



State of New Jersey

DEPARTMENT OF TREASURY
DIVISION OF PROPERTY MANAGEMENT & CONSTRUCTION
P O BOX 034
TRENTON NJ 08625-0034

CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

ANDREW P. SIDAMON-ERISTOFF
STATE TREASURER
STEVEN SUTKIN
DIRECTOR

April 21, 2015

Ronald A. Sebring Associates, LLC
405 Richmond Avenue
Point Pleasant Beach, NJ 08742

Re: P1119-00
New Marina Office
Leonardo State Marina
Leonardo, Monmouth County, NJ

Dear Mr. Sebring:

This is notification that the above referenced project was awarded to your firm in the amount of \$129,500 and serves as your Notice to Proceed.

The design duration shall be 247 calendar days from the Notice to Proceed to final plan review approval.

Your services will be in accordance with the Scope of Work dated February 2, 2015, your technical proposal dated March 26, 2015 and revised fee proposal dated April 8, 2015 and the Agreement Between the State of New Jersey and the Consultant

Please contact Eugene Cardone at (609) 633-2648 to set up the kick-off meeting.

We look forward to the successful completion of this project.

Please sign below and return by fax (609) 777-1970.

Sincerely,

[Handwritten signature of Richard Ferrara]

Richard Ferrara
Assistant Deputy Director

- R. B. Coleman Treasury Fiscal
E. Cardone Central File
B. Hamilton R. Kunze
J. Langsdorf

Receipt and Understanding is Hereby Acknowledged:

[Handwritten signature of David A. Clark, Esq.]
Name
VICE PRESIDENT
Title

4/21/15
Date

**STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION**

**AGREEMENT
BETWEEN THE STATE OF NEW JERSEY AND THE
CONSULTANT**

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In this AGREEMENT made upon notice of acceptance by the Owner of the Consultant's Proposal

BETWEEN the Owner: State of New Jersey, by and through its
Contracting Agent, the Deputy Director of the
Division of Property Management and Construction in
the Department of Treasury

and the Consultant, as noted in the Notice of Award for Project: **P1119-00**
New Marina Office
Leonardo State Marina
Middletown Twp, Monmouth County, NJ

The Owner and the Consultant agree as set forth below:

A. CONSULTANT'S RESPONSIBILITIES

A.1 GENERAL

- A.1.1 The Consultant shall become fully familiar with the contractual obligations of all entities doing work for the project and all relevant project documentation.
- A.1.2 The Consultant shall be responsible for satisfying all of the obligations described in this AGREEMENT, even if such obligations are not addressed in the Consultant's proposal(s). This AGREEMENT establishes the minimum obligation of the Consultant which obligations may be supplemented by the consultant in its proposal(s). If the services promised in the Consultant's proposal(s) exceed those described in the articles of this AGREEMENT, then the Consultant shall be responsible for satisfying additional obligations described in its proposal(s).
- A.1.3 The consultant shall comply with all requirements in the Procedures for Architects and Engineers, Second Edition, or subsequent editions. The Procedures for Architects and Engineers sets forth requirements, including but not limited to, those regarding: These requirements are in addition to those in this AGREEMENT.
- A.1.4 The Consultant services consist of those services performed by the Consultant, the Consultant's employees, the Consultant's sub-consultants and contractors. The Consultant shall utilize the key staff members identified in its Technical Proposal. The Consultant shall notify the Owner in advance of any proposed change in its key staff members identified in its proposal. The Consultant shall submit to the Owner for approval the name and qualifications of proposed replacement with equal or superior qualifications at no additional cost to the Owner. No change shall take effect unless the Owner approves the change in writing. The Owner may also determine, in the Owner's sole discretion, to terminate the Project, and/or to terminate the Consultant AGREEMENT, and/or claim all damages against the Consultant resulting from the Project termination or from the Consultant AGREEMENT termination.
- A.1.5 All claims against Consultants for Errors and Omissions will be pursued by the Owner to secure remuneration during the close-out phase of the project.
- A.1.6 Errors and Omissions evaluation and processing will be carried out in accordance with the latest edition of the Policy and Procedure authorized by the Owner at the time of the Request for Proposals.
- A.1.7 Any changes to this AGREEMENT must be made in writing in the form of an approved Amendment. The Amendment must be approved by the Owner's Contracting Officer.

- A.1.8 Any work performed by the Consultant without an Amendment from the Owner that differs from this AGREEMENT is done at the Consultant's own financial risk, any additional work done on the Consultant's own initiative without an approved Amendment is done at the Consultant's own financial risk.
- A.1.9 The Consultant shall promptly notify the Owner of any changes to the scope of services which increase or decrease the Consultant services. No such change in scope shall be performed by the Consultant, without prior written approval by the Owner. Notice of request for additional compensation shall be given to the Owner within 30 working days of the event giving rise to such a request with accompanying justification for the change and a detailed breakdown of the basis for the costs.
- A.1.10 The Consultant shall maintain all documentation related to deliverables, products, transactions or services under this contract for a period of five (5) years from the date of final payment. Such records shall be made available for audit to the New Jersey Office of the State Comptroller or any other State audit agency upon reasonable demand.

A.2 DESIGN PHASE

- A.2.1 All documents including drawings and specifications, any changes, revisions or amplifications thereof, as well as all construction cost estimates, shall be subject to the written approval of the Owner before the documents are accepted. The approval of drawings by the Owner is not to be construed as authority to violate, cancel or set aside any provisions of applicable codes.
- A.2.2 Construction documents must comply with the latest adopted edition of the Uniform Construction Code in effect at the time of approval by the Owner at the FINAL REVIEW phase as defined in the scope of work.
- A.2.3 Unless otherwise provided in the AGREEMENT documents, the Consultant will be requested to secure and be reimbursed for payment of all permits and governmental fees, licenses and inspections necessary for the proper execution and completion of the work and which are legally required at the time of receipt of bids.
- A.2.4 In the event that the construction bids received are in excess of 5% of the approved Consultant's final estimate for construction of the project, and changes to drawings and/or specifications are required to meet such approved estimate, the Consultant shall redesign and/or set up sufficient approved alternate designs, plans and specifications for the project work, to secure a bid that will come within the allocation specified by the Owner without impacting the programmatic requirements of the project. Such redesign work and changes to plans, including reproduction costs for submission in order to obtain final approval and permits, shall be undertaken by the Consultant at no additional cost to the Owner.

A.3 CONSTRUCTION ADMINISTRATION PHASE

- A.3.1 If the scope of work calls for construction administration services, the following shall apply:
- A.3.2 The Consultant shall visit the site at scheduled intervals appropriate to the stage of construction of the Project to become generally familiar with the quality and progress of the construction work that has been completed and to determine, in general, if the construction work is being performed in a manner indicating that, when completed, the work will be in accordance with the contract documents. The Consultant shall not be required to make continuous and/or exhaustive on-site inspections to check the quality or the quantity of the construction work. On the basis of the on-site observations, the Consultant shall keep the Owner informed of the progress and quality of the construction work in order to endeavor to guard the Owner against defects and deficiencies in the work.

