



HIBBING CITY COUNCIL
Regular Meeting
Wednesday, February 18, 2026
5:00 PM

Councilor Justin Fosso
Councilor John Schweiberger
Councilor James Bayliss
Councilor Jay Hildenbrand
Councilor Jennifer Hoffman Saccoman
Councilor Chris Whitney
Mayor Pete Hyduke

City Administrator Greg Pruszinske
City Clerk-Dep Admin Candie Seppala
Finance Dir - Treasurer Sheena Mulner
City Attorney Andy Borland
Chief of Police Steve Estey
City Engineer Jesse Story

Members may participate through remote technology

I. CALL TO ORDER:

II. PLEDGE OF ALLEGIANCE:

III. ADDS AND DELETES:

1. ADDs: CONSENT AGENDA #10, #11, & #12
DELETES: DEPARTMENT & COMMITTEE REPORT #3a

IV. APPROVAL OF THE AGENDA:

V. APPROVAL OF MINUTES:

1. Approve the Minutes of the Hibbing City Council Meeting of February 4, 2026
2. Approve the Minutes of the Hibbing City Council Workshop of February 4, 2026

VI. CONSENT AGENDA:

1. Approve Accounts Payable dated February 13, 2026 checks #182084-182198 and drafts in the amount of \$3,249,388.39
2. Approve City Payroll for the pay period ending February 6, 2026 in the amount of \$650,358.33
3. Approve the Worker's Compensation Policy Renewal selecting the Regular Premium Option
4. Accept the \$150,306.64 transfer from HEDA from the sale of 1111 E 7th Ave to be deposited into the land acquisition fund.
5. Approve the allocation of the 2024 EMS aid payment in the amount of \$166,989.56 to be used for debt service on a 2024 North Star Ambulance
6. Authorize the Mayor to sign the 2026 Financial Renewal and Terms of Amendment to the Administrative Services Agreement by and between Blue Cross and Blue

Shield of Minnesota and the City of Hibbing for the 2026 Health Insurance Plan.

7. Authorize the posting of one Full-Time Equipment Operator II position.
8. Approve Resolution No. 26-02-09 Approving Labor Agreement, and Memorandums of Understanding between the City of Hibbing and AFSCME Local Union No. 791.
9. Approve the Raffle Permit Application Request of the Hibbing Chisholm Breakfast Rotary to hold their raffle on Tuesday, May 5, 2026 at the Hibbing Armory Raffle Permit #26-02-02
10. Offer RESOLUTION NO. 26-02-10 SUPPORT FOR CLIMB THEATRE TO CONDUCT CHARITABLE GAMBLING AT MESABA COUNTRY CLUB
11. Authorize the hire of Kevin Kujula for Lead Equipment Operator-Burial Service pending pre-employment contingencies.
12. Authorize the hire of Preston Dall for the Full-Time Equipment Operator I position pending pre-employment contingencies.
13. Set the next Regular Hibbing City Council Meeting for Wednesday, March 4, 2026 in the Council Chamber at 5:00 p.m.
14. Set the next Hibbing City Council Workshop Meeting for Wednesday, March 4, 2026 in the Council Chamber following the 5:00 p.m. Regular City Council Meeting

VII. PUBLIC FORUM:

VIII. DEPARTMENT AND COMMITTEE REPORTS:

1. Community Development Director Betsy Olivanti

- a. Approve Purchase Agreement Extension for parcel ID: 140-0290-00619 with HRA of Hibbing for Mahoning Manor Project.

2. Building Official Pat Green

- a. Approve an Interim Use Permit request of Kubena Sand & Gravel LLC, 3938 19th Ave. East, Hibbing, MN 55746 to allow for the operation of a gravel pit in the O, Open Space District, and the Hibbing City Code of Ordinances, on the subject properties, PID #'s 141-0050-02035 and 141-0050-02040, NE ¼ of SW ¼ and part of SE ¼ of NW ¼, (Section 15 Township 57 Range 21 Hibbing).

3. City Attorney Andy Borland

- a. ~~Offer ORDINANCE NO. 457 AN ORDINANCE OF THE CITY OF HIBBING, MINNESOTA, AMENDING HIBBING CITY CODE CHAPTER 11 ENTITLED "LAND USE REGULATION (ZONING)" BY ADDING NEW DEFINITIONS TO SECTION 11.02 AND BY AMENDING THE USES PERMITTED IN ZONE DISTRICTS; AND BY ADOPTING BY REFERENCE, HIBBING CITY CODE CHAPTER 1 AND SECTION 11.99 WHICH, AMONG OTHER THINGS,~~

~~CONTAIN PENALTY PROVISIONS.~~

- b. Offer ORDINANCE NO. 458 AN ORDINANCE OF THE CITY OF HIBBING, MINNESOTA, AMENDING HIBBING CITY CODE CHAPTER 9 A PARKING REGULATIONS@ BY REPLACING SECTION 9.21 ENTITLED >SNOW EMERGENCY; AND, BY ADOPTING BY REFERENCE, HIBBING CITY CODE CHAPTER 1 AND SECTION 9.99 WHICH, AMONG OTHER THINGS, CONTAIN PENALTY PROVISIONS.

4. City Administrator Greg Pruszinske

IX. **BIDS AND QUOTES:**

1. City Engineering Jesse Story

- a. Approve the quote from Bougalis & Sons. 41st Street Ditching Project Award in the amount of \$99,000
- b. Authorize the Mayor and City Clerk to sign the 2026 USDA Wildlife Services Agreement
- c. Amend the current agreement with BARR to include the inspection and construction administration services.BARR Construction Administration Services - 41st Street Ditch with an amount not to exceed \$16,000
- d. Approve the agreement with Hart Electric to provide service to repair any failing lights when there is an indicator or luminare outage. . The quote is in the amount of \$315 per event.
- e. Approve change order #2 for the Hibbing Public Safety Building Project in the amount of \$30,219.69

2. City Services Director Nick Arola

- a. Approve the GMP for the City Hall Window Replacement.
- b. Approve a \$20,000 fund transfer from Economic Development to Recreation Administration.

X. **ADJOURNMENT:**

CITY OF HIBBING (6195543)
401 E 21ST ST
HIBBING, MN 55746-1854
United States
41-6005232

Payroll Recap & Funding

Biweekly Regular 02/13/2026

Pay Date: 02/13/2026

Payroll Overview

Payroll	Biweekly Regular 02/13/2026
Pay Date	02/13/2026
# Employees	169
# Paid Employees	169
# Regular	169
# Pay Periods	1
Base Compensation Changes	2
Rehires	1

Employee Payments

	#	EE's	\$ Amount
Direct Deposits Debited	227	168	270,858.70 ^D
Total			270,858.70
(D) POD6 UKG Payroll Services Admin Debit			-270,858.70
Your Remaining Bank Account Liability			0.00
Vouchers Printed	0		
Vouchers Suppressed	0		

Taxes

	EIN	EE's	\$ Amount
FIT/EE	41-6005232	136	35,810.27
FICA/ER	41-6005232	111	12,839.35
FICA/EE	41-6005232	111	12,839.35
MEDI/ER	41-6005232	169	5,750.87
MEDI/EE	41-6005232	169	5,750.87
SIT:MN/EE	8022766	139	16,870.52
Minnesota Paid/ER	7980030	1	1.48
Minnesota Paid/EE	7980030	1	1.48
Total			89,864.19
Your Remaining Tax Liability			89,864.19

Vendor Liabilities

	EE's	\$ Amount
AFLAC-WWHQ	1	-78.72
City of Hibbing Insurance	130	166,427.77 ^D
City of Hibbing PFML	168	3,545.30 ^D
EMPOWER	112	22,267.23
HIBBING POLICE ASSOCIATION	16	160.00 ^D
Lincoln Financial Group	19	4,174.12
MN CHILD SUPPORT PAYMENT CE	3	851.39 ^D
MN PERA	136	89,732.10
NATIONWIDE	14	2,045.00
NCPERS GROUP LIFE INS C/O ME	4	64.00 ^C
Riverview Law Office, PLLC	1	447.25 ^C
Total		289,635.44
(D) POD6 UKG Payroll Services Admin Debit		-170,984.46
(C) Vendor Checks		-511.25
Your Remaining Vendor Liability		118,139.73

Total

Total	650,358.33
POD6 UKG Payroll Services Admin Debit	-441,843.16
Total of Your Responsibility	208,515.17

Recap

POD6 UKG Payroll S	Date	Bank Account #	\$ Amount
Vendor Payment SPA	02/12/2026	x0087	170,984.46
Empl. Dir. Dep. SPA	02/12/2026	x0087	270,858.70
Total Debits			441,843.16

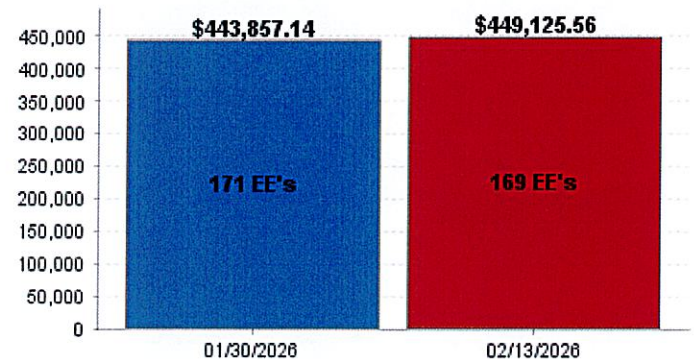
Cash Requirements: x0087

	\$ Amount
Vendor Payment SPA	170,984.46
Vendor Checks	511.25
Tax Payment	89,864.19
Empl. Dir. Dep. SPA	270,858.70
Total	532,218.60

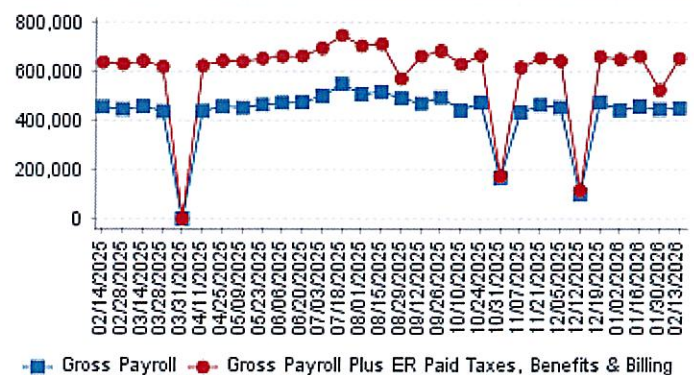
General Ledger Summary

	Debit/Exp.	Credit/Liab.
Earning	449,563.96	
ER Deduction	182,202.67	
ER Tax (Offset)	18,591.70	
Deduction	78.72	107,511.49
ER Tax		18,591.70
Tax		71,272.49
ER Deduction (Offset)		182,202.67
Direct Deposit		270,858.70
	650,437.05	650,437.05

Comparison To Last Pay Period - Gross Wages



Rolling 12 Month Payroll View



Grouped By: None
Sorted By: None
Filtered By: None

Kronos SaaShr, Inc.
City of Hibbing



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Page 1 of 1



Request for City Council Action

City Council Action

Approved

☐

Denied

☐

Amended

☐

Tabled

☐

Attachments: Worker's Compensation Quote

Main Agenda ____

Consent Agenda X____

Description of Agenda Item: Approve the Worker's Compensation Policy Renewal with a Regular Premium Option of \$332,446

Strategic Initiative: Staff has been looking at our various insurance policies and digging into how we manage our insurance. USI, our insurance agent, recommends going with the regular premium option for this renewal.

Owner of Agenda Item/Department/email address/Phone:

Sheena Mulner 218-312-1602 sheenamulner@hibbingmn.gov

Greg Pruszinske 218-262-3486 x 730 gregpruszinske@hibbingmn.gov

Erin Schirmer 218-262-3486 x 701 erinschirmer@hibbingmn.gov

Angela Kleffman 218-262-3486 x 732 angelakleffman@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal: Our current policy expires 3/1/26. We have been working with our agent on reviewing our experience and claims and looking at how the City can save money over the long term for worker's compensation insurance. Our agent's recommendation is to move forward with the regular premium option.

Board/Commission/Committee Actions(s): None

Budgetary/Fiscal Impact: The city budgeted \$717,000 for 2026 work comp premiums. During the budget season, our mod factor was calculated at 1.32. It has been reduced to 0.94 following the closing out of some open claims. In addition, the LMCIT Trust Fund has been doing well, overall, and has reduced rates for different classification groups. Therefore, our quote was less than was expected. Finance staff will be looking at making budget adjustments for 2026; there were some unbudgeted amounts that resulted from labor contract negotiations so we will see what the results are from that activity.

Action Requested: Approve the quote with the Regular Premium option.

League of Minnesota Cities Insurance Trust
Group Self-Insured Workers' Compensation Plan
145 University Avenue West St. Paul, MN 55103-2044 Phone (651) 215-4173

Notice of Premium Options for Standard Premiums of \$300,000 - \$500,000

HIBBING, CITY OF
401 E 21ST ST
HIBBING, MN 55746-5510

Agreement No.: WC 1001883_Q-10
Agreement Period:
From: 03/01/2026
To: 03/01/2027

Enclosed is a quotation for workers' compensation deposit premium. **Note: Renewal Coverage will be bound as per the expiring coverage arrangement, including coverage for elected and appointed officials, with the premium indicated on the quote, unless the member or agent sends a written request not to bind renewal coverage.**

<u>PAYROLL DESCRIPTION</u>	<u>CODE</u>	<u>RATE</u>	<u>ESTIMATED PAYROLL</u>	<u>DEPOSIT PREMIUM</u>
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SEE ATTACHED SCHEDULE FOR DETAILS

Manual Premium	406,158
Credit 0.94	-24,369
Standard Premium	381,789
Deductible Credit 0.00%	0
Premium Discount	-42,558
Net Deposit Premium	\$339,231
Adjustment for Commission*	-6,785
Total Net Deposit Premium	\$332,446

*Workers compensation rates assume a 2% standard commission. The commission adjustment accounts for the commission difference, above or below 2%.

Agent:
01522 USI Insurance Services LLC
8000 Norman Center Dr #400
Bloomington, MN 55437-1180

Notice of Premium Options for Standard Premiums of \$300,000 - \$500,000 (Con't)

OPTIONS

Please Indicate below the premium option you wish to select. You may choose only one option and you cannot change options during the agreement period.

1.	☒ Regular Premium Option	Net Deposit Premium	Commission Adjustment	Total Net Deposit Premium
		339,231	-6,785	332,446

2. ☐ **Deductible Premium Option**
Deductible options are available in return for a premium credit applied to your estimated standard Premium of \$ 381,789. The deductible will apply per occurrence to paid medical costs only. There is no aggregate limit.

	Deductible per Occurrence	Premium Credit	Credit Amount	Net Deposit Premium	Commission Adjustment	Total Net Deposit Premium
☐	\$250	0.60%	-2,291	336,940	-6,739	330,201
☐	\$500	1.10%	-4,200	335,031	-6,701	328,330
☐	\$1,000	1.90%	-7,254	331,977	-6,640	325,337
☐	\$2,500	3.50%	-13,363	325,868	-6,517	319,351
☐	\$5,000	5.00%	-19,089	320,142	-6,403	313,739
☐	\$10,000	7.00%	-26,725	312,506	-6,250	306,256
☐	\$25,000	11.50%	-43,906	295,325	-5,907	289,418
☐	\$50,000	15.00%	-57,268	281,963	-5,639	276,324

3. ☐ **Retrospective Rates Premium Option**

	Retro-Rated Minimum Factor	Est. Minimum Premium	Retro-Rated Maximum Factor	Est. Maximum Premium
☐	0.399 %	152,334	1.300 %	496,326
☐	0.346 %	132,099	1.500 %	572,684
☐	0.263 %	100,411	2.000 %	763,578

This quotation is for a deposit premium based on your estimate of payroll and selected options. Your final actual premium will be computed after an audit of payroll subsequent to the close of your agreement year and will be subject to revisions in rates, payrolls and experience modification. While you are a member of the LMCIT Workers' Compensation Plan, you will be eligible to participate in dividend distributions from the Trust based upon claims experience and earnings of the Trust.

If you desire the coverage offered above, please return this signed document for the option you have selected.

This quotation should be signed by an authorized representative of the member requesting coverage.

Notice of Premium Options for Standard Premiums of \$300,000 - \$500,000

Em Schum

Signature

(Con't)

Assistant finance director

Title

2/11/24

Date

**Notice of Premium Options for Standard Premiums of \$300,000 - \$500,000
(Con't)**

CONTINUATION SCHEDULE FOR QUOTATION PAGE

<u>REMUNERATION</u>	<u>RATE</u>	<u>CODE</u>	<u>DESCRIPTION</u>	<u>EST. PREM</u>
1,506,980	3.385	5506	STREET CONSTRUCTION	51,011
2,132,087	3.449	7380	AMBULANCE SERVICE	73,536
531,156	1.707	7580	SEWAGE DISPOSAL PLANT	9,067
402,251	5.711	7706	FIREFIGHTERS (NOT VOLUNTEER) FULL-TIME PAID	22,973
2,691,969	5.791	7720	POLICE	155,892
528,093	3.091	8227	CITY SHOP & YARD	16,323
10,800	0.309	8810	EDA EMPLOYEES	33
496,276	0.309	8810	LIBRARY OR MUSEUM-PROF & CLERICAL	1,533
1,522,318	0.309	8810	CLERICAL OFFICE EMPLOYEES NOC	4,704
50,000	1.576	8831	ANIMAL CONTROL	788
963,746	4.124	9102	PARKS	39,745
69,922	2.676	9182	CITY ARENA-OPERATIONS	1,871
171,679	4.416	9220	CEMETERY OPERATION	7,581
376,992	4.490	9403	GARBAGE OR REFUSE COLLECTION	16,927
720,246	0.569	9410	MUNICIPAL EMPLOYEES	4,098
18,200	0.416	9411	ELECTED OR APPOINTED OFFICIALS	76
Manual Premium				406158.0



Request for Council Action

City Council Action

Description of Agenda Item

Accept the \$150,306.64 transfer from HEDA from the sale of 1111 E 7th Ave to be deposited into the land acquisition fund.

Strategic Initiative

Track land purchases and sale proceeds through the utilization of the land acquisition fund.

Owner of Agenda Item

Sheena Mulner, Finance Director - Treasurer, 218-312-1602, sheenamulner@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal

HEDA recently sold the building at 1111 E 7th Ave to Yoder Building Supplies. After paying closing costs and the balance due on the IRR loan, the proceeds from the sale came to \$150,306.64. HEDA approved transferring the funds to the land acquisition fund, so there will be funding available for future land acquisitions.

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

The land acquisition fund balance will increase by \$150K.

Action Requested

Please approve

Attachments

1. Resolution 2026-02-03

At a regular meeting of the Board of Commissioners of the HIBBING ECONOMIC DEVELOPMENT AUTHORITY held Tuesday, February 3, 2026, at 5: 00 p .m., Member Shari Majkich Brock offered the following Resolution and moved its adoption:

RESOLUTION No. 2026-02-03

RESOLUTION AUTHORIZING TRANSFERRING THE
NET PROCEEDS (\$150,306.64) FROM THE SALE
OF 1111 E 7TH AVE TO THE LAND ACQUISITION
FUND

WHEREAS, HEDA sold its property at 1111 E 7th Ave in December 2025 for \$700,000,

WHEREAS, HEDA owed \$547,133.36 to the Iron Range Resources & Rehabilitation Board (IRRRB) for its existing note from purchasing the building,

WHEREAS, HEDA paid closing costs of \$2,560,

WHEREAS, net cash proceeds from the sale were \$150,306.64,

WHEREAS, HEDA would like to transfer these proceeds to the city of Hibbing's land acquisition fund to be used for future land purchases.

NOW, THEREFORE, IT IS HEREBY RESOLVED that HEDA shall transfer out the net proceeds from the sale in the amount of \$150,306.64 from the HEDA building fund (610) to the city's land acquisition fund (406).

The motion to adopt the foregoing Resolution was duly supported by Member Mike Egan, and upon being put to a vote, carried as follows:

FOR ADOPTION: President Steve Jurenes
Vice President Celia Cameron
Councilor John Schweiberger
Councilor Jennifer Hoffman Saccoman
Mayor Pete Hyduke
Member Mike Egan
Member Shari Majkich Brock

AGAINST ADOPTION: None

ABSTAINING: None

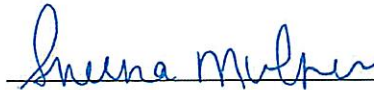
ABSENT: None

Adopted and passed this 3rd day of February 2026.

HIBBING ECONOMIC DEVELOPMENT AUTHORITY

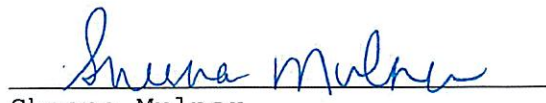

President Steve Jurenes

ATTEST:


Sheena Mulner

CERTIFICATION

I hereby certify that the foregoing Resolution is a true and correct copy of the Resolution adopted and passed by the Hibbing Economic Development Authority at its regular meeting held Tuesday, February 3, 2026.


Sheena Mulner
Deputy Clerk

HEDA Resolution 2026-02-03
February 3



Request for Council Action

City Council Action

Description of Agenda Item

Approve the allocation of the 2024 EMS aid payment in the amount of \$166,989.56 to be used for debt service on the 2024 North Star Ambulance

Strategic Initiative

Owner of Agenda Item

Sheena Mulner, Finance Director - Treasurer, 218-312-1602, sheenamulner@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal

During the 2024 legislative session, the state approved aid payments to be made to licensed ambulance providers. Hibbing's aid was received near the end of 2024 in the amount of \$166,989.56. Chief Jankila recommended using the aid toward the purchase of one of our ambulances. The ambulances received in 2024 and 2025 were both financed with our 2024A bond proceeds. Therefore, we discussed allocating the funds toward the debt service payments for the 2024 ambulance. Funds needed to either be spent or encumbered by December 31, 2025. The reporting has been submitted by the February 15th 2026 deadline and is attached for reference.

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

The funding will help offset debt service payments on the 2024 ambulance.

Action Requested

Please approve

Attachments

1. EmergencyAmbulanceAidFinancialReport_Submission_1431494149

Form Name: Emergency Ambulance Aid Financial Report
Submission Time: February 10, 2026 5:05 pm
Unique ID: 1431494149

Service Report Information

Ambulance Service Name	HIBBING AMBULANCE SERVICE
Ambulance Service License Number	107
Name of Person Completing Report	Sheena Mulner
Email of Person Completing Report	sheenamulner@hibbingmn.gov
Phone Number of Person Completing Report	(218) 312-1602
Have you previously submitted a report for this ambulance service?	NO

Financial Information

Amount of Aid Funding Received	166989.56
Amount Spent (Operational Expenses)	0.00
Amount Encumbered (Operational Expenses)	0.00
Operational Expense Total (Operational Expenses)	0.00

Project Description--Please enter a description of the project that you used aid funding for (Project 1) Ambulance purchase made in April 2024, payment reported here went to principal on bond payment

Amount Spent--Please enter the amount that you have spent on this project (Project 1) 77365.10

Amount Encumbered--If you have encumbered funds based on a contract executed before 12/31/2025 but have not yet spent funds, how much is set aside for this project (Project 1)

Amount Spent (Capital Expenses) 77365.10

Amount Encumbered (Capital Expenses) 89624.46

Capital Expense Total (Capital Expenses) 166989.56

Funds Received From State (Balance Summary for This Aid Award) 166989.56

Total Funds Spent/Encumbered (Balance Summary for This Aid Award) 166989.56

Funds to be Returned Minnesota Department of Revenue (Balance Summary for This Aid Award) 0.00

Supporting Documentation

File Upload for Capital Expenses <https://www.formstack.com/admin/download/file/19144737559/0>
<https://www.formstack.com/admin/download/file/19144737559/1>
<https://www.formstack.com/admin/download/file/19144737559/2>
<https://www.formstack.com/admin/download/file/19144737559/3>
<https://www.formstack.com/admin/download/file/19144737559/4>

FINANCIAL RENEWAL AND TERMS AMENDMENT

This Amendment ("Amendment") is made to the Administrative Services Agreement ("Agreement") that was entered into effective January 01, 2025, by and between BCBSM, Inc. d/b/a Blue Cross and Blue Shield of Minnesota (Blue Cross) and City of Hibbing, and is effective on January 01, 2026, the first date of the Servicing Year.

Any capitalized terms used in this Amendment have the meanings shown in the Agreement. These terms may or may not have been capitalized in the Agreement between the parties but will have the same meaning as if capitalized.

Nothing shown in this Amendment alters, varies or affects any of the terms, provisions or conditions of the Agreement other than as stated herein.

Payment to Blue Cross by Employer (either through direct check or electronic funds transaction) made at least seven (7) days following receipt of this Amendment for services described in the Amendment will signify Employer's acceptance of all terms, conditions and obligations of this Amendment. Acceptance will be effective on the first date of the Servicing Year as outlined above.

This Amendment is Agreed to and Accepted by Employer and Blue Cross by:

Employer: City of Hibbing
(For itself and in its capacities as Plan Sponsor and Plan Administrator)

(Signature)

(Print Name)

(Title)

(Date)

Blue Cross and Blue Shield of Minnesota:

(Signature)

Sara Hreha
(Print Name)

Vice President, Chief Actuary
(Title)

(Date)

The 2025 Administrative Agreement is amended for the 2026 Servicing Year as noted below.

Article Three-Blue Cross Obligations 5. Payment Integrity (c) Pursue Subrogation and Reimbursement Claims and Other Recoveries (ii) through (v) is replaced in its entirety with the following:

(c) *Pursue Subrogation and Reimbursement Claims and Other Recoveries*

- (i) Employer grants to Blue Cross the discretionary authority to pursue, negotiate and compromise all subrogation (including workers' compensation interventions) and reimbursement claims of Employer/Plan, and to take any action Blue Cross deems appropriate (including commencing litigation or intervening in litigation/ proceedings with respect to these matters). If Blue Cross commences, or intervenes in, litigation or other proceedings involving a Member to protect Blue Cross' interests, Blue Cross may, at its option, also act to protect a subrogation or reimbursement interest of Employer/Plan.
- (ii) Subject to the terms of this Agreement and the Plan and the direction of Employer/Plan as set forth in this Section, Blue Cross will provide additional recovery services to Employer/Plan with respect to legal and equitable claims of Employer/Plan arising by virtue of Employer/Plan's payment of Claims, including but not limited to pharmacy, device or durable medical equipment, and/or medical Claims.

In circumstances in which Blue Cross has received notice or otherwise has knowledge of pending litigation brought by third parties, including class action litigation, related to the payment of Claims by the Plan, or of any proposed settlements of such litigation ("Third Party Litigation"), Employer/Plan authorizes Blue Cross to take actions necessary to obtain a recovery from the Third Party Litigation for and on behalf of Employer/Plan, including by preparing and submitting claims to obtain a share of any settlement. In so doing, Employer/Plan authorizes Blue Cross to opt into such litigation and settlements and seek a recovery on Employer/Plan's behalf, unless Employer/Plan has notified Blue Cross fifteen (15) or more days prior to any court-established opt-out deadline that Employer/Plan has decided to exclude itself from the Third Party Litigation at issue.

In the event that Blue Cross files litigation to protect Blue Cross's own interests, or becomes aware of Third Party Litigation but elects to opt out and pursue independent litigation or other means of recovery that could cover claims of Employer/Plan relating to Claims, Blue Cross may pursue the independent litigation or other means of recovery in an effort to secure recovery on behalf of both Blue Cross and Employer/Plan. Before Blue Cross takes such action on behalf of Employer/Plan, it shall issue notice to Employer/Plan. If in response to such notice, Employer/Plan determines that it does not want Blue Cross to include Employer/Plan's claims in the independent litigation or other means for recovery, Employer/Plan shall inform Blue Cross within thirty (30) days after the notice was issued and Blue Cross shall not include Employer/Plan's claims. If Employer/Plan does not inform Blue Cross of as much, Employer/Plan shall have authorized Blue Cross to include Employer/Plan's claims in the noticed independent litigation or other means of recovery. In such instances, Blue Cross shall control and have the exclusive right to approve recovery strategy, settlement, and resolution.

- (iii) Employer/Plan will be responsible on a pro rata basis for the cost, including reasonable attorneys' fees, associated with any litigation referenced in this Section(5)(c). Employer/Plan will pay a fee for recovery services provided by Blue Cross, which will be deducted from any recovery, as set forth in Exhibit A.
- (iii) Employer/Plan hereby specifically declines representation by class counsel in class actions brought against third parties in instances in which Blue Cross has undertaken independent means of recovery on Employer/Plan's behalf pursuant to Section (5)(c)(ii).
- (v) The terms and conditions described herein shall apply to any claim for any expenditure for which Blue Cross administered the claim for the Employer and/or the Plan, and supersedes any prior agreement among the parties relative to recovery rights. The terms and conditions described herein also survive the expiration or termination of the Agreement; however, nothing herein shall require Blue Cross to assert any claims on the Employer's and/or the Plan's behalf following the termination of the Agreement. If the Agreement is terminated after Blue Cross has asserted a claim on behalf of the Employer and/or the Plan but before any recovery, Blue Cross may in its sole discretion continue to pursue the claim or discontinue the claim.
- (d) *Additional Program Information*

In any recovery services or activity undertaken by Blue Cross under this Section, Employer understands that the efforts of Blue Cross may not result in full or partial recovery in any particular case. If Employer requires identifiable data with regard to its review of any Claim that is subject to subrogation, intervention or reimbursement under this Section, Blue Cross will require the Member's written authorization prior to release.

Please see the following Exhibits for any applicable changes for the 2026 service year.

**EXHIBIT A
FEE SCHEDULE**

Employer: City of Hibbing

Servicing Year: January 01, 2026, to January 01, 2027

(A) Weekly Charges

Blue Cross will notify Employer weekly of the amount of funds to be reimbursed through Employer's Account for the following Plan expenses:

(1) Claims Paid

(B) Fixed Charges

Blue Cross will notify Employer by the 25th of the month of the amount due. Funding for fixed monthly charges is due on the first business day of the following month.

Administrative Service Charge

\$51.00 per contract per month

The following services are included in the administrative service charge: Standard Utilization Management, Case Management and Cotiviti analytics.

Broker/Agency Fee

\$30.45 per contract per month

Broker/Agency

Fee is payable to:

USI Insurance Services LLC
8000 Norman Center Drive, # 400
Bloomington, Minnesota 55437

Blue Cross has the right to adjust if (1) enrolled contracts change by more than 10%, (2) if average contract size or average family size changes by more than 5%, or (3) if there are any regulatory benefit or tax changes that would impact costs, or (4) during acts of civil or military authority, civil disturbance, war, terrorism, pandemic/epidemic fires, earthquakes, floods, tornadoes or other natural disasters or acts of God ("Force Majeure Event"). (The rate cap is also void if Employer seeks new bids or quotes for its health plan).

Cancer Care+	Fee is waived
KISx card	Fee is waived
Springbuk	Fee is waived
Cotiviti Analytics	Fee is waived

Teladoc® Services

General Medical Teleconsultation Services and Behavioral Health Teleconsultation Services

\$0.84 per covered contract holder per month

(C) Annual Settlement

There will be no Annual Settlement of the Network Access Fee or the VBPR.

(D) Inter-Plan Programs Administrative Expense Allowance, Access Fees and VBP

Only the BlueCard® Program Access Fee and the BlueCard® Program Administrative Expense Allowance (AEA) fee may be charged separately each time a Claim is processed through the BlueCard® Program. All other BlueCard® Program-related fees are included in the Administrative Charges.

The Access Fee is charged by the Host Blue to Blue Cross for making the applicable Host Blue's Provider network available to Employer's Members. The Access Fee will not apply if the Provider does not participate in the applicable Host Blue's network. The Access Fee is charged on a per Claim basis and is charged as a percentage of the discount/differential Blue Cross receives from the applicable Host Blue subject to a maximum of \$2,000 per Claim. When charged, Blue Cross passes the Access Fee directly on to Employer.

BlueCard® Program Access Fees: A BlueCard® Program Access Fee may be charged only if the Host Blue's arrangement with its Provider prohibits billing Members for amounts in excess of the negotiated payment. However, a Provider may bill Members for non-covered healthcare services and for cost sharing (for example, deductibles, copayments and/or coinsurance) related to a particular Claim.

How the BlueCard® Program Access Fee Affects Employer: Sometimes the Access Fee is a negative amount, which is known as an Access Fee Credit. Any Access Fee Credits will be credited to Blue Cross and Blue Cross will pass the entire Access Fee Credit onto Employer.

Instances may occur in which the Claim payment is zero or Blue Cross pays only a small amount because the amounts eligible for payment were applied to patient cost sharing (such as a deductible or coinsurance). In these instances, Blue Cross will pay the Host Blue's Access Fee and pass it along directly to Employer as stated above even though Employer paid little or had no Claim liability.

The AEA Fee is a fixed per-claim dollar amount charged by the Host Blue to Blue Cross for administrative services that the Host Blue provides in processing claims for Employer's Members. The dollar amount is normally based on the type of Claim (e.g., institutional, professional, international, etc.) and can also be based on the size of your group enrollment. When charged, Blue Cross passes the AEA Fee directly on to Employer.

See the fee listing section below for the BlueCard® Program Access Fee and AEA Fee. The Administrative Service Charge identified in Section (B) encompasses fees Blue Cross charges to Employer for administering Employer's benefit plan. These fees may include both local Blue Cross' service area and Inter-Plan fees. For purposes of this Agreement, these fees include the following BlueCard® Program-related fees other than the BlueCard® Program

Access Fee and AEA Fee: namely, Central Financial Agency Fee, ITS Transaction Fee, and Blue Cross Blue Shield Global® Core Fees, if applicable.

The following fees are charged on a per Claim basis and are in addition to your Administrative Service Charge.

- (1) The current per Claim fees charged for Claims processed through BlueCard® are disclosed below:
 - (a) Access Fee, up to 3.21% of the provider savings from BlueCard® Claims, not to exceed \$2,000 per Claim.
 - (b) Administrative Expense Allowance Fee, up to \$11.00 per Claim.
 - (c) The maximum non-standard AEA Fee of up to \$17.55 as negotiated for contract year(s) 2024 and not to exceed the amount allowed under Inter-Plan Program Policies for the corresponding calendar year may be charged per Claim.
- (2) Blue Cross Blue Shield Global® Core assists Blue Cross and Blue Shield members traveling or living outside of the United States to obtain medical care services. The current fees charged for international Claims processed through Blue Cross Blue Shield Global® Core are disclosed below:
 - (a) Institutional Claims (inpatient and outpatient), up to \$18.55 per Claim.
 - (b) Professional Claims, up to \$ 5.50 per Claim.
 - (c) Member-payable Claims paid by Home Licensees in U.S. currency, up to \$4.35 per Claim.
- (3) Value Based Program Reimbursement Charge-National (VBPR Charge-National), Blue Cross will pass these Host Blue Charges directly through to Employer monthly.

(E) Enrollment and Plan Changes

All fees and charges are calculated based on Employer's initial Employee count listed below and the Plan's benefit design, and may be modified by Blue Cross if the enrollment changes by more than ten percent (10%) during the Servicing Year for any Service Option or if Employer makes changes to its Plan design. In addition, all fees, charges, and terms under the Stop Loss Agreement, to the extent purchased by Employer, may be modified under the same circumstances.

Initial Employee Count 154

(F) Payment Integrity Program

- 1) Standard services provided by Blue Cross (for no additional charge) include: 1) Prospective coordination of benefits with health plan carriers; and 2) Special investigation unit (SIU) fraud inquiries.

- 2) Blue Cross will retain thirty percent (30%) of recoveries or identified cost avoidance for the services outlined below and provided pursuant to the Payment Integrity Program terms by Blue Cross and its Host Blue(s) as described in the Service Agreement. This fee will either be invoiced or reflected as a charge and attached to the Claim. Subrogation fees are retained by Blue Cross once settlement has occurred and the remaining savings are returned.

