Professional, (iii) accept its return by the State with appropriate credits to the State against the Professional firm's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Professional shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Professional, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Professional under this Contract.

ARTICLE 7 OWNERSHIP OF DOCUMENTS

All Contract Documents/construction quality control and material testing/architectural and/or engineering drawings, specifications, Project related documents prepared and furnished by the Professional shall become the property of the State upon their request, in writing, by the State or upon the prior termination of the Professional firm's services hereunder, and the Professional shall have no claim for further employment or additional compensation as a result of this action taken by the State to request full rights of ownership of these Contract Documents and materials. The Professional firm shall not use or copy these Contract Documents/construction quality control and material testing/architectural and/or engineering drawings, specifications, and any Project related documents for any purpose other than this Project. However, the Professional may retain a copy of all Project scope of work documents for their record keeping files.

ARTICLE 8 TERMINATION

The State may, by written notice to the Professional, terminate this Contract in whole or in part at any time, either for the State's convenience or because of the failure of the Professional to fulfill their Contract obligations. Upon receipt of such notice, the Professional shall:

- a) Immediately discontinue all professional services affected (unless the notice directs otherwise), and
- b) Deliver to the State all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Professional in performing this Contract, whether completed or in process.

8.1 If the termination is for the convenience of the State, an equitable adjustment in the Contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed professional services.

8.2 If the termination is due to the failure of the Professional to fulfill their Contract obligations, the State may take over the work and prosecute the same to completion by Contract or otherwise. In such case, the Professional shall be liable to the State for any additional cost occasioned to the state thereby.

8.3 If, after notice of termination for failure to fulfill Contract obligations, it is determined that the Professional had not so failed, the termination shall be deemed to have been effected for the convenience of the State. In such event, adjustment in the Contract price shall be made as provided in Section 8.1 of this article.

8.4 The rights and remedies of the State provided in this article are in addition to any other rights and remedies provided by law or under this Contract.

ARTICLE 9 SUCCESSORS AND ASSIGNS

This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that neither of the parties hereto shall assign this Contract without the prior written consent of the other.

ARTICLE 10 GOVERNING LAW

This Contract shall be construed in accordance with the laws of the State of Michigan.

ARTICLE 11 NONDISCRIMINATION

In connection with the performance of the Project scope of work under this Contract and in accordance with the attached Appendix 5 – Certificate of Awardability, the Professional agrees as follows:

- a) The Professional will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, age, sex, height, weight, marital status, or a physical or mental disability that is unrelated to the individual's ability to perform the duties of the particular job or position. The Professional will provide equal employment opportunities to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or a physical or mental disability that is unrelated to the individual's ability to perform the duties of the particular job or position. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- b) The Professional will, in all solicitations or advertisements for employees placed by or on behalf of the Professional, state that all qualified applicants will receive equal employment opportunity consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or a physical or mental disability that is unrelated to the individual's ability to perform the duties of the particular job or position.
- c) The Professional or their collective bargaining representative will send to each labor union or representative of workers with which is held a collective bargaining agreement or other Contract or understanding, a notice advising the said labor union or workers' representative of the Professional firm's nondiscrimination commitments under this article.
- d) The Professional will comply with the Elliot-Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2201 et seq; the Michigan Persons with disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 et seq; and all published rules, regulations, directives and orders of the Michigan Civil Rights Commission which may be in effect on or before the date of award of this Contract.
- e) The Professional will furnish and file nondiscrimination compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of the Professional and of each of their Consultant's. The Professional will permit access to all books, records, and accounts by the Michigan Civil Rights Commission, and/or its agent, for purposes of investigation to ascertain nondiscrimination compliance with this Contract and with rules, regulations, and orders of the Michigan Civil Rights Commission relevant to Article 6, 1976 PA 453, as amended.

- f) In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that the a Professional has not complied with the contractual nondiscrimination obligations under this Contract, the Michigan Civil Rights Commission may, as part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which the State Administrative Board may order the cancellation of the Contract found to have been violated, and/or declare the Professional ineligible for future Contracts with the State and its political and civil subdivisions, departments, and officers, and including the governing boards of institutions of higher education, until the Professional complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the Professional is declared ineligible to Contract as a contracting party in future Contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing Contract is a possibility, the State shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
- g) The Professional shall also comply with the nondiscrimination provisions of 1976 PA 220, as amended, concerning the civil rights of persons with physical or mental disabilities.
- h) The Professional will include, or incorporate by reference, the nondiscrimination provisions of the foregoing paragraphs a) through g) in every subcontract or Contract Order unless exempted by the rules, regulations or orders of the Michigan Civil Rights Commission, and will provide in every subcontract or Contract Order that said nondiscrimination provisions will be binding upon each of the Professional firm's Consultant's or seller.