- A.3.3 At all times the Consultant shall have access to the work to determine if it is proceeding in accordance with the Contract documents. However, neither the Consultant nor its sub-consultants shall have control over or be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the work; these are solely the Construction Contractor's obligations under the contracts for construction. The Consultant shall not be responsible for Construction Contractor's schedules or failure to carry out the work in accordance with the contract documents. Except as otherwise provided in this AGREEMENT, the Consultant shall not have control over or charge of acts and omissions of the contractor's, construction subcontractors, or their agents or employees, or any other persons performing the work.
- A.3.4 Based on the Consultant's observations and evaluations of the construction contractor's Applications for Payment, the Consultant shall certify the amounts due to the construction contractor's.
- The Consultant's certification of payment shall constitute a representation to the Owner, based on the Consultant's observations at the site as provided above, and the data contained in the construction contractor's Applications for Payment, that the construction contractor's work on the project has progressed to the point indicated and the quality of the construction work is generally in accordance with the contract documents. The former representations are subject to an evaluation of the construction work for conformance with the contract documents upon substantial completion, to results of subsequent tests prior to completion and specific qualifications expressed by the Consultant. The issuance of Certificate of Payment shall further constitute a representation that the construction contractor's subcontractors for the project are entitled to payment in the amount certified. Issuance of Certificates of Payments are not a representation that the Consultant has (1) made continuous and exhaustive inspections to check the quality or quantity of work, (2) reviewed the construction contractor's construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from construction contractor's subcontractors and material suppliers and other data requested by the Owner to substantiate construction contractor's right to payment or (4) ascertained how and for what purpose the construction contractor's has used money previously paid on account of contract sum. These are the construction contractor's responsibilities under the contracts for construction.
- A.3.5 Within ten (10) working days of the date that it receives a change order request from the Owner, the Consultant shall evaluate and make specific written recommendations, including verification of costs, on all contractor change orders that relate to the execution and progress of the work and on all matters or questions related thereto and, upon notification, shall attend and actively participate at administrative hearings or settlement conferences in connection with such change orders. If the nature of the work described in the change order is complex, the Owner representative may grant the Consultant additional time, if requested in writing by the Consultant, to evaluate the change order.
- A.3.6 The Consultant shall have the authority to reject construction work on the project that does not conform to the contract documents. In such cases the Consultant will advise the Owner of the rejection. Whenever the Consultant considers it necessary or advisable for implementation of the intent of the contract documents, the Consultant will have the authority to require additional inspection or testing of the work in accordance with the contract documents, whether or not such work is fabricated, installed or completed. However, neither the authority of the Consultant nor a decision made in good faith either to exercise or not to exercise such authority shall create a duty or responsibility of or by the Consultant to the construction contractor's construction subcontractors, material and equipment suppliers, their agents or employees or other persons performing portions of the construction work on the project.
- A.3.7 The Consultant shall review and approve or take other appropriate action upon the construction contractor's submittals such as shop drawings, product data and samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in

the contract documents. The Consultant's action shall be taken with such reasonable promptness as to cause no delay on the construction work on the project, while allowing for sufficient time in the Consultant's professional judgment for adequate review. Since it is the construction contractor's responsibility to do so under the contracts for construction, review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities or for substantiating instructions for installation and performance of equipment or systems designed by the construction contractor's. Unless otherwise provided in this AGREEMENT, these remain the responsibility of the construction contractor's to the extent required by the contract documents. The Consultant's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Consultant, of construction means, manners, methods, techniques, sequences or procedures. The consultant's approval of specific items shall not indicate approval of an assembly of which the item is component. When professional certification of performance characteristics of materials, systems or equipment is required by the contract documents, the Consultant shall be entitled to rely upon such certifications to establish that the materials, systems, or equipment will meet performance criteria required by the contract documents.

- A.3.8 The Consultant's responsibilities for Construction Administration commences with the award of the construction contract and terminates at the earlier of the issuance to the Contractor of a Final Certificate of Payment or sixty (60) working days after the date of substantial completion of the construction work.

B. OWNER'S RIGHTS AND RESPONSIBILITIES

B.1 OWNER'S RIGHTS

- B.1.1 The Owner shall have the right to perform work related to the project and to award contracts in connection with the project that are not part of the Consultant's responsibilities under the AGREEMENT. The consultant shall notify the Owner in writing if any such independent action will in any way compromise the Consultants' ability to meet their responsibilities under the AGREEMENT.
- B.1.2 The Owner reserves the right to approve the Consultant's personnel and to require a replacement satisfactory to the Owner. The Owner reserves the right to have such person replaced if, in the judgment of the Owner, any such person proves unsatisfactory. However, such replacement must fit within the rate/fee structure or the Owner has the option for a higher rate person for which the Consultant shall be compensated.
- B.1.3 The Owner shall have the right to effect the removal of any of the Consultant's employees at any time during the duration of the AGREEMENT if that employee is deemed not to be of the level of competence or ability required under the AGREEMENT, or said employee is for any reason found to be unsuitable for the work. In such case, the Consultant shall promptly submit the name and qualifications of a replacement for approval by the Owner.
- B.1.4 The Owner shall have the right to assign the administration of any or all contracts related to this project from the Owner to another State Agency, Authority or Commission at any time during the life of the project. In doing so, the Consultant agrees to continue to perform all contractual work under the AGREEMENT. The Consultant shall make no claim against the Owner in the event of such assignment.
- B.1.5 The Owner may make changes in the scope of services within the general scope of the AGREEMENT. The Owner may also make changes to the scope of the project which may give rise to changes in the scope of the Consultant services. In such case, the Consultant shall be entitled to an adjustment in fee and in other terms and conditions of the AGREEMENT.

B.2 OWNER'S RESPONSIBILITIES

- B.2.1 The Owner is contracting for the Consultant's services through the Contracting Officer of the Owner, the Division of Property Management and Construction (DPMC). The Contracting Officer is an officer of the State Department of the Treasury, DPMC and is responsible for the administration of the work of the DPMC. The Contracting Officer represents the Owner, either directly or through an appointed representative, in all dealings with the Consultant.
- B.2.2 The Owner shall provide information regarding the requirements of the project, including a scope of work which shall set forth the Owner's objectives, constraints and criteria, including space requirements, special equipment, systems and site requirements, budget constraints and the required date of completion.
- B.2.3 The Contracting Officer shall designate a Project Manager authorized to act on the Owner's behalf with respect to the project. The Contracting Officer's representative has only those duties which are required of an owner. The responsibility for completion of this project pursuant to the contract documents remains that of the Contractor(s). The responsibility for performance of the Consultant contractual obligations remains with the Consultant.
- B.2.4 The information required in the above paragraphs in this Article shall be furnished at the Owner's expense.