Prepayment and Post-payment Services. Pre-payment correction includes the review of Claims post adjudication but prior to payment. Post-payment recovery services is the review of Claims after claims payment. The services of the payment integrity program include, but are not limited to, credit balance recovery; clinical audits; waste, abuse and error; third party liability (TPL); class actions, direct actions, and subrogation. Third party liability (TPL) identifies Claims that should be paid by non-health plan insurance carriers. Some services are conducted prepay and post-pay.

(G) External Review

Blue Cross will charge Employer the applicable filing fee imposed by the Independent Review Organization which undertakes the review of an appeal which has been processed by Blue Cross. In addition, Blue Cross will charge \$200 per case for its services in facilitating the collection of the necessary information and submission to the Independent Review Organization.

(H) Other Services

Upon request Blue Cross will make available pricing for Other Services, including but not limited to: vendor integration, data files and reporting, actuarial, underwriting, and IT-related services.

(I) Termination of Agreement Without Cause

The following will apply if the Service Agreement is terminated without cause in accord with Article Six, Section 3 (a):

Weekly Charges will be calculated as specified in Section (A) above for the final Servicing Year. If Employer requests Blue Cross to process Claims after the date of termination that were incurred prior to the date of termination, Weekly Charges will also be calculated as specified in Section (A) above for such Claims Paid after the date of termination. In addition, the Administrative Service Charge will be determined by Blue Cross based on the average number of Employees enrolled in each Coverage Class during the six months preceding notice of term by Employer. This figure will be multiplied by four and then multiplied by the Administrative Service Charge indicated in Section (B) and provided to Employer at the time Blue Cross is notified of the termination and requested to process Claims after the date of termination.

At the regular City Council meeting held on February 18, 2026, at 5:00 P.M., in the Hibbing City Council Chambers, Councilor _____ introduced the following Resolution and moved its adoption:

CITY OF HIBBING
RESOLUTION NO. 26-02-09

**APPROVING LABOR AGREEMENT AND MEMORANDUMS OF UNDERSTANDING
BETWEEN THE CITY OF HIBBING AND LOCAL 791, AMERICAN FEDERATION OF
STATE, COUNTY AND MUNICIPAL EMPLOYEES**

WHEREAS, Local 791, American Federation of State, County and Municipal Employees (Union) is the exclusive representative for certain City of Hibbing employees; and

WHEREAS, the current labor agreement between the City of Hibbing and Union expired on December 31, 2025;

WHEREAS, the City of Hibbing and Union met and negotiated over the terms of the new labor agreement and memorandums of understanding (MOUs) regarding earned sick and safe time weather exception, probationary periods for certain employees, and insurance reduction in aggregate value of benefits, respectively, between the parties;

WHEREAS, the parties reached a tentative agreement of the terms of the new labor agreement and memorandums of understanding; and

WHEREAS, the Public Employment Relations Act requires that the City of Hibbing execute a labor agreement and memorandums of understanding and implement them in the form of a resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Hibbing as follows:

1. The Labor Agreement between City of Hibbing and Union for January 1, 2026 through December 31, 2028, which is attached hereto and incorporated herein by reference in its entirety, is approved.
2. The Memorandums of Understandings (MOUs) between City of Hibbing and Union, which are attached hereto and incorporated herein by reference in their entirety, are approved.
3. The City Clerk and Mayor must execute the agreement and memorandums of understanding.
4. The City of Hibbing must implement the agreement and memorandums of understanding.

FOR ADOPTION:

AGAINST ADOPTION:

ABSTAINING:

ABSENT:

Passed and adopted this 18th day of February, 2026.

CERTIFICATION

I hereby certify that the foregoing RESOLUTION is a true and correct copy of a resolution presented to and adopted by the City Council of Hibbing at a meeting therefore held in the City of Hibbing, Minnesota, on the 18th Day of February, 2026, as disclosed by the records of said City in my possession.

CITY OF HIBBING

ATTEST:

Candie Seppala, City Clerk

Mayor Pete Hyduke

(City Seal)

Candie Seppala, City Clerk

LABOR AGREEMENT

between

THE CITY COUNCIL OF HIBBING, MINNESOTA

and

THE AMERICAN FEDERATION OF
STATE, COUNTY AND MUNICIPAL
EMPLOYEES, AFL-CIO
LOCAL UNION NO. 791

JANUARY 1, 2026 - DEC/EMBER 31, 2028

INDEX

ARTICLE 1	RECOGNITION.....	1
ARTICLE 2	MANAGEMENT RIGHTS	1
ARTICLE 3	PAYMENT OF DUES	2
ARTICLE 4	BASE PAY RATES	3
ARTICLE 5	HOURS OF WORK, OVERTIME, SHIFT DIFFERENTIAL, PREMIUMS	4
ARTICLE 6	HEALTH, DENTAL AND LIFE INSURANCE	7
ARTICLE 7	HOLIDAY PROVISION.....	12
ARTICLE 8	VACATIONS	13
ARTICLE 9	SICK LEAVE.....	14
ARTICLE 10	PART-TIME EMPLOYEES	15
ARTICLE 11	SENIORITY	15
ARTICLE 12	DISMISSALS, DEMOTIONS, AND TRANSFERS	18
ARTICLE 13	GRIEVANCE PROCEDURE.....	19
ARTICLE 14	WORKERS' COMPENSATION BENEFITS	22
ARTICLE 15	GENERAL PROVISIONS.....	22
ARTICLE 16	SUB-CONTRACT.....	24
ARTICLE 17	RETURN TO WORK	25
ARTICLE 18	TERM OF AGREEMENT	25
APPENDIX A	JOB CLASS AND GRADE 2026, 2027, AND 2028 BASE PAY SCHEDULES	
APPENDIX B	OUT OF CLASS AND OUT OF DEPARTMENT WORK AND JOB ASSIGNMENTS	
APPENDIX C	LOU – TEMPORARY AGREEMENT TO SWITCH TO TEN (10) HOUR SHIFTS EXCLUSIVELY AT THE HIBBING WASTEWATER FACILITIES	

AGREEMENT

ARTICLE 1 RECOGNITION

City of Hibbing, Minnesota hereby recognizes Local 791, American Federation of State, County and Municipal Employees, AFL-CIO, as the exclusive representative for collective bargaining purposes of all regular, full-time and part-time employees as they are defined and set forth in the Public Employment Labor Relations Act for the State of Minnesota, hereinafter referred to as the PELRA. Excluded from such unit are elected officials, employees of the Fire and Police Departments, City Attorney, City Engineer, supervisory employees, confidential employees, Building Official, and City Planner.

ARTICLE 2 MANAGEMENT RIGHTS

Section 1. A public employer is not required to meet and negotiate on matters of inherent managerial policy. Matters of inherent managerial policy include, but are not limited to, such area of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure, selection of personnel, and direction and number of personnel.

Section 2. The Employer retains the full and unrestricted right to operate and manage all manpower, facilities, and equipment; to establish functions, policies and programs; to set and amend budgets; to determine the utilization of manpower and technology; to establish and modify the organizational structure; to determine the qualifications for positions and of applicants; to hire, assign, direct, and determine the number of personnel; to issue, amend, and revise policies, rules, regulations, and practices; and to establish work schedules.

Section 3. All rights and authorities which the Employer has not specifically abridged, delegated, or modified by expressed provisions of this Agreement are retained by the Employer. The Employer's failure to exercise any right, prerogative, or function on hereby reserved to it or the Employer's exercise of any such right, prerogative, or function in a particular way shall not be considered a waiver of the Employer's right to exercise the same in some other way not in conflict with the express provisions of this Agreement.

ARTICLE 3
PAYMENT OF DUES

Section 1. In recognition of the Union as the exclusive representative:

- 1.1 The Employer shall deduct an amounts monthly sufficient to provide the payment of regular dues and/or other Union approved deductions, established by the Union, from the wages of all employees authorizing, in writing, such deduction on a form mutually agreed upon by the Employer and the Union; and the deduction of dues shall commence 30 working days after initial employment with the Employer; and
- 1.2 The Employer shall remit such deductions to AFSCME Council 65 Administrative Office as designated by the Union, with a list of the names of the employees from whose wages deductions were made, along with other pertinent employee information necessary for the collection and administration of union dues, preferably in an Excel formatted report that may be electronically transmitted or by US Mail; and
- 1.3 The Union shall provide the formula or schedule, if applicable, to calculate the actual dues deduction to the Employer and will provide a spreadsheet that can be used to calculate the actual dues, along with any set amount for local assessments, in an electronic Excel format, or via US mail.

Section 2. Fair Share/Agency Fee: The Union may collect an agency fee or fair share fee, in an amount determined by the Union, from bargaining unit members who choose not to become members of the Union. However, any such fees so collected by the Union shall be accomplished in accordance with the applicable terms of MN Stat. Sect. 179A.06, Subd. 3.

Section 3. The Union agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders or judgments brought or issued against the Employer as a result of action taken by the Employer under all provisions of this Article.

Section 4. Bulletin Boards: The Union shall be permitted the use of bulletin boards for posting of matters of interest to its members.

Section 5. Time Off For Negotiations: City Council agrees to allow time off for up to three (3) committee members for negotiation purposes.

Section 6. Leave of Absence for Union Business: Any employee elected by the Union to represent such Union at International, State or Council 65 conventions and seminars which require the employee's absence from work shall, upon request of two calendar week's-notice, be allowed to attend such meetings in accordance with the following:

<u>Type of Meeting</u>	<u>Delegates</u>	Working Days Allowed
		<u>Off Without Pay</u>
International (bi-annual)	1	7
State Federation (annual)	1	3
Council 65 Conventions of or Seminars	3 (not to exceed one per department)	2

The employee shall have the option of using vacation time for said leave. The City shall have the right to reschedule other employees where necessary to provide coverage for the above absences.

ARTICLE 4 BASE PAY RATES

Section 1. Base Pay Rates. In calendar years 2026, 2027, and 2028, respectively, employees will be paid base pay as established in employer's base pay structure. Attached hereto for reference in Appendix A are the following, based on the employer's base pay structure:

- 1) Job Class and Grade, as established by employer, subject to employer review and modification; and
- 2) 2026, 2027, and 2028 Base Pay Schedules.

Wages, vacations, sick leave, and sick leave bonus will be computed on an hourly basis using two thousand eighty (2080) hours per year, and one hundred seventy-three and three-tenths (173.3) hours per month.

The employee's anniversary date shall be the determining factor on vacations and sick leave. If the date that a performance evaluation for step increase purposes of an employee is completed after the end of the pay period in which the employee's anniversary date falls, the employee will be advanced to the next step based on the employee's date in position.

Section 3. Pay Days. Paydays shall be bi-weekly - every other Friday. A due bill showing deductions made from an employee's pay shall be furnished each employee.

Section 4. Seminar Advances. Employees who are authorized by the City to attend seminars shall be, upon request, entitled to have the City pay any pre-registration fee direct to the authority conducting the seminar. No other expenses of attending such seminars shall be prepaid.

Section 5. New Hires: Post-Retirement Health Care Account. Any employee hired after January 1, 2007 shall contribute 2% of their gross wages to a Post-Retirement Health Care Account, effective the pay period in which they reach their first anniversary. For all employees hired after January 1, 2007, the City will submit \$125 in February of each year to the PRHC account.

ARTICLE 5

HOURS OF WORK OVERTIME SHIFT DIFFERENTIAL PREMIUMS

Section 1.

- a. The normal hours of work for sewage disposal plant employees shall be eight (8) hours per day as per schedule. Sewage disposal plant employees shall receive overtime pay for all hours worked in excess of eight (8) hours per day or 40 hours per week.
- b. The normal hours of work for library employees shall be eight (8) hours per day, forty (40) hours per week, Monday through Saturday.
- c. The regular shift schedule for employees at the Memorial Building who normally work weekends shall be as follows: Five (5) consecutive shifts/two (2) scheduled shifts off, unless the employee and the department head have reached a mutual agreement to an alternative schedule prior to the posting of the schedule. An employee may be required to work on a regularly scheduled day or shift off for which he/she shall be paid time and one-half (1 1/2) the base pay rate for all hours worked. The Employer shall post each month's work schedule a minimum of two (2) weeks in advance of the month scheduled; i.e., February's schedule shall be posted no later than January 15.
- d. The normal hours of work for all other employees shall be eight (8) hours per day, forty (40) hours per week, Monday through Friday.
- e. Employees shall not be required to work split shifts unless mutually agreed to by the individual employee.

- f. Hours worked in excess of eight (8) hours per day or forty (40) hours per week, except as outlined above, shall be paid time and one-half (1 1/2) the employee's base pay rate.
- g. Vacation, sick leave and personal leave time shall be counted as hours worked for all purposes of this contract.
- h. Employees will receive one fifteen (15) minute paid rest break and one twenty (20) minute paid meal break for shifts of at least eight (8) hours. Employees who work a shift of at least twelve (12) hours will receive an additional fifteen (15) minute paid rest break. Employees who work a shift of at least sixteen (16) hours will receive a second additional fifteen (15) minute paid rest break.

Section 2. All overtime work in each classification and department shall be distributed as equitably as possible among the employees in that classification and department, and a list of such overtime shall be maintained. There shall be no mandatory or forced overtime in any department, except when a State, County or City disaster has been declared by the governing body, or when the safety of the public is at immediate risk.

Section 3. When an employee reports for work, he/she shall receive three (3) hours work or three (3) hours minimum reporting pay.

Section 4. The City shall have the option to schedule Garbage Collection Department employees four (4), ten (1) hour days per week with time and one-half (1/2) paid after ten (10) hours per day and forty (40) hours per week. Employees working on a four (4), ten (10) hour day schedule shall have their vacation and sick leave benefits applied on the hourly basis. Prior to changing the schedule, the Union will be notified and given opportunity to negotiate the days to be worked.

Section 5. The normal work-day of employees of the Street and Alley Department, City Garage and Sanitation shall be eight (8) consecutive hours. Any change in hours of work must be made with mutual consent.

Section 6. Overtime hours may be compensated by compensatory time off at the rate of time and one-half (1 1/2), with the consent of both the employer and the employee. A maximum of eighty (80) hours (computed by adding in the additional one-half (1/2) time) of compensatory time off may be accumulated. (As identified in the payroll schedule). Upon request of the employee received not later than December 1, the employee's accumulated compensatory time will be paid off in a separate check in December. Employees may carry over a maximum of 80 hours per year in which the amount of hours over 40 hours carried

over will be counted against the accumulation of 80 hours the next year. Any compensatory time provision that is not in conformity with either State or Federal law should be modified to conform with that law. Accrued compensatory time off shall be granted upon the request of the employee, unless it will create a verifiable hardship for the employer (as per the FLSA).

Section 7. Heavy equipment operators working shift schedules during the night snow plowing season shall be entitled to select the shift by seniority, such selection shall be made prior to commencement of the night snow plowing season and shall not change during the entire season. For employees assigned snow removal, plowing duties, and are subsequently asked to begin their shift at 3:00 or 4:00 a.m., they shall receive an additional \$2.00 per hour only for the hours worked prior to the employee's regular scheduled shift. (This does not apply to the voluntary schedule changes.)

Section 8. Standby Duty at Waste Treatment Plant

- (a) Employees whose job requirement includes assignment to take emergency calls outside of normal scheduled hours will be required, during periods of such assignment, to make themselves available to their worksite within twenty-five (25) minutes. Contact by the City to individuals on such standby duty shall be by an electronic paging system to be furnished by the City.
- (b) When employees have been placed "on call," they shall be called before or concurrently with other employees in the case of emergencies.
- (c) The "on call" employee shall complete a form associated with trouble calls and shall submit a concise report as to the difficulty involved, the corrective action associated therewith, and, if there is a delay in restoring services, an explanation shall also be provided for this delay. The "on call" employee shall call in an extra employee(s) for assistance only after determining that such help is required.
- (d) Any employee who is assigned by the City to take emergency calls outside their normal scheduled hours will be paid one and one-half (1 1/2) hours at base pay rate for each day assigned, Monday through Friday; three (3) hours at base pay rate for each Saturday or Sunday so assigned; or three (3) hours at base pay rate for each recognized holiday so assigned. If called upon to perform work, in addition to the call time pay, the employee will be paid for the time worked at the rate applicable but not less than three (3) hours at the applicable overtime rate for each time called out.

- (e) An employee "on call" under the standby portion of this Agreement is responsible for notifying the City if they become too ill to perform the job in the event of an emergency call. This would apply whether the employee was sick for the regular shift or if the incapacity occurred during or after the regular shift had been completed. Such notification in the event of illness or serious accident is paramount to the continued success of serving citizens in an emergency situation.
- (f) If an on-call employee does not report to the worksite in the time allotted in Section (a), or fails to respond to their page, the "on call" employee shall forfeit the "on call" pay for that day.
- (g) This on-call provision applies to bargaining unit members only.

Section 9. Shift Premium Pay. Employees required to work on Saturdays and/or Sundays, as part of their normal work week, shall receive an additional \$.30 per hour shift differential for all hours worked, and employees who are regularly scheduled to work a shift which extends beyond 5:00 p.m., any day of the week, shall receive the shift differential premium for the entire shift.

Section 10. Waste Water Treatment Plan - Class A License Premium. The Assistant Superintendent of the Waste Treatment Plant and the Laboratory Technician shall be eligible for a one job class increase upon qualifying for and receiving their A licenses.

Section 11. Waste Water Treatment Plant - License Premium. Waste Water Treatment employees shall be entitled to a \$12.50 per month license premium for each license that they receive. They shall not be applicable to any grandfathered-in license.

Section 12. Out of Class Work. Employees shall be paid a differential of two dollars per hour for jobs assigned outside and higher than their normal classification (in or out of the bargaining unit); i.e., laborers doing truck driving; truck drivers operating heavy equipment, etc., and shall be reimbursed for all hours worked in the higher classification.

ARTICLE 6 HEALTH, DENTAL AND LIFE INSURANCE

Section 1. Insurance Programs. All employees shall be covered under a health and welfare program, the funds for which shall be derived from a tax levy made by the City of Hibbing, Minnesota. Coverage under this program shall be as follows:

a. Group Life Insurance. All active employees up to age 71 shall be covered by a \$10,000.00 life insurance policy, full premium to be paid by the City. Active employees after age 71 or employees qualifying for retirement, upon retirement, shall be covered by a \$2,000.00 paid-up life insurance policy, premium paid for by the City.

From January 1, 2026 through December 31, 2028, the City shall be required to pay eighty percent (80%) of the monthly hospital/medical insurance premium for the single plan, and eighty percent (80%) of the monthly hospital/medical insurance premium for the family plan offered by the City and their insurance carriers.

In addition, the City shall contribute annually to the VEBA account (or like account if the City adopts a legally equivalent plan) the following amounts:

Percentage of Deductible Contributed to Account by City

Year	Single Coverage	Family Coverage
2026	80%	80%
2027	80%	80%
2028	80%	80%

All VEBA contributions will be sent to employee's accounts on January 1, of each year.

The Employer and Union will meet and negotiate while this contract is still in force and effect any component of group health insurance specifically addressed in this Agreement or otherwise requiring meeting and negotiating if changing, establishing or eliminating such component is necessary to comply with the law or the effects of such law on the component are substantial as determined by either party.

Section 2. Dental Insurance. The City shall make available a group dental insurance plan and pay 85% of the monthly premium for the single or family coverage plans.

Section 3. Insurance Committee. The City and the Union will establish a balanced committee, which will meet regularly to review alternate insurance plans during the term of this Agreement. The committee will make recommendations to the employees on alternative insurance plans that will provide equitable coverage while addressing cost containment. Employees on the committee who work within the Local 791 bargaining unit jurisdiction shall be elected by Local 791. The Committee will consist of three AFSCME union members, the City Administrator and Human Resources. The Committee will meet the second Tuesday of May and the second Tuesday of September to update AFSCME members of the annual cost and benefit changes to the Blue Cross Blue Shield insurance plan.

Section 4. Retirement - Premium Contribution

- a. Retired as of January 1, 1982: All employees who have reached a retirement age acceptable to the Public Employees Retirement Association and who upon their retirement have at least ten years of service and are otherwise qualified to receive benefits provided by the Public Employees Retirement Act and who are retired as of January 1, 1982, shall continue to be insured under the life insurance plan and the existing hospital surgical medical drug and dental program covering employees of the City of Hibbing, Minnesota, or supplemental insurance plan for those present retirees who are or will be eligible for Medicare. The City shall pay all insurance premiums in full to include dependent coverage and disability retirement.
- b. Retired Between January 1, 1982 and December 31, 1990: All active employees who retire after 1/1/82 and meet the eligibility requirements aforementioned shall receive the same benefit coverages mentioned, but as of 1/1/83, any amount of hospital medical insurance premium increase exceeding \$215.00 (or dental insurance premium exceeding \$30.00) shall be paid 50% by the employee and 50% by the employer. Once the \$215.00 premium cap (\$30.00 for dental) has been surpassed and later a reduction in premiums is implemented, said amount of reduction below the \$215.00 cap (\$30.00 for dental) shall be shared on a 50/50 basis. The previous sentence shall not apply to premium reductions brought about by Medicare or other similar contributions.
- c. Retire After January 1, 1991: All active employees (except those covered by d or e below) who retire after January 1, 1991, and meet the applicable eligibility requirements aforementioned in Section 3a shall receive the same benefit coverages mentioned, as the active employees at the time of their retirement (ref. Article VI) except prescription co-pays shall be the same as the prescription co-pays that apply to active employees at any given time.
- d. Hired After January 1, 1989: For new hires hired after January 1, 1989, it will be necessary for the employee to have fifteen (15) years of service to be eligible only for the contractually specified Employer contribution toward single coverage.
- e. Hired Before January 1, 1989 and Retiring On or After January 1, 2001: For all active employees who were hired before January 1, 1989 and who retire on or after January 1, 2001, who at the time of retirement are qualified to receive

benefits provided by the Public Employees Retirement Act, the City shall pay 85% of the retiree's monthly medical and dental premiums, with the retiree paying the remaining 15% of the monthly premium. The benefits of the hospital medical and dental plans shall be the same for the retiree as they are for the active employees, or equivalent to the active employee's policies.

f. Retiring on or after January 1, 2007:

- (1) For all active employees who retire on or after January 1, 2007, who were hired after January 1, 1989 and who at the time of retirement have fifteen (15) years of service with the City and who at the time of retirement are qualified to receive benefits provided by the Public Employees Retirement Act, the City shall pay the following:
 - (a) eighty-five percent (85%) of the monthly hospital/ medical insurance premium for single coverage until the retired employee becomes eligible for Medicare, with the retiree paying the remainder of the monthly premium, for the hospital/medical insurance plan offered by the City to active employees. Upon the retired employee becoming eligible for Medicare, the retiree shall be enrolled in the Medicare Supplement plan (Blue Cross Blue Shield or equivalent) with premium participation split based upon the same premium split paid when the employee retired from City service; and
 - (b) the same contribution to the retiree's VEBA account (or like account if the City adopts a legally equivalent plan) as the City makes to the VEBA account of active employees (i.e. contribution may change from year to year during retirement to reflect any change in contribution to the accounts of active employees) with single coverage, for so long as the retiree continues to participate in the City hospital/medical plan, except that upon the retired employee becoming eligible for Medicare the City contribution shall cease.
- (2) For all active employees who retire on or after January 1, 2007, who were hired prior to January 1, 1989, and who have at least fifteen (15) years of service with the City and who at the time of retirement are qualified to receive benefits provided by the Public Employees Retirement Act, the City shall pay the following:

- (a) eighty-five percent (85%) of the monthly hospital/medical insurance premium for the coverage selected by the employee (single or family) until the retired employee becomes eligible for Medicare, with the retiree paying the remainder of the monthly premium for the hospital/medical insurance plan offered by the City to active employees. Upon the retired employee becoming eligible for Medicare, the retiree shall be enrolled in the Medicare Supplement plan (Blue Cross Blue Shield or equivalent) with premium participation split based upon the same premium split paid when the employee retired from City service;
- (b) the same contribution to the retiree's VEBA account (or like account if the City adopts a legally equivalent plan) as the City makes to the VEBA account of active employees (i.e. contribution may change from year to year during retirement to reflect any change in contribution to the accounts of active employees) with the coverage chosen by the retiree (single or family), for so long as the retiree continues to participate in the City hospital/medical plan, except that upon the retired employee becoming eligible for Medicare the City contribution shall cease.

The City shall also pay 85% of the monthly single premium for a policy of group dental insurance provided by the City (and 85% of the monthly premium for family dental coverage for employees hired prior to January 1, 1989) with the retiree paying the remaining 15% of the monthly premium.

The benefits of the hospital/medical and dental plan shall be the same for the retiree as they are for the active employees, or equivalent to the active employee's policies.

For 2007, VEBA account contributions will be made by the City the first business day of January. For 2008 and the thereafter, VEBA account contributions will be made by the City at the beginning of each quarter.

- g. Any employee hired on or after January 1, 2007 shall not be eligible for either an Employer contribution to the premium for hospital/medical or dental insurance, or an Employer contribution to an employee account, i.e. VEBA

account or other like account for an equivalent plan, following retirement from City service.

Section 5. Retirement/Severance

- a. All employees hired after 1982 and eligible to draw retirement benefits from PERA, be paid a severance payment which shall be paid into the employee's Post Retirement Health Care Account, in an amount as follows: After 15 years of service for the City, an amount equal to twenty-five percent (25%) of the current value of his/her accrued sick leave at the time of retirement; after completing twenty (20) years of service with the City, an amount equal to forty percent (40%) of the current value of his/her accumulated sick leave at the time of retirement; or after completing twenty-five (25) years of service with the City, an amount equal to fifty percent (50%) of the current value of his/her accumulated sick leave at the time of retirement.
- b. Deceased Employee: One-half (1/2) of an employee's unused sick leave accumulation will be paid to his/her named beneficiary in the event of the death of an employee who was employed prior to January 1, 1982. Upon the death of an employee hired after January 1, 1982, one-fourth (1/4) of that employee's unused sick leave accumulation will be paid to his/her named beneficiary.

ARTICLE 7 HOLIDAY PROVISION

Section 1. All regular full and part-time employees shall receive the following paid holidays:

New Year's Day	Martin Luther King Day
Presidents Day	Good Friday
Memorial Day	Juneteenth
Fourth of July	Labor Day
Columbus Day	Veterans Day
Thanksgiving Day	*Christmas Eve Day
Christmas Day	Personal Days (2)

*Effective December 2001, all employees shall receive a full day off as a paid holiday.

Section 2. Employees who are required to work on any of the above-named holidays shall be compensated at a rate of one and one-half (1/2) times their base pay rate for all hours worked in addition to their regular holiday pay./

Section 3. If a holiday falls on an employee's scheduled day off, he/she shall receive one (1) other day off with pay in lieu of said holiday. If a holiday falls on a Saturday, it shall be observed on a Friday. When it falls on a Sunday, it shall be observed on a Monday.

Section 4. For employees in jobs where seven (7) days a week, twenty-four (24) hours a day staffing is required, the day on which the holiday actually falls will be the day celebrated as such.

Section 5. In order to receive holiday pay, the employee must work the scheduled workday preceding and the scheduled workday following the holiday, except for bona fide illness.

ARTICLE 8 VACATIONS

Section 1. Vacation may be accumulated up to a maximum amount of vacation that an employee is entitled to pursuant to the following schedule and must be accrued and used within a two-(2) year period.

* *All vacation accrued as of December 31, 1995, shall be requested and taken by the employee by the end of the contract period (December 31, 1998) and paid out at the rate at which it was accrued.

<u>Years of Service</u>	<u>Total Hours Allowed Per Year</u>
1	80 hours
2	80 hours
3	120 hours
10	160 hours
18	200 hours

Example: Vacation earned from January 1, 1995 to December 31, 1995 must be used by December 31, 1996.

In the event the City shall deny a request by the employee for accrued vacation during said accrual period, the City and the employee will then make every effort to reschedule said vacation prior to the end of the accrual period. Should the parties be unable to reschedule said vacation during said accrual period, the City shall pay the employee for any remaining vacation.

Pay for vacation period shall be at the employee's base pay rate not considering overtime.

In determining vacation schedules, the wishes of the employees will be respected as to the time of taking vacations, insofar as the needs of the City will permit. .

When a holiday falls during an employee's vacation period, he/she shall receive one (1) additional day of vacation.

In the case of death, an employee's earned vacation (pro-rated to the nearest month) will be paid to his/her named beneficiary.

Notification of vacation shall be made a minimum of two (2) weeks prior to the taking of vacation with the exception of an emergency or as otherwise approved by the employee's supervisor in his or her reasonably exercised discretion as to special circumstances.

ARTICLE 9 SICK LEAVE

Section 1. Sick leave shall be earned by employees at the rate of fourteen (14) hours per month, with a maximum accumulation of one thousand four hundred and forty (1,440) hours. No sick leave shall be earned by the employee while on sick leave.

Section 2. Employees may use sick leave as outlined in the Family Medical Leave Policy and terms established under Minnesota Stat. 181.9413.

Section 3. An employee taking sick leave is required to notify the employee's foreman or immediate supervisor of the employee's inability to report for work because of illness prior to commencement of the employee's regular shift. The third (3rd) consecutive day of sick leave absence shall not be paid unless it is approved by the department head or unless the employee furnishes a doctor's certificate of illness. When a claim is made for sick leave by an employee when, in fact, the employee is not actually sick, it shall be grounds for immediate dismissal and subject to the grievance procedure. Once an employee has taken five-(5) day's sick leave in a calendar year, he/she may be required to furnish a doctor's excuse for any other sick days taken during the balance of the year. Sick leave may be taken in hourly increments.

Section 4. All employees covered under this Agreement shall be entitled to an annual sick leave bonus of eighty (80) hours. Employees who do not use sick leave during the year shall be entitled to the full bonus. Each hour of sick leave used during the year will reduce the

sick leave bonus by one (1) hour. The first forty (40) hours of an employee's sick leave bonus shall be paid into a Post-Retirement Health Care Savings Plan account unless the employee is determined to be exempt by the Plan Administrator, and any additional bonus over forty (40) hours will be paid to the employee in cash.

Section 5. Funeral Leave: In the event of a death of the spouse, parent, or child of a regular, full-time Employee, who has been employed at least ninety (90) days, such Employee may be granted a leave of absence with pay for a period of up to three (3) days.

ARTICLE 10 PART-TIME EMPLOYEES

Regular part-time employees (30 hours or more per week) shall be entitled to all benefits the same as full-time employees except that said benefits shall be applied on a pro-rata basis. Employees working 30 hours or more per week will pay the same portion as employees working 40 hours per week for health insurance premiums. Temporary employees shall not be entitled to any of said benefits.

ARTICLE 11 SENIORITY

Section 1. Seniority shall be granted to all regular employees in an AFSCME bargaining unit position. Seniority shall accrue from the first date of employment with the City of Hibbing in an AFSCME bargaining unit position, which meets the PELRA definition as a public employee. Employees shall be placed upon the seniority list as of the first day of employment upon completion of the probationary period and shall be paid the appropriate base pay rate for the position held and shall otherwise be covered by the provisions of this Agreement upon successful completion of the probationary period.

Section 2. An employee shall be considered to be on probation for 12 months, unless the probationary period is extended by the Employer for not more than an additional thirty calendar days, and may be dismissed for any reason without recourse to any provisions of this contract.

During the probationary period of any employee in an AFSCME bargaining unit position, no employee shall be afforded the privilege of posting for another AFSCME bargaining unit position during the Union posting period. A probationary employee may make application for another position with the City during their probationary period, and would receive consideration only after all current employees who posted were considered as per the labor agreement, and if then awarded the position, they would be required to complete another 90-day calendar probationary period.

Section 3. An employee shall lose seniority standing for the following reasons:

1. Voluntary resignation;
2. Discharge for cause;
3. Absence from work for three (3) days without notification to the supervisor unless the employee has a bona fide reason;
4. Medical leave of absence due to illness or injury for a period of more than one (1) year. The City Council may grant continuation of seniority if application is made for a continuation during the one-year period.

Section 4. In the event of layoff, elimination of a position, or a reduction of hours of any regular full-time or regular part-time AFSCME bargaining unit employee, all seasonal and casual employees shall be laid off first. In the event of a transfer of an employee, or the elimination of a position, a senior employee may exercise their seniority preference over a junior employee in any classification of work, provided they have the necessary qualifications to perform the duties of the job involved. Full-time employees would not be forced to accept the reduction in hours as a part-time or seasonal position in lieu of a layoff; but would be given the option to accept the reduction in hours as a part-time or seasonal employee. Employees shall be laid off according to seniority in the inverse order of hiring. Employees shall be given ten (10) working days' notice of layoff, in writing. Employees shall be rehired according to seniority in the inverse order of layoff, except that no employee shall be retained or recalled if the employee is unable to immediately perform the work available.

In case of transfer from one classification of work to another, employees involved in the transfer shall not lose seniority standing. A seniority list shall be posted annually.

Recall from the layoff shall be by telephone. If the employee cannot be reached, the City shall recall the employee to work by certified letter sent to the employee's last known address. The employee must return to work within twenty (20) calendar days of the date of the letter or forfeit all recall rights.

Section 5. Notice of all vacancies and newly created positions shall be posted on the employee's bulletin board, and the employees shall be given seven (7) days' time in which to make an application to fill said vacancy or new position. The senior employee making application shall be transferred to fill a vacancy or new position, provided he/she has the necessary qualifications to perform the duties of the job involved. In the event of a vacancy,

the Council shall have the right to determine whether or not to fill said vacancy. Such determination shall be made at the next regularly scheduled Council meeting which is at least seven (7) days subsequent to the existence of the vacancy. In the event the Council determines to fill the vacancy, posting shall be made for the vacancy within five (5) working days from the date of the Council meeting. The department head or other appropriate appointing authority shall make the determination as to whether or not the applicant possesses the necessary qualifications. In the event the Union does not concur with the determination; the employee shall have the right to appeal through the normal grievance procedures. The appointed employee shall be given a thirty (30) calendar day trial period in which to determine his/her qualifications for the position. An employee so transferred shall be on probation in the new position for a period of thirty (30) calendar days, during which time he or she may elect to be returned to their previous position without loss of seniority in that position.

Seasonal AFSCME bargaining unit employees shall be allowed to post for any AFSCME bargaining unit position during the Union posting period; but shall not be afforded a seniority privilege to secure the position. The City shall only review the seasonal application after all regular full-time or regular part-time AFSCME Local 791 applicants have been considered. If the City then desires to seek external candidates for a vacant position, they may do so. Qualified seasonal employees may be considered as fill ins for extended absences in regular full-time bargaining unit positions during periods of the year when they are not working in their seasonal posted positions.

In the event a vacancy exists and no bargaining unit employee opts to fill the vacancy, and the City opts not to hire a replacement for the vacancy, the junior employee capable of performing the duties of the vacancy in question shall be transferred to fill the vacancy. This clause shall not negate the posting provision of the contract regarding posting of vacancies.

Section 6. Temporary vacancies shall be governed by the following rules. If the vacancy lasts less than one (1) day, any available employee may be assigned to fill the job. If the vacancy lasts a day or more, the senior qualified employee opting to fill the position shall be awarded the position and shall receive the pay for the opted position. The Employer may assign the duties of the position opted for, or other duties to the employee who shall then perform the duties assigned, irrespective of the location. A "day" is defined to mean the 24-hour period commencing at 7:00 a.m. Should the vacancy be expected to last thirty (30) days or more, then the posting provisions of the contract will be followed in filling the vacancy. An employee filling a temporary vacancy under this clause shall have the right to return to his/her previous position when the temporary vacancy is over.

Any employee who is employed by the City of Hibbing in an AFSCME bargaining unit position on a "temporary" basis shall be assigned a "date of hire" with the City.

commencing on their 68th day of employment with the City. The employee will then begin their 12-month probationary period with the City and shall not secure any bargaining unit seniority until the completion of the probationary period. Upon successful completion of the probationary period, their employee's bargaining unit seniority date shall be recorded as the same date as his/her "date of hire." "Temporary" employees awarded a regular full-time or regular part-time position will be required to serve a new 12-month probationary period based on their regular full-time or part-time date of hire.