ARTICLE 12 CONTRACT CLAIMS AND DISPUTES

In any claim or dispute by the Professional which cannot be resolved by negotiation, the Professional shall submit the claim or dispute for an administrative decision by the Department of Management and Budget, Director of Facilities Administration within thirty (30) consecutive calendar days of the end of the disputed negotiations, and any decision of the Director of Facilities Administration may be appealed to the Michigan Court of Claims within one (1) year of the issuance of the Director's decision. The Professional agrees that the appeal to the Director of Facilities Administration is a prerequisite to filing a suit in the Michigan Court of Claims.

ARTICLE 13 AS-BUILT DRAWINGS

The Professional shall provide the original Contract Documents/construction quality control and material testing/architectural and/or engineering as-built/mylar drawings, specifications, and computer software depicting all construction modifications, additions and deletions in connection with the Project for final record at the completion of their contracted work. The original Contract Documents/construction quality control and material testing/architectural and/or engineering as-built drawings, specifications, computer software, and computer software developed by the Professional for the Project scope of work services will be returned to the Professional upon their written request.

ARTICLE 14 COMPLETE AGREEMENT: MODIFICATION

This Professional Services Contract constitutes the entire agreement as to the Project between the parties. Any Contract Modification of this Contract and the attached Appendix 1 – Project/Program Statement scope of work requirements must be in writing, signed by duly authorized representatives of the parties, and shall be in such format and detail as the State may require. No Contract Modification may be entered into to compensate the Professional for correcting, or for responding to claims or litigation for the Professional firm's Contract Documents/construction quality control and material testing/engineering design errors, omissions or neglect on the part of the Professional.

IN WITNESS, WHEREOF, each of the parties has caused this Professional Services Contract to be executed in blue pen and ink by its duly authorized representatives on the dates shown beside their respective signatures, with the Contract to be effective upon the date on which the Professional receives a copy executed by the authorized State representative(s) by regular, registered or certified mail or by delivery in person.

FOR THE PROFESSIONAL:

Signature

Date

Title

Federal Identification (I.D.) Number or Social Security No.

FOR THE STATE OF MICHIGAN:

Director, Department of Management and Budget

Date

APPENDIX 1

PROJECT/PROGRAM STATEMENT

APPENDIX 2

PROJECT ORGANIZATIONAL CHART

APPENDIX 3

PROJECT CONSTRUCTION SCHEDULE*

***The Phase 600 and 700 Construction Quality Control and Material Testing Services required for this Project scope of work will be coordinated and performed in accordance with the involved Project Construction Contractor's construction schedule.**

APPENDIX 4

AUTHORIZED REIMBURSABLE TESTS AND \$ EXPENSES

The professional services listed below are authorized by the Department of Management and Budget, Facilities Administration, Design and Construction Division for direct cost reimbursements times a 1.0 multiplier.

4.1 SUMMARY OF AUTHORIZED REIMBURSABLE EXPENSE ITEMS

(Complete for each firm)

Professional/Consultant Firm:
City, State

Multiplier: 1.0

<u>Project Phase No.</u>	<u>Description of Professional Services Provided</u>	<u>Total \$ Amount</u>
600*	Printing and Reproduction of the Project Design Professional's Phase 500 - Final Design Contract Bidding Documents, Drawings and Specifications	\$ _____
600*	Printing and Reproduction of the Construction Quality Control and Material Testing Services, Final Reports	\$ _____
700*	Printing and Reproduction of the Project Design Professional's Phase 500 - Final Design Contract Bidding Documents, Drawings and Specifications	\$ _____
700*	Printing and Reproduction of the Construction Quality Control and Material Testing Services, Final Reports	\$ _____
	Total of Authorized Reimbursable Expense Items	\$ _____

*See the Article 2 – Compensation Format for the Authorized Reimbursable Expense Items of this Contract.

APPENDIX 5

CERTIFICATE OF AWARDBILITY

APPENDIX 6

**OVERHEAD ITEMS ALLOWED FOR THE
PROFESSIONAL SERVICES CONTRACTOR'S
MULTIPLIER CALCULATION
FOR HOURLY DIRECT PAYROLL RATE AND BILLING RATE**

MULTIPLIERS ABOVE 2.70 WILL NOT BE ACCEPTED FOR AWARD OF CONTRACT BY THE DEPARTMENT OF MANAGEMENT AND BUDGET, FACILITIES ADMINISTRATION, DESIGN AND CONSTRUCTION DIVISION FOR THE PROFESSIONAL FIRM'S SERVICES OR FOR THE PROFESSIONAL FIRM'S CONSULTANT SERVICES.