C. CONTRACT DOCUMENTS

- C.1 The following items identify the contract documents comprising the AGREEMENT.
1. AGREEMENT BETWEEN THE STATE OF NEW JERSEY AND THE CONSULTANT
 2. GENERAL CONDITIONS TO THE CONSULTANT AGREEMENT.
 3. REQUEST FOR PROPOSAL DATED FEBRUARY 27, 2015 INCLUDING:
 - 3.1 SCOPE OF WORK
 - 3.2 CONSULTANT PROPOSAL PACKAGE
 4. PROCEDURES FOR ARCHITECTS AND ENGINEERS, CURRENT EDITION
 5. CONSULTANT'S TECHNICAL PROPOSAL
 6. CONSULTANT'S FEE PROPOSAL
 7. NOTICE OF AWARD/NOTICE TO PROCEED LETTER

D. PROFESSIONAL LIABILITY INSURANCE

- D.1 The Consultant shall maintain Professional Liability Insurance with limits required in the Consultant Proposal Package for the Project. The insurance carrier shall be registered with the N. J. Department of Insurance and licensed or authorized to conduct business in the State of New Jersey, as required by law. In the event of a loss, the Consultant shall be held responsible for payment of any deductible as though there were no deductible. Such insurance shall be maintained for a period of not less than six months following the actual completion and acceptance of the project by the Owner. Contractual Liability Insurance is not acceptable.

E. CONSTRUCTION COST

- E.1 It is understood that the limit of funds available for construction (CCE) exclusive of permits, land costs, furnishing, contingencies and professional fees will be as noted in the project scope of work.

F. CONSULTANT COMPENSATION

- F.1 The Consultant's firm will be compensated for professional services as indicated in the Notice of Project Award in accordance with the fee proposal submitted by the Consultant and negotiated and/or accepted by the Owner. The Owner will compensate the Consultant in accordance with the following terms and conditions:
- F.1.1 The lump sum payable to the Consultant as established in their Fee Proposal shall compensate the consultant in full for all services as described in the Notice of Project Award. The start of compensation shall commence with the issuance of the project's Notice of Award/Notice to Proceed.
- F.1.2 The Consultant shall submit a payment schedule to the Owner's representative for approval prior to submittal of the Consultant first invoice. The schedule should be in detail, assigning a dollar value for each phase of work anticipated on a monthly basis throughout the entire contract.
- F.1.3 The monthly compensation to the Consultant shall be paid in accordance with the payment schedule submitted by the Consultant and approved by the Owner.
- F.1.4 Duration of services shall be as defined in the scope of work commencing on the date of the issuance of the Notice to Proceed.
- F.1.5 Services provided under this AGREEMENT shall commence on the date of the written Notice to Proceed issued by the Owner. Unless otherwise ordered by the Owner in writing, the Consultant shall initiate its contract work no later than five (5) working days after its receipt of the Notice to Proceed. A Notice to Proceed may be issued by the Owner at its convenience. Any right of the Consultant to an adjustment because of a delay in issuing a Notice to Proceed shall be determined in accordance with the GENERAL CONDITIONS TO THE CONSULTANT AGREEMENT.
- F.1.6 Should the Project duration be extended and the Owner requests continuation of services beyond the contracted duration, then the Consultant agrees to furnish services in accordance with the terms of the Consultant AGREEMENT for the additional period required for completion of the Project.
- F.1.7 The Owner shall not be liable to the Consultant for indemnification, damages, or costs of any kind sustained by the Consultant as the result of the negligence or breaches of contractual obligations committed by the Consultants Sub Consultant(s), Contractor(s) or any other third party.
- F.1.8 The Owner shall reimburse the Consultant for Owner requested continuation of services beyond the specified contract period based upon the values identified in the approved payment schedule which correspond to the activities for which the extended services are being requested.
- F.1.9 To the extent that the Consultant's services are required beyond the time identified in this AGREEMENT and/or to the extent that the Consultant is required to perform services not required under the AGREEMENT, the Consultant shall be entitled to an additional fee. However, the Consultant shall not be entitled to any additional compensation to the extent that delay in completion of the project is the result of the negligent or wrongful acts or omissions of the Consultant.

END OF AGREEMENT

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION

**GENERAL CONDITIONS
TO THE
CONSULTANT AGREEMENT**

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1. ANTI-COLLUSION CLAUSE

Pursuant to *N.J.S.A. 52:34-15*, the Consultant, by signing the Proposal, does hereby warrant and represent that this agreement has not been solicited, secured, or prepared directly or indirectly, in a manner contrary to the laws of the State of New Jersey and that said laws have not been violated and shall not be violated as they relate to the procurement or the performance of the agreement by any conduct, including the paying or giving of any fee, commission, compensation, gift, gratuity or consideration of any kind directly or indirectly, to any state employee, officer or official.

2. CONFLICT OF INTEREST

The Consultant shall notify to the Owner in writing of any interest in, or association with, any Contractor, subcontractor, material supplier, Consultant or manufacturer or other party which has any interest in this Project as soon as the potential for such interest is reasonably foreseeable by the Consultant.

3. OFFER OF GRATUITIES

N.J.S.A. 52:34-19 makes it a misdemeanor to offer, pay or give any fee, commission, compensation, gift or gratuity to any person employed by the Owner. It is the policy of the Owner to treat the offer of any gift or gratuity by any company, its officers or employees to any person employed by the State of New Jersey as grounds for debarment or suspension of such company from submitting proposals on and providing work or materials on State contracts.

a. No vendor shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by *N.J.S.A. 52:13D-13b.* and *e.*, in the Department of the Treasury or any other agency with which such vendor transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by *N.J.S.A. 52:13D-13i.*, of any such officer or employee, or any partnership, firm, or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of *N.J.S.A. 52:13D-13g.*

b. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any State vendor shall be reported in writing forthwith by the vendor to the Attorney General and the Executive Commission on Ethical Standards.

c. No vendor may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such vendor to, any State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person, firm or entity with which he is employed or associated or in which he has an interest within the meaning of *N.J.S.A. 52:13D-13g.* Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

d. No vendor shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.

e. No vendor shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his official position to secure unwarranted privileges or advantages for the vendor or any other person.

f. The provisions cited above in paragraph 3a. through 3e. shall not be construed to prohibit a State officer or employee or special State officer or employee from receiving gifts from or contracting with vendors under the same terms and conditions as are offered or made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards may promulgate under paragraph 3c.

4. CONFLICT OF TERMS

In the event of a conflict in contractual terms and conditions between the Documents comprising this AGREEMENT, the following order shall prevail for purposes of interpretation of this contract.

- a. Notice of Award
- b. Agreement between the State of New Jersey and the Consultant
- c. General Conditions to the Consultant AGREEMENT
- d. Consultant's Fee Proposal
- e. Addenda
- f. Scope of Work
- g. Consultant's Technical Proposal
- h. PROCEDURES FOR ARCHITECTS & ENGINEERS

5. NON-DISCRIMINATION

The laws of New Jersey (*N.J.S.A. 10:5-31 et seq.*) provide that no public works Contractor or Consultant can be awarded nor any monies paid until the prospective Contractor/Consultant has agreed to contract performance which complies with the approved Affirmative Action Regulations of the State and includes procurement and service contracts as well as construction contracts. This section was prepared to explain the affirmative action requirements and procedures for public agencies awarding contracts and for Contractors bidding on contracts.