Section 7. In the event of a lay-off or a reduction in force, transferring of an employee or the elimination of a position, a senior employee may exercise his/her seniority preference over a junior employee in any classification of work, provided he/she has the necessary qualifications to perform the duties of the job involved.

Section 8. Probationary Employee. No employees shall be laid off prior to completing his/her probationary period and then subsequently rehired to avoid qualifying him/her for permanent employee status.

ARTICLE 12 DISMISSALS, DEMOTIONS, AND TRANSFERS

Section 1. Discharges or demotions shall be made only for just cause. Union and the employees affected shall receive notice in writing of any such action. Such action shall be subject to the grievance procedure.

Section 2. It is mutually understood and agreed that in establishing, implementing and administering disciplinary procedures, that the concept of "progressive discipline" shall prevail; although it is recognized that there are some offenses which may, in extreme instances, require more stringent discipline than normal progress. The types of discipline are as follows:

- Oral Reprimand
- Written Reprimand
- Suspension
- Demotion
- Discharge

Oral reprimands by the City in connection with a violation shall be removed from the employee's record two (2) years from the date they were issued. Such removal shall not void any more current reprimands for the same offense or otherwise.

ARTICLE 13
GRIEVANCE PROCEDURE

Section 1: Definition of a Grievance. A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this Agreement.

Section 2: Union Representatives. The Employer will recognize representatives designated by the Union as grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The Union shall notify the Employer in writing providing the names of such Union representatives and of their successors when so designated.

Section 3: Processing a Grievance. It is recognized and accepted by the Union and the Employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the Employees and shall therefore be accomplished during normal working hours only when consistent with such Employee duties and responsibilities. The aggrieved Employee and the Union representative shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the Employer during normal working hours, provided the Employee and the Union representative have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.

Section 4: Procedure. Grievances, as defined by Section 1, shall be resolved in conformance with the following procedures:

Step 1: An Employee claiming a violation concerning the interpretation or application of this Agreement shall, within ten (10) calendar days after the first occurrence of the event constituting such alleged violation has occurred, sign and present such grievance in writing to supervisor as designated by the Employer-designated Step 1 representative must receive the grievance. The Employer-designated Step 1 representative will discuss the matter with the grievant and Union representative and give an answer to the Step 1 grievance to the Union representative within ten (10) calendar days after discussion. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, the remedy requested, shall be signed by the grievant, and shall be appealed to Step 2 within ten (10) calendar days after the Employer-designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the Union within ten (10) calendar days shall be considered waived.

Step 2: If appealed, the written grievance shall be presented by the Union and discussed with the Employer-designated Step 2 representative. The Employer-designated representative must receive the grievance. The Employer-designated Step 2 representative shall give the Union the Employer's Step 2 answer in writing within ten (10) calendar days after discussion of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the Employer-designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the Union within ten (10) calendar days shall be considered waived.

Step 3: If appealed the written grievance shall be presented by the Union and discussed with the Employer-designated Step 3 representative. The Employer designated representative shall give the Union representative the Employer's answer in writing within ten (10) calendar days following the Employer-designated representative's final answer in Step 3. A grievance not resolved in Step 3 may be appealed to Step 4 within ten (10) calendar days following the Employer-designated representative's final answer in Step 3. Any grievance not appealed in writing to Step 4 by the Union within ten (10) calendar days after such receipt of such Step 3 grievance final answer shall be considered waived.

Step 4: The Union shall notify the Employer of a grievance unresolved in Step 3 and appealed to Step 4 in writing within ten (10) calendar days following the Employer-designated representative's final answer in Step 3. The Union shall notify the Minnesota Bureau of Mediation Services within ten (10) calendar days of the notice of appeal to the Employer that the Union is submitting the matter to mediation. A grievance not resolved in Step 4 may be appealed to Step 5 within ten (10) calendar days following the Employer's final answer in Step 4. Any grievance not appealed in writing to Step 5 by the Union within ten (10) calendar days shall be considered waived.

Step 5: A grievance unresolved in Step 4 and appealed to Step 5 shall be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act of 1971, as amended. The Union shall notify the Bureau of Mediation Services within ten (10) calendar days that the Union is submitting the matter to arbitration and the Union shall request that the Bureau of Mediation Services provide the parties with a list of arbitrators.

The selection of an arbitrator shall be made in accordance with the rules and regulations as established by the Bureau of Mediation Services. The Union must contact the Employer within ten (10) calendar days of the date that the Bureau of Mediation Services has submitted the parties a list of arbitrators in order to strike the arbitrators or notify the Union of an objection to the list of arbitrators. The matter will then be submitted to arbitration subject to the provisions of the Public Employment Labor Relations Act.

Section 5: Arbitrator's Authority.

The Arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this Agreement. The Arbitrator shall consider and decide only the specific issue(s) submitted in writing by the Employer and the Union, and shall have no authority to make a decision on any other issue not so submitted.

The Arbitrator shall be without power to make decisions on whether the Employer violated any law, rule, or regulation, except to determine whether a decision would be contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules, or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following close of the hearing or the submission of briefs by the parties, whichever is later, unless the parties agree to an extension. The decision shall be binding on both the Employer and the Union and shall be based solely on the Arbitrator's interpretation or application of the terms of this Agreement and to the facts of the grievance presented. Any award issued by an arbitrator will only be in force and effect while the labor contract is in force and effect at the time that the grievance arose is in force and effect.

The fees and expenses for the Arbitrator's services and proceedings shall be born equally by the Employer and the Union, provided that each party shall be responsible for compensating its own representatives and witnesses. Testimony or participation of other Employees will not be paid by the Employer except as provided in this Article or as otherwise required by law. If either party desires a verbatim record of the proceedings, it may cause such a record to be made providing it pays for the record. If both parties desire a verbatim record of the proceedings, the cost shall be shared equally.

Section 6: Waiver. If a grievance is not presented within the time limits set forth above or fails to comply with any other requirements in this Article, it shall be considered "waived." If a grievance is not appealed to the next step within the specified time limits or any agreed extension thereof it shall be considered the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the Employer and Union.

Section 7: Choice of Remedy. If as a result of the Employer response in Step 4 the grievance remains unresolved, and if the grievance involves the suspension, demotion, or discharge of an Employee who has completed the required probationary period, the grievance may be appealed either to Step 5 of Article 4 or a procedure such as: Civil Service, Veteran's

Preference, or Fair Employment. If appealed to any procedure other than Step 5 of Article 4, the grievance is not subject to the arbitration procedure as provided in Step 5 of Article 4.

ARTICLE 14 WORKERS COMPENSATION BENEFITS

Section 1. Supplemental Pay. If an employee of the City of Hibbing, Minnesota, shall receive a compensable injury he/she can choose one of the following options: The City Council shall pay the difference between the compensation received by the employee and his/her regular base pay rate, the same to be deducted from the sick leave benefits. The City Council will provide for the payments described in this Section during the periods of disability. It is understood that the additional payments made to the employee over and above that paid by Worker's Compensation shall not exceed the amount of credits which an employee is entitled to from such accrued sick leave benefits.

Or:

An employee off due to injury or illness attributable to the job and therefore eligible for benefits under Worker's Compensation shall receive their Worker's Compensation benefits only.

Section 2. Insurance Continuation Benefit. When an employee is out of work due to illness or Worker's Compensation injury, the City shall continue paying his/her health and welfare, dental and life insurance (at the same level as while an active employee) for a period not to exceed six (6) months after the employee has exhausted his/her sick leave, provided the employee has five (5) years or more of service with that City.

ARTICLE 15 GENERAL PROVISIONS

Section 1. Safety Committee. A joint Employer-Union Safety Committee shall be established to review safety problems and enforce safety rules and regulations and shall meet monthly.

Section 2. Notice of Termination. Employees must give the City two (2) weeks-notice of termination, except in the event of emergency. Any employee who resigns or retires without giving the required two (2) weeks-notice to the City shall forfeit all sick leave severance they would otherwise be entitled to under this agreement.

Section 3. Seasonal Employees. Employees hired in positions identified as seasonal positions, which qualify as public employee positions under PELRA, shall accrue seniority based on

total hours of service, and said seniority shall be maintained on a separate seniority list from regular full-time and regular part-time employees in AFSCME bargaining unit positions. The Union and the Employer shall negotiate the terms and conditions of employment for seasonal, public employee positions, prior to hiring any seasonal, public employees. Seasonal employees shall be laid off in inverse order of hiring and shall be recalled by seniority. Seasonal employees shall not be paid higher than Step A of the employer's base pay schedule.

Section 4. Emergency Contingency Plan. The respective representatives of AFSCME Local 791 and the City of Hibbing have met and negotiated the terms and conditions of an emergency contingency plan. This plan will be implemented only when the conditions of an emergency exist, as determined by the City Council and/or the City Administrator. The purpose of the plan is to set in place a system which will enable the employer to utilize all necessary manpower and equipment to deal with an emergency, while maintaining the integrity and contractual rights of the employees.

Step One: An emergency situation is declared by either/or the City Council, or City Administrator, and authorization is given to City Department Supervisors to place the contingency plan into action. Notification will be given to the Union President prior to implementation.

Step Two: The City Administrator will identify the primary service provider regularly responsible for providing the service in the area declared an emergency, i.e., snow plowing/removal, public works.

Step Three: Assignment of work to handle the emergency shall be offered by seniority within the appropriate classification and department until all qualified employees have been offered the opportunity to work the emergency. If and when all primary department qualified and properly licensed employees have been assigned or have declined the work assignment, other properly licensed and qualified employees shall be offered the emergency work by seniority within AFSCME bargaining unit positions. If equipment from a department other than the primary service department is needed to handle the emergency, employees of the primary service department shall be assigned to the equipment first, before other department employees are utilized. .

Step Four: During an emergency work situation, no employee shall be allowed to work more than 16 continuous hours. Primary department employees shall be allowed to work a 16-hour shift before other department employees are utilized on an overtime basis.

Step Five: Emergency work opportunities will be determined for non-primary work department employees by seniority in an AFSCME bargaining unit position and shall be

selected from the "Secondary Seniority List." Said list will be established by determining proper qualifications and licensure for equipment and will initiate with the pin at the most senior employee and rotating from that point continuously through the list. Employees selected from the list will also be limited to a maximum 16 hours in a 24-hour period, which will include their regularly scheduled shift.

Step Six: Management and the Union will form a qualification committee which will create a check off list for each employee on all equipment utilized by the City. Employees must meet the minimum operating efficiency, and verify valid, appropriate licensure before they will be assigned to the equipment in an emergency situation. Employees who desire training on equipment shall request the same in writing and be provided training opportunities when the time and opportunity are available as a training schedule is developed.

Section 5. The City shall provide all OSHA required safety equipment, apparel and supplies as regulated by Federal and State safety statutes.

Section 6. Bargaining Unit Work. Non-AFSCME bargaining unit employees of the City of Hibbing shall not perform bargaining unit work at any time, except in the event of a declared City, State or National disaster. This restriction applies to any employees serving as temporary foreman for the City of Hibbing.

Section 7. Drug and Alcohol Testing Policy. The Drug and Alcohol Testing Policy for AFSCME Local 791 bargaining unit positions shall be considered an addendum to the labor agreement although it is a stand-alone document effective January 1, 2001.

ARTICLE 16 SUB-CONTRACT

That the City shall not subcontract out City work in the future if such subcontracting shall affect Union positions without first notifying the Union and negotiate same. If the City and the Union arrive at an impasse in such negotiations, the issue shall be submitted to binding arbitration. The arbitrator shall permit such subcontracting upon a showing of a valid and justifiable purpose for same.

Should CWDC Industries, Inc. ever give up the position of Motor Vehicle Registration in the City of Hibbing, such positions shall revert to the City and the positions shall return to the bargaining unit certified to Local 791 AFSCME.

ARTICLE 17
RETURN TO WORK

The City of Hibbing will deal with employees' return to work from illness or injury in accordance with policy.

ARTICLE 18
TERM OF AGREEMENT

Section 1. The provisions of this Agreement shall remain in effect from January 1, 2026 to December 31, 2028 and from year to year thereafter unless either party gives notice of the desire to terminate or amend said Agreement at least thirty (30) days prior to the annual renewal date.

Section 2. Separability and Savings Clause. Any Article, section, clause or statement contained herein that in any way violates the laws of the State of Minnesota or laws and rules of any subdivision therein shall be of no force and effect. The remainder of the Agreement shall be affected thereby.

In the event that any Article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union, for the purpose of arriving at a mutually satisfactory replacement, pertaining to the same subject matter for such Article or section during the period of invalidity or restraint.

CITY OF HIBBING, MINNESOTA

LOCAL UNION #791, AMERICAN

FEDERATION OF STATE, COUNTY
& MUNICIPAL EMPLOYEES,
AFL-CIO

By _____
Mayor

By Tom Whiteside 2/11/26
AFSCME 65 Labor Representative

And _____
Clerk

And 
Local President

Date: _____

Date: 2-17-26

APPENDIX A

Job Class	Grade
General Laborer	3
Greaser/Auto Truck Driver	5
Maintenance	5
Greaser/Skilled Labor	6
Library Technician	6
Receptionist Coordinator	6
Shop Support/Skilled Labor	6
Skilled Labor	6
Accounting Clerk	7
Assessment Clerk	7
Assistant Zoning Administrator/ Permit Technician	7
Automatic Truck Driver	7
City Services Secretary	7
Collection System Operator	7
Equipment Operator I	7
Equipment Operator/Maintenance	7
Maintenance Mechanic	7
Office Support Technician	7
Signman/Equipment I	7
Truck Driver Aqua Tech	7
WWTP Operator	7
Collection System Maintenance	8
Equipment Operator II	8
Lead Equipment Operator/Burial Services	8
Accountant I	9
Automotive Mechanic	9
Records Management Technician	9
Welder/Mechanic	9
Administrative Assistant	10
Lead Maintenance Operator	10
Lead Mechanic/Welder	10
Leadman Automotive Mechanic	10
Maintenance Lead	10
Accountant II	11
Assistant Superintendent/Lab Tech	11
Engineering Tech	11
Recreation Programmer	11
Lead Library Worker	12
Library Specialist	13

2026 Base Pay Schedule

Grade	A	B	C	D	E	F	G
1	\$37,363.38	\$38,920.19	\$40,477.00	\$42,033.80	\$43,590.61	\$45,147.42	\$46,704.24
2	\$39,698.60	\$41,352.71	\$43,006.82	\$44,660.92	\$46,315.03	\$47,969.14	\$49,623.25
3	\$42,179.76	\$43,937.24	\$45,694.74	\$47,452.23	\$49,209.72	\$50,967.21	\$52,724.70
4	\$44,815.99	\$46,683.32	\$48,550.66	\$50,417.99	\$52,285.32	\$54,152.65	\$56,020.00
5	\$47,616.99	\$49,601.03	\$51,585.08	\$53,569.12	\$55,553.16	\$57,537.20	\$59,521.24
6	\$50,593.06	\$52,701.10	\$54,809.14	\$56,917.19	\$59,025.23	\$61,133.28	\$63,241.32
7	\$53,755.12	\$55,994.92	\$58,234.72	\$60,474.51	\$62,714.31	\$64,954.10	\$67,193.90
8	\$57,114.81	\$59,494.60	\$61,874.38	\$64,254.16	\$66,633.95	\$69,013.73	\$71,393.52
9	\$60,684.49	\$63,213.01	\$65,741.53	\$68,270.05	\$70,798.57	\$73,327.09	\$75,855.62
10	\$64,477.28	\$67,163.82	\$69,850.38	\$72,536.93	\$75,223.49	\$77,910.04	\$80,596.59
11	\$68,507.10	\$71,361.57	\$74,216.03	\$77,070.49	\$79,924.96	\$82,779.41	\$85,633.88
12	\$72,788.80	\$75,821.67	\$78,854.53	\$81,887.40	\$84,920.26	\$87,953.13	\$90,986.00
13	\$77,338.10	\$80,560.52	\$83,782.94	\$87,005.36	\$90,227.78	\$93,450.20	\$96,672.62
14	\$82,171.73	\$85,595.55	\$89,019.37	\$92,443.20	\$95,867.01	\$99,290.84	\$102,714.66
15	\$87,307.46	\$90,945.28	\$94,583.08	\$98,220.90	\$101,858.70	\$105,496.52	\$109,134.32
16	\$92,764.17	\$96,629.35	\$100,494.52	\$104,359.70	\$108,224.88	\$112,090.05	\$115,955.23
17	\$98,561.93	\$102,668.69	\$106,775.44	\$110,882.18	\$114,988.93	\$119,095.67	\$123,202.42
18	\$104,722.06	\$109,085.48	\$113,448.90	\$117,812.31	\$122,175.74	\$126,539.16	\$130,902.57
19	\$111,267.19	\$115,903.32	\$120,539.45	\$125,175.59	\$129,811.72	\$134,447.85	\$139,083.98
20	\$118,221.39	\$123,147.28	\$128,073.17	\$132,999.06	\$137,924.96	\$142,850.84	\$147,776.73
21	\$125,610.22	\$130,843.98	\$136,077.74	\$141,311.51	\$146,545.27	\$151,779.02	\$157,012.78
22	\$133,460.86	\$139,021.73	\$144,582.60	\$150,143.47	\$155,704.34	\$161,265.21	\$166,826.08
23	\$141,802.17	\$147,710.59	\$153,619.01	\$159,527.44	\$165,435.86	\$171,344.28	\$177,252.71

2027 Base Pay Schedule

Grade	A	B	C	D	E	F	G
1	\$38,857.92	\$40,477.00	\$42,096.08	\$43,715.16	\$45,334.24	\$46,953.32	\$48,572.41
2	\$41,286.54	\$43,006.82	\$44,727.09	\$46,447.35	\$48,167.63	\$49,887.90	\$51,608.18
3	\$43,866.95	\$45,694.73	\$47,522.53	\$49,350.31	\$51,178.11	\$53,005.90	\$54,833.69
4	\$46,608.63	\$48,550.66	\$50,492.69	\$52,434.71	\$54,376.74	\$56,318.76	\$58,260.80
5	\$49,521.67	\$51,585.07	\$53,648.48	\$55,711.89	\$57,775.29	\$59,838.69	\$61,902.09
6	\$52,616.78	\$54,809.14	\$57,001.51	\$59,193.88	\$61,386.24	\$63,578.61	\$65,770.97
7	\$55,905.33	\$58,234.72	\$60,564.11	\$62,893.49	\$65,222.88	\$67,552.27	\$69,881.66
8	\$59,399.41	\$61,874.39	\$64,349.36	\$66,824.33	\$69,299.31	\$71,774.28	\$74,249.27
9	\$63,111.87	\$65,741.53	\$68,371.19	\$71,000.85	\$73,630.51	\$76,260.18	\$78,889.84
10	\$67,056.37	\$69,850.38	\$72,644.40	\$75,438.41	\$78,232.43	\$81,026.44	\$83,820.45
11	\$71,247.38	\$74,216.03	\$77,184.67	\$80,153.31	\$83,121.96	\$86,090.59	\$89,059.24
12	\$75,700.35	\$78,854.53	\$82,008.71	\$85,162.89	\$88,317.07	\$91,471.26	\$94,625.44
13	\$80,431.63	\$83,782.94	\$87,134.26	\$90,485.57	\$93,836.89	\$97,188.21	\$100,539.52
14	\$85,458.60	\$89,019.37	\$92,580.15	\$96,140.93	\$99,701.69	\$103,262.47	\$106,823.25
15	\$90,799.76	\$94,583.09	\$98,366.40	\$102,149.73	\$105,933.05	\$109,716.38	\$113,499.70
16	\$96,474.74	\$100,494.53	\$104,514.30	\$108,534.09	\$112,553.87	\$116,573.65	\$120,593.44
17	\$102,504.41	\$106,775.43	\$111,046.46	\$115,317.47	\$119,588.49	\$123,859.50	\$128,130.52
18	\$108,910.94	\$113,448.89	\$117,986.86	\$122,524.81	\$127,062.77	\$131,600.73	\$136,138.68
19	\$115,717.87	\$120,539.45	\$125,361.03	\$130,182.61	\$135,004.19	\$139,825.77	\$144,647.34
20	\$122,950.24	\$128,073.18	\$133,196.10	\$138,319.02	\$143,441.95	\$148,564.88	\$153,687.80
21	\$130,634.63	\$136,077.74	\$141,520.85	\$146,963.97	\$152,407.08	\$157,850.19	\$163,293.29
22	\$138,799.29	\$144,582.60	\$150,365.90	\$156,149.21	\$161,932.51	\$167,715.82	\$173,499.12
23	\$147,474.26	\$153,619.01	\$159,763.77	\$165,908.54	\$172,053.29	\$178,198.06	\$184,342.82

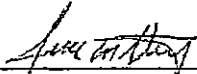
2028 Base Pay Schedule

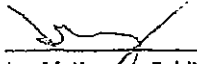
Grade	A	B	C	D	E	F	G
1	\$40,023.66	\$41,691.31	\$43,358.96	\$45,026.61	\$46,694.26	\$48,361.92	\$50,029.58
2	\$42,525.14	\$44,297.02	\$46,068.90	\$47,840.77	\$49,612.66	\$51,384.54	\$53,156.42
3	\$45,182.96	\$47,065.58	\$48,948.21	\$50,830.82	\$52,713.45	\$54,596.07	\$56,478.70
4	\$48,006.89	\$50,007.17	\$52,007.47	\$54,007.75	\$56,008.04	\$58,008.32	\$60,008.62
5	\$51,007.32	\$53,132.63	\$55,257.94	\$57,383.24	\$59,508.54	\$61,633.85	\$63,759.15
6	\$54,195.28	\$56,453.41	\$58,711.56	\$60,969.70	\$63,227.83	\$65,485.97	\$67,744.10
7	\$57,582.49	\$59,981.76	\$62,381.03	\$64,780.30	\$67,179.57	\$69,578.84	\$71,978.11
8	\$61,181.39	\$63,730.62	\$66,279.84	\$68,829.06	\$71,378.29	\$73,927.51	\$76,476.74
9	\$65,005.22	\$67,713.78	\$70,422.33	\$73,130.88	\$75,839.43	\$78,547.98	\$81,256.54
10	\$69,068.06	\$71,945.89	\$74,823.73	\$77,701.56	\$80,579.40	\$83,457.23	\$86,335.07
11	\$73,384.80	\$76,442.51	\$79,500.21	\$82,557.91	\$85,615.61	\$88,673.31	\$91,731.01
12	\$77,971.36	\$81,220.17	\$84,468.97	\$87,717.78	\$90,966.59	\$94,215.40	\$97,464.20
13	\$82,844.58	\$86,296.43	\$89,748.29	\$93,200.14	\$96,652.00	\$100,103.85	\$103,555.71
14	\$88,022.36	\$91,689.95	\$95,357.55	\$99,025.15	\$102,692.74	\$106,360.35	\$110,027.95
15	\$93,523.75	\$97,420.58	\$101,317.40	\$105,214.22	\$109,111.04	\$113,007.87	\$116,904.69
16	\$99,368.98	\$103,509.36	\$107,649.73	\$111,790.12	\$115,930.49	\$120,070.86	\$124,211.24
17	\$105,579.54	\$109,978.70	\$114,377.85	\$118,776.99	\$123,176.14	\$127,575.28	\$131,974.44
18	\$112,178.27	\$116,852.36	\$121,526.46	\$126,200.55	\$130,874.65	\$135,548.75	\$140,222.84
19	\$119,189.41	\$124,155.64	\$129,121.86	\$134,088.09	\$139,054.31	\$144,020.54	\$148,986.76
20	\$126,638.75	\$131,915.37	\$137,191.98	\$142,468.59	\$147,745.21	\$153,021.82	\$158,298.43
21	\$134,553.67	\$140,160.07	\$145,766.47	\$151,372.89	\$156,979.29	\$162,585.69	\$168,192.09
22	\$142,963.27	\$148,920.08	\$154,876.88	\$160,833.68	\$166,790.49	\$172,747.29	\$178,704.09
23	\$151,898.48	\$158,227.58	\$164,556.69	\$170,885.79	\$177,214.89	\$183,544.00	\$189,873.11

Appendix B

OUT OF CLASS AND OUT OF DEPARTMENT WORK AND JOB ASSIGNMENTS

Any out of department or out of class overtime shall start with the MOST QUALIFIED Senior Person throughout the overall Seniority List. This list will rotate like all the other lists and follow the "fair and equitable" language in the contract. A job assignment that includes 8 hours or more of overtime will follow this protocol. The work assignment will be given to the senior employee deemed MOST QUALIFIED by the supervisor.

 12-13-18
Jesse Story, City Engineer/Director of Public Works
MAPE President

 12-14-18
Joe McKenney, Public Works
AFSCME President

Appendix C

LETTER OF UNDERSTANDING

TEMPORARY AGREEMENT TO SWITCH TO TEN (10) HOUR SHIFTS EXCLUSIVELY AT THE HIBBING WASTEWATER FACILITIES

The following provisions are understood to be attached as an addendum to the existing contract between Local 791 AFSCME and the Employer, the City of Hibbing. The institution of ten (10) hour work days at the Hibbing Wastewater Facilities shall be on a trial basis covering a three (3) month period once the ten hour days are instituted. Either party, i.e., the Union or the Employer, may withdraw from this addendum with a two-week written notice to the other party.

The following changes will be in full force and effect upon the implementation of this addendum:

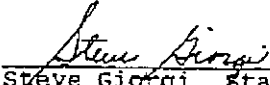
1. HOLIDAY PAY: For those wastewater employees who are working on any of the holidays listed in the contract, the rate of pay shall be time and one-half (1-1/2) plus the regular hourly rate of pay for all hours worked. For those wastewater employees who are scheduled to work ten (10) hours on a contract listed holiday, and opt not to work, they shall receive ten (10) hours of pay at their regular hourly rate. For those employees on the ten (10) hour per day schedule, who are scheduled off on any of the listed holidays, the employee shall have the option of receiving eight (8) hours of pay at their regular hourly rate or receiving ten (10) hours of compensable time off. The compensable time must be taken off on a Wednesday.
2. OVERTIME: For all hours worked in excess of ten (10) hours per day, wastewater treatment employees, who work rotating shifts, will receive time and one-half (1-1/2). All other contract provisions relating to overtime and work guarantees shall remain in effect.
3. SCHEDULE: All wastewater treatment employees shall be scheduled to work no more than eight (8) consecutive days in a row, and they shall have six (6) consecutive days off between their regularly scheduled shifts.
4. FUNERAL LEAVE: In the event of a death in the immediate family, as defined in Article IX, Section 5, of the contract, a waste water treatment employee shall be granted a leave of absence with pay for a period up to three (3) ten (10) hour days. Two additional days may be allowed when travel is necessary, subject to the approval of the City Council.
5. SICK LEAVE: Sick leave shall be earned and accrued as described in the contract, Article IX, Section 1. When an employee of the wastewater treatment plant receives sick leave pay, it shall be at the option of the employee to receive either eight (8) hours of

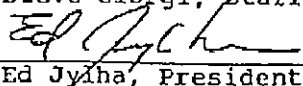
their regular rate of pay or ten (10) hours of their regular rate of pay. The proper deduction will then be made to the employee's sick leave bank.

6. VACATION: For earning and accrual of vacation time, we will refer to Article VIII of the existing contract. When an employee of the plant is on vacation, they may opt to receive either eight (8) or ten (10) hours of their regular rate of pay. They must notify the employer prior to beginning their vacation, and the employer will make the appropriate deductions from the employee's vacation bank.
7. REST BREAKS: Each employee shall be entitled to two (2) fifteen (15) minute breaks, one in each half of their shift, and a paid thirty (30) minute lunch break, as close to the middle of the shift as possible.
8. WORK WEEK: The work week shall be defined as forty (40) hours per week (Sunday at 12:01 a.m. to Saturday at 11:59 p.m.). Any hours worked over forty (40) in one week shall be paid at time and one-half (1-1/2) the employee's regular hourly rate of pay.
9. For the purposes of Article XII (Dismissals, Demotions and Transfers), the work day shall be defined as ten (10) hours.

Dated OCTOBER 19, 1993


John Fedo, City Administrator


Steve Giorgi, Staff Rep.


Ed Jylha, President, Local 791

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made by and between the City of Hibbing ("Employer") and American Federation of State, County and Municipal Employees, Local 791 ("Union").

WHEREAS, the Union is the exclusive representative for certain employees employed by Employer in an appropriate unit ("Employees");

WHEREAS, the Employer and Union are parties to a Labor Agreement for January 1, 2026 through December 31, 2028 ("Labor Agreement"); and

WHEREAS, the parties desire to specify the parties' communications when there is a reduction in the aggregate value of benefits of a group medical or hospital insurance contract.

NOW, THEREFORE, all parties hereto understand as follows:

Article 1. Insurance Reduction in Aggregate Value of Benefits

Employer will notify Union of any changes at least 30 days in advance, meet and discuss changes with Union, and meet, negotiate, and get agreement from Union if the aggregate value of benefits provided by a group medical or hospital insurance contract between the Employer and an insurance carrier for calendar years 2026, 2027, or 2028 insurance will be reduced as established under Minn. Stat. sec. 471.6161. Any dispute or disagreement as to the interpretation or application of the specific terms and conditions of this MOU may be pursued through the same process as the grievance procedure in the Labor Agreement.

Article 2. Entire Understanding

This MOU constitutes the entire understanding among the parties hereto. No representations, warranties, covenants, or inducements have been made to any party concerning this MOU, other than the representations, covenants, or inducements contained and memorialized in this MOU. This MOU supersedes all prior negotiations, oral and written understandings, policies and practices with respect thereto addressing the specific subject matter addressed in this MOU.

Article 3. Waiver of Bargaining

Employer and Union each voluntarily and unqualifiedly waives the right and each agrees that while the current Labor Agreement is in full force and effect the other shall not be obligated to bargain collectively with respect to the express subjects or matters included in this MOU.

Article 4. Limitations

This MOU is intended for the sole and limited purpose specified herein. This MOU cannot be construed to be nor does it constitute or establish any admission of the Employer, precedent, past practice or otherwise place any prohibition or limitation on any management right of the Employer. The Employer does not waive and expressly reserves the right to exercise all of its

management rights without limitation. This MOU will be electronically and physically attached to the Labor Agreement.

Article 5. Amendment or Modification

This MOU or any of its terms may only be amended or modified by a written instrument that: (1) expressly states it is amending or modifying the MOU; and (2) is signed by or on behalf of all of the parties hereto or their successors in interest.

Article 6. Voluntary Understanding of the Parties

The parties hereto acknowledge and agree that this MOU is voluntarily entered into by all parties hereto as the result of arm's-length negotiations during which all such parties were represented.

Article 7. Effective and Expiration Date

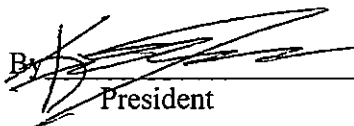
This MOU is effective January 1, 2026, expires on December 31, 2028, and is no longer in force and effect, effective the date the Labor Agreement is no longer in force or effect. The Employer and Union are required to meet and negotiate whether this MOU will be continued after it expires and is no longer in force or effect.

IN WITNESS HEREOF, the parties hereto have executed this MOU on the latest date affixed to the signatures below.

CITY OF HIBBING

AMERICAN FEDERATION OF STATE,
COUNTY AND MUNICIPAL
EMPLOYEES, LOCAL 791

By _____
Mayor

By  _____
President

By _____
City Clerk

By Tom Whiteside 2/12/26
AFSCME Representative

Date: _____

Date: 2-12-26

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made by and between the City of Hibbing ("Employer") and American Federation of State, County and Municipal Employees, Local 791 ("Union").

WHEREAS, the Union is the exclusive representative for certain employees of the Employer in the appropriate unit ("Bargaining Unit Employees");

WHEREAS, the Employer and Union are parties to a Labor Agreement for January 1, 2026 through December 31, 2028;

WHEREAS, under Minn. Stat. 181.9447, subd. 12, firefighters; licensed peace officers; or employees holding a commercial driver's license may not use earned sick and safe time for the closure of the employee's place of business due to weather or other public emergency or an employees' need to care for a family member whose school or place of care has been closed due to weather or public emergency, unless the following condition is met: the employee is represented by an exclusive representative under section 179A.03, subd. 8 and the collective bargaining agreement or memorandum of understanding governing the employee's position explicitly references section 181.9447, subd. 1, clause (4), and clearly and unambiguously waives application of that section of the employee's position; and

WHEREAS, the parties desire to memorialize the above item regarding earned sick and safe time.

NOW, THEREFORE, in consideration of the mutual covenants and agreements to be performed, as hereinafter set forth, Employer and Union agree as follows:

Article 1. Earned Sick and Safe Time Weather Exception

Bargaining Unit Employees in any position specified in Minn. Stat. 181.9447, subd. 12 are hereby waiving the application of Min. Stat. sec. 181.9447, subdivision 1, clause (4) for the Bargaining Unit Employee's position, and, therefore, they may not use earned sick and safe time if preassigned or foreseeable work duties during a public emergency or weather event would require them to respond to the public emergency or a weather event.

Article 2. Entire Agreement

This MOU constitutes the entire agreement among the parties hereto. No representations, warranties, covenants, or inducements have been made to any party concerning this MOU, other than the representations, covenants, or inducements contained and memorialized in this MOU. This MOU supersedes all prior negotiations, oral and written understandings, policies and practices with respect thereto addressing the specific subject matter addressed in this MOU.

Article 3. Waiver of Bargaining

Employer and Union each voluntarily and unqualifiedly waives the right and each agrees that while the current Labor Agreement is in full force and effect the other shall not be obligated to bargain collectively with respect to the express subjects or matters included in this MOU.

Article 4. Limitations

This MOU is intended for the sole and limited purpose specified herein. This MOU cannot be construed to be nor does it constitute or establish any admission of the Employer, precedent, past practice or otherwise place any prohibition or limitation on any management right of the Employer. The Employer expressly reserves the right to exercise all of its management rights without limitation.

Article 5. Amendment or Modification

This MOU or any of its terms may only be amended or modified by a written instrument that: (1) expressly states it is amending or modifying the MOU; and (2) is signed by or on behalf of all of the parties hereto or their successors in interest.

Article 6. Voluntary Agreement of the Parties

The parties hereto acknowledge and agree that this MOU is voluntarily entered into by all parties hereto as the result of arm's-length negotiations.

Article 7. Effective

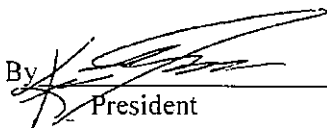
This MOU is effective January 1, 2026.

IN WITNESS WHEREOF, the parties hereto have executed this MOU on the latest date affixed to the signatures below.

CITY OF HIBBING

AMERICAN FEDERATION OF STATE,
COUNTY AND MUNICIPAL
EMPLOYEES, LOCAL 791

By _____
Mayor

By  _____
President

By _____
City Clerk

By Tom Whiteside 2/12/26
AFSCME Representative

Date: _____

Date: 2-12-26

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made by and between the City of Hibbing ("Employer") and American Federation of State, County and Municipal Employees, Local 791 ("Union").

WHEREAS, the Union is the exclusive representative for certain employees of the Employer in the appropriate unit ("Bargaining Unit"); and

WHEREAS, the Employer and Union desire to establish that the probationary period for certain employees is 6 months.

NOW, THEREFORE, all parties hereto understand as follows:

Article 1. Probationary Periods for Certain Employees

The probationary period is 6 months for employees that began employment in job classification before January 1, 2026, while they remain continuously employed in the job classification. For these employees, this probationary period is in lieu of a 12-month probationary period referenced in the Labor Agreement.

Article 2. Entire Understanding

This MOU constitutes the entire understanding among the parties hereto. No representations, warranties, covenants, or inducements have been made to any party concerning this MOU, other than the representations, covenants, or inducements contained and memorialized in this MOU. This MOU supersedes all prior negotiations, oral and written understandings, policies and practices with respect thereto addressing the specific subject matter addressed in this MOU.