The following instructions are to be used by the Professional Services Contractors to determine the allowable multiplier to use on State of Michigan Projects. Contract total cost shall be estimated using the current direct payroll rates for personnel performing a direct service times the Professional firm's multiplier. The multiplier for direct payroll rates shall not exceed 2.70 and Contracts will not be accepted for award by the Department of Management and Budget, Facilities Administration, Design and Construction Division to a Professional firm with a multiplier above 2.70. All multipliers must be documented in writing and accompanied with accounting records prepared by a qualified accountant justifying each Professional firm's calculated multiplier. No Professional firm's multiplier shall exceed two (2) numerical digits after the decimal point and any Professional firm's multipliers with three (3) or more numerical digits shall be rounded off to two (2) numerical digits.

All of the Professional firm's Consultants providing Project professional services must submit a separate multiplier (with proper documentation) for the Consultant professional services they will provide. No mark-up of the Consultants direct payroll or billing rates will be allowed.

The Department of Management and Budget, Facilities Administration, Design and Construction Division will reimburse the Professional for the actual cost of printing and reproduction of the Contract Bidding Documents, soil borings, surveys and any required laboratory testing services. No mark-up of these Project costs will be allowed.

2006 MULTIPLIER

Based on 2005 Expenses

$$\text{Multiplier} = \frac{\text{Direct Payroll Cost} \times \text{Profit Factor (1.1 Maximum)} + \text{Overhead Allowance}}{\text{Direct Payroll Cost}}$$

Direct Payroll Cost

OVERHEAD ITEMS ALLOWED FOR THE PROFESSIONAL SERVICES CONTRACTORS' MULTIPLIER CALCULATION

SALARIES:

Principals (Not Project Related)
Clerical/Secretarial
Technical (Not Project Related)
Temporary Help
Technical Training
Recruiting Expenses

EQUIPMENT RENTALS:

Computers
Typewriter
Bookkeeping
Dictating
Printing
Furniture and Fixtures
Instruments

EMPLOYEE BENEFITS:

Hospitalization
Employer's Federal Insurance Contributions Act (F.I.C.A.) Tax
Unemployment Insurance
Federal Unemployment Tax
Disability
Worker's Compensation
Vacation
Holidays
Sick Pay
Medical Payments
Pension Funds
Insurance - Life
Retirement Plans

OFFICE FACILITIES:

Rents and Related Expenses
Utilities
Cleaning and Repair

TRAVEL:

All Project-Related Travel*

MISCELLANEOUS:

Professional Organization Dues
for Principals and Employees
Licensing Fees

PRINTING AND DUPLICATION:

Specifications (Other Than Contract Bidding Documents)
Drawings (Other Than Contract Bidding Documents)
Xerox/Reproduction
Photographs

SUPPLIES:

Postage
Drafting Room Supplies
General Office Supplies
Library
Maps and Charts
Magazine Subscriptions

SERVICES (NONPROFESSIONAL):

Telephone and Telegram
Messenger Services

LOSSES:

Bad Debts (Net)
Uncollectible Fee
Thefts (Not Covered by Project/Contract Surety Bond)
Forgeries (Not Covered by Project/Contract Surety Bond)

SERVICES (PROFESSIONAL):

Accounting
Legal
Employment Fees
Computer Services
Research

TAXES:

Franchise Taxes
Occupancy Tax
Unincorporated Business Tax
Property Tax
Single Business Tax

FINANCIAL:

Depreciation

INSURANCE:

Professional Liability Insurance
Flight and Commercial Vehicle
Valuable Papers
Office Liability
Office Theft
Premises Insurance
Key-Personnel Insurance

MULTIPLIER DOES NOT INCLUDE AND THE DEPARTMENT OF MANAGEMENT AND BUDGET, FACILITIES ADMINISTRATION, DESIGN AND CONSTRUCTION DIVISION WILL PAY THE PROFESSIONAL FIRM FOR (UNDER REIMBURSABLE COSTS):

1. Printing and reproduction of the Phase 600 and 700 Construction Final Reports.
2. Printing and reproduction of the Phase 500 - Final Design Bidding Contract Documents, Drawings and Specifications.
- 3.* Travel mileage costs for State of Michigan Projects more than one-hundred (100) miles in each direction from the Professional firm's Michigan office if the Professional firm can demonstrate a cost savings to the State, if reimbursed for travel mileage in accordance with the current travel rates provided in the State of Michigan's "Schedule of Travel and Meal Reimbursement Rates" versus an adjustment to the Professional firm's calculated multiplier.

APPENDIX 7

ORIGINAL CERTIFICATES OF INSURANCE