To assure effective application of the affirmative action law while allowing the business operations of government to proceed efficiently, these regulations (see *N.J.A.C 17:27*) are designed to minimize administrative paperwork and delays.

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

- A. The Consultant or its sub-consultants, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, sex, or affectional or sexual orientation. The Consultant will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment without regard to their age, race, creed, color, national origin, ancestry, marital status, sex, or affectional or sexual orientation. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other

forms of compensation, and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this non-discrimination clause.

- B. The Consultant or its sub-consultants, where applicable, will in all solicitations or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, sex or affectional or sexual orientation.
- C. The Consultant or its sub-consultants, where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Public Agency Compliance Officer, advising the labor union under this act, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- D. The Consultant or its sub-consultants, where applicable, agrees to comply with any and all regulations promulgated by the Treasurer pursuant to *N.J.S.A. 10:5-31 et seq.*, as amended and supplemented from time to time.
- E. When hiring workers in each trade, the Consultant or sub-consultant agrees to attempt in good faith to employ minority and female workers in each trade consistent with the applicable employment goal prescribed by *N.J.S.A. 17:27-7.3*; provided, however, that the Affirmative Action Office may, in its discretion, exempt a Consultant or sub-consultant from compliance with the good faith procedures prescribed by the following provisions (1), (2) and (3),, as long as the Affirmative Action Office is satisfied that the Consultant is employing workers provided by a union which provides evidence, in accordance with standards prescribed by the Affirmative Action Office, that its percentage of active “card carrying” members who are minority and female workers is equal to or greater than the applicable employment goal prescribed by *N.J.A.C. 17:27-7.3* promulgated by the Treasurer pursuant to *N.J.S.A. 10:5-31 et seq.*, as amended and supplemented from time to time. The Consultant or sub-consultant agrees that a good faith effort shall include compliance with the following procedures:
 - 1. If the Consultant or sub-consultant has a referral agreement or arrangement with a union, the Consultant or sub-consultant shall, within three working days of the contract award, seek assurances from the union that it will cooperate or sub-consultant shall, within three working days of the contract or sub-consultant as it fulfills its affirmative action obligations under the contract and in accordance with the regulations promulgated by the Treasurer pursuant to *N.J.S.A. 10:5-31 et seq.*, as supplemented and amended from time to time. If the Consultant or sub-consultant is unable to obtain said assurances from the union at least five working days prior to the commencement of work, the Consultant or sub-consultant agrees directly to attempt to hire minority and female workers consistent with the applicable employment goal. If the Consultant’s or sub-consultant’s prior experience with a union, regardless of whether the union has provided said assurances, indicates a significant possibility that the trade union will not refer sufficient minority and female workers consistent with the applicable employment goal by complying with the following hiring procedures prescribed under (2) below; and the Consultant or sub-consultant further agrees immediately to take said action if it determines or is so notified by the Affirmative Action Office that the union is not referring minority and female workers consistent with the applicable employment goal.
 - 2. If the hiring of a work force consistent with the employment goal has not or cannot be achieved for each individual position by adhering to the procedures of (1) above, or if the Consultant or sub-consultant does not have a referral agreement or arrangement with a union, the Consultant or sub-consultant agrees to take the following actions consistent with the applicable county employment goals:

- a. To notify the Public Agency Compliance Officer, Affirmative Action Office and at least one approved minority referral organization of its manpower needs, and request referral of minority and female workers;
- b. To notify any minority and female workers who have been listed with it as awaiting available vacancies.
- c. Prior to commencement of work, to request the local union, if the Consultant or sub-consultant has a referral agreement or arrangement with a union to refer minority and female workers to fill job openings.
- d. To leave standing requests for additional referral of minority and female workers with the local union, if the Consultant or sub-consultant has a referral agreement or arrangement with a union the State Training and Employment Service and other approved referral sources in the area, until such time as the work force is consistent with the employment goal.
- e. If it is necessary to lay off some of the workers in a given trade to assure, consistent with the applicable State and Federal statutes and court decisions, that sufficient minority and female employees remain on the site consistent with the employment goal; and to employ any minority and female workers so laid off by the Consultant in the area on which its work force composition is not consistent with an employment goal established pursuant to *N.J.A.C. 17:27*.
- f. To adhere to the following procedure when minority and female workers apply or are referred to the Consultant or sub-consultant:

(1) If said individuals have never previously received any document or certification signifying a level of qualification lower than that required, the Consultant or sub-consultant shall determine the qualifications of such individuals, and if the Consultant's or sub-consultant's work force is not consistent with the applicable employment goal, it shall employ such persons which satisfy appropriate qualification standards provided, however, that Consultant or sub-consultant shall determine that the individual at least possesses the skills and experience recognized by any worker's skills and experience classification determination which may have been made by a Public Agency Compliance Officer, union apprentice program or a referral agency, provided the referral agency is acceptable to the Affirmative Action Office and provided further that, if necessary, the Consultant or sub-consultant shall hire minority and female workers who qualify as trainees pursuant to these regulations. All of the requirements of this paragraph, however, are limited by the provisions of paragraph (3) below.

(2) If the Consultant's or sub-consultant's work force is consistent with the applicable employment goal, the name of said female or minority group individual shall be maintained on a waiting list for the first consideration in the event the Consultant's or sub-consultant's work force is no longer consistent with the applicable employment goal.

(3) If, for any reason, said Consultant or sub-consultant determines that a minority individual or a female is not qualified or if the individual is an advanced trainee or apprentice, the Consultant or sub-consultant shall inform the individual in writing with the reasons for the determination, maintain a copy in its files, and send a copy to the Public Agency Compliance Officer and to the Affirmative Action Office.

- g. To keep a complete and accurate record of all requests made for the referral of workers in any trade covered by the contract and on forms made available by the Affirmative Action Office which shall be submitted promptly to that office upon request.
- 3. The Consultant or sub-consultant agrees that nothing contained in the preceding provision (2) shall preclude the Consultant or sub-consultant from complying with the hiring hall or apprenticeship provisions in any applicable bargaining agreement or hiring hall arrangement, and, where required by custom or agreement, it shall send journeymen and trainees to the union for referral, or to the apprenticeship program or admission, pursuant to such agreement or arrangement; provided, however, that where the practices of a union or apprenticeship program will result in the exclusion of minorities and females consistent with the county employment goal, the Consultant or sub-consultant shall consider for employment persons referred pursuant to said provision (2) without regard to such agreement or arrangement; provided further, however, that the Consultant or sub-consultant shall not be required to employ minority and female advanced trainees and trainees in numbers which result in the employment of advanced trainees and trainees as a percentage of the total work force which percentage significantly exceeds the apprentice-to-journey worker ratio specified in the applicable collective bargaining agreement, or in the absence of a collective bargaining agreement, exceeds the ratio established by practice in the area. Also, the Consultant or sub-consultant agrees that in implementing the procedures of the proceeding provision (2), it shall, where applicable, employ minority and female workers residing within the geographical jurisdiction of the union.
- 4. The Consultant and its sub-consultants agree to complete an initial Project Manning Report on forms provided by the Affirmative Action Office or in the form prescribed by the Affirmative Action Office and submit a copy of said form no later than three working days after signing a contract; and to submit a completed copy of a Monthly Project Staffing Report to the Affirmative Action Office and to the public agency compliance officer once a month (by the seventh work day of each month) thereafter for the duration of the contract. The Consultant agrees to cooperate with the public agency in the payment of budgeted funds, as is necessary for on-the-job programs for outreach and training of minority and female trainees employed on the construction project.
- 5. The Consultant and its sub-consultants shall furnish such reports or other documents to the Affirmative Action Office as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Affirmative Action Office for conducting a compliance investigation pursuant to *N.J.A.C. 17:27-10.1 et seq.*

Provisions (e) and (f) are not required for sub-consultants with four or fewer employees in the company or a sub-consultant which has presented evidence of a federally approved or sanctioned affirmative action program.