Article 3. Waiver of Bargaining

Employer and Union each voluntarily and unqualifiedly waives the right and each agrees that while the current Labor Agreement is in full force and effect the other shall not be obligated to bargain collectively with respect to the express subjects or matters included in this MOU.

Article 4. Limitations

This MOU is intended for the sole and limited purpose specified herein. This MOU is intended for a one-time purpose only and cannot be construed to be nor does it constitute or establish any admission of the Employer, precedent, past practice or otherwise place any prohibition or limitation on any management right of the Employer. The Employer does not waive and expressly reserves the right to exercise all of its management rights without limitation.

Article 5. Amendment or Modification

This MOU or any of its terms may only be amended or modified by a written instrument that: (1) expressly states it is amending or modifying the MOU; and (2) is signed by or on behalf of all of the parties hereto or their successors in interest.

Article 6. Voluntary Understanding of the Parties

The parties hereto acknowledge and agree that this MOU is voluntarily entered into by all parties hereto as the result of arm's-length negotiations during which all such parties were represented.

Article 7. Effective and Expiration Date

This MOU is effective January 1, 2026, expires on December 31, 2028, and is no longer in force and effect, effective the date the Labor Agreement is no longer in force or effect.

IN WITNESS HEREOF, the parties hereto have executed this MOU on the latest date affixed to the signatures below.

CITY OF HIBBING

AMERICAN FEDERATION OF STATE,
COUNTY AND MUNICIPAL
EMPLOYEES, LOCAL 791

By _____
Mayor

By _____
President

By _____
City Clerk

By Tom Whiteside 2/11/26
AFSCME Representative

Date: _____

Date: 2-12-26



RAFFLE REQUEST

Excluded raffle = Total Prizes awarded \$1,500 per year or less
Exempt raffle = Total Annual prizes over \$1,500 and under \$50,000 requires Minnesota form LG220

RAFFLE REGISTRATION FEE

\$15.00 Payable to the City of Hibbing

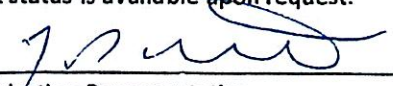
ORGANIZATION INFORMATION

Name of Organization:	Hibbing/Chisholm Breakfast Rotary	
Type of Organization:	non profit	
Mailing Address:	P.O. Box 135	
City, State, Zip	Hibbing MN 55746	
Contact Person:	Ronchetti	Daytime Phone Number: 218-966-8748
Have you conducted other raffles this year	NO	IF YES, What is the total amount of prizes this year, including this Raffle

GAMBLING PREMISES INFORMATION

Name of premises where gambling activity will be conducted:	Hibbing Armory
Dates of Activity:	05-05-2024
Check Box or Boxes that Indicate the Type of Gambling Activity:	☒ Raffle ☐ Other
Price Per Ticket:	\$10.00
Total value of prizes to be awarded:	Less than \$2500.00
Types of Prizes:	Fishing related equipment / misc baskets

In signing this request, I attest that I represent the above named Non-Profit organization and it meets all requirements of the State of Minnesota to qualify to conduct lawful gambling and proof of non-profit status is available upon request.


Organization Representative

8-17-2025
Date

☐ Registered as Excluded Raffle

☐ Send to Council for Approval

At the Regular Hibbing Council meeting held February 18, 2026 at 5:00 P.M., in the Hibbing City Council Chambers, Councilor _____ offered the following Resolution and moved its adoption:

CITY OF HIBBING
RESOLUTION NO. 26-02-10

**Resolution of Support for Climb Theatre
To Conduct Charitable Gambling at the Mesaba Country Club**

WHEREAS, Climb Theatre would like to conduct charitable gambling at the Mesaba Country Club; and,

WHEREAS, The City of Hibbing supports the charitable gambling application of **Climb Theatre** on the earliest possible date that charitable gambling may be commenced.

NOW, THEREFORE, BE IT RESOLVED, That the City of Hibbing strongly supports the application of **Climb Theatre**, to conduct charitable gambling at the Mesaba Country Club at 415 East 51st Street, Hibbing, Minnesota, as soon as practically possible.

The motion to adopt the foregoing Resolution was duly supported by Councilor _____ and, upon being put to a vote, carried as follows:

FOR ADOPTION:

AGAINST:

ABSTAINED:

ABSENT:

Passed and adopted this 18th day of February, 2026.

CITY OF HIBBING

ATTEST: _____

Candie Seppala, City Clerk/Deputy Administrator

Pete Hyduke, Mayor

CITY OF HIBBING
RESOLUTION NO. 26-02-10
February 18, 2026



Request for Council Action

City Council Action

Approve Purchase Agreement Extension for parcel ID: 140-0290-00619 with HRA of Hibbing for Mahoning Manor Project.

Description of Agenda Item

Approve Purchase Agreement Extension for parcel ID: 140-0290-00619 with HRA of Hibbing for Mahoning Manor Project.

Strategic Initiative

2026 Strategic Plan:

Owner of Agenda Item

Betsy Olivanti, Community Development Director, 218.421.7939, betsyolivanti@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

Action Requested

Attachments

1. CCHC-Hibbing II-Assignment and Extension of Purchase Agreement

ASSIGNMENT AND EXTENSION OF PURCHASE AGREEMENT

Housing and Redevelopment Authority of Hibbing herewith assigns all of its rights as buyer under that certain Vacant Purchase Agreement dated June 18, 2025, a copy of which is attached as Exhibit A, to **Mahoning Manor, LLLP**, a newly-formed Minnesota limited liability limited partnership which will hereinafter be known as the buyer under the aforesaid Agreement.

This Assignment is accepted by **City of Hibbing**, with the understanding that the obligations of **Housing and Redevelopment Authority of Hibbing** under the Agreement continue.

Each of **City of Hibbing**, **Mahoning Manor, LLLP**, and **Housing and Redevelopment Authority of Hibbing** agree to increase the contingency/closing date, including but not limited to the contingencies set forth in paragraph 20 of the Purchase Agreement, to June 30, 2027.

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute the binding and enforceable agreement of the parties hereto. This Agreement may be executed and delivered by a party by facsimile transmission, .pdf or electronically signed, which transmission copy shall be considered an original and shall be binding and enforceable against such party.

Dated: February ___, 2026

HOUSING AND REDEVELOPMENT AUTHORITY
OF HIBBING

By _____
Jacqueline Prescott, Its Executive Director

MAHONING MANOR, LLLP
By: Missabe Manor Developer, LLC
Its: General Partner

By _____
Jacqueline Prescott, Its Co-Chief Manager

By _____
Nancy Cashman, Its Co-Chief Manager

CITY OF HIBBING

By _____
Pete Hyduke, Its Mayor

By _____
Candie Seppala, Its City Clerk

EXHIBIT A

VACANT LAND PURCHASE AGREEMENT

1. **PARTIES.** This Purchase Agreement is made as of June 18, 2025, by and between **Housing and Redevelopment Authority of Hibbing**, a public body corporate and politic of the State of Minnesota, 3115 7th Ave. E., Hibbing, MN 55746, BUYER, and **City of Hibbing**, a municipal corporation, 401 East 21st Street, Hibbing, MN 55746, SELLER.

2. **OFFER/ACCEPTANCE.** Buyer offers to purchase and Seller agrees to sell real property legally described as: That part of the South 360 feet of the NE ¼ of the SE ¼ lying Westerly of the Westerly Right of Way line of the Duluth, Missabe & Iron Range Railway Company, Section 24, Township 57 North of Range 21, West of the Fourth Principal. (the "Property"). The Property is located 3900 5th Avenue West, Hibbing, MN, County of St. Louis, State of Minnesota, and taxed under Parcel No. 140-0290-00619.

There is no personal property or improvements included in this sale except for the Seller's obligation to have the site shovel ready at closing.

3. **DATE OF BINDING AGREEMENT.** This Agreement is binding on the parties as of the date in paragraph 1 above.

4. **PRICE AND TERMS.** The parties will continue to negotiate and agree on the price of the Property prior to CLOSING. The consideration upon CLOSING under this Purchase Agreement is an equity gift of the current appraised value of the property.

5. **DEED/MARKETABLE TITLE.** Upon performance by Buyer, Seller shall execute and deliver a Warranty Deed conveying marketable title, subject to:

- A. Building and zoning laws, ordinances, state and federal regulations;
- B. Restrictions relating to use or improvement of the Property without effective forfeiture provisions;
- C. Reservation of any mineral rights by the State of Minnesota; and
- D. Utility and drainage easements which do not interfere with existing improvements; and
- E. Exceptions to title which constitute encumbrances, restrictions, or easements which have been disclosed to Buyer and accepted by Buyer prior to closing (must be specific and in writing as "Permitted Encumbrances").

6. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** Buyer shall be responsible for all real estate taxes accruing subsequent to the date hereof and for any special assessments placed on the Property subsequent to the date hereof. Seller is responsible for all taxes applicable to years prior to closing and payable in years prior to closing and for any penalty and interest thereon, said amounts to be identified and paid at closing from closing proceeds.

Insofar as assessments are concerned, Seller is responsible for assessments pending or levied up to CLOSING and Buyer is responsible for assessments pending or levied subsequent to CLOSING.

7. **DAMAGES TO REAL PROPERTY.** Buyer shall bear the risk of any damage to the real property while conducting its due diligence testing.

8. **SELLER'S BOUNDARY LINE, RESTRICTIONS AND LIEN WARRANTIES.** Seller warrants that buildings, if any, are entirely within the boundary lines of the property. Seller warrants that there has been no labor

or material furnished to the property for which payment has not been made. Seller warrants that there are no present violations of any restrictions relating to the use or improvement of the property. These warranties shall survive the delivery of the deed.

9. CONDITION OF PROPERTY.

- A. Other than as revealed in reports provided to the City of Hibbing by Braun Engineering and the Minnesota Pollution Control Agency in advance of the closing hereunder, Seller knows of no hazardous substances or petroleum products having been placed, stored, or released from or on the property by any person in violation of any law, nor of any underground storage tanks having been located on the property at any time.
- B. Seller shall remove all debris, trash, rubbish, garbage, rubble, and yard waste from the land before the possession date.
- C. Seller has no knowledge that the property has any conditions that are protected by federal or state law (such as American Indian burial grounds, other human burial grounds, ceremonial earthworks, historical structures or materials, or archeological sites).
- D. Seller has not received any notice from any governmental authority as to the existence of, and Seller has no knowledge of, any Dutch elm disease, oak wilt, or other disease of any trees on the real property.
- F. To the best of Seller's knowledge, methamphetamine production has not occurred on the property.
- H. Seller's warranties and representations contained in this Paragraph 9, shall survive the delivery of the Deed.

10. DISCLOSURE OF NOTICES. Seller has not received any notice from any governmental authority as to violation of any law, ordinance or regulation affecting the property. If the property is subject to restrictive covenants, Seller has not received any notice from any person as to a breach of the covenants.

11. POSSESSION. Seller shall deliver possession of the property not later than CLOSING.

12. EXAMINATION OF TITLE. At least 30 days before the anticipated closing date, Seller shall provide evidence of title, which shall include proper searches covering bankruptcies, state and federal judgments and liens, and levied and pending Special Assessments, to Buyer or Buyer's designated title search provider, as follows:

This property is Torrens/Abstract. Seller shall provide a commitment for an owner's policy of title insurance on a current ALTA form issued by an insurer licensed to write title insurance in Minnesota. Seller shall pay the cost of title examination fee and the costs of evidence of title for such title insurance policy.

Buyer shall be responsible for the title insurance premium if Buyer chooses to obtain the owner's policy of title insurance.

13. TITLE CORRECTIONS AND REMEDIES. Seller shall use Seller's best efforts to provide marketable title by the date of closing. Marketable title includes dealing within any encroachments, trespassing or squatters, including hunting shacks and/or stands. In the event Seller has not provided marketable title by the date of closing, Seller shall have the right upon written notice to Buyer to extend the closing date for an additional 30 days to

make title marketable or, in the alternative, Buyer may waive title defects by written notice to Seller. In addition to this 30-day extension, Buyer and Seller may, by mutual written agreement, further extend the closing date. Lacking such extension, either party may declare this Purchase Agreement, if title fails, cancelled by written notice to the other party, or licensee representing or assisting the other party, in which case this Purchase Agreement is cancelled for title failures. If either party declares this Purchase Agreement cancelled, Buyer and Seller shall immediately sign a Cancellation of Purchase Agreement confirming said cancellation and directing all earnest money paid hereunder to be refunded to Buyer.

14. **DEFAULT.** If Buyer defaults in any of the agreements hereunder, Seller may terminate this Purchase Agreement, and any payments made hereunder, including earnest money, shall be retained by Seller as liquidated damages and Buyer and Seller shall affirm the same by a written cancellation agreement.

If Buyer defaults in any of the agreements hereunder, Seller may terminate this Purchase Agreement under the provisions of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable. If either Buyer or Seller defaults in any of the agreements hereunder or there exists an unfulfilled condition after the date specified for fulfillment, either party may cancel this Purchase Agreement under MN Statute 559.217, Subd. 3. Whenever it is provided herein that this Purchase Agreement is canceled, said language shall be deemed a provision authorizing a Declaratory Cancellation under MN Statute 559.217, Subd. 4.

If this Purchase Agreement is not canceled or terminated as provided hereunder, Buyer or Seller may seek actual damages for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to specific performance, such action must be commenced within six (6) months after such right of action arises.

15. **NOTICES.** All notices required herein shall be in writing and delivered personally or mailed to the address as shown at Paragraph 1. above and, if mailed, are effective as of the date of mailing.

16. **MINNESOTA LAW.** This contract shall be governed by the laws of Minnesota.

17. **WELL DISCLOSURE.** Seller certifies that Seller knows of no wells on the described real property.

18. **SELLER'S AFFIDAVIT.** At closing, Seller shall supplement the warranties and representations in this Purchase Agreement by executing and delivering a Minnesota Uniform Conveyancing Blank (Form No. 116-M, 117-M, or 118-M) Affidavit of Seller.

19. **BINDING NATURE.** This Agreement is binding on heirs, successors and assigns.

20. **CONTINGENCIES.** In addition to Title, the contingencies relate to the feasibility of the project and the obtaining of sufficient funding to build the project. Buyer agrees to keep Seller fully informed as to the status of those issues. Additionally, the parties agree as follows:

A. Seller agrees to clear, balance and remediate the land/soils, as necessary, to a shovel-ready state in order to provide an immediate, mortgageable, and buildable site(s) for multifamily residential development;

B. Seller agrees to provide both viable and insurable legal access and utilities to include building any extension of current public roads and utilities;

C. At CLOSING, Buyer agrees to grant Seller a Right of First Refusal upon property it currently owns legally described as Outlots A, B and C, GREENHAVEN SECOND DIVISION, and contained under Tax Parcels 140-0098-02270, 140-0098-02280 and 140-0098-02290. It is understood between the parties that said

Right of First Refusal can only be given if approved by the Secretary of Housing and Urban Development (HUD), contingent upon said property being released from the Declaration of Trust (defined below) by HUD, which prohibits "transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering..." under the terms of a Declaration of Trust filed February 28, 1994, in the office of the St. Louis County Recorder as Document No. 597781 and in the office of the St. Louis County Registrar of Titles as Document No. 579231;

D. This sale is contingent upon Buyer obtaining funding through the Minnesota Housing Finance Agency by June 30, 2026; and

E. This sale is contingent upon the City approving the sale of the property as a part of its Comprehensive Plan.

21. **CLOSING.** Closing shall be at the office as directed by Minnesota Housing Finance Agency (MHFA). The Closing shall occur at such time as Buyer is able to secure the funding and close on the purchase and the financing for the facility to be constructed. If Buyer's anticipated funding through MHFA is not approved by June 30, 2026, Either party shall have the option to cancel this Agreement. This Purchase Agreement may be continued but only by the mutual agreement of the parties. Status of Buyer's efforts to secure funding will be provided to Seller upon request. Buyer shall notice Seller regarding a Closing Date at least thirty (30) days in advance of such Closing.

22. **CLOSING COSTS.** The costs of closing, if not determined by other provisions of this Agreement, shall be paid as follows:

A. **SELLER'S COSTS.** Seller shall pay the following at closing:

- (1) Document preparation costs, recording fees, and deed taxes for documents necessary to establish good and marketable title in Seller.
- (2) Document preparation costs, certified copy fees, and recording fees to establish the authority of the person acting on behalf of Seller.
- (3) Document preparation costs for Seller's deed and any other documents necessary to transfer good and marketable title by Seller's deed.
- (4) Deed tax on Seller's deed.
- (5) One half of the closer's fee.

B. **BUYER'S COSTS.** Buyer shall pay the following at closing:

- (1) One-half of the closer's fee.
- (2) Recording fee for Seller's deed.
- (3) All Buyer's financing charges.

23. **EXPIRATION OF AGREEMENT.** This Vacant Land Purchase Agreement shall expire on June 30, 2026, with additional option to extend as long as all funding has been approved.

24. **TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS AGREEMENT.**

IN WITNESS WHEREOF, the parties hereto have executed this Vacant Land Purchase Agreement as of the date first above written.

Buyer hereby agrees to purchase the property for the price and terms and conditions set forth above.

HOUSING AND REDEVELOPMENT AUTHORITY
OF HIBBING

By: _____

Date: _____

Seller hereby agrees to sell the property for the price and terms and conditions set forth above.

CITY OF HIBBING

By: _____

Pete Hyduke
Its: Mayor _____

Date: _____

By: _____

Candie Seppala
Its: City Clerk _____

Date: _____



Request for Council Action

City Council Action

Approval of the Interim Use Permit request.

Description of Agenda Item

Approve an Interim Use Permit request of Kubena Sand & Gravel LLC, 3938 19th Ave. East, Hibbing, MN 55746 to allow for the operation of a gravel pit in the O, Open Space District, and the Hibbing City Code of Ordinances, on the subject properties, PID #'s 141-0050-02035 and 141-0050-02040, NE ¼ of SW ¼ and part of SE ¼ of NW ¼, (Section 15 Township 57 Range 21 Hibbing).

Strategic Initiative

Owner of Agenda Item

Pat Green, Building Official, 218.969.0165, patgreen@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal

Board/Commission/Committee Actions(s):

The Planning Commission unanimously recommends approval of the Interim Use Permit request with the following conditions:

- *The days of operation shall be 7 days a week.*
- *The hours of operation shall be 6:00 am through 9:00 pm.*
- *This Interim Use Permit for the operation of a gravel pit shall be valid for 30 years.*

Budgetary/Fiscal Impact

None.

Action Requested

Approve the Interim Use Permit request.

Attachments

1. Feb 2nd PC Kubena IUP

DATE: February 2, 2026

REF. #: IUP 25-02

BY MEMBER: G. Smith

RESOLUTION

WHEREAS, Hibbing Planning Commission held a public hearing on this date for an Interim Use Permit request of Kubena Sand & Gravel LLC, 3938 19th Ave. East, Hibbing, MN 55746 to allow for the operation of a gravel pit in the O, Open Space District, and the Hibbing City Code of Ordinances, on the subject properties, PID #'s 141-0050-02035 and 141-0050-02040, NE ¼ of SW ¼ and part of SE ¼ of NW ¼, (Section 15 Township 57 Range 21 Hibbing); and

WHEREAS the Commission finds that the proposed building or use at the particular location requested is necessary or desirable to provide convenience and will contribute to the general welfare of the neighborhood or community; and

WHEREAS the Commission finds that the proposed building or use will not have a substantial or undue adverse effect upon adjacent property, the character of the neighborhood, traffic conditions, utility facilities, and other matters affecting the public health, safety and general welfare; and

WHEREAS the Commission finds that the proposed building or use will be designed, arranged and operated so as to permit and use of neighboring property in accordance with the applicable regulations.

NOW THEREFORE BE IT RESOLVED that the Planning Commission herewith recommends City Council approval of the request, with the following conditions:

- *The days of operation shall be 7 days a week.*
- *The hours of operation shall be 6:00 am through 9:00 pm.*
- *This Interim Use Permit for the operation of a gravel pit shall be valid for 30 years.*

MEMBER G. Smith moved the adoption of the resolution, J. Jump seconded the adoption, and the results of the vote were as follows:

NAME	YES	NO
G. Smith, Chairperson	X	
C. Lubovich	X	
J. Jump	X	
J. Lubben	X	
D. Majkich	X	

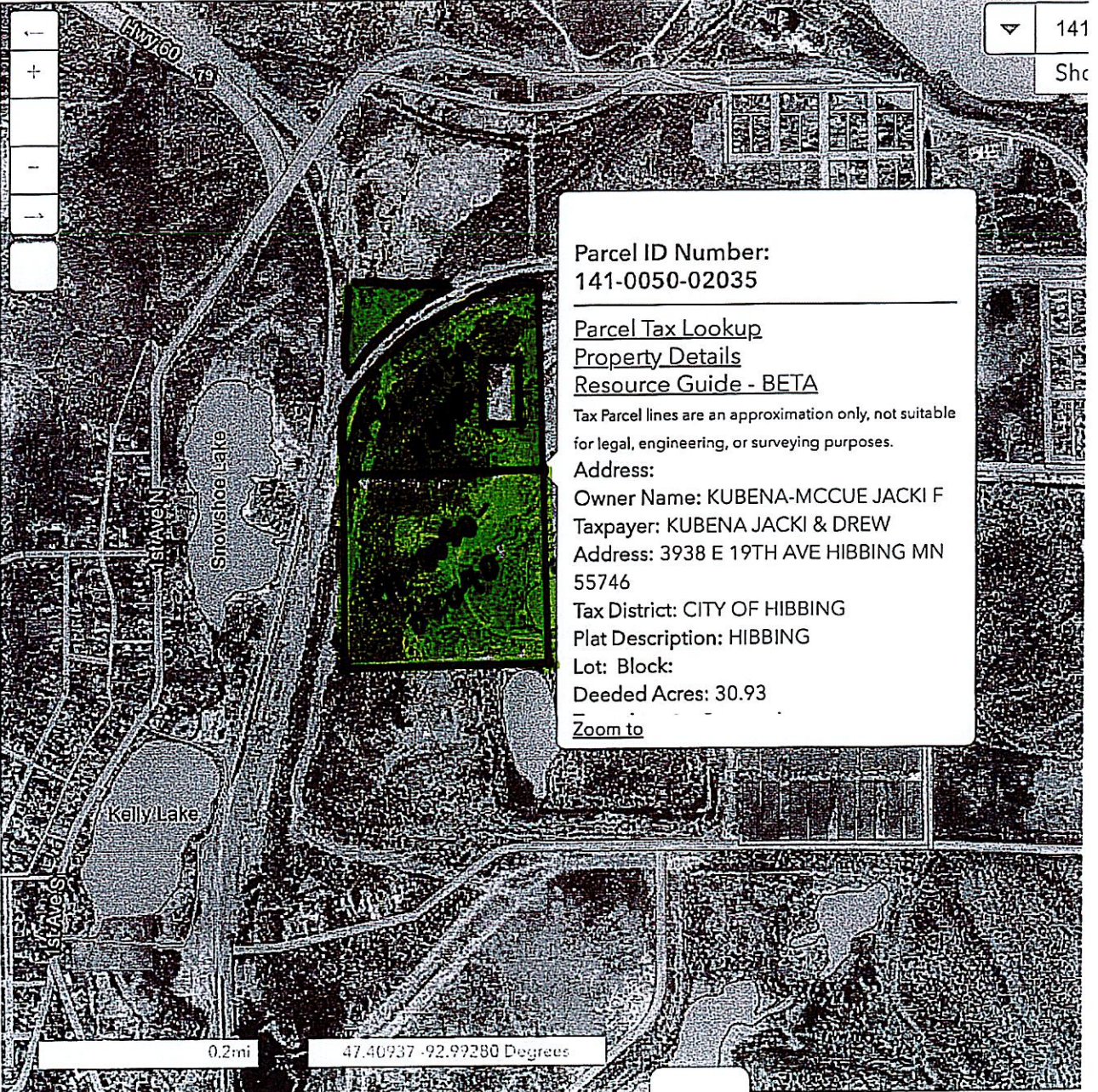
SUMMARY OF VOTE: YES: 5
NO: 0
ABSTENTION: 0
MOTION: APPROVED: X
DISAPPROVED: _

And I hereby certify that the foregoing (or above) is a true and correct copy of a Resolution adopted by the Hibbing Planning Commission at their regular meeting on February 2, 2026.

No Seal



Drafted by Tina Glad, Secretary
City of Hibbing
401 East 21st Street
Hibbing, MN 55746





Request for Council Action

City Council Action

Description of Agenda Item

Strategic Initiative

Owner of Agenda Item

Introduction/Background/Justification/Key Issues/Legal

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

Action Requested

Attachments

1. Ord-XXX-11-02-Definitions-revised-2026-02-04

ORDINANCE NO. 457, 2ND SERIES

AN ORDINANCE OF THE CITY OF HIBBING, MINNESOTA, AMENDING HIBBING CITY CODE CHAPTER 11 ENTITLED "LAND USE REGULATION (ZONING)" BY ADDING NEW DEFINITIONS TO SECTION 11.02 AND BY AMENDING THE USES PERMITTED IN ZONE DISTRICTS; AND BY ADOPTING BY REFERENCE, HIBBING CITY CODE CHAPTER 1 AND SECTION 11.99 WHICH, AMONG OTHER THINGS, CONTAIN PENALTY PROVISIONS.

THE CITY COUNCIL OF HIBBING, MINNESOTA ORDAINS:

Section 1. The introductory paragraph of Hibbing City Code Section 11.02 entitled "Definitions" is deleted in its entirety.

Section 2. There shall be added to the Hibbing City Code a new introductory paragraph to Section 11.02 entitled "Definitions" reading as follows:

"**SEC. 11.02. DEFINITIONS.** The following terms, as used in this Chapter, shall have the meanings stated. Items 1 through 120, inclusive, are in alphabetical order. Terms were redefined or added in 2007 and are added in alphabetical order beginning with number 121. Additional terms were added in 2026 and are added in alphabetical order beginning with number 138."

Section 3. There shall be added to Hibbing City Code Section 11.02 entitled "Definitions" the following terms beginning with number 138:

138. "Shipping Container" - Any shipping or cargo container manufactured for storage purposes and transportation thereof, (shipping containers may not be stacked). No hazardous materials may be stored in shipping containers.

139. "Storage" - The generic term describing the safekeeping of goods, without regard to the specific zoning district or manner in which such goods are kept.

140. "Storage Building" - Any detached accessory structure which original construction or manufacture is subject to applications for building permit and zoning permit approvals.

141. "Temporary Building" - Any structure conforming to the definition of the Minnesota State Building Code as for temporary buildings that is subject to the applicable permit regulating authority granted to local governments by said State."

Section 4. The table entitled "COMMERCIAL USES permitted in zoning districts" in Hibbing City Code Section 11.05 "Uses Permitted in Zone Districts" shall be amended by adding a new use "**Storage, shipping container** [See Sec. 11.05, Subd. 3, M; Subd. 4, K and Subd. 4, F, 3]" and indicating that such use is a permitted use (P) in the C-3 (2 per parcel), I-1 (4 per parcel), I-2 (4 per parcel) and AMU-P (2 per parcel) districts.

Section 5. The table entitled "INDUSTRIAL USES permitted in zoning districts" in Hibbing City Code Section 11.05 "Uses Permitted in Zone Districts" shall be amended by adding a new use "**Storage, shipping container** [See Sec. 11.05, Subd. 3, M; Subd. 4, K and Subd. 4, F, 3]" and indicating that such use is a permitted use (P) in the C-3 (2 per parcel), I-1 (4 per parcel), I-2 (4 per parcel) and AMU-P (2 per parcel) districts.

Section 6. There shall be added to Hibbing City Code Section 11.05 "USES PERMITTED IN ZONE DISTRICTS", Subd. 3 "Special Provisions for Commercial Uses" a new paragraph M reading as follows:

"M. Storage, shipping container. Except where any such shipping container is used for storage of hazardous combustible materials, the keeping and use of shipping containers is otherwise a permitted use in the C-3 Highway Service Commercial District provided said containers further conform to the zoning regulations of this Chapter as follows:

1. Shipping containers and the lots for such use shall conform to the applicable regulations found in Subd. 2, E, C-3 Zone Districts in Sec. 11.06, and the applicable off-street parking and loading regulations found in Sec. 11.51.

2. Any such container shall not be allowed to be stacked upon another container or structure in the C-3 district."

Section 7. There shall be added to Hibbing City Code Section 11.05 "USES PERMITTED IN ZONE DISTRICTS", Subd. 4 "Special Provisions for Industrial Uses" a new paragraph K reading as follows:

"K. Storage, shipping container. Except where any such shipping container is used for storage of hazardous combustible materials, the keeping and use of shipping containers is otherwise a permitted use in the I-1 and I-2 districts provided said containers further conform to the zoning regulations of this Chapter as follows:

1. Shipping containers and the lots for such use shall conform to the applicable regulations found in Subd. 2, E, I-1

City of Hibbing
Ordinance No. _____, 2nd Series
Drafted January 10, 2026

and I-2 Districts in Sec. 11.06, and the applicable off-street parking and loading regulations found in Sec. 11.51.

2. Any such contained shall not be allowed to be stacked upon another container or structure in the I-1 and I-2 districts."

Section 8. There shall be added to Hibbing City Code Section 11.05 "USES PERMITTED IN ZONE DISTRICTS", Subd. 4 "Special Provisions for Industrial Uses", paragraph F "Warehousing, storage and wholesaling" a new subparagraph 3 reading as follows:

"3. The keeping and use of shipping containers is a permitted use in the I-1 Light Industry and I-2 General Industry (no more than 4 per parcel), and AMU-P Districts no more than two (2) per parcel provided said containers further conform to the zoning regulations of this Chapter as follows:

(a) Shipping containers and the lots for such use shall conform to the applicable I-1 District regulations found in Sec. 11.06, Subd. 1, and Subd. 2, F, or the I-2 District regulations found in Subd. 1, and Subd. 2, G, of said same Section, or the AMU-P District regulations found in Section 11.40, Subd. 4., and the applicable off-street parking and loading regulations found in Sec. 11.51.

(b) Any use of a shipping container as for storage of hazardous combustible materials shall conform to the applicable regulations found in Sec. 11.05 Subd. 4, Special Provisions For Industrial Uses, including any applicable Federal and State public safety regulations and laws."

Section 9. The table entitled "RESIDENTIAL, AGRICULTURAL AND FORESTRY USES permitted in zoning districts" in Hibbing City Code Section 11.05 "Uses Permitted in Zone Districts" shall be amended by adding a new use "Storage, rural [See Sec.11.05, Subd. 2, J]" and indicating that such use is a permitted use (P) in the F-A, A-1, A-R and R-R districts (no more than 2 per parcel).

Section 10. There shall be added to Hibbing City Code Section 11.05 "USES PERMITTED IN ZONE DISTRICTS", Subd. 2 entitled "Special Provisions for Residential, Agricultural and Forestry Uses" a new paragraph J. reading as follows:

"J. Storage, rural. Except where any such shipping container is used for storage of hazardous combustible materials, the keeping and use of shipping containers is otherwise a permitted use in the above noted Districts provided said containers conform to the

additional requirements and the zoning regulations of this Chapter as follows:

1. A limit not to exceed a total of two (2) such containers per parcel in any R-R, F-A, A-1, A-R District, but no such containers will be permitted in any of the above stated districts without an occupied dwelling.

2. Any such container shall not be allowed to be stacked upon another container or structure, or encroach upon any adjoining property line a distance of less than the minimum side and rear yard property line setback regulations of the F-A, A-1, A-R District applicable to the property in question, nor less than 50 feet from such side and rear yard property lines in the R-R District, and for all above Districts no less than 100 feet from any lake, river/stream including any adjoining public property and/or public right-of-way line."

Section 11. Hibbing City Code Chapter 1 entitled "General Provisions and Definitions Applicable to the Entire City Code Including Penalty for Violation" and Section 11.99 entitled "Violation a Misdemeanor" are hereby adopted in their entirety, by reference, as though repeated verbatim herein.

Section 12. After adoption, signing and attestation, this ordinance shall be published once in the official newspaper of the City and shall be in effect on and after date following such publication.

Adopted by the City Council of Hibbing, Minnesota, this _____ day of _____, 2026.

FOR ADOPTION:

AGAINST ADOPTION:

ABSENT:

CITY OF HIBBING

Pete Hyduke, Mayor

ATTEST:

Candie Seppala, Clerk

The foregoing ordinance reviewed and approved as to form.

Andy Borland, City Attorney

(Published in the Hibbing Tribune on _____, 2026.
Affidavit of Publication attached.)



Request for Council Action

City Council Action

Description of Agenda Item

Strategic Initiative

Owner of Agenda Item

Introduction/Background/Justification/Key Issues/Legal

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

Action Requested

Attachments

1. Ord-XXX-Sec-9-21-Parking-Snow-event-2026-01-27-revised

ORDINANCE NO. _____, 2ND SERIES

AN ORDINANCE OF THE CITY OF HIBBING, MINNESOTA, AMENDING HIBBING CITY CODE CHAPTER 9 "PARKING REGULATIONS" BY REPLACING SECTION 9.21 ENTITLED 'SNOW EMERGENCY'; AND, BY ADOPTING BY REFERENCE, HIBBING CITY CODE CHAPTER 1 AND SECTION 9.99 WHICH, AMONG OTHER THINGS, CONTAIN PENALTY PROVISIONS.

THE CITY COUNCIL OF HIBBING, MINNESOTA ORDAINS:

Section 1. Section 9.21 entitled "Snow Emergency" of the Hibbing City Code is hereby deleted in its entirety.

Section 2. There shall be added to the Hibbing City Code a new Section 9.21 entitled 'Parking During a Snow Plowing Event' reading as follows:

"Sec. 9.21 PARKING DURING A SNOW PLOWING EVENT.

Subd. 1. Application. Notwithstanding any other provisions of the City Code, this Section shall apply to all snowplowing events as defined below.

Subd. 2. Definitions.

Priority 1 Streets. For purposes of this Section, the following streets are defined as Priority 1 Streets for the purpose of plowing:

Priority 1 Streets

1. 1st Avenue from 19th Street to 31st Street
2. 1st Avenue from 37th Street to 42nd Street
3. 2nd Avenue East from 19th Street to 21st Street
4. 3rd Avenue East from 16th Street to 25th Street
5. 4th Avenue East from 19th Street to 21st Street
6. 4th Avenue East from 23rd Street to 24th Street
7. 5th Avenue East from 19th Street to 21st Street
8. 6th Avenue East from 19th Street to South Howard Alley
9. 6th Avenue East from 23rd Street to 24th Street
10. 7th Avenue East from 19th Street to 31st Street
11. 8th Avenue East from North Howard Alley to 21st Street
12. 9th Avenue East from Howard Street to 23rd Street
13. 11th Avenue East Howard Street to 25th Street
14. 19th Street from 1st Avenue to 12th Avenue East
15. Howard Street from 2nd Avenue West to 12th Avenue East

City of Hibbing
Ordinance No. _____, 2nd Series
January 27, 2026

16. 21st Street from 1st Avenue to 9th Avenue East
17. 23rd Street from 2nd Avenue West to Brooklyn Drive
18. Brooklyn Drive from Howard Street to 23rd Street
19. 1st Avenue from 31st Street to 37th Street
20. 1st Avenue from 42nd Street Townline Road (CSAH 16)
21. 2nd Avenue West from West Howard Street to 37th Street
22. 3rd Avenue East from 25th Street to 31st Street
23. 3rd Avenue East from 13th Street to 16th Street
24. Brooklyn Drive from 23rd Street to 25th Street
25. 7th Avenue East from 31st Street to 37th Street
26. 9th Avenue West from 37th Street to 47th Street
27. 12th Avenue East from Howard Street to 19th Street
28. 13th Street from 3rd Avenue East to Highway 169
29. 19th Avenue East from 25th Street to 41st Street
30. 25th Street from 5th Avenue West to 19th Avenue East
31. 31st Street from 5th Avenue West to 7th Avenue East
32. 37th Street from 9th Avenue West to Highway 169
33. 37th Street from 19th Avenue East to Highway 169
34. 41st Street from 4th Avenue East to Hwy 169
35. 42nd Street from 9th Avenue West to 1st Avenue
36. 47th Street from 9th Avenue West to 1st Avenue
37. Townline Road (CSAH16) from 1st Avenue to Hwy 73
38. CSAH 63 from 1st Avenue to Kelly Lake
39. Rainey Road from Hwy 169 to Kelly Lake

Snow Plowing Event. A Snow Plowing Event is a time when more than two inches of snow accumulates and snow plowing is occurring immediately after said snow fall. Late Fall and early Spring snowfalls which are deemed to be melting as a result of the temperatures shall not be deemed Snow Plowing Events.

Subd. 3. It is unlawful to park or leave standing any motor vehicle on a Priority 1 Street during a Snow Plowing Event."

Section 3. Hibbing City Code Chapter 1 entitled "General Provisions and Definitions Applicable to the Entire City Code Including Penalty for Violation" and Section 9.99 entitled "Violations a Misdemeanor" are hereby adopted in their entirety, by reference, as though repeated verbatim herein.

Section 4. Posting and Filing. The Clerk shall see that a copy of this Ordinance is filed in the Clerk's office and in the Hibbing Public Library which the Council hereby designates as locations at which a copy is available for inspection by any person during regular office hours.

City of Hibbing
Ordinance No. ____, 2nd Series
January 27, 2026

Section 5. Publication and Effective Date. After adoption, signing and attestation, this Ordinance shall be published once in the official newspaper of the City and shall be in effect on and after the date following such publication.

Adopted by the City Council of Hibbing, Minnesota, this ____ day of _____, 2026.

FOR ADOPTION:

AGAINST ADOPTION:

ABSENT:

ATTEST:

Pete Hyduke, Mayor

Candie Seppala, Clerk

The foregoing ordinance reviewed and approved as to form.

Andy Borland, City Attorney

(Published in the Mesabi Tribune on _____.
Affidavit of publication attached.)

City of Hibbing
Ordinance No. ____, 2nd Series
January 27, 2026



Request for Council Action

City Council Action

Description of Agenda Item

Strategic Initiative

Owner of Agenda Item

Introduction/Background/Justification/Key Issues/Legal

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

Action Requested

Attachments

None



Request for Council Action

City Council Action

Description of Agenda Item

Award the 41st Street Ditching Project

Strategic Initiative

To Clean the existing ditch south of 41st Street

Owner of Agenda Item

Jesse Story, City Engineer-Director of Public Works, 218.969.0629, jessestory@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal

We received 2 quotes to clean the existing ditch south of 41st Street. The project consists of removing any trees and brush within the ditch, cleaning 2,400 feet of ditch, and replacing culverts at two locations. Quotes received:

Bougalis Inc. - \$219,745.00

Bougalis & Sons - \$99,000.00

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

The estimate for this project is \$150,000.00. We will use year-end savings to fund the project.

Action Requested

Asking the City Council to approve the quote from Bougalis & Sons.

Attachments

1. Contractor Bid Review - BARR Award Recommendation

February 10, 2026

Mr. Jesse Story, PE
City Engineer/Director of Public Works
City of Hibbing
401 East 21st Street
Hibbing, MN 55746

Re: 41st Street Ditch Cleaning Project – Contractor Bid Review
Barr Project No.: 23691031

Dear Mr. Story:

On Friday, February 6, 2026, bids were received via email to you for the City of Hibbing, 41st Street Ditch Cleaning Project. Two bids were received for the project and are summarized as follows.

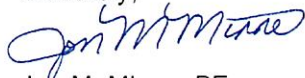
- | | |
|---|---|
| • Bougalis, Inc.:
800 Greyhound Blvd
Hibbing, MN 55746 | Base Bid, Lump Sum = \$219,745
Alternate Bid, Lump Sum = \$174,625 |
| • George Bougalis and Sons Co.:
3402 15 th Avenue East
Hibbing, MN 55746 | Base Bid, Lump Sum = \$ 99,000 |

Bougalis Inc.'s Alternate bid provides a price if the work could be completed without temporary wetland mating. Bougalis Inc.'s bid also assumes all excavated material would remain on site which per the plans is not allowed in the wetland areas.

George Bougalis and Sons Co. bid had no exceptions to the plans and appears to include the work items shown on the plans.

Based on the comparisons made above, George Bougalis and Sons Co. is the lowest, responsive, responsible bidder and we recommend George Bougalis and Sons Co. be awarded a contract for the 41st Street Ditch Cleaning project.

Sincerely,



Jon M. Minne, PE
Vice President, Sr. Civil Engineer

Attachments: Contractor Bids



February 6, 2026

Jesse Story
City of Hibbing
East 41st Street
Hibbing MN 55746

Quote: 41st Street Ditching Project

- Mobilization/ De-mob
- Clearing and removing trees from along the bank side for ditching.
- Tramp area to freeze ground for road access in lieu of temporary swamp mats if possible.
- Furnish, install, and remove temporary swamp mats as needed.
- Construct construction entrances as per specs shown on plans; Remove after use.
- Clean ditch of all existing vegetation, timber, and debris.
- Spread and grade all excavated ditch vegetation and material on site. (Despite what the plans say, the ditch looks as if it was previously done at one point with the mounds of earth along the bank side. Also, all vegetation would be native to what is there now)
- Remove and legally dispose of existing 36" culvert; Excavate and backfill to install (3) 24" CMP culverts 20' long as per plans.
- Remove and legally dispose of existing 48" culvert; Excavate and backfill to install (3) 36" CMP culverts 25' long as per plans.
- Restore road crossings to existing conditions.
- Furnish and install wet ditch seeding to all disturbed areas as per plans.
- Furnish and install erosion control blanket as per plans.

Lump sum for specific scope of work above: \$219,745.00

Alternate pricing if project can be completed without swamp matting: \$174,625.00

*** This quote is not valid if the acceptance of, execution of the contract, or any other formalities push back the start date and are combined with unforeseen conditions outside of the contractor's control such as seasonal thawing or warming making the project area too wet to start or complete without causing serious harm to the contractor, it's equipment, or the land owners property.**

Thank you for the opportunity; Please advise,

A handwritten signature in black ink, appearing to read 'Anthony Lautizi'.

Anthony Lautizi
m: (218) 969-7216
e: tony@bougalisinc.com

George Bougalis and Sons Co.

3402 15th Ave E
Hibbing, MN 55746 US
basinfo7@bougalisandsons.com
www.bougalisandsons.com



Estimate

ADDRESS

Hibbing, City of
401 East 21st Street
Hibbing, MN 55746 US

ESTIMATE 1813
DATE 02/06/2026

DATE		DESCRIPTION	QTY	RATE	AMOUNT
02/06/2026	20.2200 Common Excavation	41st Street Ditch Cleanout	1	99,000.00	99,000.00
Inclusions:					
-Mobilization					
-Construction Entrances					
-Mat Placement and Removal					
-Shaping and Grading Ditch					
-Disposal of Ditching Materials					
-Culvert Removals and Replacements					
-Seeding and Blanket					

Indemnification and Hold Harmless Agreement - To the extent permitted by law, the above owner, agrees to defend, indemnify and hold harmless George Bougalis and Sons, Co. ("General Contractor") and its officers, directors, agents and employees from and against any and all claims, injuries, suits, liens, judgments, settlements, fines, damages, losses and expenses, including reasonable legal fees and costs, arising in whole or in part and in any manner from the acts, omissions, breach, or default of contract, in connection with the performance of any work for Owner by General Contractor, its officers, directors, agents, employees and subcontractors, except for injuries and damages caused by the sole negligence of General Contractor. This agreement shall survive the termination of any agreement between Owner and General Contractor.

SUBTOTAL	99,000.00
TAX	0.00
TOTAL	\$99,000.00

Accepted By

Accepted Date



Request for Council Action

City Council Action

Description of Agenda Item

2026 USDA Wildlife Services Agreement

Strategic Initiative

To Control the beaver population

Owner of Agenda Item

Jesse Story, City Engineer-Director of Public Works, 218.969.0629, jessestory@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal

This is an annual agreement with the US Department of Agriculture Animal and Plant Health Inspection Services. The contract is the same amount as in 2025.

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

The agreement is in the amount of \$9,000.00. This is a budgeted item.

Action Requested

Asking for the City Council to approve the agreement.

Attachments

1. Hibbing CSA 2026

COOPERATIVE SERVICE AGREEMENT
between
City of Hibbing
and
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE (APHIS)
WILDLIFE SERVICES (WS)

ARTICLE 1 – PURPOSE

The purpose of this Cooperative Service Agreement is to provide for services performed by USDA / APHIS / Wildlife Services (hereinafter referred to as “APHIS-WS”) to manage beaver damage to properties owned or controlled by City of Hibbing.

ARTICLE 2 – AUTHORITY

APHIS-WS has statutory authority under the Acts of March 2, 1931, 46 Stat. 1468-69, 7 U.S.C. §§ 8351-8352, as amended, and December 22, 1987, Public Law No. 100-202, § 101(k), 101 Stat. 1329-331, 7 U.S.C. § 8353, to cooperate with States, local jurisdictions, individuals, public and private agencies, organizations, and institutions while conducting a program of wildlife services involving mammal and bird species that are reservoirs for zoonotic diseases, or animal species that are injurious and/or a nuisance to, among other things, agriculture, horticulture, forestry, animal husbandry, wildlife, and human health and safety.

ARTICLE 3 - MUTUAL RESPONSIBILITIES

The cooperating parties mutually understand and agree to/that:

1. APHIS-WS shall perform services set forth in the Work Plan, which is attached hereto and made a part hereof. The parties may mutually agree in writing, at any time during the term of this agreement, to amend, modify, add or delete services from the Work Plan.
2. The Cooperator certifies that APHIS-WS has advised the Cooperator there may be private sector service providers available to provide wildlife damage management (WDM) services that the Cooperator is seeking from APHIS-WS.
3. There will be no equipment with a procurement price of \$5,000 or more per unit purchased directly with funds from the cooperator for use on this project. All other equipment purchased for the program is and will remain the property of APHIS-WS.
4. The cooperating parties agree to coordinate with each other before responding to media requests on work associated with this project.

ARTICLE 4 - COOPERATOR RESPONSIBILITIES

City of Hibbing agrees:

1. To designate the following as the authorized representative who shall be responsible for collaboratively administering the activities conducted in this agreement:

Jesse Story
401 East 23rd St.
Hibbing, MN 55746
2. To authorize APHIS-WS to conduct direct control activities as defined in the Work Plan. APHIS-WS will be considered an invitee on the lands controlled by the Cooperator. Cooperator will be required to exercise reasonable care to warn APHIS-WS as to dangerous conditions or activities in the project areas.
3. To reimburse APHIS-WS for costs, not to exceed the annually approved amount specified in the Financial Plan. If costs are projected to exceed the amount reflected in the Financial Plan, the agreement with amended Work Plan and Financial Plan shall be formally revised and signed by both parties before services resulting in additional costs are performed. The Cooperator agrees to pay all costs of services submitted via an invoice from APHIS-WS within 30 days of the date of the submitted invoice(s). Late payments are subject to interest, penalties, and administrative charges and costs as set forth under the Debt Collection Improvement Act of 1996.
4. To provide a Tax Identification Number or Social Security Number in compliance with the Debt Collection Improvement Act of 1996.
5. As a condition of this agreement, the Cooperator ensures and certifies that it is not currently debarred or suspended and is free of delinquent Federal debt.
6. To notify APHIS-WS verbally or in writing as far in advance as practical of the date and time of any proposed meeting related to the program.
7. The Cooperator acknowledges that APHIS-WS shall be responsible for administration of APHIS-WS activities and supervision of APHIS-WS personnel.
8. To obtain the appropriate permits for removal activities for species listed in the Work Plan and list USDA, APHIS, Wildlife Services as subpermittees.
9. The Cooperator will not be connected to the USDA APHIS computer network(s).

ARTICLE 5 – APHIS-WS RESPONSIBILITIES

APHIS-WS Agrees:

1. To designate the following as the APHIS-WS authorized representative who shall be responsible for collaboratively administering the activities conducted in this agreement.

Gary Nohrenberg, State Director
644 Bayfield St., Ste. 215
St. Paul, MN 55107
Phone: 651-224-6027
gary.nohrenberg@usda.gov

2. To conduct activities at sites designated by Cooperator as described in the Work and Financial Plans. APHIS-WS will provide qualified personnel and other resources necessary to implement the approved WDM activities delineated in the Work Plan and Financial Plan of this agreement.
3. That the performance of wildlife damage management actions by APHIS-WS under this agreement is contingent upon a determination by APHIS-WS that such actions are in compliance with the National Environmental Policy Act, Endangered Species Act, and any other applicable federal statutes. APHIS-WS will not make a final decision to conduct requested wildlife damage management actions until it has made the determination of such compliance.
4. To invoice Cooperator quarterly for actual costs incurred by APHIS-WS during the performance of services agreed upon and specified in the Work Plan. Authorized auditing representatives of the Cooperator shall be accorded reasonable opportunity to inspect the accounts and records of APHIS-WS pertaining to such claims for reimbursement to the extent permitted by Federal law and regulations.

ARTICLE 6 – CONTINGENCY STATEMENT

This agreement is contingent upon the passage by Congress of an appropriation from which expenditures may be legally met and shall not obligate APHIS-WS upon failure of Congress to so appropriate. This agreement may also be reduced or terminated if Congress only provides APHIS-WS funds for a finite period under a Continuing Resolution.

ARTICLE 7 – NON-EXCLUSIVE SERVICE CLAUSE

Nothing in this agreement shall prevent APHIS-WS from entering into separate agreements with any other organization or individual for the purpose of providing wildlife damage management services exclusive of those provided for under this agreement.

ARTICLE 8 – CONGRESSIONAL RESTRICTIONS

Pursuant to Section 22, Title 41, United States Code, no member of or delegate to Congress shall be admitted to any share or part of this agreement or to any benefit to arise therefrom.

ARTICLE 9 – LAWS AND REGULATIONS

This agreement is not a procurement contract (31 U.S.C. 6303), nor is it considered a grant (31 U.S.C. 6304). In this agreement, APHIS-WS provides goods or services on a cost recovery basis to nonfederal recipients, in accordance with all applicable laws, regulations and policies.

ARTICLE 10 – LIABILITY

APHIS-WS assumes no liability for any actions or activities conducted under this agreement except to the extent that recourse or remedies are provided by Congress under the Federal Tort Claims Act (28 U.S.C. 1346(b), 2401(b), and 2671-2680).

ARTICLE 11 – NON-DISCRIMINATION CLAUSE

The United States Department of Agriculture prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. Not all prohibited bases apply to all programs.

ARTICLE 12 - DURATION, REVISIONS, EXTENSIONS, AND TERMINATIONS

This agreement shall become effective on February 1, 2026, and shall continue through December 31, 2026. This Cooperative Service Agreement may be amended by mutual agreement of the parties in writing. The Cooperator must submit a written request to extend the end date at least 10 days prior to expiration of the agreement. Also, this agreement may be terminated at any time by mutual agreement of the parties in writing, or by one party provided that party notifies the other in writing at least 60 days prior to effecting such action. Further, in the event the Cooperator does not provide necessary funds, APHIS-WS is relieved of the obligation to provide services under this agreement.

In accordance with the Debt Collection Improvement Act of 1996, the Department of Treasury requires a Taxpayer Identification Number for individuals or businesses conducting business with the agency.

Cooperator's Tax ID No.: 41-6005232

APHIS-WS's Tax ID: 41-0696271

CITY OF HIBBING:

Jesse Story
401 East 23rd St.
Hibbing, MN 55746

Date

**UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES**

Gary Nohrenberg, State Director
USDA, APHIS, WS
644 Bayfield St., Ste. 215
St. Paul, MN 55107

Date

WORK PLAN

In accordance with the Cooperative Service Agreement between City of Hibbing and the United States Department of Agriculture (USDA), Animal and Plant Health Inspection Service (APHIS), Wildlife Services (WS), this Work Plan sets forth the objectives, activities and budget of this project during the period of this agreement.

Program Objective

The City of Hibbing has requested APHIS-WS assistance to resolve damage to roads, timber, drainage and property caused by beavers and their dams at various damage sites within the Hibbing city limits.

Plan of Action

APHIS-WS will attempt to reduce beaver damage on streams and waterways within the Hibbing city limits, by removing resident beaver and their associated dams. Beaver will be removed via trapping or shooting and dams will be removed via binary explosives or with hand rakes.

Beaver and dam removal will only be conducted under the direction of the Cooperator. The Cooperator reserves the right to remove some dams mechanically. Beaver and dam removal is contingent on landowner permission, and direction from City of Hibbing.

APHIS-WS will be responsible for securing landowner permission. APHIS-WS will return to previously worked damage sites if any fresh beaver activity is documented within 30 days of completion and remove any remaining beaver and dams at no cost to the Cooperator.

FINANCIAL PLAN

Cost Element		Full Cost
Personnel Compensation		4,648.25
Travel		0.00
Vehicle Usage		1,550.00
Other Services		0.00
Supplies and Materials		880.00
Equipment		0.00
Subtotal (Direct Charges)		7,078.25
Pooled Job Costs	11.00%	778.61
Indirect Costs	16.15%	1143.14
Agreement Total		\$9,000.00
The distribution of the budget from this Financial Plan may vary as necessary to accomplish the purpose of this agreement, but may not exceed: \$9,000.00		

Financial Point of Contact/Billing Address:

APHIS-WS:

Connie Timm

34912 U.S. Hwy. 2

Grand Rapids, MN 55744

218-327-3350

Constance.l.timm@usda.gov

City of Hibbing:

Phone: _____

Email: _____



Request for Council Action

City Council Action

Description of Agenda Item

BARR Construction Administration Services - 41st Street Ditch

Strategic Initiative

To provide inspection and construction administration services for the 41st Street ditch cleaning project.

Owner of Agenda Item

Jesse Story, City Engineer-Director of Public Works, 218.969.0629, jessestory@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal

We can amend the current agreement we have with BARR to include the inspection and construction administration services for the 41st Street ditch cleaning project. We are currently under budget with the original agreement.

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

Not to exceed amount of \$16,000.00.

Action Requested

Asking the City Council to amend the current agreement with BARR to include the inspection and construction administration services.

Attachments

1. BARR Proposal - Construction Management - Ditch

February 10, 2026

Mr. Jesse Story, P.E.
City Engineer/Director of Public Works
City of Hibbing
401 East 21st Street
Hibbing, MN 55746

Re: 41st Street and Highway 169 Drainage Improvement – Ditch Cleaning
Construction Phase
Barr Project No. 23691031

Dear Mr. Story:

On behalf of Barr Engineering Co. (Barr), we are pleased to submit this proposal to amend our engineering services for the 41st Street and Highway 169 drainage project in Hibbing, Minnesota. The proposed scope of services is based on our discussions with you to assist with the construction phase of the 41st Street Ditch Cleaning project, our understanding of the project development to date and our experience with similar projects.

1 Understanding of the Project

Barr prepared plans with specifications to reestablish approximately 2,300 feet of existing ditches from 41st Street to the culvert crossings south of Jack & Don's Service near where it's presumed the ditch changes to natural drainage. Contractor bids were received on February 6, 2026. We understand the City of Hibbing desires to have Barr provide construction administration assistance for the ditch cleaning work.

2 Scope of Work

Our proposed work scope is intended to provide engineering services to provide construction administration assistance.

Barr proposes to complete the following tasks:

- Attend preconstruction (1), weekly construction progress (2), and closeout (1) meetings during the construction
- Provide construction layout/control staking for proposed culvert replacements
- Review material submittals related to the design (shop drawings) to determine compliance with the design concept of the project
- Negotiate and process change orders (1), if necessary

- Provide clarifications and interpretation of the plans and specifications
- Provide part-time construction observation during construction activities (52 hours)
- Prepare punch-list, conduct final inspection, and make recommendations for final acceptance and payment
- Prepare construction record drawings

Deliverables

As part of this work, Barr will provide:

- Meeting notes
- Submittal reviews
- Change order documents if needed
- Punch-list
- Final acceptance/payment recommendation
- Construction record drawings

Project Management and Meetings

Barr proposes to provide ongoing project management services for the duration of the project, including:

- Preparing and managing work tasks, schedules, staffing, and budgets
- Reviewing and submitting invoices
- Attending construction meetings noted above

Assumptions

This proposal is based on the following assumptions:

- The construction will be accomplished within 4 consecutive weeks, construction observation durations are based on the following:
 - Initial week of construction=16 hours
 - Culvert installation (2 locations @ 10hrs/location) = 20 hours
 - Periodic observations/troubleshooting (2 site visits/week @ 4hrs/visit) = 16 hours
- The existing ditch easement access agreements from property owners will be obtained by the City

3 Schedule and Budget

Our work on this project can begin upon receiving your notice to proceed. We estimate that our work will require approximately 6 weeks total

We propose to charge up to \$16,000 for these services on a not to exceed time-and-expenses basis. Our estimated fees to complete the scope of work described above will not exceed that amount without prior approval.

4 Terms and conditions

We propose to complete the scope of work as described above in accordance with the attached Barr standard terms—professional services. If this proposal is satisfactory, please have an authorized representative for contractual agreements sign below and return the page to us, retaining a copy for your records.

We appreciate the opportunity to offer our services for this project and look forward to working on it with you. Please contact me if you have any questions or would like additional information.

Sincerely,



Jon Minne, PE
Vice President
218.262.8688
JMinne@barr.com

Approved by authorized City of Hibbing Representative

Signature

Printed Name

Date

Attachments: Barr standard terms—professional services

c: File

Barr's Agreement with Client consists of the accompanying letter or other authorization, Work Orders, and these Standard Terms – Professional Services.

Section 1: Barr's Responsibilities

- 1.1 Barr will provide the professional services ("Services") described in this Agreement. Barr will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of Barr's profession practicing in the same locality.
- 1.2 Barr will select the means, methods, techniques, sequences, or procedures used in providing its Services. If Client directs Barr to deviate from Barr selections, Client agrees to hold Barr harmless from claims, damages, and expenses arising out of Client direction.
- 1.3 Barr will acquire all licenses applicable to its Services and will comply with applicable law.
- 1.4 Barr duties do not include supervising Client contractors or commenting on, supervising, or providing the means and methods of their work unless Barr accepts any such duty in writing. Barr will not be responsible for the failure of Client contractors to perform in accordance with their undertakings.
- 1.5 Barr will provide a health and safety program for Barr employees, but will not be responsible for contractor, job, or site health or safety unless Barr accepts that duty in writing.
- 1.6 Estimates of Barr's fees or other project costs will be based on information available to Barr and on Barr's experience and knowledge. Such estimates are an exercise of Barr's professional judgment and are not guaranteed or warranted. Actual costs may vary. Client should add a contingency to the budgeted fees and costs to account for unexpected costs.
- 1.7 The information Client provides to Barr will be maintained in confidence except as required by law.

Section 2: Client Responsibilities

- 2.1 Client will provide access to property.
- 2.2 Client will provide Barr with prior reports, specifications, plans, changes in plans, and other information about the project that may affect the delivery of Barr's Services. Client will hold Barr harmless from claims, damages, and related expenses, including reasonable attorneys' fees, involving information not timely called to Barr's attention or not correctly shown on documents Client furnishes to Barr.
- 2.3 Client agree to provide Barr with information on contamination and dangerous and hazardous substances and processes Barr may encounter in performing the Services and related emergency procedure information.
- 2.4 Client agree to hold Barr harmless as to claims that Barr is an owner, operator, generator, transporter, treater, storer, or a disposal facility within the meaning of any law governing the handling, treatment, storage, or disposal of dangerous or hazardous materials.
- 2.5 Site remediation services may involve risk of contamination of previously uncontaminated air, soil, or water. If Client is requesting that Barr provide services that include this risk, Client agrees to hold Barr harmless from such contamination claims, damages, and expenses, including reasonable attorneys' fees, unless and to the extent the loss is caused by Barr negligence.

- 2.6 Monitoring wells are Client property and Client is responsible for their permitting, maintenance and abandonment unless Barr accepts that duty in writing. Samples remaining after tests are conducted and field and laboratory equipment that cannot be adequately cleansed of contaminants are Client property. They will be discarded or returned to Client, at Barr's discretion, unless within 15 days of the report date Client gives written direction to store or transfer the materials at Client expense.
- 2.7 2.6 Client agrees to make disclosures required by law. If Barr is required by law or legal process to make such disclosures, Client agrees to hold Barr harmless and indemnify Barr from related claims and costs, including reasonable attorneys' fees.

Section 3: Digital Files, Reports and Work Product

- 3.1 Barr's digital files, including but not limited to models, executable data, source code, and all other digital files, remain the property of Barr and shall be provided to the Client only if expressly provided for in this Agreement. Any digital files not containing a seal are provided for the convenience of the Client only, and use by Client or others to whom Client provides the digital files is at the Client's sole risk and without liability to Barr.
- 3.2 Barr will retain all data relating to the Services for a minimum of seven years and financial data for three years.
- 3.3 Barr reports, notes, calculations, and other documents, and computer software, programs, models, and data developed by Barr are instruments of Barr Services, and they remain Barr property, subject to a license to Client for Client's use in the related project for the purposes disclosed to Barr. At Barr's request, Client will execute Barr's standard digital data and conditional use agreement prior to receiving any digital data files. Further, Client may not use or transfer such information and documents to others for a purpose for which they were not prepared without Barr's written approval. Client agrees to indemnify and hold Barr harmless from claims, damages, and expenses, including reasonable attorneys' fees, arising out of any unauthorized transfer or use.
- 3.4 Because electronic documents may be modified intentionally or inadvertently, Client agrees that Barr will not be liable for damages resulting from change in an electronic document occurring after Barr's transmittal to Client. In case of any difference or ambiguity between an electronic and a paper document, the paper document shall govern. When accepting document transfer in electronic format, Client accepts exclusive risk relating to long-term capability, usability, and readability of documents, software application packages, operating systems, and computer hardware.
- 3.5 If Client does not pay for the Services in full as agreed, Barr may retain reports and work not yet delivered to Client and Client agrees to return to Barr our reports and other work in Client's possession or under Client's control. Client agrees not to use or rely upon Barr Services or work for any purpose until it is paid for in full.

Section 4: Compensation

- 4.1 Client will pay for the Services as agreed or according to the current fee schedules if there is no other written agreement as to price. An estimated cost is not a firm figure unless stated as such and Client should allow for a contingency in addition to estimated costs.
- 4.2 Client will pay each invoice within 30 days after receipt as to all undisputed amounts. Payments not made within 60 days of invoice date will bear interest from the date that is 30 days after the date of the invoice at a rate equal to the lesser of 18 percent per annum or the highest rate allowed by law. Client agrees to pay all Barr costs of collection, including reasonable attorney fees
- 4.3 If Client directs Barr to invoice another, Barr will do so, but Client agrees to be responsible for Barr compensation unless Client provides Barr with that person's written acceptance of the terms of Barr's Agreement and Barr agrees to extend credit to that person.
- 4.4 Client agrees to compensate Barr in accordance with Barr's fee schedule if Barr is asked or required to respond to legal process arising out of a proceeding to which Barr is not a party.
- 4.5 If Barr is delayed by factors beyond Barr's control, or if the project conditions or the scope of work change, or if the standards change, Barr will receive an equitable adjustment of our compensation.
- 4.6 In consideration of Barr providing insurance to cover claims made by Client, Client hereby waives any right of offset as to payment otherwise due to Barr.

Section 5: Disputes, Damage, and Risk Allocation

- 5.1 Barr and Client will exercise good faith efforts to resolve disputes without litigation. Such efforts will include a meeting attended by each party's representative empowered to resolve the dispute. Disputes (except collections) will be submitted to mediation as a condition precedent to litigation.
- 5.2 Barr will not be liable for special, incidental, consequential, or punitive damages, including but not limited to those arising from delay, loss of use, loss of profits or revenue, loss of financing commitments or fees, or the cost of capital. Barr and Client waives against the other and its subcontractors, agents, and employees all rights to recover for losses covered by our respective property/casualty or auto insurance policies.
- 5.3 Barr will not be liable for damages unless Client has notified Barr of Client's claim within 30 days of the date of Client discovery of it and unless Client has given Barr an opportunity to investigate and to recommend ways of mitigating damages, and unless suit is commenced within two years of the earlier of the date of injury or loss and the date of completion of the Services.
- 5.4 For Client to obtain the benefit of a fee which includes a reasonable allowance for risks, Client agrees that Barr's aggregate liability will not exceed the fee paid for Barr's Services, but not less than \$50,000, and Client agrees to indemnify Barr from all liability to others in excess of that amount. If Client is unwilling to accept this allocation of risk, Barr will increase Barr's aggregate liability to \$100,000 provided that, within 10 days of the date of this Agreement, Client provides payment in an amount that will increase Barr fees by 10%, but not less than \$500, to compensate Barr for the greater risk undertaken. This increased fee is not the purchase of insurance.

- 5.5 If Client fails to pay Barr within 60 days following invoice date, Barr may consider the default a total breach of this Agreement and, at Barr's option, Barr may terminate all of Barr's duties without liability to Client or to others.
- 5.6 If Barr is involved in legal action to collect compensation, Client agrees to pay Barr's collection expenses, including reasonable attorneys' fees.
- 5.7 The law of the state of Minnesota will govern all disputes. Barr and Client hereby agree to submit to the exclusive jurisdiction of the State Courts sitting in Hennepin County, Minnesota, for all claims relating to the contract of the services performed by Barr and waive any objections to such location based on jurisdiction, venue or inconvenient forum. Barr and Client waives trial by jury. No employee acting within the scope of employment will have any individual liability for his or her acts or omissions and Client agrees not to make any claim against individual employees.

Section 6: Miscellaneous Provisions

- 6.1 Barr will provide a certificate of insurance to Client upon request. Any claim as an Additional Insured will be limited to losses caused by Barr's sole negligence.
- 6.2 This Agreement is Barr's entire agreement, and it supersedes prior agreements. Only a writing signed by an authorized representative for Barr and Client making specific reference to the provision modified may modify it.
- 6.3 Neither Barr nor Client will assign this Agreement without the written approval of the other. No other person has any rights under this Agreement.
- 6.4 Only a writing may terminate this Agreement. Barr will receive an equitable adjustment of Barr's compensation as well as Barr's earned fees and expenses if Barr's work is terminated prior to completion.
- 6.5 Barr will not discriminate against any employee or applicant for employment because of race, color, creed, ancestry, national origin, sex, religion, age, marital status, affectional preference, disability, status with regard to public assistance, membership or activity in a local human-rights commission, or status as a specially disabled, Vietnam-era, or other eligible veteran. Barr will take affirmative action to ensure that applicants are considered, and employees are treated during their employment, without regard to those factors. Barr actions will include, but are not limited to notifications, hiring, promotion or employment upgrading, demotion, transfer, recruitment or recruitment advertising, layoffs or terminations, rates of pay and other forms of compensation, and selection for training or apprenticeship.
- 6.6 Neither Barr nor Client, including Barr officers, employees, and agents, are agents of the other, except as agreed in writing. Except as agreed in writing, nothing in this Agreement creates in either party any right or authority to incur any obligations on behalf of, or to bind in any respect, the other party. Nothing contained herein will prevent either party from procuring or providing the same or similar products or services from or to any third person, provided that there is no breach of any obligations pertaining to confidentiality.

End of Standard Terms



Request for Council Action

City Council Action

Description of Agenda Item

Hart Electric Agreement

Strategic Initiative

To provide the service of installing new luminaries on the traffic lights on Hwy 169/1st Avenue/Howard Street

Owner of Agenda Item

Jesse Story, City Engineer-Director of Public Works, 218.969.0629, jessestory@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal

Under the current agreements from 2001 between Hibbing and MnDot, Hibbing is required to maintain the traffic signals along Hwy 169 at the intersections of 9th Ave West/11th Ave. West/23rd Street/25th Street/37th Street. The maintenance includes painting and replacing any failing lights. HPU has always provided the service of replacing the failing lights because they had the equipment and electricians. I was informed that the HPU would no longer be able to provide this service because they do not employ a master electrician. We also have traffic signals along 1st Avenue and Howard Street that the HPU can no longer provide the service to repair the lights. I reached out to Hart electric for a quote to provide the service to repair any failing lights. The quote is in the amount of \$315 per event. The City will provide the traffic control.

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

\$315 per event.

Action Requested

Asking for council to allow me to contact Hart Electric when there is an indicator or luminaire outage.

Attachments

1. HART Elect. Quote 1778

Hart Electric

10963 Meadowlark Lane
Hibbing, MN 55746

Estimate

Date	Estimate #
2/5/2026	1778

Name / Address
City of Hibbing 401 East 21st. Street Hibbing, Mn 55746

			Project
Description	Qty	Cost	Total
RE: Pricing to repair City of Hibbing MN DOT traffic lighting and City signals. Pricing effective through 12/31/2026			
Journeyman electrician and bucket truck per hour		185.00	185.00
Journeyman Electrician per hour		130.00	130.00
Estimator: Jeff Hart 218 966-6402			Total \$315.00

E-mail
hartelect@hotmail.com



Request for Council Action

City Council Action

Description of Agenda Item

HPSB Change Order #2

Strategic Initiative

HPSB Change Order #2

Owner of Agenda Item

Jesse Story, City Engineer-Director of Public Works, 218.969.0629, jessestory@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal

This proposal request incorporates additional provisions for fire alarm alerting throughout the public safety center as directed by the fire department. Through coordination with the elevator supplier, an additional "lifeline" beam was added to the hoistway, as well as some additional furring to the shaft wall for their controls system. Security camera locations were revised to match the security vendor's layout. Other items are a result of miscellaneous coordination with shop drawing and CM quality control reviews.

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

HPSB Change Order #2 is \$30,219.69.

Action Requested

Asking City Council to approve change order #2 for the Hibbing Public Safety Building Project.

Attachments

1. Change Order #2 HPSB



OWNER AGREEMENT CHANGE ORDER

AGREEMENT DETAILS:

Agreement #: 8600
Date: 06/25/2024
Project #: 8600
Project Name: Hibbing Public Safety Building
Project Address: 1425 E 23rd Street
Hibbing, MN 55746

CHANGE DETAILS

Change Number: 2
Change Date: 02/03/2026

OWNER:

City of Hibbing (HPSB)
401 East 21st Street
Hibbing, MN 55746

All provisions of the original agreement, designated with the above mentioned OWNER contract, except as herein and hereby amended remain unchanged. Handwritten changes must be initialed by both parties. The contract is hereby revised by the following:

Change Order General Description: City of Hibbing- Hibbing Public Safety Building (HPSB) PR 04 Description: This proposal request incorporates additional provisions for fire alarm alerting throughout the public safety center as directed by the fire department. Through coordination with the elevator supplier, an additional "lifeline" beam was added to the hoistway, as well as some additional furring to the shaft wall for their controls system. Security camera locations were revised to match the security vendor's layout.

Item#	Cost Code	Description	Amount
001		CR HPSB PR 04 - HPSB PR 04	\$30,219.69
001	26-0000-01-S	8600ARCZ - Town & Country Electric Llc - HPSB PR 04	\$20,268.00
002	04-0000-01-S	8600SUPE - Superior Masonry Inc - HPSB PR 04	\$1,235.00
003	09-0000-01-S	8600CUST - Custom Drywall Inc - HPSB PR 04	\$2,430.00
004	22-0000-01-S	8600JKME - Jk Mechanical & Elec Cntrctrs - HPSB PR 04	\$3,027.00
005	05-0000-01-S	8600REDC - Red Cedar Steel Erectors Inc - HPSB PR 04	\$1,208.00
006	09-0000-02-S	8600SCHA - Schaefer Acoustics Inc - HPSB PR 04	\$0.00
007	06-0000-03-S	8600STGE - St Germain's Cabinet Inc - HPSB PR 04	\$0.00
008	05-0000-02-S	8600JRKS - Jrk Steel - HPSB PR 04	\$775.00
009	00-6216-03-M	General Liability Ins	\$332.84
010	00-6113-00-M	Performance Bonds	\$351.31
011	99-9999-99-F	Fee	\$592.54

The Original Agreement Value was.....	\$29,877,305.00
Sum of Changes by prior Owner Change Orders.....	\$364,371.69
The Agreement Value prior to this Owner Change Order.....	\$30,241,676.69
The Agreement Value will be changed by this Owner Change Order in the amount of...	\$30,219.69
The new Agreement Value including this Owner Change Order.....	\$30,271,896.38
The Agreement Time will be modified by.....	0 Days
The new Contractual Completion Date will be	12/07/2026

IN WITNESS WHEREOF, the parties have executed this Subcontract effective as of the day and year first above written.