10:2-1. Antidiscrimination Provisions

Antidiscrimination provisions. Every contract for or on behalf of the State or any county or municipality or other political subdivision of the State, or any agency of or authority created by any of the foregoing, for the construction, alteration or repair of any public building or public work or for the acquisition of materials, equipment, supplies or services shall contain provisions by which the contractor agrees that:

- a. In the hiring of persons for the performance of work under this contract or any subcontract hereunder, or for the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under this contract, no contractor, nor any person acting on behalf of such contractor or subcontractor, shall, by reason of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or

sex, discriminate against any person who is qualified and available to perform the work to which the employment relates;

b. No contractor, subcontractor, nor any person on his behalf shall, in any manner, discriminate against or intimidate any employee engaged in the performance of work under this contract or any subcontract hereunder, or engaged in the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under such contract, on account of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex;

c. There may be deducted from the amount payable to the contractor by the contracting public agency, under this contract, a penalty of \$ 50.00 for each person for each calendar day during which such person is discriminated against or intimidated in violation of the provisions of the contract; and

d. This contract may be canceled or terminated by the contracting public agency, and all money due or to become due hereunder may be forfeited, for any violation of this section of the contract occurring after notice to the contractor from the contracting public agency of any prior violation of this section of the contract.

6. TIME OF COMPLETION

In the event of the failure of the Consultant to complete the work within the time specified solely due to their own cause of delay, the Consultant may be liable to the Owner for all direct and consequential losses or damages that the Owner may incur because of the delay; such as, but not limited to, added costs of the project and the cost of furnishing temporary services and facilities, if any.

Any such sums for which the Consultant is liable may be deducted by the Owner from any monies due or to become due to the Consultant.

7. FEES AND INVOICING

The Consultant's fee for tasks performed during the design phase and for all technical and administrative tasks during the construction and close-out phases, such as the review of Contractor submittals, preparation and distribution of minutes, on-site observation during construction, etc., will be a lump sum amount unless stated otherwise. The Consultant's lump sum fee shall be further broken down by phase depending on the contract. In the event that any of the project phases or services are extended for reasons other than the fault of the Consultant, than the Consultant may submit an amendment for additional costs associated with the extension or additional services. Such costs shall be based on direct costs. The Consultant will not be entitled to an automatic extension of the monthly rate for that phase or any subsequent phase.

Invoices for materials and labor expenses shall be submitted on an Invoice Form provided by the Owner, accompanied by appropriate backup as required by the Owner. Copies of all bills for reimbursables allowed by contract must be attached to the invoice form.

Invoices during the design phase may be submitted monthly to the Owner or when work is completed, reviewed and accepted by the Owner. Invoices during the construction phase may also be submitted monthly. Completed invoices must identify the Owners project number for the project and location of the project. Invoices for all work performed shall be processed only after Owner review and acceptance of the work.

Invoices will not be processed if work is found to be incomplete or unsatisfactory upon review by the Owner. The invoice, or portion of the invoice, will be held unprocessed until the Consultant makes the necessary corrections and the work is acceptable to Owner.

8. NJ PROMPT PAYMENT ACT

8.1 For purposes of the State's Prompt Payment Act N.J.S.A. 2A:30A-1 et seq.:

- a. An invoice will be deemed to have been received by the Owner when it is received by the person or entity designated by the State to review and sign the invoice on the State's behalf at the address designated by the State for receipt of contract invoices. Receipt of an invoice by such person or entity shall commence the running of the 20-day period for formal approval and certification as provided under N.J.S.A. 2A:30A-2(a).
- b. The "billing date" as that term is used in N.J.S.A. 2A:30A-2 shall be the earlier of the date upon which an invoice for payment is approved for payment or 20 days after the invoice is received, per subparagraph "A" above, unless within such 20-day period the invoice is found to be incomplete or otherwise unacceptable and returned to the Consultant with a written explanation of deficiencies.
- c. In the event that an invoice is found to be deficient and returned to the Consultant, the "billing date" shall be calculated from the date that a corrected invoice is received.
- d. Payment shall be considered to have been made on the date on which a check for such payment is dated.
- e. Payment terms (e.g. "net 20") offered by the Consultant shall not govern the Owner's obligation to make payment.
- f. The following periods of time will not be included in the calculation of the due date of any Consultant invoice:
 - 1) Any time elapsed between receipt of an improper invoice and its return to the Consultant, not to exceed 20 calendar days; or
 - 2) Any time elapsed between the State's return of an improper invoice to the Consultant and the Owner's receipt of a corrected invoice.

8.2.1 The Provisions of this Article 8 shall not govern the Owner's payment obligations nor shall they supersede or modify any other contractual provision allowing the withholding of monies from the Consultant to the extent that the Consultant has not performed in accordance with the provisions of the contract. Nor shall this Article 8 govern the State's payment obligations nor supersede or modify any other contractual provision governing Consultant claims for additional compensation beyond the base contract price and approved contract amendments.

8.3 Interest

8.3.1 Interest shall be payable on amounts due the Consultant if not paid within thirty (30) calendar days after the billing date specified in the above subparagraph 8.1 (f) as provided under the State's Prompt Payment Act (N.J.S.A. 2A:30A-1 et seq.). Interest at a equal to the prime rate plus 1% on amounts due shall be payable to the consultant for the period beginning on the day after the required payment date and ending on the date on which the check for payment is drawn.

8.3.2 Interest may be paid by separate payment to the Consultant, but shall be paid within thirty (30) calendar days of payment of the principal amount of the approved invoice.

8.3.3 Nothing in this Article 8 shall be construed as entitling the Consultant to payment of interest on any sum withheld by the Owner for any reason permitted under the contract or applicable law, or on any claim for additional compensation, over and above sums due under the base contract or approved contract amendments.

8.4.1 Disputes regarding nonpayment of a Consultant's invoice under this Article 8 may be submitted to non-binding Alternative Dispute Resolution (ADR) upon mutual agreement of the Owner and the Consultant. In such event, the Owner and the Consultant shall share equally the fees and expenses of the selected mediator, arbitrator, umpire or other ADR neutral. Provided, however, that nothing herein shall be construed, in whole or in part, as a waiver, release or modification of the provisions of the New Jersey Contractual Act, N.J.S.A. 59:13-1 et seq. as it governs claims against the State.

8.4.2 A Consultant not paid sums due under an approved invoice within thirty (30) days of the billing date may suspend performance without penalty for breach of contract, but only after providing the Owner with seven (7) days written notice of non-payment, and only in the event that the Owner fails to furnish the Consultant, within that seven (7) day period, with a written statement of the amount withheld and the reasons for the withholding. Nothing herein shall be construed to excuse the Consultant's non-performance, or to limit the Owner's rights and remedies relating to such non-performance, with regard to any monies withheld from the Consultant upon the proper notice provided under this Article 8 or with regard to any Consultant claim disputed by the Owner.

9. WITHHOLDING PAYMENT FOR NON-DELIVERY OF DELIVERABLES

- a. If technical data such as plans, specifications, minutes, approvals, recommendations, "Record" drawings, reports, computer disks, spare parts lists, or instructions books, operating and maintenance manuals, or any other items required by this AGREEMENT have not been delivered when due or are deficient upon delivery, the Owner may withhold from each invoice an amount (in equivalent to the value of the technical data, or any part thereof deficiently delivered).
- b. The withholding of any sums pursuant to this article shall not be construed as, or constitute in any manner, a waiver by the Owner of the Consultant's obligation to furnish the data required under this contract. In the event the Consultant fails to furnish these items, the Owner shall have those rights and remedies provided by law and pursuant to this AGREEMENT in addition to, and not in lieu of, the sums withheld in accordance with this article.

10. NO DAMAGE FOR DELAY

The Owner shall have the right to defer the beginning or to suspend the whole or any part of the work herein contracted to be done whenever, in the opinion of the Owner, it may be necessary or expedient for the Owner to do so. And, if the Consultant is delayed in the completion of the work by act, neglect, or default of the Owner, or any other Consultant or Contractor employed by the Owner upon the work or by changes ordered in the work, or by strikes, lockouts, fire, unusual delay by common carriers, unavoidable casualties, or any case beyond the Consultant's control, or by any cause which the Owner shall decide to justify the delay, then for all such delays and suspensions the Consultant shall be allowed one day additional to the time herein stated for each and every day of such delay so caused in the completion of the work, the same to be determined by the Owner, and a similar allowance of extra time would be made for such other delays as the Owner may find to have been caused by the Owner. No such extension shall be made prior to the beginning of such delay, and a written request for additional time shall be filed with the Owner.

11. CONSULTANT'S CLAIMS FOR DAMAGES

Any claims made by any Consultant against the Owner for damages or extra costs are governed by and subject to the *New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.* as well as all the provisions in this contract.

Should any Consultant damage or unnecessarily delay the work of the Owner or other Consultants or Contractors sustain damages, including delay damages, then and in that event, the culpable party agrees to pay all damages incurred by the damaged Consultant or Contractor(s). The injured Consultant or Contractor or Owner shall have a right of enforcement in court directly against the culpable party. In addition, the culpable party further agrees to defend, indemnify and save harmless the Owner from all such claims and damages. Nothing contained in this paragraph shall be construed to relieve the culpable Consultant from any liability or damage sustained on account of its acts, errors or omissions.

The Owner shall not be liable to any Consultant or Contractor for any damages or extra costs as specified in this paragraph and the Consultant's or Contractor's exclusive remedy shall be against the culpable party. The injured Consultant or Contractor agrees to make no claim for damages against the Owner when the Owner has no direct responsibility for the damages.

12. LIMITATIONS OF LIABILITY

In the event of the breach of this AGREEMENT by the Owner, the Consultant shall be entitled to seek compensatory damages, but subject to the following exception; in no event shall the Owner be liable to the Consultant for any special, consequential, incidental or penal damages, including, but no limited to, loss of profit or revenues, costs of capital, interest of any nature, or attorneys' fees. This limitation of liability shall not be applicable to any claims by the Consultant against the Owner for contribution or indemnity arising from any negligence of other claims instituted by third parties which seek any such special, consequential, incidental or penal damages against the Consultant.

13. DISPUTES

The Owner shall be, in the first instance, the interpreter of the requirements of this AGREEMENT and the impartial judge of the Consultant's performance hereunder. Disputes between the parties will be resolved through established administrative policies and procedures. The first step in this process is to request, in writing, a Contracting Officer's Conference. The Contracting Officer may appoint a duly authorized representative to act on his behalf. If the decision rendered by the Contracting Officer as a result of the conference is not accepted by the parties concerned, the next step that may be taken is to litigate the matter in the Superior Court of New Jersey.

The parties shall attempt to resolve disputes through the Owners established administrative policies and procedures. However, neither of the parties shall be required to exhaust any administrative remedies before or filing an action in the Superior Court of New Jersey.

The Consultant may at any time request a Contracting Officer's Conference of any claim, dispute or matter in question arising out of or relating to this AGREEMENT.

The Contractors who are working on the same project as the Consultant may also request a Contracting Officer's Conference should they have any claim, dispute or matter in question arising out of or relating to their individual contracts. The Consultant will be required to participate in such conference either as a party to the dispute or as the Owner's witness.

14. INDEMNIFICATION

The Consultant will indemnify and hold harmless the Owner, its employees, representatives, and agents from and against any and all losses, suites, claims demands, fines, penalties, awards, damages, costs and expenses as well as reasonable attorney fees and court costs to the extent caused by: (A) its sole negligence, default, breach, or errors or omissions by the Consultant of obligations under this AGREEMENT; or (B) violations or non-compliance with federal, State, local or municipal laws & regulations ordinances, building codes (including Americans with Disabilities Act, OSHA Environmental Protection Act) arising from the performance of this AGREEMENT or arising out of conditions created or caused to be created by the sole negligence of the Consultant, its agents, employees and subcontractors. The Consultant will defend the Owner, its employees, representatives, and agents from and against any and all suits, claims, demands, fines, penalties, awards, damages, costs and expenses as well as reasonable attorney fees and court costs, wherein any of the matters described in “A” or “B” above are alleged.

15. TERMINATION FOR CONVENIENCE OF THE OWNER

The performance of work under this AGREEMENT may be terminated by the Owner in accordance with this Article in whole, or from time to time in part, whenever the Owner shall determine that such termination is in its best interest. Any such termination shall be effected by delivery to the Consultant of a Notice of Termination specifying the extent to which performance and work under the AGREEMENT is terminated and the date upon which such termination becomes effective.

The Consultant shall be entitled to a proportion of the fee which the services actually and satisfactorily performed by it shall bear to the total services contemplated under this AGREEMENT less payments previously made, together with appropriate reimbursable costs to be negotiated between the Consultant and Owner.

In addition, the Owner may negotiate with the Consultant to establish an amount of compensation for the Consultant’s costs incurred in the close-out of the AGREEMENT.