OWNER AGREEMENT CHANGE ORDER

Project: 8600 - Hibbing Public Safety Building

CONTRACTOR

AP Midwest, LLC
dba Adolfson & Peterson Construction

Signature: _____

By: _____

Its: _____

[Handwritten Signature]
TAGN ERICKSON
JR. PM
03 FEB 26

OWNER

City of Hibbing (HPSB)

Signature: _____

By: _____

Its: _____

Adolfson & Peterson Construction is committed to absolute integrity. If you observe an unethical or unsafe activity, please contact our anonymous INTEGRITY HOTLINE! at 866-858-9095.



CHANGE REQUEST

AGREEMENT DETAILS:

Agreement #: 8600
Date: 06/25/2024
Project #: 8600
Project Name: Hibbing Public Safety Building
Project Address: 1425 E 23rd Street
Hibbing, MN 55746

CHANGE DETAILS

CR: HPSB PR 04
Status: Drafted
Change Date: 01/26/2026

OWNER:

City of Hibbing (HPSB)
401 East 21st Street
Hibbing, MN 55746

Change Request: HPSB PR 04

Date:

Change Request Description:

HPSB PR 04

Change Request Details:

Item#	Cost Code	Description	Amount
001	26-0000-01-S	8600ARCZ - Town & Country Electric Llc HPSB PR 04	\$20,268.00
002	04-0000-01-S	8600SUPE - Superior Masonry Inc HPSB PR 04	\$1,235.00
003	09-0000-01-S	8600CUST - Custom Drywall Inc HPSB PR 04	\$2,430.00
004	22-0000-01-S	8600JKME - Jk Mechanical & Elec Cntrctrs HPSB PR 04	\$3,027.00
005	05-0000-01-S	8600REDC - Red Cedar Steel Erectors Inc HPSB PR 04	\$1,208.00
006	09-0000-02-S	8600SCHA - Schaefer Acoustics Inc HPSB PR 04	\$0.00
007	06-0000-03-S	8600STGE - St Germain's Cabinet Inc HPSB PR 04	\$0.00
008	05-0000-02-S	8600JRKS - Jrk Steel HPSB PR 04	\$775.00
M-001	00-6216-03-M	General Liability Ins	\$332.84
M-002	00-6113-00-M	Performance Bonds	\$351.31
M-003	99-9999-99-F	Fee	\$592.54

Proposed Amount \$30,219.69

Requested Days 0 Days

ARCHITECT

Brunton Architects & Engineers

Signature: Vijay Sehl

By: Ginnie Schneider, AIA

Its: Architect/ Project Manager

CONTRACTOR

AP Midwest, LLC

dba Adolfson & Peterson Construction

Signature: [Signature]

By: TOO EDICKSON

Its: SJC PM 2/3/26

OWNER

City of Hibbing (HPSB)

Signature: _____

By: _____

Its: _____

Adolfson & Peterson Construction is committed to absolute integrity. If you observe an unethical or unsafe activity, please contact our anonymous INTEGRITY HOTLINE! at 866-858-9095.

CHANGE NOTICE

Archkey Town & Country
620 N. Hoover Rd
Virginia, MN 55792

CCN # 004 PR-04
Date: 1/13/2026
Project Name: Hibbing Public Safety
Project Number: Hibbing Public Safety
Page Number: 1

Client Address:

Adolfson & Peterson
Contact: Brendon Gould
408 W Superior St
Duluth, MN 55802

Site Address:

City of Hibbing
1425 E 23rd Street
Hibbing, MN 55746

Work Description

We reserve the right to correct this quote for errors and omissions.

This quote covers direct costs only and we reserve the right to claim for impact and consequential costs.
This price is good for acceptance within **10** days from the date of receipt.
We request a time extension of **3** days.

We will supply and install all materials, labor, and equipment as per your instructions on **CCN # 004 PR-04**.

Pricing and Schedule Impacts. ArchKey/Parsons Electric considers the following **Unquantifiable Impacts**:

- Volatility in market prices, including, but not limited to, steel, copper, PVC, aluminum, lumber or fuel that occur after pricing provided.
- Costs related to or arising out of COVID-19, epidemics, or pandemics.
- Disruptions in material supply or shipping/logistics.
- Revised or new federal, state or local government mandates or regulations including, but not limited to, tariffs, changes to standard work rules such as expanded employer requirements regarding heat related hazards.
- When ArchKey reasonably believes there is a lack of qualified trades people on staff or available in the local market, labor costs for, but not limited to, overtime premiums, composite wage rate considerations, incentives, per diems, shuttles, inefficiencies, or for any other consideration required to provide, attract, and retain adequate labor.

ArchKey agrees to engage in reasonable proactive procurement planning; however, ArchKey shall be allowed to adjust its pricing and delivery commitments/schedule to the extent these **Unquantifiable Impacts** affect its pricing and schedule. Such adjustments will be considered an excused delay and will not cause damages of any kind, including but not limited to liquidated, direct or consequential, to ArchKey/Parsons Electric.

ORIGINAL

CHANGE NOTICE

CCN # 004 PR-04
 Date: 1/13/2026
 Project Name: Hibbing Public Safety
 Project Number: Hibbing Public Safety
 Page Number: 2

Itemized Breakdown

Drawing	Material(\$)	Labor Hrs
E1-21A	69.92	5.40
E1-40	54.76	2.47
E1-41A	413.77	21.81
E1-41B	-131.35	-14.26
E1-42B	39.82	3.06
Total	446.92	18.48

E1-21A

Description	Qty	Total Mat.	Total Hrs.
TYPE K STRIP LIGHT	2	0.00	1.78
3/4" EMT	20	23.29	1.36
3/4" EMT STL SS CONN 4075S	4	1.56	0.53
3/4" EMT STL SS CPLG 5075S	2	0.63	0.13
#10 THHN (length)	44	18.09	0.45
#10 THHN GREEN (length)	22	9.05	0.23
FIX MTG MATERIAL UNIT/\$	1	0.80	0.00
3/4 EMT CONDUIT SUPPORT UNIT	3	16.50	0.92
Totals	98	69.92	5.41

E1-40

Description	Qty	Total Mat.	Total Hrs.
3/4" EMT	25	29.11	1.71
3/4" EMT STL SS CONN 4075S	0	0.00	0.00
3/4" EMT STL SS CPLG 5075S	2	0.63	0.13
4x2-1/8" SQ BOX COMB KO	-2	-2.74	-0.77
4SQ 3/4D 2G PLAS RING	-2	-2.85	-0.44
4x2-1/8" OCT BOX COMB KO	2	7.85	0.77
4" OCT 5/8 PLASTER RING	2	5.64	0.44
MISC HARDWARE UNIT/\$	2	2.50	0.00
3/4 EMT CONDUIT SUPPORT UNIT	3	16.50	0.92
BOX WALL SUPPORT UNIT	-2	-1.88	-0.29
BOX OVERHEAD SUPPORT UNIT	0	0.00	0.00
SMOKE DET- PHOTOELECTRIC	2	0.00	0.00
CCTV IN-CEILING CAMERA	-2	-0.00	-0.00
Totals	30	54.76	2.48

E1-41A

Description	Qty	Total Mat.	Total Hrs.
3/4" EMT	9	10.48	0.61
1" EMT	140	279.90	10.47
3/4" EMT STL SS CONN 4075S	-6	-2.34	-0.79
1" EMT STL SS CONN 4100S	14	8.59	2.31
3/4" EMT STL SS CPLG 5075S	0	0.00	0.00
3/4" STEEL LOCKNUT 802	-10	-2.51	-1.58
3/4 PLSTC INS BUSH 932	-5	-0.73	-0.79
1-IN PLSTC INS BUSH 933	14	3.22	2.57
3/4"x12" NIPPLE	-5	-70.81	-2.04
PULL STRING	168	2.10	0.92
4x2-1/8" SQ BOX COMB KO	14	19.18	5.39
4x2-1/8" SQ BOX COMB KO	-5	-6.85	-1.93
4" SQ BLANK COVER	-5	-3.06	-0.50

ORIGINAL

CHANGE NOTICE

CCN # 004 PR-04
 Date: 1/13/2026
 Project Name: Hibbing Public Safety
 Project Number: Hibbing Public Safety
 Page Number: 3

Description	Qty	Total Mat.	Total Hrs.
4SQ 3/4D 1G PLAS RING	14	15.27	3.08
4x2-1/8" OCT BOX COMB KO	15	58.88	5.78
4" OCT 5/8 PLASTER RING	15	42.29	3.30
4-11/16x2-1/8" SQ BOX COMB KO	2	4.73	0.77
4-11/16SQ 3/4D 1G PLAS RING	2	5.85	0.20
BELL BOX 2"D 2G 5-3/4" HUBS	-5	-63.39	-10.18
BELL BOX 2G BLANK COVER	-5	-11.26	-1.65
16M58 1" COND 1/2" FLNG	28	78.18	3.85
H23 SQ BOX MTG BRKT	14	11.17	1.31
MISC HARDWARE UNIT/\$	15	18.75	0.00
3/4 EMT CONDUIT SUPPORT UNIT	3	16.50	0.92
BOX WALL SUPPORT UNIT	2	1.88	0.29
BOX OVERHEAD SUPPORT UNIT	-3	-2.25	-0.49
SMOKE DET- PHOTOELECTRIC	15	0.00	0.00
HORN-STROBE	2	0.00	0.00
TELEPHONE/DATA OPENING COUNT	14	0.00	0.00
CCTV IN-CEILING CAMERA	-6	-0.00	-0.00
CCTV OUTSIDE-WALL CAMERA	-5	-0.00	-0.00
Totals	440	413.79	21.84

E1-41B

Description	Qty	Total Mat.	Total Hrs.
3/4" EMT	-15	-17.47	-1.02
3/4" EMT STL SS CONN 4075S	-6	-2.34	-0.79
3/4" EMT STL SS CPLG 5075S	-2	-0.63	-0.13
3/4" STEEL LOCKNUT 802	-6	-1.51	-0.95
3/4 PLSTC INS BUSH 932	-3	-0.44	-0.47
3/4"x12" NIPPLE	-3	-42.49	-1.22
4x2-1/8" SQ BOX COMB KO	-3	-4.11	-1.16
4" SQ BLANK COVER	-3	-1.83	-0.30
BELL BOX 2"D 2G 5-3/4" HUBS	-3	-38.03	-6.11
BELL BOX 2G BLANK COVER	-3	-6.75	-0.99
MISC HARDWARE UNIT/\$	-2	-2.50	-0.00
3/4 EMT CONDUIT SUPPORT UNIT	-2	-11.00	-0.62
BOX OVERHEAD SUPPORT UNIT	-3	-2.25	-0.50
CCTV IN-CEILING CAMERA	-1	-0.00	-0.00
CCTV OUTSIDE-WALL CAMERA	-3	-0.00	-0.00
Totals	-58	-131.35	-14.24

E1-42B

Description	Qty	Total Mat.	Total Hrs.
3/4" EMT	5	5.82	0.34
3/4" EMT STL SS CONN 4075S	2	0.78	0.26
4x2-1/8" OCT BOX COMB KO	2	7.85	0.77
4" OCT 5/8 PLASTER RING	2	5.64	0.44
4-11/16x2-1/8" SQ BOX COMB KO	1	2.37	0.39
4-11/16SQ 3/4D 1G PLAS RING	1	2.92	0.10
MISC HARDWARE UNIT/\$	2	2.50	0.00
3/4 EMT CONDUIT SUPPORT UNIT	2	11.00	0.62
BOX WALL SUPPORT UNIT	1	0.94	0.14
BOX OVERHEAD SUPPORT UNIT	0	0.00	0.00
SMOKE DET- PHOTOELECTRIC	2	0.00	0.00
HORN-STROBE	1	0.00	0.00
Totals	21	39.82	3.06

ORIGINAL

CHANGE NOTICE

CCN # 004 PR-04
Date: 1/13/2026
Project Name: Hibbing Public Safety
Project Number: Hibbing Public Safety
Page Number: 4

Summary

General Materials		446.94
FIXTURES		840.00
Fire Alarm		13,692.00
Material Tax	(@ 7.875 %)	1,179.59
Total Material		16,158.53
FOREMAN - 294	(9.27 Hrs @ \$127.00)	1,177.29
JOURNEYMAN - 294	(9.27 Hrs @ \$113.00)	1,047.51
Subtotal		18,383.33
Overhead	(@ 5.000 %)	919.17
Markup	(@ 5.000 %)	965.13
Subtotal		20,267.63
Final Amount		\$20,267.63

ORIGINAL



488 ATWATER CIRCLE • ST. PAUL, MINNESOTA 55103 • (651) 488-0533 TEL
(651) 488-8432 FAX

CHANGE ORDER REQUEST

TO: Todd Erickson	DATE: 01/09/26
COMPANY: Adolfson & Peterson	JOB #: 2255-26
FROM: Charlie Howe	
JOB NAME: City of Hibbing Public Safety	
CHANGE: PR-04	

DESCRIPTION OF WORK

1 Modify S1F1 wall type. Add S1F1 @ elevator E001 & E201. Modify CH4R1 to CH6R1 at elevator E001, E101 & E201

\$ 1,260.00	LABOR	9	HRS	@	\$ 140.00
\$ 879.00	MATERIAL				
\$ 213.90	OH&P	10.00%			
\$ 70.32	Tax	8.00%			
\$ 1,386.00	LABOR TOTAL				
\$ 1,044.00	MATERIAL TOTAL				
\$ -	Bond	0%			
\$ 2,430.00	Total Add				

*Revised schedule duration is required to incorporate these changes.

NOTES

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240 5th Street
Nashwauk, MN 55769
Ph: 218-885-3883
Fax: 218-885-3884
www.lkmechinc.com

Plumbing, Heating, Cooling, Electrical
Crane and Hauling Service
Residential, Commercial, Industrial
Licensed, Bonded, Insured

CHANGE ORDER REQUEST

PROJECT City of Hibbing Public Safety Building COR NUMBER M-3

CHANGE ORDER REQUESTED BY Owner/ CM DATE 1/21/26

OWNER AND/OR ARCHITECT-ENGINEER CHANGE ORDER REQUEST NUMBER PR 04

Material.....		\$899.00	
Deducted Material		-51.00	
Sales Tax Cost <u>7.88%</u>		\$62.58	
Freight			
	Material Sub-Total		\$910.58

Foreman	5.5 Man Hrs. @	\$135.00	Per Hour	\$742.50
Plumber	5.5 Man Hrs. @	\$130.00	Per Hour	\$715.00
Pipefitter	Man Hrs. @		Per Hour	\$0.00
Operator	Man Hrs. @		Per Hour	\$0.00
Laborer	Man Hrs. @		Per Hour	\$0.00
Shop Labor	Man Hrs. @		Per Hour	\$0.00
Engineering	Man Hrs. @		Per Hour	\$0.00
Deduct Labor	-1 Man Hrs. @	\$135.00	Per Hour	-\$135.00
Deduct Labor	-1 Man Hrs. @	\$130.00	Per Hour	-\$130.00

Testing & Clean-up			
Tool Replacement			
Parking - Travel time-Subsistence.....			
Temperature Inefficiency.....			
Overtime Inefficiency			
(Above labor rates include labor burden of insurance, fringes, health insurance and taxes.)			
	Labor-Sub-Total		\$1,192.50

Equipment Rental.....		
Subcontractor Insulation	\$680.00	
Sheet Metal.....		
Temperature Control.....		
Countertop Cutting.....		
	Subcontractor Sub-Total	\$680.00

5.00% Mark-up on Subcontractor.....	\$34.00
Indirect Costs for this Change Order.....	\$714.00

	Labor/Material Sub-Total Costs	\$2,103.08
This proposal maybe	Overhead <u>10.00%</u>	\$210.31
withdrawn by us if not	Sub-Total.....	\$3,027.39
accepted within 30	Margin <u>0.00%</u>	\$0.00
days.	Sub-Total.....	\$3,027.39
Time extension required	Credits.....	
_____ days.	Change Order Sub-Total Costs	\$3,027.39
	Bond Premium..... <u>0.00%</u>	\$0.00

Number of prints required:	
_____ prints.	
Cost of this Change Order if not accepted.....	
	TOTAL PRICE OF CHANGE..... \$3,027.39

Submitted By: <u>Dakotah Klamm</u>	Date: <u>1/21/2026</u>
Approved By: _____	Date: _____

1/21/26, 1:25 PM

Gmail - PR 04 HPSB



Dakotah Klamm <jkmechkota@gmail.com>

PR 04 HPSB

Williams, Richard <rwilliams@lakestatesllc.com>
To: Dakotah Klamm <jkmechkota@gmail.com>

Wed, Jan 21, 2026 at 1:22 PM

Cost would be 680.00

THanks

Dick Williams
Project Manager
Lake States Insulation | MBE
7427 Seville Road, Suite 103
Saginaw, Mn 55779
Mobile | 218-391-8854
Direct | 218-624-9376

rwilliams@lakestatesllc.com



From: Dakotah Klamm <jkmechkota@gmail.com>
Sent: Wednesday, January 21, 2026 8:44 AM
To: Williams, Richard <rwilliams@lakestatesllc.com>
Subject: PR 04 HPSB

⚠ CAUTION: EXTERNAL SENDER *This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.*

[Quoted text hidden]

Proposal

JRK Steel Inc.



Hibbing Public Safety Pr 04 | January 22, 2026

JRKSteel.com

Overview	Proposal overview Project: Hibbing Public Safety Pr 04 Location: Hibbing, MN Valid until: 2/21/2026
Sections	Sections included --- W8x18 - Lifeline Beam @ Elevator Shaft
Items	Items included and not included Included: Priming Included: Standard Delivery Included: Fasteners (JRK Work Only) Not Included: Installation Not Included: Field Measurement
Price	Total price Base Bid: \$725.13 Tax: \$49.85 Total: \$774.99
Terms	Terms & Conditions --- Price is valid for 30 days --- All steel to receive 1 coat of shop primer --- Change orders will not be delivered until approved to bill --- Payment to JRK STEEL INC is the responsibility of the customer & is NOT contingent upon payment from the owner. Payment is due for all materials (Including Joist & Deck) Within 30 days of delivery. --- This price is valid if Shop drawings are approved within 30 days of submittal --- Signed proposal is required if approved
Signature	Sign and return if approved

brayden@jrksteel.com | 218-576-9809

5900 Main St, Duluth, MN 55807



Red Cedar Steel

4621 Domain Drive
Menomonie, WI 54751
715-235-0618

AISC
CERTIFIED
ERECTOR

Job Name: Hibbing Public Safety
To: Todd Erickson
Email: terickson@a-p.com
Phone: 612-434-4062

Date: 1/7/2026
Job #: 25-3014
From: Josh Gardow
Email: joshg@redcedarsteel.com
Phone: 715-226-1847

Cost Impact Summary

Subject: PR-04 Modifications

LABOR	Hours	Rate	Total
Labor to add Lifeline support beam	6	\$ 130.00	\$ 780.00
LABOR SUB TOTAL	6		\$ 780.00
EQUIPMENT	Qty	Rate	Total
Crane	0.5	\$390.00	\$ 195.00
Boom Lift	1	\$71.00	\$ 71.00
EQUIPMENT SUB TOTAL			\$ 266.00
MATERIAL	Qty	Rate	Total
MATERIAL SUB TOTAL			\$ -
OTHER	Qty	Rate	Total
Truck / Tools			
Subsistence	6	\$ 8.75	\$ 52.50
Hotel			\$ -
Delivery			
OTHER SUB TOTAL			\$ 52.50
Subtotal			\$ 1,098.50
Overhead & Profit			\$ 109.85
Total Cost			\$ 1,208.35

Additional Comments:

Todd Erickson

From: Schaefer Acoustics Inc. <ceilings@schaeferacoustics.com>
Sent: Saturday, January 17, 2026 11:47 AM
To: Todd Erickson
Cc: ceilings@schaeferacoustics.com
Subject: PR #04 - Hibboing Public Safety - Acoustical Ceilings

Todd,

PR #04 will be a no cost change for Schaefer Acoustics.

Thank you,
Wendy Schaefer

Schaefer Acoustics, Inc.
3947 E. Calvary Road
Duluth, MN 55803
218-722-6513
218-722-1556 fax
218-390-0175 cell
www.schaeferacoustics.com

Todd Erickson

From: Steve Fairbanks <steve@stgermainscabinet.com>
Sent: Thursday, January 22, 2026 7:26 AM
To: Todd Erickson
Cc: Jon Kjelstad
Subject: Re: 54313 Hibbing Public Safety PR-04

You don't often get email from steve@stgermainscabinet.com. [Learn why this is important](#)

Todd, no cost change for PR04

Deduct for minor revisions to Day Room wall cabinets & modify display case design

Add for revisions to shop drawings because of PR#4

Wash between the two → Total Cost \$0.00

Thanks
Steve

Steve Fairbanks
St. Germain's Cabinet Inc.
5724 Miller Trunk Hwy
Duluth, MN 55811
www.stgermainscabinet.com



Direct 218-336-1969
Ph 218-624-1234
Fax 218-624-0599
CL 218-390-9921

From: Jon Kjelstad <jon@stgermainscabinet.com>
Sent: Wednesday, January 21, 2026 3:46 PM
To: Steve Fairbanks <steve@stgermainscabinet.com>
Subject: 54313 Hibbing Public Safety PR-04

Steve-

I got a call from Todd Erickson with A&P. He's taking over from Brendon Gould. Brendon didn't have me on the distribution list for PR's. Attached is PR04. He's looking for a quick turnaround on pricing. The display case changed and the cabinets in 201 changed slightly in size.

terickson@a-p.com

Jon Kjelstad
Project Manager



St Germain's Cabinet, Inc. – Supreme Counters

5724 Miller Trunk Hwy, Duluth, MN 55811

Cell: (612) 236-7092

Direct: (218)336-1991

Main Office: 218.624.1234 | Fax: 218.624.0599

   | www.stgermainscabinet.com

Todd Erickson

From: Bedrock Flint <bfi4204@yahoo.com>
Sent: Friday, January 9, 2026 2:02 PM
To: Todd Erickson
Subject: pr o4

Todd,

I come up with an add of \$1235.00 for this change.

I also was wondering if you were sending out any addendum information for the City Hall window replacement project. We have not received anything yet.

Travis

Thank you,

SUPERIOR MASONRY INC.
DBA Bedrock Flint Inc.

4204 Enterprise Circle
Duluth, MN 55811

Phone (218) 720-3948
Fax (218) 720-3492



Request for Council Action

City Council Action

Description of Agenda Item

Strategic Initiative

Owner of Agenda Item

Introduction/Background/Justification/Key Issues/Legal

Bid opening for the City Hall window replacement project was held at 1:00pm January 15th at City Hall. Looking for council approval on the GMP. See attached GMP breakdown.

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

Action Requested

Attachments

1. Full GMP Amendment - Hibbing Windows 2-18-26 Final
2. Hibbing City Hall Marvin Window Replacement & Tuckpointing - Estimate Report_20260209



AIA® Document A133® – 2019 Exhibit A.1

Guaranteed Maximum Price Amendment

This Amendment dated the 18th day of February in the year 2026, is incorporated into the accompanying AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price dated the 28th day of November in the year 2025 (the "Agreement")

(In words, indicate day, month, and year.)

for the following **PROJECT:**

(Name and address or location)

City of Hibbing – City Hall Window Replacement and Masonry Restoration

401 East 21st Street

Hibbing, Minnesota 55746

THE OWNER:

(Name, legal status, and address)

City of Hibbing

401 East 21st Street

Hibbing, Minnesota 55746

THE CONSTRUCTION MANAGER:

(Name, legal status, and address)

AP Midwest, LLC

dba: Adolfsen & Peterson Construction

408 West Superior Street

Duluth, Minnesota 55802

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

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

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

TABLE OF ARTICLES

A.1 GUARANTEED MAXIMUM PRICE

A.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

A.3 INFORMATION UPON WHICH AMENDMENT IS BASED

A.4 CONSTRUCTION MANAGER'S CONSULTANTS, CONTRACTORS, DESIGN PROFESSIONALS, AND SUPPLIERS

ARTICLE A.1 GUARANTEED MAXIMUM PRICE

§ A.1.1 Guaranteed Maximum Price

Pursuant to Section 3.2.6 of the Agreement, the Owner and Construction Manager hereby amend the Agreement to establish a Guaranteed Maximum Price and other modifications and/or updates to the project. As agreed by the Owner and Construction Manager, the Guaranteed Maximum Price is an amount that the Contract Sum shall not exceed. The Contract Sum consists of the Construction Manager's Fee plus the Cost of the Work, as that term is defined in Article 6 of the Agreement.

Init.

§ A.1.1.1 The Contract Sum is guaranteed by the Construction Manager not to exceed One Million, Nine Hundred Thirty Three and Four Hundred Fifty Eight (\$1,933,458), subject to additions and deductions by Change Order as provided in the Contract Documents.

§ A.1.1.2 **Itemized Statement of the Guaranteed Maximum Price.** Provided below is an itemized statement of the Guaranteed Maximum Price organized by trade categories, including allowances; the Construction Manager's contingency; alternates; the Construction Manager's Fee; and other items that comprise the Guaranteed Maximum Price as defined in Section 3.2.1 of the Agreement.

See Exhibit A.1.2 attached hereto.

§ A.1.1.3 The Construction Manager's Fee is set forth in Section 6.1.2 of the Agreement.

§ A.1.1.4 The method of adjustment of the Construction Manager's Fee for changes in the Work is set forth in Section 6.1.3 of the Agreement.

§ A.1.1.5 **Alternates**

§ A.1.1.5.1 Alternates, if any, included in the Guaranteed Maximum Price:

Item	Price
Alt #2 – Existing Brick Cleaning	\$19,500.00

§ A.1.1.5.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Exhibit A. Upon acceptance, the Owner shall issue a Modification to the Agreement.

Item	Price	Conditions for Acceptance
Alt #1 – In-Fill Existing Door Opening – North Side and Provide New HM Frame, Door & Hardware	\$8,500.00	By April 30 th .

§ A.1.1.6 Unit prices, if any:

Item	Units and Limitations	Price per Unit (\$0.00)
N/A – no Unit Prices included in the GMP	N/A	N/A

ARTICLE A.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ A.2.1 The date of commencement of the Work shall be:

- ☒ The date of execution of this Amendment.
- ☐ Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of execution of this Amendment.

§ A.2.2 Unless otherwise provided, the Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work. The Contract Time shall be measured from the date of commencement of the Work.

§ A.2.3 Substantial Completion

§ A.2.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Construction Manager shall achieve Substantial Completion of the entire Work:

☐ Not later than () calendar days from the date of commencement of the Work.

☒ By the following date: November 1, 2026

§ A.2.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Construction Manager shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date
N/A	N/A

§ A.2.3.3 If the Construction Manager fails to achieve Substantial Completion as provided in this Section A.2.3, liquidated damages, if any, shall be assessed as set forth in Section 6.1.6 of the Agreement.

ARTICLE A.3 INFORMATION UPON WHICH AMENDMENT IS BASED

§ A.3.1 The Guaranteed Maximum Price and Contract Time set forth in this Amendment are based on the Contract Documents and the following:

§ A.3.1.1 The following Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
N/A	N/A	N/A	N/A

§ A.3.1.2 The following Specifications:

City of Hibbing – City Hall Window Replacement & Masonry Restoration - Project Manual

Section	Title	Date	Pages
Div 00	Procurement & Contracting Requirements	12-05-2025	1 - 118
Div 01	General Requirements		
Div 02	Existing Conditions		
Div 04	Masonry		
Div 05	Metals		
Div 06	Wood, Plastics and Composites		
Div 07	Thermal and Moisture Protection		
Div 08	Openings		
Div 09	Finishes		
Div 12	Furnishings		

§ A.3.1.3 The following Drawings:

City of Hibbing – City Hall Window Replacement & Masonry Restoration - Project Drawings

Number	Title	Date
G1.0 – A8.10 (Qty 5 Plan Sheets)	Plan Sheets	12-05-2025

§ A.3.1.5 Allowances, if any, included in the Guaranteed Maximum Price:

Item
N/A

Price

§ A.3.1.6 Assumptions and clarifications, if any, upon which the Guaranteed Maximum Price is based:

SHIPO approval has been received.

§ A.3.1.7 The Guaranteed Maximum Price is based upon the following other documents and information:

AIA Document A133 – Exhibit B, Insurance and Bonds (attached to this Amendment)
AIA Document A201 – Exhibit C, General Conditions (attached to this Amendment)

ARTICLE A.4 CONSTRUCTION MANAGER'S CONSULTANTS, CONTRACTORS, DESIGN PROFESSIONALS, AND SUPPLIERS

§ A.4.1 The Construction Manager shall retain the consultants, contractors, design professionals, and suppliers, identified below:

N/A

This Amendment to the Agreement entered into as of the day and year first written above.

OWNER (Signature)

Pete Hyduke, Mayor
(Printed name and title)

CONSTRUCTION MANAGER (Signature)

David Grandstaff, Regional President
(Printed name and title)

Int.

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User Notes:

(1785091895)



**Exhibit A.1.2
Itemized GMP Breakdown**

Hibbing City Hall Window Replacement,
Lintel Replacement & Tuckpointing
GMP
City of Hibbing

February 9, 2026

DESCRIPTION	QUANTITY	\$/Unit	TOTAL
01 - General Conditions & CM Staffing (5 Month Duration)	1	\$375,684.23	\$375,684
04 - Lintel Replacement & Tuckpointing - Acme Tuckpointing and Restoration	1	\$312,595.00	\$312,595
08 - Window Replacement - Mesabi Glass Window & Door Inc	1	\$898,000.00	\$898,000
Direct Cost			\$1,586,279
Permit Fees			\$31,726
Testing & Inspections			\$13,000
Subcontractor Default Insurance 1.20%			\$19,035
Pre-Construction Services			\$5,000
General Liability Insurance 1.15%			\$22,235
Construction Contingency 10.00%			\$193,346
Construction Fee 3.25%			\$62,837
Total Cost			\$1,933,458



AIA® Document A133® – 2019 Exhibit B

Insurance and Bonds

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the 28th day of November in the year 2025 and the Exhibit A.1 Guaranteed Maximum Price Amendment dated the 18th day of February in the year 2026.

for the following **PROJECT:**
(Name and location or address)

City of Hibbing – City Hall Window Replacement & Masonry Restoration
401 East 21st Street
Hibbing, Minnesota 55746

THE OWNER:
(Name, legal status, and address)

City of Hibbing
401 East 21st Street
Hibbing, Minnesota 55746

THE CONSTRUCTION MANAGER:
(Name, legal status, and address)

AP Midwest, LLC
dba: Adolfson & Peterson Construction
408 West Superior Street
Duluth, Minnesota 55802

TABLE OF ARTICLES

- B.1 GENERAL
- B.2 OWNER'S INSURANCE
- B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS
- B.4 SPECIAL TERMS AND CONDITIONS

ARTICLE B.1 GENERAL

The Owner and Construction Manager shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term General Conditions refers to AIA Document A201™–2017, General Conditions of the Contract for Construction.

ARTICLE B.2 OWNER'S INSURANCE

§ B.2.1 General

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article B.2 and, upon the Construction Manager's request, provide a copy of the property insurance policy or policies required by Section B.2.3. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

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

This document is intended to be used in conjunction with AIA Document A201™–2017, General Conditions of the Contract for Construction. Article 11 of A201™–2017 contains additional insurance provisions.

§ B.2.2 Liability Insurance

The Owner shall be responsible for purchasing and maintaining the Owner's usual general liability insurance.

§ B.2.3 Required Property Insurance

§ B.2.3.1 Unless this obligation is placed on the Construction Manager pursuant to Section B.3.3.2.1, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner's property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion and thereafter as provided in Section B.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Construction Manager, Subcontractors, and Sub-subcontractors in the Project as additional insureds. This insurance shall include the interests of mortgagees as loss payees.

§ B.2.3.1.1 Causes of Loss. The insurance required by this Section B.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, terrorism, earthquake, flood, hail, lightning, or any windstorm, including, but not limited to, wind-driven objects and/or tornadoes. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:

Cause of Loss

Sub-Limit

§ B.2.3.1.2 Specific Required Coverages. The insurance required by this Section B.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Construction Manager's services and expenses required as a result of such insured loss, including claim preparation expenses. Material sub-limits, if any, are no less than as follows:

Coverage	Sub-Limit
Inland Transit	\$5,000,000
Offsite Storage	\$5,000,000
Extra Expense Expediting Expenses	\$2,500,000
Emergency Property Protection	\$1,000,000
Ordinance or Law	\$5,000,000

§ B.2.3.1.3 Unless the parties agree otherwise, upon Substantial Completion, the Owner shall continue the insurance required by Section B.2.3.1 or, if necessary, replace the insurance policy required under Section B.2.3.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Work set forth in Section 12.2.2 of the General Conditions.

§ B.2.3.1.3.2 If the Owner suspends Work for more than 30 days, terminates Construction Manager for any reason, or if Construction Manager terminates the Contract, the builder's risk insurance shall terminate no later than the 31st day of the suspension, or immediately upon termination of the Contract by either party. Owner shall be responsible for damage to the Work as of the date coverage ends.

§ B.2.3.1.4 Deductibles and Self-Insured Retentions. If the insurance required by this Section B.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions.

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§ B.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner's occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section B.2.3.1 have consented in writing to the continuance of coverage. The Owner and the Construction Manager shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.

§ B.2.3.3 Insurance for Existing Structures If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner shall purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, "all-risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section B.2.3.1, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

§ B.2.4 Optional Extended Property Insurance.

The Owner shall purchase and maintain the insurance selected and described below.

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. For each type of insurance selected, indicate applicable limits of coverage or other conditions in the fill point below the selected item.)

- ☐ **§ B.2.4.1 Loss of Use, Business Interruption, and Delay in Completion Insurance**, to reimburse the Owner for loss of use of the Owner's property, or the inability to conduct normal operations due to a covered cause of loss.
- ☐ **§ B.2.4.2 Ordinance or Law Insurance**, for the reasonable and necessary costs to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of the Project.
- ☐ **§ B.2.4.3 Expediting Cost Insurance**, for the reasonable and necessary costs for the temporary repair of damage to insured property, and to expedite the permanent repair or replacement of the damaged property.
- ☐ **§ B.2.4.4 Extra Expense Insurance**, to provide reimbursement of the reasonable and necessary excess costs incurred during the period of restoration or repair of the damaged property that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred.
- ☐ **§ B.2.4.5 Civil Authority Insurance**, for losses or costs arising from an order of a civil authority prohibiting access to the Project, provided such order is the direct result of physical damage covered under the required property insurance.
- ☐ **§ B.2.4.6 Ingress/Egress Insurance**, for loss due to the necessary interruption of the insured's business due to physical prevention of ingress to, or egress from, the Project as a direct result of physical damage.

Init.

- [] § B.2.4.7 **Soft Costs Insurance**, to reimburse the Owner for costs due to the delay of completion of the Work, arising out of physical loss or damage covered by the required property insurance: including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional interest on loans, realty taxes, and insurance premiums over and above normal expenses.

§ B.2.5 Other Optional Insurance.

The Owner shall purchase and maintain the insurance selected below.

- [] § B.2.5.1 **Cyber Security Insurance** for loss to the Owner due to data security and privacy breach, including costs of investigating a potential or actual breach of confidential or private information.

- [] § B.2.5.2 **Other Insurance**

Coverage

Limits

ARTICLE B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS

§ B.3.1 General

§ B.3.1.1 Certificates of Insurance. The Construction Manager shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article B.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section B.3.2.1 and Section B.3.3.1. The certificates will show the Owner as an additional insured on the Construction Manager's Commercial General Liability and excess or umbrella liability policy or policies.

§ B.3.1.2 Deductibles and Self-Insured Retentions. The Construction Manager shall, upon request, disclose to the Owner any deductible or self-insured retentions applicable to any insurance required to be provided by the Construction Manager.

§ B.3.1.3 Additional Insured Obligations. To the fullest extent permitted by law, the Construction Manager shall cause the commercial general liability coverage to include (1) the Owner, its officials, employees, servants and agents as additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions during the Construction Manager's operations and (2) the Owner as an additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 12 19 and CG 20 37 12 19.

§ B.3.2 Construction Manager's Required Insurance Coverage

§ B.3.2.1 The Construction Manager shall purchase and maintain the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project

Init.

is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

N/A

§ B.3.2.2 Commercial General Liability

§ B.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits of not less than two million dollars (\$ 2,000,000) each occurrence, four million dollars (\$ 4,000,000) general aggregate, and four million dollars (\$ 4,000,000) aggregate for products-completed operations hazard, providing coverage for claims including

- .1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;
- .2 personal injury and advertising injury;
- .3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
- .4 bodily injury or property damage arising out of completed operations; and
- .5 the Construction Manager's indemnity obligations under Section 3.18 of the General Conditions, subject to standard policy terms and conditions.

§ B.3.2.2.2 The Construction Manager's Commercial General Liability policy under this Section B.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

- .1 Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.
- .2 Claims for property damage to the Construction Manager's Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.
- .3 Claims for bodily injury other than to employees of the insured.
- .4 Claims for indemnity under Section 3.18 of the General Conditions arising out of injury to employees of the insured.
- .5 Claims or loss excluded under a prior work endorsement or other similar exclusionary language.
- .6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.
- .7 Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.
- .8 Claims related to roofing, if the Work involves roofing.
- .9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such coatings or surfaces.
- .10 Claims related to earth subsidence or movement, where the Work involves such hazards.
- .11 Claims related to explosion, collapse and underground hazards, where the Work involves such hazards.

§ B.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager, with policy limits of not less than two million dollars (\$ 2,000,000) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage.

§ B.3.2.4 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section B.3.2.2 and B.3.2.3, and in no event shall any excess or umbrella liability insurance provide materially narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ B.3.2.5 Workers' Compensation at statutory limits.

Int.

§ B.3.2.6 Employers' Liability with policy limits not less than one million dollars (\$ 1,000,000) each accident, one million dollars (\$ 1,000,000) each employee, and one million dollars (\$ 1,000,000) policy limit.

§ B.3.2.7 Jones Act, and the Longshore & Harbor Workers' Compensation Act, as required, if the Work involves hazards arising from work on or near navigable waterways, including vessels and docks.

§ B.3.2.8 If the Construction Manager is required to furnish professional services as part of the Work, the Construction Manager shall procure Professional Liability insurance covering performance of the professional services, with policy limits of not less than four million dollars (\$ 4,000,000) per claim and four million dollars (\$ 4,000,000) in the aggregate.

§ B.3.2.9 If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with policy limits of not less than two million dollars (\$ 2,000,000) per claim and two million dollars (\$ 2,000,000) in the aggregate.

§ B.3.2.10 Coverage under Sections B.3.2.8 and B.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than N/A (\$ N/A) per claim and N/A (\$ N/A) in the aggregate.

§ B.3.2.11 Insurance for maritime liability risks associated with the operation of a vessel, if the Work requires such activities, with policy limits of not less than N/A (\$ N/A) per claim and N/A (\$ N/A) in the aggregate.

§ B.3.2.12 Insurance for the use or operation of unmanned aircraft, if the Work requires such activities, with policy limits of not less than one million dollars (\$ 1,000,000) per claim and one million dollars (\$ 1,000,000) in the aggregate.

§ B.3.3 Construction Manager's Other Insurance Coverage

§ B.3.3.1 Insurance selected and described in this Section B.3.3 shall be purchased from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

N/A

§ B.3.3.2 The Construction Manager shall purchase and maintain the following types and limits of insurance in accordance with Section B.3.3.1.

[X] § B.3.3.2.1 Property insurance of the same type and scope satisfying the requirements identified in Section B.2.3, which, if selected in this Section B.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section B.2.3.1.3 and Section B.2.3.3. The Construction Manager shall comply with all obligations of the Owner under Section B.2.3 except to the extent provided below. The Construction Manager shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Construction Manager shall provide the Owner with a copy of the property insurance policy or policies required. The Construction Manager shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:

- ☐ § B.3.3.2.2 Railroad Protective Liability Insurance, with policy limits of not less than (\$) per claim and (\$) in the aggregate, for Work within fifty (50) feet of railroad property.
- ☐ § B.3.3.2.3 Asbestos Abatement Liability Insurance, with policy limits of not less than (\$) per claim and (\$) in the aggregate, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.
- ☐ § B.3.3.2.4 Insurance for physical damage to property while it is in storage and in transit to the construction site on an "all-risks" completed value form.
- ☐ § B.3.3.2.5 Property insurance on an "all-risks" completed value form, covering property owned by the Construction Manager and used on the Project, including scaffolding and other equipment.
- ☒ § B.3.3.2.6 Other Insurance

Coverage	Limits
Subcontractor Default Insurance	\$25,000,000 per occurrence/\$50,000,000 aggregate

§ B.3.4 Performance Bond and Payment Bond

The Construction Manager shall provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located, as follows:

Type	Penal Sum (\$0.00)
Payment Bond	Required
Performance Bond	Required

If required, Payment and Performance Bonds shall be AIA Document A312™, Payment Bond and Performance Bond, or contain provisions identical to AIA Document A312™, current as of the date of this Agreement.

ARTICLE B.4 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Insurance and Bonds Exhibit, if any, are as follows:

N/A

AIA® Document A201® – 2017

General Conditions of the Contract for Construction

(Paragraphs deleted)

INDEX

(Topics and numbers in bold are Section headings.)

Acceptance of Nonconforming Work

9.6.6, 9.9.3, **12.3**

Acceptance of Work

9.6.6, 9.8.2, 9.9.3, 9.10.1, 9.10.3, **12.3**

Access to Work

3.16, 6.2.1, **12.1**

Accident Prevention

10

Acts and Omissions

3.2, 3.3.2, 3.12.8, 3.18, 4.2.3, 8.3.1, 9.5.1, 10.2.5, 10.2.8, 13.3.2, 14.1, 15.1.2, **15.2**

Addenda

1.1.1

Additional Costs, Claims for

3.7.4, 3.7.5, 10.3.2, **15.1.5**

Additional Inspections and Testing

9.4.2, 9.8.3, **12.2.1**, **13.4**

Additional Time, Claims for

3.2.4, 3.7.4, 3.7.5, 3.10.2, 8.3.2, **15.1.6**

Administration of the Contract

3.1.3, **4.2**, 9.4, **9.5**

Advertisement or Invitation to Bid

1.1.1

Aesthetic Effect

4.2.13

Allowances

3.8

Applications for Payment

4.2.5, 7.3.9, 9.2, 9.3, 9.4, 9.5.1, 9.5.4, 9.6.3, 9.7, **9.10**

Approvals

2.1.1, 2.3.1, 2.5, 3.1.3, 3.10.2, 3.12.8, 3.12.9, 3.12.10.1, 4.2.7, 9.3.2, **13.4.1**

Arbitration

8.3.1, **15.3.2**, **15.4**

ARCHITECT

4

Architect, Definition of

4.1.1

Architect, Extent of Authority

2.5, 3.12.7, 4.1.2, 4.2, 5.2, 6.3, 7.1.2, 7.3.4, 7.4, 9.2, 9.3.1, 9.4, 9.5, 9.6.3, 9.8, 9.10.1, 9.10.3, **12.1**, **12.2.1**, **13.4.1**, **13.4.2**, **14.2.2**, **14.2.4**, **15.1.4**, **15.2.1**

Architect, Limitations of Authority and Responsibility

2.1.1, 3.12.4, 3.12.8, 3.12.10, 4.1.2, 4.2.1, 4.2.2, 4.2.3, 4.2.6, 4.2.7, 4.2.10, 4.2.12, 4.2.13, 5.2.1, 7.4, 9.4.2, 9.5.4, 9.6.4, **15.1.4**, **15.2**

Architect's Additional Services and Expenses

2.5, **12.2.1**, **13.4.2**, **13.4.3**, **14.2.4**

Architect's Administration of the Contract

3.1.3, 3.7.4, **15.2**, 9.4.1, **9.5**

Architect's Approvals

2.5, 3.1.3, 3.5, 3.10.2, 4.2.7

Architect's Authority to Reject Work

3.5, 4.2.6, **12.1.2**, **12.2.1**

Architect's Copyright

1.1.7, **1.5**

Architect's Decisions

3.7.4, 4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 6.3, 7.3.4, 7.3.9, 8.1.3, 8.3.1, 9.2, 9.4.1, 9.5, 9.8.4, 9.9.1, **13.4.2**, **15.2**

Architect's Inspections

3.7.4, 4.2.2, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, **13.4**

Architect's Instructions

3.2.4, 3.3.1, 4.2.6, 4.2.7, **13.4.2**

Architect's Interpretations

4.2.11, 4.2.12

Architect's Project Representative

4.2.10

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

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

For guidance in modifying this document to include supplementary conditions, see AIA Document A503™, Guide for Supplementary Conditions.

Architect's Relationship with Contractor
 1.1.2, 1.5, 2.3.3, 3.1.3, 3.2.2, 3.2.3, 3.2.4, 3.3.1, 3.4.2,
 3.5, 3.7.4, 3.7.5, 3.9.2, 3.9.3, 3.10, 3.11, 3.12, 3.16,
 3.18, 4.1.2, 4.2, 5.2, 6.2.2, 7, 8.3.1, 9.2, 9.3, 9.4, 9.5,
 9.7, 9.8, 9.9, 10.2.6, 10.3, 11.3, 12, 13.3.2, 13.4, 15.2
 Architect's Relationship with Subcontractors
 1.1.2, 4.2.3, 4.2.4, 4.2.6, 9.6.3, 9.6.4, 11.3
 Architect's Representations
 9.4.2, 9.5.1, 9.10.1
 Architect's Site Visits
 3.7.4, 4.2.2, 4.2.9, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.4
 Asbestos
 10.3.1
 Attorneys' Fees
 3.18.1, 9.6.8, 9.10.2, 10.3.3
 Award of Separate Contracts
 6.1.1, 6.1.2
 Award of Subcontracts and Other Contracts for
 Portions of the Work
 5.2
 Basic Definitions
 1.1
 Bidding Requirements
 1.1.1
 Binding Dispute Resolution
 8.3.1, 9.7, 11.5, 13.1, 15.1.2, 15.1.3, 15.2.1, 15.2.5,
 15.2.6.1, 15.3.1, 15.3.2, 15.3.3, 15.4.1
 Bonds, Lien
 7.3.4.4, 9.6.8, 9.10.2, 9.10.3
 Bonds, Performance, and Payment
 7.3.4.4, 9.6.7, 9.10.3, 11.1.2, 11.1.3, 11.5
 Building Information Models Use and Reliance
 1.8
 Building Permit
 3.7.1
 Capitalization
 1.3
 Certificate of Substantial Completion
 9.8.3, 9.8.4, 9.8.5
 Certificates for Payment
 4.2.1, 4.2.5, 4.2.9, 9.3.3, 9.4, 9.5, 9.6.1, 9.6.6, 9.7,
 9.10.1, 9.10.3, 14.1.1.3, 14.2.4, 15.1.4
 Certificates of Inspection, Testing or Approval
 13.4.4
 Certificates of Insurance
 9.10.2
 Change Orders
 1.1.1, 3.4.2, 3.7.4, 3.8.2.3, 3.11, 3.12.8, 4.2.8, 5.2.3,
 7.1.2, 7.1.3, 7.2, 7.3.2, 7.3.7, 7.3.9, 7.3.10, 8.3.1,
 9.3.1.1, 9.10.3, 10.3.2, 11.2, 11.5, 12.1.2
 Change Orders, Definition of
 7.2.1
 CHANGES IN THE WORK
 2.2.2, 3.11, 4.2.8, 7, 7.2.1, 7.3.1, 7.4, 8.3.1, 9.3.1.1,
 11.5
 Claims, Definition of
 15.1.1

Claims, Notice of
 1.6.2, 15.1.3
 CLAIMS AND DISPUTES
 3.2.4, 6.1.1, 6.3, 7.3.9, 9.3.3, 9.10.4, 10.3.3, 15, 15.4
 Claims and Timely Assertion of Claims
 15.4.1
 Claims for Additional Cost
 3.2.4, 3.3.1, 3.7.4, 7.3.9, 9.5.2, 10.2.5, 10.3.2, 15.1.5
 Claims for Additional Time
 3.2.4, 3.3.1, 3.7.4, 6.1.1, 8.3.2, 9.5.2, 10.3.2, 15.1.6
 Concealed or Unknown Conditions, Claims for
 3.7.4
 Claims for Damages
 3.2.4, 3.18, 8.3.3, 9.5.1, 9.6.7, 10.2.5, 10.3.3, 11.3,
 11.3.2, 14.2.4, 15.1.7
 Claims Subject to Arbitration
 15.4.1
 Cleaning Up
 3.15, 6.3
 Commencement of the Work, Conditions Relating to
 2.2.1, 3.2.2, 3.4.1, 3.7.1, 3.10.1, 3.12.6, 5.2.1, 5.2.3,
 6.2.2, 8.1.2, 8.2.2, 8.3.1, 11.1, 11.2, 15.1.5
 Commencement of the Work, Definition of
 8.1.2
 Communications
 3.9.1, 4.2.4
 Completion, Conditions Relating to
 3.4.1, 3.11, 3.15, 4.2.2, 4.2.9, 8.2, 9.4.2, 9.8, 9.9.1,
 9.10, 12.2, 14.1.2, 15.1.2
 COMPLETION, PAYMENTS AND
 9
 Completion, Substantial
 3.10.1, 4.2.9, 8.1.1, 8.1.3, 8.2.3, 9.4.2, 9.8, 9.9.1,
 9.10.3, 12.2, 15.1.2
 Compliance with Laws
 2.3.2, 3.2.3, 3.6, 3.7, 3.12.10, 3.13, 9.6.4, 10.2.2, 13.1,
 13.3, 13.4.1, 13.4.2, 13.5, 14.1.1, 14.2.1.3, 15.2.8,
 15.4.2, 15.4.3
 Concealed or Unknown Conditions
 3.7.4, 4.2.8, 8.3.1, 10.3
 Conditions of the Contract
 1.1.1, 6.1.1, 6.1.4
 Consent, Written
 3.4.2, 3.14.2, 4.1.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3, 13.2,
 15.4.4.2
 Consolidation or Joinder
 15.4.4
 CONSTRUCTION BY OWNER OR BY
 SEPARATE CONTRACTORS
 1.1.4, 6
 Construction Change Directive, Definition of
 7.3.1
 Construction Change Directives
 1.1.1, 3.4.2, 3.11, 3.12.8, 4.2.8, 7.1.1, 7.1.2, 7.1.3, 7.3,
 9.3.1.1
 Construction Schedules, Contractor's
 3.10, 3.11, 3.12.1, 3.12.2, 6.1.3, 15.1.6.2

Contingent Assignment of Subcontracts

5.4, 14.2.2.2

Continuing Contract Performance

15.1.4

Contract, Definition of

1.1.2

**CONTRACT, TERMINATION OR
SUSPENSION OF THE**

5.4.1.1, 5.4.2, 11.5, 14

Contract Administration

3.1.3, 4, 9.4, 9.5

**Contract Award and Execution, Conditions Relating
to**

3.7.1, 3.10, 5.2, 6.1

Contract Documents, Copies Furnished and Use of

1.5.2, 2.3.6, 5.3

Contract Documents, Definition of

1.1.1

Contract Sum

2.2.2, 2.2.4, 3.7.4, 3.7.5, 3.8, 3.10.2, 5.2.3, 7.3, 7.4,
9.1, 9.2, 9.4.2, 9.5.1.4, 9.6.7, 9.7, 10.3.2, 11.5, 12.1.2,
12.3, 14.2.4, 14.3.2, 15.1.4.2, **15.1.5, 15.2.5**

Contract Sum, Definition of

9.1

Contract Time

1.1.4, 2.2.1, 2.2.2, 3.7.4, 3.7.5, 3.10.2, 5.2.3, 6.1.5,
7.2.1.3, 7.3.1, 7.3.5, 7.3.6, 7, 7.3.10, 7.4, 8.1.1,
8.2.1, 8.2.3, 8.3.1, 9.5.1, 9.7, 10.3.2, 12.1.1, 12.1.2,
14.3.2, 15.1.4.2, 15.1.6.1, 15.2.5

Contract Time, Definition of

8.1.1

CONTRACTOR

3

Contractor, Definition of

3.1, 6.1.2

**Contractor's Construction and Submittal
Schedules**

3.10, 3.12.1, 3.12.2, 4.2.3, 6.1.3, 15.1.6.2

Contractor's Employees

2.2.4, 3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2,
10.3, 11.3, 14.1, 14.2.1.1

Contractor's Liability Insurance

11.1

**Contractor's Relationship with Separate Contractors
and Owner's Forces**

3.12.5, 3.14.2, 4.2.4, 6, 11.3, 12.2.4

Contractor's Relationship with Subcontractors

1.2.2, 2.2.4, 3.3.2, 3.18.1, 3.18.2, 4.2.4, 5, 9.6.2, 9.6.7,
9.10.2, 11.2, 11.3, 11.4

Contractor's Relationship with the Architect

1.1.2, 1.5, 2.3.3, 3.1.3, 3.2.2, 3.2.3, 3.2.4, 3.3.1, 3.4.2,
3.5.1, 3.7.4, 3.10, 3.11, 3.12, 3.16, 3.18, 4.2, 5.2, 6.2.2,
7, 8.3.1, 9.2, 9.3, 9.4, 9.5, 9.7, 9.8, 9.9, 10.2.6, 10.3,
11.3, 12, 13.4, 15.1.3, 15.2.1

Contractor's Representations

3.2.1, 3.2.2, 3.5, 3.12.6, 6.2.2, 8.2.1, 9.3.3, 9.8.2

**Contractor's Responsibility for Those Performing the
Work**

3.3.2, 3.18, 5.3, 6.1.3, 6.2, 9.5.1, 10.2.8

Contractor's Review of Contract Documents

3.2

Contractor's Right to Stop the Work

2.2.2, 9.7

Contractor's Right to Terminate the Contract

14.1

Contractor's Submittals

3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 9.2, 9.3, 9.8.2,
9.8.3, 9.9.1, 9.10.2, 9.10.3

Contractor's Superintendent

3.9, 10.2.6

**Contractor's Supervision and Construction
Procedures**

1.2.2, 3.3, 3.4, 3.12.10, 4.2.2, 4.2.7, 6.1.3, 6.2.4, 7.1.3,
7.3.4, 7.3.6, 8.2, 10, 12, 14, 15.1.4

Coordination and Correlation

1.2, 3.2.1, 3.3.1, 3.10, 3.12.6, 6.1.3, 6.2.1

Copies Furnished of Drawings and Specifications

1.5, 2.3.6, 3.11

Copyrights

1.5, 3.17

Correction of Work

2.5, 3.7.3, 9.4.2, 9.8.2, 9.8.3, 9.9.1, 12.1.2, **12.2**, 12.3,
15.1.3.1, 15.1.3.2, 15.2.1

Correlation and Intent of the Contract Documents

1.2

Cost, Definition of

7.3.4

Costs

2.5, 3.2.4, 3.7.3, 3.8.2, 3.15.2, 5.4.2, 6.1.1, 6.2.3,
7.3.3.3, 7.3.4, 7.3.8, 7.3.9, 9.10.2, 10.3.2, 10.3.6, 11.2,
12.1.2, 12.2.1, 12.2.4, 13.4, 14

Cutting and Patching

3.14, 6.2.5

**Damage to Construction of Owner or Separate
Contractors**

3.14.2, 6.2.4, 10.2.1.2, 10.2.5, 10.4, 12.2.4

Damage to the Work

3.14.2, 9.9.1, 10.2.1.2, 10.2.5, 10.4, 12.2.4

Damages, Claims for

3.2.4, 3.18, 6.1.1, 8.3.3, 9.5.1, 9.6.7, 10.3.3, 11.3.2,
11.3, 14.2.4, 15.1.7

Damages for Delay

6.2.3, 8.3.3, 9.5.1.6, 9.7, 10.3.2, 14.3.2

Date of Commencement of the Work, Definition of

8.1.2

Date of Substantial Completion, Definition of

8.1.3

Day, Definition of

8.1.4

Decisions of the Architect

3.7.4, 4.2.6, 4.2.7, 4.2.11, 4.2.12, 4.2.13, 6.3, 7.3.4,
7.3.9, 8.1.3, 8.3.1, 9.2, 9.4, 9.5.1, 9.8.4, 9.9.1, 13.4.2,
14.2.2, 14.2.4, 15.1, 15.2

Init.

Decisions to Withhold Certification

9.4.1, 9.5, 9.7, 14.1.1.3

Defective or Nonconforming Work, Acceptance, Rejection and Correction of

2.5, 3.5, 4.2.6, 6.2.3, 9.5.1, 9.5.3, 9.6.6, 9.8.2, 9.9.3, 9.10.4, 12.2.1

Definitions

1.1, 2.1.1, 3.1.1, 3.5, 3.12.1, 3.12.2, 3.12.3, 4.1.1, 5.1, 6.1.2, 7.2.1, 7.3.1, 8.1, 9.1, 9.8.1, 15.1.1

Delays and Extensions of Time

3.2, 3.7.4, 5.2.3, 7.2.1, 7.3.1, 7.4, 8.3, 9.5.1, 9.7, 10.3.2, 10.4, 14.3.2, 15.1.6, 15.2.5

Digital Data Use and Transmission

1.7

Disputes

6.3, 7.3.9, 15.1, 15.2

Documents and Samples at the Site

3.11

Drawings, Definition of

1.1.5

Drawings and Specifications, Use and Ownership of

3.11

Effective Date of Insurance

8.2.2

Emergencies

10.4, 14.1.1.2, 15.1.5

Employees, Contractor's

3.3.2, 3.4.3, 3.8.1, 3.9, 3.18.2, 4.2.3, 4.2.6, 10.2, 10.3.3, 11.3, 14.1, 14.2.1.1

Equipment, Labor, or Materials

1.1.3, 1.1.6, 3.4, 3.5, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 4.2.6, 4.2.7, 5.2.1, 6.2.1, 7.3.4, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.1, 14.2.1.2

Execution and Progress of the Work

1.1.3, 1.2.1, 1.2.2, 2.3.4, 2.3.6, 3.1, 3.3.1, 3.4.1, 3.7.1, 3.10.1, 3.12, 3.14, 4.2, 6.2.2, 7.1.3, 7.3.6, 8.2, 9.5.1, 9.9.1, 10.2, 10.3, 12.1, 12.2, 14.2, 14.3.1, 15.1.4

Extensions of Time

3.2.4, 3.7.4, 5.2.3, 7.2.1, 7.3, 7.4, 9.5.1, 9.7, 10.3.2, 10.4, 14.3, 15.1.6, 15.2.5

Failure of Payment

9.5.1.3, 9.7, 9.10.2, 13.5, 14.1.1.3, 14.2.1.2

Faulty Work

(See Defective or Nonconforming Work)

Final Completion and Final Payment

4.2.1, 4.2.9, 9.8.2, 9.10, 12.3, 14.2.4, 14.4.3

Financial Arrangements, Owner's

2.2.1, 13.2.2, 14.1.1.4

GENERAL PROVISIONS

1

Governing Law

13.1

Guarantees (See Warranty)

Hazardous Materials and Substances

10.2.4, 10.3

Identification of Subcontractors and Suppliers

5.2.1

Indemnification

3.17, 3.18, 9.6.8, 9.10.2, 10.3.3, 11.3

Information and Services Required of the Owner

2.1.2, 2.2, 2.3, 3.2.2, 3.12.10.1, 6.1.3, 6.1.4, 6.2.5, 9.6.1, 9.9.2, 9.10.3, 10.3.3, 11.2, 13.4.1, 13.4.2, 14.1.1.4, 14.1.4, 15.1.4

Initial Decision

15.2

Initial Decision Maker, Definition of

1.1.8

Initial Decision Maker, Decisions

14.2.4, 15.1.4.2, 15.2.1, 15.2.2, 15.2.3, 15.2.4, 15.2.5

Initial Decision Maker, Extent of Authority

14.2.4, 15.1.4.2, 15.2.1, 15.2.2, 15.2.3, 15.2.4, 15.2.5

Injury or Damage to Person or Property

10.2.8, 10.4

Inspections

3.1.3, 3.3.3, 3.7.1, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 12.2.1, 13.4

Instructions to Bidders

1.1.1

Instructions to the Contractor

3.2.4, 3.3.1, 3.8.1, 5.2.1, 7, 8.2.2, 12, 13.4.2

Instruments of Service, Definition of

1.1.7

Insurance

6.1.1, 7.3.4, 8.2.2, 9.3.2, 9.8.4, 9.9.1, 9.10.2, 10.2.5, 11

Insurance, Notice of Cancellation or Expiration

11.1.4, 11.2.3

Insurance, Contractor's Liability

11.1

Insurance, Effective Date of

8.2.2, 14.4.2

Insurance, Owner's Liability

11.2

Insurance, Property

10.2.5, 11.2, 11.4, 11.5

Insurance, Stored Materials

9.3.2

INSURANCE AND BONDS

11

Insurance Companies, Consent to Partial Occupancy

9.9.1

Insured loss, Adjustment and Settlement of

11.5

Intent of the Contract Documents

1.2.1, 4.2.7, 4.2.12, 4.2.13

Interest

13.5

Interpretation

1.1.8, 1.2.3, 1.4, 4.1.1, 5.1, 6.1.2, 15.1.1

Interpretations, Written

4.2.11, 4.2.12

Judgment on Final Award

15.4.2

Int.

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User Notes:

Labor and Materials, Equipment

1.1.3, 1.1.6, 3.4, 3.5, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 5.2.1, 6.2.1, 7.3.4, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1, 10.2.4, 14.2.1.1, 14.2.1.2

Labor Disputes

8.3.1

Laws and Regulations

1.5, 2.3.2, 3.2.3, 3.2.4, 3.6, 3.7, 3.12.10, 3.13, 9.6.4, 9.9.1, 10.2.2, 13.1, 13.3.1, 13.4.2, 13.5, 14, 15.2.8, 15.4

Liens

2.1.2, 9.3.1, 9.3.3, 9.6.8, 9.10.2, 9.10.4, 15.2.8

Limitations, Statutes of

12.2.5, 15.1.2, 15.4.1.1

Limitations of Liability

3.2.2, 3.5, 3.12.10, 3.12.10.1, 3.17, 3.18.1, 4.2.6, 4.2.7, 6.2.2, 9.4.2, 9.6.4, 9.6.7, 9.6.8, 10.2.5, 10.3.3, 11.3, 12.2.5, 13.3.1

Limitations of Time

2.1.2, 2.2, 2.5, 3.2.2, 3.10, 3.11, 3.12.5, 3.15.1, 4.2.7, 5.2, 5.3, 5.4.1, 6.2.4, 7.3, 7.4, 8.2, 9.2, 9.3.1, 9.3.3, 9.4.1, 9.5, 9.6, 9.7, 9.8, 9.9, 9.10, 12.2, 13.4, 14, 15, 15.1.2, 15.1.3, 15.1.5

Materials, Hazardous

10.2.4, 10.3

Materials, Labor, Equipment and

1.1.3, 1.1.6, 3.4.1, 3.5, 3.8.2, 3.8.3, 3.12, 3.13, 3.15.1, 5.2.1, 6.2.1, 7.3.4, 9.3.2, 9.3.3, 9.5.1.3, 9.10.2, 10.2.1.2, 10.2.4, 14.2.1.1, 14.2.1.2

Means, Methods, Techniques, Sequences and Procedures of Construction

3.3.1, 3.12.10, 4.2.2, 4.2.7, 9.4.2

Mechanic's Lien

2.1.2, 9.3.1, 9.3.3, 9.6.8, 9.10.2, 9.10.4, 15.2.8

Mediation

8.3.1, 15.1.3.2, 15.2.1, 15.2.5, 15.2.6, 15.3, 15.4.1, 15.4.1.1

Minor Changes in the Work

1.1.1, 3.4.2, 3.12.8, 4.2.8, 7.1, 7.4

MISCELLANEOUS PROVISIONS

13

Modifications, Definition of

1.1.1

Modifications to the Contract

1.1.1, 1.1.2, 2.5, 3.11, 4.1.2, 4.2.1, 5.2.3, 7, 8.3.1, 9.7, 10.3.2

Mutual Responsibility

6.2

Nonconforming Work, Acceptance of

9.6.6, 9.9.3, 12.3

Nonconforming Work, Rejection and Correction of

2.4, 2.5, 3.5, 4.2.6, 6.2.4, 9.5.1, 9.8.2, 9.9.3, 9.10.4, 12.2

Notice

1.6, 1.6.1, 1.6.2, 2.1.2, 2.2.2, 2.2.3, 2.2.4, 2.5, 3.2.4, 3.3.1, 3.7.4, 3.7.5, 3.9.2, 3.12.9, 3.12.10, 5.2.1, 7.4, 8.2.2, 9.6.8, 9.7, 9.10.1, 10.2.8, 10.3.2, 11.5, 12.2.2.1,

13.4.1, 13.4.2, 14.1, 14.2.2, 14.4.2, 15.1.3, 15.1.5, 15.1.6, 15.4.1

Notice of Cancellation or Expiration of Insurance

11.1.4, 11.2.3

Notice of Claims

1.6.2, 2.1.2, 3.7.4, 9.6.8, 10.2.8, 15.1.3, 15.1.5, 15.1.6, 15.2.8, 15.3.2, 15.4.1

Notice of Testing and Inspections

13.4.1, 13.4.2

Observations, Contractor's

3.2, 3.7.4

Occupancy

2.3.1, 9.6.6, 9.8

Orders, Written

1.1.1, 2.4, 3.9.2, 7, 8.2.2, 11.5, 12.1, 12.2.2.1, 13.4.2, 14.3.1

OWNER

2

Owner, Definition of

2.1.1

Owner, Evidence of Financial Arrangements

2.2, 13.2.2, 14.1.1.4

Owner, Information and Services Required of the

2.1.2, 2.2, 2.3, 3.2.2, 3.12.10, 6.1.3, 6.1.4, 6.2.5, 9.3.2, 9.6.1, 9.6.4, 9.9.2, 9.10.3, 10.3.3, 11.2, 13.4.1, 13.4.2, 14.1.1.4, 14.1.4, 15.1.4

Owner's Authority

1.5, 2.1.1, 2.3.32.4, 2.5, 3.4.2, 3.8.1, 3.12.10, 3.14.2, 4.1.2, 4.2.4, 4.2.9, 5.2.1, 5.2.4, 5.4.1, 6.1, 6.3, 7.2.1, 7.3.1, 8.2.2, 8.3.1, 9.3.2, 9.5.1, 9.6.4, 9.9.1, 9.10.2, 10.3.2, 11.4, 11.5, 12.2.2, 12.3, 13.2.2, 14.3, 14.4, 15.2.7

Owner's Insurance

11.2

Owner's Relationship with Subcontractors

1.1.2, 5.2, 5.3, 5.4, 9.6.4, 9.10.2, 14.2.2

Owner's Right to Carry Out the Work

2.5, 14.2.2

Owner's Right to Clean Up

6.3

Owner's Right to Perform Construction and to Award Separate Contracts

6.1

Owner's Right to Stop the Work

2.4

Owner's Right to Suspend the Work

14.3

Owner's Right to Terminate the Contract

14.2, 14.4

Ownership and Use of Drawings, Specifications and Other Instruments of Service

1.1.1, 1.1.6, 1.1.7, 1.5, 2.3.6, 3.2.2, 3.11, 3.17, 4.2.12, 5.3

Partial Occupancy or Use

9.6.6, 9.9

Patching, Cutting and

3.14, 6.2.5

Init.

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User Notes:

Patents

3.17

Payment, Applications for

4.2.5, 7.3.9, 9.2, 9.3, 9.4, 9.5, 9.6.3, 9.7, 9.8.5, 9.10.1, 14.2.3, 14.2.4, 14.4.3

Payment, Certificates for

4.2.5, 4.2.9, 9.3.3, 9.4, 9.5, 9.6.1, 9.6.6, 9.7, 9.10.1, 9.10.3, 14.1.1.3, 14.2.4

Payment, Failure of

9.5.1.3, 9.7, 9.10.2, 13.5, 14.1.1.3, 14.2.1.2

Payment, Final

4.2.1, 4.2.9, 9.10, 12.3, 14.2.4, 14.4.3

Payment Bond, Performance Bond and

7.3.4.4, 9.6.7, 9.10.3, 11.1.2

Payments, Progress

9.3, 9.6, 9.8.5, 9.10.3, 14.2.3, 15.1.4

PAYMENTS AND COMPLETION

9

Payments to Subcontractors

5.4.2, 9.5.1.3, 9.6.2, 9.6.3, 9.6.4, 9.6.7, 14.2.1.2

PCB

10.3.1

Performance Bond and Payment Bond

7.3.4.4, 9.6.7, 9.10.3, 11.1.2

Permits, Fees, Notices and Compliance with Laws

2.3.1, 3.7, 3.13, 7.3.4.4, 10.2.2

PERSONS AND PROPERTY, PROTECTION OF

10

Polychlorinated Biphenyl

10.3.1

Product Data, Definition of

3.12.2

Product Data and Samples, Shop Drawings

3.11, 3.12, 4.2.7

Progress and Completion

4.2.2, 8.2, 9.8, 9.9.1, 14.1.4, 15.1.4

Progress Payments

9.3, 9.6, 9.8.5, 9.10.3, 14.2.3, 15.1.4

Project, Definition of

1.1.4

Project Representatives

4.2.10

Property Insurance

10.2.5, 11.2

Proposal Requirements

1.1.1

PROTECTION OF PERSONS AND PROPERTY

10

Regulations and Laws

1.5, 2.3.2, 3.2.3, 3.6, 3.7, 3.12.10, 3.13, 9.6.4, 9.9.1, 10.2.2, 13.1, 13.3, 13.4.1, 13.4.2, 13.5, 14, 15.2.8, 15.4

Rejection of Work

4.2.6, 12.2.1

Releases and Waivers of Liens

9.3.1, 9.10.2

Representations

3.2.1, 3.5, 3.12.6, 8.2.1, 9.3.3, 9.4.2, 9.5.1, 9.10.1

Representatives

2.1.1, 3.1.1, 3.9, 4.1.1, 4.2.10, 13.2.1

Responsibility for Those Performing the Work

3.3.2, 3.18, 4.2.2, 4.2.3, 5.3, 6.1.3, 6.2, 6.3, 9.5.1, 10

Retainage

9.3.1, 9.6.2, 9.8.5, 9.9.1, 9.10.2, 9.10.3

Review of Contract Documents and Field Conditions by Contractor

3.2, 3.12.7, 6.1.3

Review of Contractor's Submittals by Owner and Architect

3.10.1, 3.10.2, 3.11, 3.12, 4.2, 5.2, 6.1.3, 9.2, 9.8.2

Review of Shop Drawings, Product Data and Samples by Contractor

3.12

Rights and Remedies

1.1.2, 2.4, 2.5, 3.5, 3.7.4, 3.15.2, 4.2.6, 5.3, 5.4, 6.1, 6.3, 7.3.1, 8.3, 9.5.1, 9.7, 10.2.5, 10.3, 12.2.1, 12.2.2, 12.2.4, 13.3, 14, 15.4

Royalties, Patents and Copyrights

3.17

Rules and Notices for Arbitration

15.4.1

Safety of Persons and Property

10.2, 10.4

Safety Precautions and Programs

3.3.1, 4.2.2, 4.2.7, 5.3, 10.1, 10.2, 10.4

Samples, Definition of

3.12.3

Samples, Shop Drawings, Product Data and

3.11, 3.12, 4.2.7

Samples at the Site, Documents and

3.11

Schedule of Values

9.2, 9.3.1

Schedules, Construction

3.10, 3.12.1, 3.12.2, 6.1.3, 15.1.6.2

Separate Contracts and Contractors

1.1.4, 3.12.5, 3.14.2, 4.2.4, 4.2.7, 6, 8.3.1, 12.1.2

Separate Contractors, Definition of

6.1.1

Shop Drawings, Definition of

3.12.1

Shop Drawings, Product Data and Samples

3.11, 3.12, 4.2.7

Site, Use of

3.13, 6.1.1, 6.2.1

Site Inspections

3.2.2, 3.3.3, 3.7.1, 3.7.4, 4.2, 9.9.2, 9.4.2, 9.10.1, 13.4

Site Visits, Architect's

3.7.4, 4.2.2, 4.2.9, 9.4.2, 9.5.1, 9.9.2, 9.10.1, 13.4

Special Inspections and Testing

4.2.6, 12.2.1, 13.4

Specifications, Definition of

1.1.6

Specifications

1.1.1, 1.1.6, 1.2.2, 1.5, 3.12.10, 3.17, 4.2.14

Init.