16. TERMINATION FOR CAUSE

If the Consultant persistently disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction, or otherwise has substantially breached the AGREEMENT, and fails within seven (7) days after receipt of written notice to commence and continue correction of such default, neglect or violation with diligence and promptness, the Owner may, without prejudice to any other remedy the Owner may have, terminate the employment of the Consultant and may finish the services by whatever methods the Owner may deem expedient. In such case the Consultant shall not be entitled to receive any further payment until the Project is finished. No action by the Owner under this provision shall operate to waive or release any claims that the Owner may have against the Consultant under the AGREEMENT.

17. SUSPENSION

The Owner may, in its sole discretion, suspend the work. Compensation for a suspension shall be allowed only as provided in this Article.

If the Owner determines that the work of this AGREEMENT has been suspended for a period cumulatively totaling less than 90 calendar days then there shall be no AGREEMENT Modification adjusting the Consultant’s compensation.

If the Owner determines that the Work of this AGREEMENT has been suspended for a period cumulatively totaling 90 calendar days, and if the Owner determines that the suspension has resulted from no fault of the Consultant, than an AGREEMENT Modification covering the remaining work to be done shall be executed.

An AGREEMENT modification shall be executed between the Owner and the Consultant providing an adjustment to the Consultant's compensation which the Owner and Consultant deem proper after reviewing submissions by the Consultant relating to increased costs which the Consultant has actually incurred as a direct result of the suspension.

None of the above provisions shall negate any other terms of this AGREEMENT.

When such a suspension is determined by the Owner to be the fault of the Consultant, the Owner may, at its option, suspend all payments to the Consultant. Payment may be reinstated by the Owner upon completion of the Work in accordance with the other provisions of the AGREEMENT. There shall be no upward adjustment in direct or indirect costs or in any other costs. Alternately, the Owner may terminate the AGREEMENT consistent with Article 16 or 17 or carry out the Work as provided for in Article 18.

18. OWNER'S RIGHT TO CARRY OUT THE WORK

If the Consultant fails to perform any obligation imposed under this AGREEMENT, and fails within seven (7) days after receipt of written notice to commence and continue correction of such failure with diligence and promptness, the Owner may, without prejudice to any other remedy the Owner may have to take steps to remedy such failure. In such case an appropriate written notice shall be issued deducting from the payments then or thereafter due the Consultant the cost of correcting such failure including compensation for other Consultant or Contractor additional services made necessary by such failure. If the payments then or thereafter due the Consultant are not sufficient to cover such amount, the Consultant shall pay the difference to the Owner. Any action by the Owner under this provision shall be without prejudice to the Owner's rights under this AGREEMENT and shall not operate to release the Consultant from any of its obligations under the AGREEMENT.

19. NEW JERSEY PREVAILING WAGE ACT

Each sub-consultant or Contractor hired by the Consultant shall comply with the New Jersey Prevailing Wage Act, *N.J.S.A. 34:11-56.25 through 56.46*, and all amendments thereto, and this Act is hereby made a part of every agreement entered into on behalf of the State of New Jersey through the Department of the Treasury, except those agreements which are not within the contemplation of the Act. Provisions of the Act include:

- a. All workers employed in the performance of every agreement in which the agreement sum is in excess of \$2,000 and work to which the Owner is a party shall be paid not less than the prevailing wage rate as designated by the Commissioner of Labor and Industry or its duly authorized representatives.
 - (1) Each Consultant and sub-consultant performing public work for the Owner on behalf of the Department of the Treasury, who is subject to the provisions of the Prevailing Wage Act, shall post the prevailing wage rates for each craft and classification involved as determined by the Commissioner, including the effective date of any changes thereof, in prominent and easily accessible places at the site of the work or at such place or places as are used by them to pay workers their wages.
 - (2) The Consultant's signature on the proposal is their guarantee that neither they nor any of their subconsultants is currently listed or on record by the Commissioner as one who has failed to pay the prevailing wages according to the Prevailing Wage Act.
- b. In the event it is found that any worker, employed by any Consultant or any sub-consultant covered by any agreement in excess of \$2,000 for any public work to which the Owner is a party, has been paid a rate of wages less than the prevailing wage required to be paid

by such agreement, the Owner may terminate the Consultant's or sub-consultant's right to proceed with the work, or such part of the work as to which there has been a failure to pay required wages and may otherwise prosecute the work to completion.

- c. Nothing contained in the Prevailing Wage Act shall prohibit the payment of more than the prevailing wage rate to any worker employed on a public work.

20. PUBLIC ANNOUNCEMENTS

Publicity and/or public announcements pertaining to this project shall be cleared with the Owner in writing prior to release.

21. PATENTS

If the Consultant employs any design, device, material, or process covered by letters of patent or copyright, it shall provide for such use by suitable legal AGREEMENT with the patentee. The Consultant shall assume all costs arising from the use of patented materials, equipment, devices, or processes used on or incorporated in the work. The Consultant shall defend, indemnify and save harmless the Owner from any and all claims for infringement by reason of the use of any such patented design, device, material or process, or any trademark or copyright, and shall indemnify the Owner for any costs, expenses and damages which it may be obliged to pay by reason of an infringement, at any time during the prosecution of or after the acceptance of the work.

22. OWNERSHIP OF DOCUMENTS

Ownership of all plans, original drawings, specifications, data, samples, tests surveys, models, material, computer discs, evidence, documentation gathered, originated or prepared by the Consultant or his sub-consultants during the performance of the contractual responsibilities pursuant to this contract, shall belong exclusively to the State. Any such plans, specifications, data, samples, tests, surveys, models, material, evidence and documentation shall be delivered to the State in a timely manner upon request. The Consultant shall be permitted to retain a copy of all such materials for his own confidential files.

The ownership by the State shall commence immediately upon the date this Agreement is made, and the ownership shall commence regardless of payment by the State of any compensation to the Consultant or regardless of delivery of any such plans, specifications, data, samples, tests, surveys, models, material, computer discs, evidence and documentation to the State.

23. COPYRIGHTS

If the performance of this Agreement results in books, drawings, specifications, programs or other copyrightable material, the author is free to copyright the work, but the Owner reserves a royalty-free, nonexclusive, and irrecoverable license to reproduce, publish, or otherwise use, and to authorize others to use all copyrighted and copyrightable material resulting from the performance of the agreement.

24. RIGHT TO AUDIT

The Owner reserves the right to audit the records of the Consultant in connection with all matters related to this AGREEMENT. The Consultant agrees to maintain records in accordance with generally accepted accounting principles for a period of not less than five (5) years after final payment. The consultant shall also maintain all documentation related to deliverables, products, transactions or services under this contract for a period of five (5) years from the date of final payment. Such records shall be made available for audit to the New Jersey Office of the State Comptroller or any other State audit agency upon reasonable demand.

If such audit results in a finding of improper statements of hourly rates, overhead, time required, mathematical calculations, or other estimated cost of data upon which the AGREEMENT was awarded, the Owner has the authority to reduce the Consultant's invoice amount to an amount considered commensurate with the actual scope of work.

25. PROCEDURAL REQUIREMENTS AND AMENDMENTS

The Consultant shall comply with all written procedural instructions that may be issued from time to time by the Owner.