Statute of Limitations

15.1.2, 15.4.1.1

Stopping the Work

2.2.2, 2.4, 9.7, 10.3, 14.1

Stored Materials

6.2.1, 9.3.2, 10.2.1.2, 10.2.4

Subcontractor, Definition of

5.1.1

SUBCONTRACTORS

5

Subcontractors, Work by

1.2.2, 3.3.2, 3.12.1, 3.18, 4.2.3, 5.2.3, 5.3, 5.4, 9.3.1.2, 9.6.7

Subcontractual Relations

5.3, 5.4, 9.3.1.2, 9.6, 9.10, 10.2.1, 14.1, 14.2.1

Submittals

3.10, 3.11, 3.12, 4.2.7, 5.2.1, 5.2.3, 7.3.4, 9.2, 9.3, 9.8, 9.9.1, 9.10.2, 9.10.3

Submittal Schedule

3.10.2, 3.12.5, 4.2.7

Subrogation, Waivers of

6.1.1, 11.3

Substances, Hazardous

10.3

Substantial Completion

4.2.9, 8.1.1, 8.1.3, 8.2.3, 9.4.2, 9.8, 9.9.1, 9.10.3, 12.2, 15.1.2

Substantial Completion, Definition of

9.8.1

Substitution of Subcontractors

5.2.3, 5.2.4

Substitution of Architect

2.3.3

Substitutions of Materials

3.4.2, 3.5, 7.3.8

Sub-subcontractor, Definition of

5.1.2

Subsurface Conditions

3.7.4

Successors and Assigns

13.2

Superintendent

3.9, 10.2.6

Supervision and Construction Procedures

1.2.2, 3.3, 3.4, 3.12.10, 4.2.2, 4.2.7, 6.1.3, 6.2.4, 7.1.3, 7.3.4, 8.2, 8.3.1, 9.4.2, 10, 12, 14, 15.1.4

Suppliers

1.5, 3.12.1, 4.2.4, 4.2.6, 5.2.1, 9.3, 9.4.2, 9.5.4, 9.6, 9.10.5, 14.2.1

Surety

5.4.1.2, 9.6.8, 9.8.5, 9.10.2, 9.10.3, 11.1.2, 14.2.2, 15.2.7

Surety, Consent of

9.8.5, 9.10.2, 9.10.3

Surveys

1.1.7, 2.3.4

Suspension by the Owner for Convenience

14.3

Suspension of the Work

3.7.5, 5.4.2, 14.3

Suspension or Termination of the Contract

5.4.1.1, 14

Taxes

3.6, 3.8.2.1, 7.3.4.4

Termination by the Contractor

14.1, 15.1.7

Termination by the Owner for Cause

5.4.1.1, 14.2, 15.1.7

Termination by the Owner for Convenience

14.4

Termination of the Architect

2.3.3

Termination of the Contractor Employment

14.2.2

TERMINATION OR SUSPENSION OF THE CONTRACT

14

Tests and Inspections

3.1.3, 3.3.3, 3.7.1, 4.2.2, 4.2.6, 4.2.9, 9.4.2, 9.8.3, 9.9.2, 9.10.1, 10.3.2, 12.2.1, 13.4

TIME

8

Time, Delays and Extensions of

3.2.4, 3.7.4, 5.2.3, 7.2.1, 7.3.1, 7.4, 8.3, 9.5.1, 9.7, 10.3.2, 10.4, 14.3.2, 15.1.6, 15.2.5

Time Limits

2.1.2, 2.2, 2.5, 3.2.2, 3.10, 3.11, 3.12.5, 3.15.1, 4.2, 5.2, 5.3, 5.4, 6.2.4, 7.3, 7.4, 8.2, 9.2, 9.3.1, 9.3.3, 9.4.1, 9.5, 9.6, 9.7, 9.8, 9.9, 9.10, 12.2, 13.4, 14, 15.1.2, 15.1.3, 15.4

Time Limits on Claims

3.7.4, 10.2.8, 15.1.2, 15.1.3

Title to Work

9.3.2, 9.3.3

UNCOVERING AND CORRECTION OF WORK

12

Uncovering of Work

12.1

Unforeseen Conditions, Concealed or Unknown

3.7.4, 8.3.1, 10.3

Unit Prices

7.3.3.2, 9.1.2

Use of Documents

1.1.1, 1.5, 2.3.6, 3.12.6, 5.3

Use of Site

3.13, 6.1.1, 6.2.1

Values, Schedule of

9.2, 9.3.1

Waiver of Claims by the Architect

13.3.2

Waiver of Claims by the Contractor

9.10.5, 13.3.2, 15.1.7

Init.

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Waiver of Claims by the Owner
9.9.3, 9.10.3, 9.10.4, 12.2.2.1, 13.3.2, 14.2.4, 15.1.7
Waiver of Consequential Damages
14.2.4, 15.1.7
Waiver of Liens
9.3, 9.10.2, 9.10.4
Waivers of Subrogation
6.1.1, 11.3
Warranty
3.5, 4.2.9, 9.3.3, 9.8.4, 9.9.1, 9.10.2, 9.10.4, 12.2.2,
15.1.2

Weather Delays
8.3, 15.1.6.2
Work, Definition of
1.1.3
Written Consent
1.5.2, 3.4.2, 3.7.4, 3.12.8, 3.14.2, 4.1.2, 9.3.2, 9.10.3,
13.2, 13.3.2, 15.4.4.2
Written Interpretations
4.2.11, 4.2.12
Written Orders
1.1.1, 2.4, 3.9, 7, 8.2.2, 12.1, 12.2, 13.4.2, 14.3.1

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 Basic Definitions

§ 1.1.1 The Contract Documents

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement, and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive, or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding or proposal requirements.

In case of any inconsistency, conflict, or ambiguity among the Contract Documents, the documents shall govern in the following order: 1. Contract Agreement: The main contract document outlining the agreement between the owner and the contractor. 2. General Conditions: standardized terms and conditions that govern the project. 3. Special Conditions: Specific terms unique to the project. 4. Specifications: Written descriptions of materials, workmanship, and construction standards. 5. Drawings: Detailed graphical representations of the project. 6. Addenda: Changes or additions to the original contract documents. 7. Change Orders: Amendments to the contract documents after the project has begun. 8. Construction Change Directives: Directives issued by the owner for changes in the work. 9. Miscellaneous Documents: Additional documents relevant to the project, such as permits approvals, and certificates.. Among categories of documents having the same order of precedence, the term or provision that includes the latest date shall control.

§ 1.1.2 The Contract

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants, or (4) between any persons or entities other than the Owner and the Contractor.

§ 1.1.3 The Work

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment, and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 The Project

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by Separate Contractors.

§ 1.1.5 The Drawings

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

§ 1.1.6 The Specifications

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 Instruments of Service

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 Initial Decision Maker

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The Initial Decision Maker shall not show partiality to the Owner or Contractor and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 1.1.9 Base Bid

The Base Bid is the bid before any alternates are considered.

§ 1.2 Correlation and Intent of the Contract Documents

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably indicated therein.

§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 Capitalization

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles, or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 Interpretation

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 Ownership and Use of Drawings, Specifications, and Other Instruments of Service

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and retain all common law, statutory, and other reserved rights in their Instruments of Service, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors, and suppliers are authorized to use and reproduce the Instruments of Service provided to them, subject to any protocols established pursuant to Sections 1.7 and 1.8, solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and suppliers may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work without the specific written consent of the Owner, Architect, and the Architect's consultants.

§ 1.6 Notice

§ 1.6.1 Except as otherwise provided in Section 1.6.2, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission.

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§ 1.6.2 Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, by email or by courier providing proof of delivery.

§ 1.7 Digital Data Use and Transmission

The parties shall agree upon protocols governing the transmission and use of Instruments of Service.

§ 1.8 Building Information Models Use and Reliance

Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™-2013, Project Building Information Modeling Protocol Form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

ARTICLE 2 OWNER

§ 2.1 General

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor, within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of, or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.2 Evidence of the Owner's Financial Arrangements

§ 2.2.1 Prior to commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. The Contractor shall have no obligation to commence the Work until the Owner provides such evidence. If commencement of the Work is delayed under this Section 2.2.1, the Contract Time shall be extended appropriately.

§ 2.2.2 Following commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract only if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due; or (3) a change in the Work materially changes the Contract Sum. If the Owner fails to provide such evidence, as required, within fourteen days of the Contractor's request, the Contractor may immediately stop the Work and, in that event, shall notify the Owner that the Work has stopped. However, if the request is made because a change in the Work materially changes the Contract Sum under (3) above, the Contractor may immediately stop only that portion of the Work affected by the change until reasonable evidence is provided. If the Work is stopped under this Section 2.2.2, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided in the Contract Documents.

§ 2.2.3 After the Owner furnishes evidence of financial arrangements under this Section 2.2, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.4 Where the Owner has designated information furnished under this Section 2.2 as "confidential," the Contractor shall keep the information confidential and shall not disclose it to any other person. However, the Contractor may disclose "confidential" information, after seven (7) days' notice to the Owner, where disclosure is required by law, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or by court or arbitrator(s) order. The Contractor may also disclose "confidential" information to its employees, consultants, sureties, Subcontractors and their employees, Sub-subcontractors, and others who need to know the content of such information solely and exclusively for the Project and who agree to maintain the confidentiality of such information.

§ 2.3 Information and Services Required of the Owner

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.3.2 The Owner shall retain an architect lawfully licensed to practice architecture, or an entity lawfully practicing architecture, in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 2.3.3 If the employment of the Architect terminates, the Owner shall employ a successor to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 2.3.4 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness at Owner's expense. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.3.6 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.4 Owner's Right to Stop the Work

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.5 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, issue a second notice to the Contractor that Contractor has five (5) days to commence and continue to correct such deficiencies. If the Contractor, within such five (5) day period after receipt of such second notice, fails to commence and continue to correct any deficiencies, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect and the Architect may, pursuant to Section 9.5.1, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner. If the Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

ARTICLE 3 CONTRACTOR

§ 3.1 General

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

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§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 Review of Contract Documents and Field Conditions by Contractor

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated reasonable observations with requirements of the Contract Documents. However, Contractor's investigation shall not be deemed to supersede or waive Contractor's right to rely on site information provided by Owner under Section 2.3.4.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.3.4, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall submit Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner, subject to Section 15.1.7, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 Supervision and Construction Procedures

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work under the Contract. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Contractor shall evaluate the jobsite safety thereof and shall be solely responsible for the jobsite safety of such means, methods, techniques, sequences, or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely notice to the Owner and Architect, and shall propose alternative means, methods, techniques, sequences, or procedures. The Architect shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction. Unless the Architect objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures.

Notwithstanding any of the rights and authority granted or required of the Owner in the Contract Documents or any provision, in no event shall the Owner have the right to exercise control over, take charge of, or assume any responsibility for any subcontractor's or supplier's employees, construction means, methods, techniques, sequences, or procedures, or for subcontractor's safety precautions and programs in connection with the Work.

§ 3.3.2 Subcontractors will be independently responsible for the safety of their employees and job-site in connection with their subcontracted portions of the Work; provided, however, that the foregoing is not intended to relieve Contractor of its obligations to Owner, including, without limitation, Contractor's obligation to construct the Work in accordance with the Contract Documents.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 Labor and Materials

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work approved by the Architect in accordance with Section 3.12.8 or ordered by the Architect in accordance with Section 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 Warranty

§ 3.5.1 For a period of one (1) year following Substantial Completion of the Work, the Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. The Contractor shall be entitled to a copy of all maintenance records upon request. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. THE AFORESAID WARRANTIES AND ANY OTHER EXPRESS WARRANTIES REQUIRED UNDER THE SPECIFICATIONS ARE IN LIEU OF ALL OTHER WARRANTIES BY THE CONTRACTOR, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4.

§ 3.6 Taxes

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect. In the event there is a change in tax rates, including tariffs, by the Federal, State, County or Municipal governments, Contractor shall be entitled to a Change Order for the difference (positive or negative) and adjust the contract value accordingly.

§ 3.7 Permits, Fees, Notices and Compliance with Laws

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 14 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may submit a Claim as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 Allowances

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- 1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- 2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- 3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 Superintendent

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the name and qualifications of a proposed superintendent. The Owner may reply within five (5) days to the Contractor in writing, stating whether the Owner has reasonable objection to the proposed superintendent. Failure of the Owner to reply within the five (5) day period shall constitute notice of no reasonable objection.

(Paragraph deleted)

§ 3.10 Contractor's Construction and Submittal Schedules

The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect, as may be modified from time to time, subject to the provisions of this Agreement.

(Paragraphs deleted)

§ 3.11 Documents and Samples at the Site

The Contractor shall make available, at the Project site, the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and the approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and Owner, and delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.12 Shop Drawings, Product Data and Samples

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment, or workmanship, and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Architect, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of Separate Contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples, or similar submittals, until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals, by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such notice, the Architect's approval of a resubmission shall not apply to such revisions.

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§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures. The Contractor shall not be required to provide professional services in violation of applicable law.

§ 3.12.10.1 If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings, and other submittals prepared by such professional. Shop Drawings, and other submittals related to the Work, designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review and approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 3.12.10.2 If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Architect at the time and in the form specified by the Architect.

§ 3.13 Use of Site

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 Cutting and Patching

§ 3.14.1 The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or Separate Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

§ 3.15 Cleaning Up

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials and rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery, and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 Access to Work

The Contractor shall provide the Owner and Architect with access to the Work in preparation and progress wherever located.

§ 3.17 Royalties, Patents and Copyrights

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for defense or loss when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications, or other documents prepared by the Owner or Architect. However, if an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Architect.

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, , and agents and employees of the Owner from and against third-party claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 General

§ 4.1.1 The Architect is the person or entity retained by the Owner pursuant to Section 2.3.2 and identified as such in the Agreement.

§ 4.1.2 Duties, responsibilities, and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified, or extended without written consent of the Owner, Contractor, and Architect. Consent shall not be unreasonably withheld.

§ 4.2 Administration of the Contract

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of, and will not be responsible for acts or omissions of, the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 Communications

The Owner and Contractor shall include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner. The Contract Documents may specify other communication protocols.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Owner has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data, and Samples. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5, and 3.12. The Architect's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more Project representatives to assist in carrying out the Architect's responsibilities at the site. The Owner shall notify the Contractor of any change in the duties, responsibilities and limitations of authority of the Project representatives.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably indicated in the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

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ARTICLE 5 SUBCONTRACTORS

§ 5.1 Definitions

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a Separate Contractor or the subcontractors of a Separate Contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 Award of Subcontracts and Other Contracts for Portions of the Work

§ 5.2.1 Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 Subcontractual Relations

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work that the Contractor, by these Contract Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies, and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 Contingent Assignment of Subcontracts

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

1. assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor; and

- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 Owner's Right to Perform Construction and to Award Separate Contracts

§ 6.1.1 The term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under Conditions of the Contract substantially similar to those of this Contract, including those provisions of the Conditions of the Contract related to insurance and waiver of subrogation.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each Separate Contractor with the Work of the Contractor, who shall timely cooperate with each other. The Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules when directed to do so. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces or with Separate Contractors, the Owner or its Separate Contractors shall have the same obligations and rights that the Contractor has under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11, and 12.

§ 6.2 Mutual Responsibility

§ 6.2.1 The Contractor shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work shall constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work. The Contractor shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not apparent.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of the Owner's or Separate Contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage that the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or Separate Contractor as provided in Section 10.2.5.

§ 6.2.5 The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 Owner's Right to Clean Up

If a dispute arises among the Contractor, Separate Contractors, and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 General

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor, and Architect. A Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor. An order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

§ 7.2 Change Orders

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor, and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

§ 7.3 Construction Change Directives

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon; or
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee.

§ 7.3.4 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.4 shall be limited to the following:

- .1 Costs of labor, including applicable payroll taxes, fringe benefits required by agreement or custom, workers' compensation insurance, and other employee costs approved by the Architect;
- .2 Costs of materials, supplies, and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use, or similar taxes, directly related to the change;
- .5 Costs of supervision and field office personnel directly attributable to the change; and
- .6 The Architect's determination, as specified above, shall not be less than the actual costs expended by the Contractor in performing the changed Work. If the Architect's determination is believed by the Contractor to be less than its actual costs (incurred or projected) in performing the Work, the Contractor may initiate dispute resolution procedures pursuant to Article 15.

§ 7.3.5 If the Contractor disagrees with the adjustment in the Contract Time, the Contractor may make a Claim in accordance with applicable provisions of Article 15.

§ 7.3.6 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.7 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.3.11 Acceptance of Change Orders and any adjustments in the Contract Sum or Contract Time shall not be unreasonably withheld.

§ 7.4 Minor Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in writing. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time if the party asserting waiver has been prejudiced by lack of notice.

ARTICLE 8 TIME

§ 8.1 Definitions

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 Progress and Completion

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, commence the Work prior to the effective date of insurance required to be furnished by the Contractor and Owner.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 Delays and Extensions of Time

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, adverse weather conditions documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor's control (including but not limited to, labor and/or material escalation and/or shortages, supply chain disruptions, delays to deliveries, permits, insurance or notice to proceed, and Owner, government, or regulatory actions, such as stop work orders, arising out of or relating to quarantines, embargos, travel restrictions, virus, disease, contagion, or any other widespread communicable disease, such as epidemics or pandemics); (4) by delay authorized by the Owner pending mediation and binding dispute resolution; or (5) by other causes that the Contractor asserts, and the Architect determines, justify delay, then the Contract Time and/or Sum shall be extended for such reasonable time and/or cost as the Architect may determine. The extension of time and/or costs under this Article 8.3 shall not be deemed Contractor's sole remedy, and Contractor shall be entitled to an equitable adjustment to the Contract Sum to account for any such delays, disruptions, and/or impacts.

§ 8.3.2 Claims relating to time and costs shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 Contract Sum

§ 9.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.2 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 9.2 Schedule of Values

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit a schedule of values to the Architect before the first Application for Payment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Notwithstanding anything herein to the contrary, the

Schedule of Values submitted by the Contractor shall not act to limit or reduce the Contractor's compensation for the Work identified therein, in the event Contractor's actual cost for the Work deviates from the values shown therein.

§ 9.3 Applications for Payment

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. The application shall be notarized, if required, and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

(Paragraph deleted)

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage, and transportation to the site, for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims, security interests, or encumbrances, in favor of the Contractor, Subcontractors, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work.

§ 9.4 Certificates for Payment

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Architect determines is properly due, and notify the Contractor and Owner of the Architect's reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Architect's reason for withholding certification in whole as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion, and to specific qualifications expressed by the Architect. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques, sequences, or procedures; (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 Decisions to Withhold Certification

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the

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Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims, unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or suppliers for labor, materials or equipment;
- .4 damage to the Owner or a Separate Contractor; or
- .5 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When either party disputes the Architect's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, that party may submit a Claim in accordance with Article 15.

§ 9.5.3 Owner will provide ten (10) days' prior written notice and an opportunity to cure before withholding payment. When the reasons for withholding certification are removed, certification will be made for amounts previously withheld.

(Paragraph deleted)

§ 9.6 Progress Payments

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect. To prevent fraud and cyberattacks, no personal identification information (i.e., bank account, social security, Federal tax identification numbers, or associated passwords, etc.) will be sent via email. All wire transfer information will be provided via telephone, facsimile, or video call.

§ 9.6.2 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 Reserved.

§ 9.6.4 Reserved.

§ 9.6.5 The Contractor's payments to suppliers shall be treated in a manner similar to that provided in Section 9.6.2.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors or provided by suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, create any fiduciary liability or tort liability on the part of the Contractor for breach of trust, or entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.6.8 Provided the Owner has fulfilled its payment obligations under the Contract Documents, the Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

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§ 9.7 Failure of Payment

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents, the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 Substantial Completion

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work. Notwithstanding any other circumstance or provision, a Temporary Certificate of Occupancy shall constitute Substantial Completion. If the local building official fails to issue a Temporary Certificate of Occupancy or any governing authority fails to issue any other approvals, licenses, or other documents necessary for the occupancy of the Project due to events beyond the reasonable control of Contractor, Substantial Completion shall be the date such documents necessary for occupancy could have been issued but for the events beyond the Contractor's control.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate. Upon such acceptance, and consent of surety if any, the Owner shall make payment of retainage applying to the Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 Partial Occupancy or Use

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect. For any partial occupancy or use, the Owner shall reduce retainage proportionately to the Contractor at the time of partial occupancy or use.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor, and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 Final Completion and Final Payment

§ 9.10.1 Upon receipt of the Contractor's notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection. When the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties, such as manufacturers' warranties or specific Subcontractor warranties, and (6) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging the lien, claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed, corrected, and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of the surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests, or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents;
- .3 terms of special warranties required by the Contract Documents; or
- .4 audits performed by the Owner, if permitted by the Contract Documents, after final payment.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor, or a supplier, shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

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§ 10.2 Safety of Persons and Property

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury, or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody, or control of the Contractor, a Subcontractor, or a Sub-subcontractor; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with, and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss.

§ 10.2.3 The Contractor shall implement, erect, and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards; promulgating safety regulations; and notifying the owners and users of adjacent sites and utilities of the safeguards.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment, or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 Injury or Damage to Person or Property

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 Hazardous Materials and Substances

§ 10.3.1 Unless otherwise expressly provided in the Contract Documents to be part of the Work, the Contractor is not responsible for any Hazardous Materials encountered at the site. If Contractor encounters any Hazardous Materials or substance not identified in the Contract Documents to be the responsibility of Contractor, then Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

- .1 "Hazardous Materials" means any materials, wastes, substances and chemicals, which are deemed to be hazardous under applicable Legal Requirements, or for which handling, storage, remediation, or disposal are regulated by applicable Legal Requirements. "Legal Requirements" means all applicable federal, state, and local laws, codes, ordinances, rules, regulations, orders and decrees of

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any government or quasi-government entity having jurisdiction over the Project or site, the practices involved in the Project or site, or any Work.

- .2 Before the Commencement Date, to the extent available, and as they become available thereafter, the Owner shall provide the Contractor with copies of all environmental studies, reports, and impact statements, including Hazardous Materials, in existence at the site.

§ 10.3.2 Upon receipt of the Contractor's notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of the material or substance or who are to perform the task of removal or safe containment of the material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable additional costs of shutdown, delay, and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss, or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for hazardous materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall reimburse the Contractor for all cost and expense thereby incurred.

§ 10.4 Emergencies

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 Contractor's Insurance and Bonds

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner State of Minnesota and St. Louis County shall be named as an additional insured under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

§ 11.1.2 The Contractor shall provide surety bonds of the types, for such penal sums, and subject to such terms and conditions as required by the Contract Documents. The Contractor shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located. § 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

(Paragraph deleted)

§ 11.1.4 **Notice of Cancellation or Expiration of Contractor's Required Insurance.** Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

§ 11.2 Owner's Insurance

§ 11.2.1 The Owner shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Owner shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located.

§ 11.2.2 **Failure to Purchase Required Property Insurance.** If the Contractor fails to purchase and maintain the required property insurance, with all of the coverages and in the amounts described in the Agreement or elsewhere in the Contract Documents, the Contractor shall inform the Owner in writing prior to commencement of the Work. Upon receipt of notice from the Contractor, the Owner may delay commencement of the Work and may obtain insurance that will protect the interests of the Contractor, Subcontractors, and Sub-Subcontractors in the Work. When the failure to provide coverage has been cured or resolved, the Contract Sum and Contract Time shall be equitably adjusted. In the event the Contractor fails to procure coverage, the Contractor waives all rights against the Owner, Subcontractors, and Sub-subcontractors to the extent the loss to the Contractor would have been covered by the insurance to have been procured by the Contractor. The cost of the insurance shall be charged to the Owner by a Change Order. If the Contractor does not provide written notice, and the Owner is damaged by the failure or neglect of the Contractor to purchase or maintain the required insurance, the Contractor shall reimburse the Owner for all reasonable costs and damages attributable thereto.

§ 11.2.3 **Notice of Cancellation or Expiration of Required Property Insurance.** Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any property insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Unless the lapse in coverage arises from an act or omission of the Contractor: (1) the Owner, upon receipt of notice from the Contractor, shall have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by either the Owner or the Contractor; (2) the Contract Time and Contract Sum shall be equitably adjusted; and (3) the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent any loss to the Owner would have been covered by the insurance had it not expired or been cancelled. If the Owner purchases replacement coverage, the cost of the insurance shall be adjusted by the Owner by an appropriate Change Order. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide required insurance.

§ 11.3 Waivers of Subrogation

§ 11.3.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other; (2) the Architect and Architect's consultants; and (3) Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire, or other causes of loss, to the extent those losses are covered by property insurance required by the Agreement or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance. The Owner or Contractor, as appropriate, shall require similar written waivers in favor of the individuals and entities identified above from the Architect, Architect's consultants, Separate Contractors, subcontractors, and sub-subcontractors. The policies of insurance purchased and maintained by each person or entity agreeing to waive claims pursuant to this section 11.3.1 shall not prohibit this waiver of subrogation. This waiver of subrogation shall be

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effective as to a person or entity (1) even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) even though that person or entity did not pay the insurance premium directly or indirectly, or (3) whether or not the person or entity had an insurable interest in the damaged property.

§ 11.3.2 During the Project construction period the Owner shall insure any owned properties, real or personal or both, at or adjacent to the site by property insurance. After expiration or cancellation of the builder's risk insurance required by this agreement, Owner will provide property insurance on the completed Project. . The Owner waives all rights in accordance with the terms of Section 11.3.1 for damages caused by fire or other causes of loss covered by this separate property insurance.

§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance

The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Contractor and Architect for loss of use of the Owner's property, due to fire or other hazards however caused.

§11.5 Adjustment and Settlement of Insured Loss

§ 11.5.1 A loss insured under the builder's risk insurance required by the Agreement shall be adjusted by the party who procured the property insurance and made payable to the party who procured the property insurance for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The party who procured the property insurance pay the Architect and Contractor their just shares of insurance proceeds received, and by appropriate agreements the Architect and Contractor shall make payments to their consultants and Subcontractors in a similar manner.

§ 11.5.2 If requested by Owner or Contractor prior to settlement of an insured loss, the party who procured the property insurance shall notify the other party(ies) of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The other party(ies) shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the other party(ies) does not object, the party who procured the property insurance shall settle the loss and other party(ies) shall be bound by the settlement and allocation. Upon receipt, the party who procured the builder's risk insurance shall deposit the insurance proceeds in a separate account and make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If any party timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the party who procured the builder's risk insurance may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 Uncovering of Work

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, the Contractor shall be entitled to an equitable adjustment to the Contract Sum and Contract Time as may be appropriate. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

§ 12.2 Correction of Work

§ 12.2.1 Before Substantial Completion

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 After Substantial Completion

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of notice from the Owner to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.5.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or Separate Contractors, whether completed or partially completed, caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 Acceptance of Nonconforming Work

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 Governing Law

The Contract shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 Successors and Assigns

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.

§ 13.3 Rights and Remedies

§ 13.3.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law.

§ 13.3.2 No action or failure to act by the Owner, Architect, or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed upon in writing.

§ 13.4 Tests and Inspections

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections, and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 13.4.2 If the Architect, Owner, or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Section 13.4.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection, or approval, by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.4.3, shall be at the Owner's expense.

§ 13.4.3 If procedures for testing, inspection, or approval under Sections 13.4.1 and 13.4.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure, including those of repeated procedures and compensation for the Architect's services and expenses, shall be at the Contractor's expense.

§ 13.4.4 Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.4.5 If the Architect is to observe tests, inspections, or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.4.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.5 Interest

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate the parties agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 Termination by the Contractor

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped;

Init.

- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents;
- .4 The Owner is in material breach of the Contract Documents; or
- .5 The Owner has failed to furnish to the Contractor reasonable evidence as required by Section 2.2.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less. The Contractor may also terminate if the Owner has failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, and that failure has continued for seven (7) days or more after the Contractor's written notice of the failure to the Owner.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, as well as reasonable overhead and profit on Work not executed, and costs incurred up to and by reason of such termination.

§ 14.1.4 If the Work is stopped for a period of 120 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 Termination by the Owner for Cause

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements between the Contractor and the Subcontractors or suppliers;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the reasons described in Section 14.2.1 exist, and upon certification by the Architect that sufficient cause exists to justify such action, the Owner may, without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' notice, terminate employment of the Contractor, if Contractor has failed within those seven days to commence a cure or proceed diligently to cure the default within the cure period, and may, subject to any prior rights of the surety:

- .1 Direct the Contractor to remove itself from the site with the exception of an agent designated by Contractor and approved by the Owner to be on the premises and remove all equipment, materials, tools and construction equipment owned by the Contractor from the site,
- .2 accept assignment of subcontracts pursuant to Section 5.4; and
- .2 finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.2.5 Conversion of Termination for Cause to Termination for Convenience. In the event Owner terminates Contractor for any cause under the terms of this Agreement and it is later determined by a court of competent jurisdiction, by arbitration or other similar proceeding that such termination for cause was not justified, then in such event such termination for cause shall automatically be converted to a termination for convenience.

§ 14.3 Suspension by the Owner for Convenience

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work, in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 Termination by the Owner for Convenience

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed; costs incurred up to and by reason of the termination, including costs attributable to termination of Subcontracts; and the termination fee, if any, set forth in the Agreement.

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 Claims

§ 15.1.1 Definition

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

§ 15.1.2 Time Limits on Claims

The Owner and Contractor shall commence all Claims and causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the binding dispute resolution method selected in the Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all Claims and causes of action not commenced in accordance with this Section 15.1.2.

§ 15.1.3 Notice of Claims

§ 15.1.3.1 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered prior to expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party under this Section 15.1.3.1 shall be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3.2 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party. In such event, no decision by the Initial Decision Maker is required.

§ 15.1.4 Continuing Contract Performance

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. This Subparagraph shall not operate to diminish or impair the right of the Contractor to stop Work under other provisions of the Contract Documents, and the Contractor shall not be required to continue performance when not being paid amounts due or owed under the Contract Documents, notwithstanding the provisions of this Agreement or the Owner disputing that such amounts are due and owing.

§ 15.1.4.2 The Contract Sum and Contract Time shall be adjusted in accordance with the Initial Decision Maker's decision, subject to the right of either party to proceed in accordance with this Article 15. The Architect will issue Certificates for Payment in accordance with the decision of the Initial Decision Maker.

§ 15.1.5 Claims for Additional Cost and Time

When Owner has rejected Contractor's request for additional time or costs under other provisions of the Contract Documents, Contractor may proceed with a Claim under this Article.

§ 15.1.6 Claims for Additional Time and Costs

§ 15.1.6.1 If the Contractor wishes to make a Claim for an increase in the Contract Time and Sum, notice as provided in Section 15.1.3 shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.6.2 If adverse weather conditions are the basis for a Claim for additional time and/or costs, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated, and had an adverse effect on the scheduled construction.

The parties further agree that Claims based on adverse weather conditions may also include days that work cannot be performed because it is unsafe, because the Contractor is recovering from adverse weather conditions or because of any of the following:

- i. precipitation, including but not limited to rain, snow, hail, and sleet, of one inch (1") or greater;
- ii. wind speeds of twenty-five (25) miles per hour or greater;
- iii. temperature less than 5 below zero (-5 degrees) ambient temperature and/or 25 below zero (-25 degrees) windchill, or greater than one hundred five (105 degrees) Fahrenheit heat index;
- iv. or otherwise indicated in the drawings, specifications, or manufacturer's requirements.

§ 15.1.7 Waiver of Claims for Consequential Damages

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit, except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 Initial Decision

§ 15.2.1 Claims, excluding those where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2 or arising under Sections 10.3, 10.4, and 11.5, shall be

referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim. If an initial decision has not been rendered within 30 days after the Claim has been referred to the Initial Decision Maker, the party asserting the Claim may demand mediation and binding dispute resolution without a decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of the request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished, or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of receipt of an initial decision, demand in writing that the other party file for mediation. If such a demand is made and the party receiving the demand fails to file for mediation within 30 days after receipt thereof, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 Mediation

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract, except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.7, shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The

request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 Either party may, within 30 days from the date that mediation has been concluded without resolution of the dispute or 60 days after mediation has been demanded without resolution of the dispute, demand in writing that the other party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within 60 days after receipt thereof, then both parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.

§ 15.3.4 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. All negotiations, mediation, and arbitration proceedings and outcomes shall be treated as Confidential Information. All settlement agreements reached in any proceeding shall be confidential and enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 Arbitration

§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. The Arbitration shall be conducted in the place where the Project is located, unless another location is mutually agreed upon. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement, shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 Consolidation or Joinder

§ 15.4.4.1 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as those of the Owner and Contractor under this Agreement.

Init.



Hibbing City Hall Window Replacement,
Lintel Replacement & Tuckpointing
GMP
City of Hibbing

February 9, 2026

DESCRIPTION		QUANTITY	\$/Unit	TOTAL
01 - General Conditions & CM Staffing (5 Month Duration)		1	\$375,684.23	\$375,684
04 - Lintel Replacement & Tuckpointing - Acme Tuckpointing and Restoration		1	\$312,595.00	\$312,595
08 - Window Replacement - Mesabi Glass Window & Door Inc		1	\$898,000.00	\$898,000
Direct Cost				\$1,586,279
Permit Fees	2.00%			\$31,726
Testing & Inspections				\$13,000
Subcontractor Default Insurance	1.20%			\$19,035
Pre-Construction Services				\$5,000
General Liability Insurance	1.15%			\$22,235
Construction Contingency	10.00%			\$193,346
Construction Fee	3.25%			\$62,837
Total Cost				\$1,933,458



Request for Council Action

City Council Action

Description of Agenda Item

Approve a \$20,000 fund transfer from Economic Development to Recreation Administration.

Strategic Initiative

Owner of Agenda Item

Nick Arola, City Services Director, 218.421.5565, nickarola@hibbingmn.gov

Introduction/Background/Justification/Key Issues/Legal

Economic Development and Recreation have agreed to split the costs for professional services. This is for the contract with Excelsior Bay Group for the fundraising feasibility study. We would like to transfer \$20,000 from Economic Development fund 101-46-6500-431 to Recreation Administration fund 101-45-5100-300. This way we can pay the entire invoice out of recreation and track the expenditures in the Recreation budget. This was a budgeted service for 2026.

Board/Commission/Committee Actions(s):

Budgetary/Fiscal Impact

\$20,000 transfer from Economic Development 101-46-6500-431 --> Recreation Administration 101-45-5100-300

Action Requested

Requesting Council Approval

Attachments

None