During the AGREEMENT period, no change is permitted in any of the AGREEMENT conditions and specifications without express written approval from the Owner. Should the Consultant at any time find existing conditions which would make modification in requirements desirable, he shall promptly report such matters to the Owner for consideration.

The Consultant or their authorized representative(s) may be required to meet periodically with the Owner to discuss project progress.

26. SECURITY AND STATE REGULATIONS

All personnel must observe all regulations in effect at the project site. While on State property, employees or sub-consultants of the Consultant will be subject to control of the Owner, but under no circumstances will such persons be deemed to be employees of the State. The Consultant or their personnel will not represent themselves as employees of the State.

The Consultant will be responsible for ensuring that all articles found by their employees or sub-consultants on or near the project site are turned in at a designated place.

All Consultant and sub-consultant personnel shall be subject to such security clearance as the Owner shall require.

27. INSURANCE REQUIREMENTS

The Consultant shall secure and maintain in force, for the term of the contract, insurance coverage's provided herein. The Consultant shall provide the Owner with current certificates of insurance for all coverage and renewals thereof which must contain the provision that the insurance provided in the certificate shall not be canceled for any reason except after 30 calendar days written notice to the Owner.

a. COMPREHENSIVE GENERAL LIABILITY

Comprehensive general liability insurance for the benefit of the Consultant and any sub-consultants is to be written as broad as the standard coverage form currently in use in the State of New Jersey, which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an endorsement (broad form) for contractual liability insurance, an endorsement for completed operations insurance, and an endorsement eliminating the explosion, collapse and underground (XCU) exclusion. Limits of liability shall not be less than \$1,000,000 per occurrence for bodily injury liability and \$1,000,000 per occurrence for property damage liability.

b. COMPREHENSIVE AUTOMOBILE LIABILITY

Comprehensive automobile liability insurance covering owned, non-owned, and hired vehicles must be carried by the Consultant and its sub-consultants. The limits of liability shall not be less than \$1,000,000 per occurrence for bodily injury liability and \$500,000 per occurrence for property damage liability.

c. **WORKERS' COMPENSATION**

Worker's Compensation Insurance applicable to the laws of the State of New Jersey and other State or Federal jurisdiction is required to protect the employees of the Consultant or any sub-consultants who will be engaged in the performance of this contract. This insurance shall include employers' liability protection with a limit of liability not less than \$250,000.

d. **PROFESSIONAL LIABILITY INSURANCE**

The Consultant shall maintain Professional Liability insurance with limits as established elsewhere in this Agreement. The insurance carrier shall be registered with the NJ Department of Insurance and licensed or authorized to conduct business in the State of New Jersey, as required by law. In the event of a loss, the Consultant shall be held responsible for payment of the deductible as though there were no deductible. Such insurance shall be maintained for a period of not less than six months following the actual completion and acceptance of the project by the Owner. Contractual Liability Insurance is not acceptable.

28. SUB-CONSULTANTS

If any part of the work covered by this AGREEMENT is sub-contracted, the sub-consultant must be prequalified by the Owner. If there is no prequalification category for the discipline of a specific sub-consultant, they must be approved by the Owner prior to using the sub-consultant.

Payment of all sub-consultants is the sole responsibility of the Consultant. Nothing contained in this AGREEMENT shall create a contractual relationship between any sub-consultant and the Owner.

On request, the Consultant shall furnish the Owner with copies of all Agreements between the Consultant and its sub-consultants.

29. SUB-CONTRACTORS

Contractors hired by the Consultant to perform exploratory work involving the normal construction trades that is not of a professional nature need not be prequalified by the Owner; however, if the work being performed requires a State license or certification, the sub-contractor must hold the appropriate license or certification. Payment of all sub-contractors is the sole responsibility of the Consultant. Nothing contained in this AGREEMENT shall create a contractual relationship between any sub-contractors and the Owner.

30. ASSIGNMENT

The Consultant shall not assign the whole or any part of this AGREEMENT without written consent of the Owner. Money due to the Consultant hereunder shall not be assigned for any purpose whatsoever.

31. COMPLIANCE WITH LAW

The Consultant shall comply with any and all Federal, State, or local laws in effect or hereinafter promulgated which apply to the service herein specified.

Each and every provision required by law to be inserted in this AGREEMENT shall be deemed to have been inserted therein. If any such provision has been or has not been correctly inserted, then upon application of either party, the AGREEMENT shall be physically amended to provide for such insertion or correction. If the Owner determines that the Consultant has violated or failed to comply with applicable Federal, state or local laws with respect to its performance of this Agreement, it may withhold payments for such performance and take other such action that it deems appropriate until compliance or remedial action has been accomplished by the Consultant to the satisfaction of the Owner.

32. SET-OFF FOR STATE TAX

Pursuant to P.L. 1995, c 159, and notwithstanding any provision of the law to the contrary, whenever any partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentality, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off so much of that payment as shall be necessary to satisfy the indebtedness. The amount set off shall not allow for the deduction of any expenses or other deductions which might be attributable to the tax payer, partner or shareholder subject to set-off under this act.

The Director of the Division of Taxation shall give notice of the set-off to the taxpayer, partner or shareholder and provide an opportunity of a hearing within 30 days of such notice under the procedures for protests established under R.S. 54:49-18. No request for conference, protest, or subsequent appeal to the Tax Court from any protest under this section shall stay the collection of the indebtedness. Interest that may be payable by the State, pursuant to P.L. 1987, c 184 (c.52:32-32 et seq.) to the taxpayer shall be stayed.

33. COMPLETE AGREEMENT CLAUSE

This AGREEMENT represents the entire and integrated AGREEMENT between the Owner and Consultant and supersedes all prior negotiations, representations or agreements, either written or oral. This AGREEMENT may be amended only by subsequent written agreement.

34. SEVERABILITY CLAUSE

If any provision of this AGREEMENT is found invalid, it shall be considered deleted and shall not invalidate the remaining provisions of the AGREEMENT.

35. HAZARDOUS MATERIALS

Should a Consultant, through the normal course of work discover previously undetected asbestos, radon, lead, PCB's or other hazardous material, the Consultant is to report their findings immediately to the Owner. The Owner will initiate remedial action, during which time the Consultant may be required to cease work on the project if so directed by the Owner. The Consultant will commence work at the direction of the Owner, and the terms and conditions of the original project AGREEMENT shall remain in force.

36. THIRD PARTIES

Nothing contained in this AGREEMENT shall create a contractual relationship with or a cause of action in favor of a third-party against the Consultant or the Owner, except that a third party Consultant or Contractor may file an action as described in General Conditions Article 11, Consultant's Claims for Damages.

37. FINAL ACCEPTANCE

Prior to final acceptance by the Owner of the project, the Consultant shall submit all of the required deliverables for the project as specified in this AGREEMENT. Upon submission of the request for final payment, the Consultant firm and its successors and assigns remise, release and forever discharge the Owner, its officers, agents and employees in their official and individual capacities of and from all liabilities, obligations and claims whatsoever in law and in equity under or arising out of this AGREEMENT.