
**UNIVERSITY OF ARIZONA -
STANDARD FORM AGREEMENT BETWEEN OWNER AND
DESIGN PROFESSIONAL
(ANNUAL REQUEST FOR QUALIFICATIONS EDITION)
January 1, 2017 Edition**

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THIS AGREEMENT is made this _____ day of _____ in the year _____ by and between OWNER: ARIZONA BOARD OF REGENTS (“ABOR”), for and on behalf of University of Arizona (“UA”), located at 220 W. Sixth Street, Third Floor, Tucson, AZ 85701 and [Design Professional Firm Name] ("Design Professional" or "DP"), located at _____.

In consideration for the mutual covenants and obligations contained herein, Owner and DP agree as set forth herein.

Article 1 Project

1.1 Project Title: To be determined on a per Project Scope basis and identified in the Project Authorization letter.

1.2 Project Number: To be determined on a per Project Scope basis and identified in the Project Authorization letter.

1.3 Project Location: On the campus of the University of Arizona, Tucson, AZ and other University of Arizona sites located within the State in accordance with plans and specifications to be issued on a project by project basis.

1.4 Scope of Services: To be determined on a per Project Scope basis and identified in the Project Authorization letter as required. Individual fee proposals are to be submitted, and Project Authorizations will be issued per each Project Scope, which define the scope of services to be provided.

1.5 Schedule: This Agreement shall be in effect for the time period **XX/XX/XX through** December 31, 20_____, or the completion date of Professional Services to be rendered under this Agreement, whichever is later. Provided however, the Owner reserves the sole right to terminate this Agreement at any time and offer a new agreement to the DP, utilizing the DP ARQ submittal resulting from **202** UA ARQ.

Project Authorizations issued prior to the termination date of this Agreement shall be governed by the terms and conditions of this Agreement until all obligations of both parties are fulfilled.

1.6 Fee: The DP's Basic Compensation shall be computed on the following basis: Individual fee proposals are to be submitted and Project Authorizations will be issued per each Project Scope.

The parties will agree on individual Projects (where total project professional fees have been determined to be less than **\$500,000**) as dictated by the Owner's requirements. Such Projects will be described and services paid for in accordance with the Owner's Project Authorization issued under this Agreement. No minimum amount of work is guaranteed as a result of the execution of this Agreement. Design Professional may be selected for work on more than one project under this Agreement.

1.7 Representatives of the Parties, Authority.

1.7.1 Owner's Representatives.

1.7.1.1 Owner designates **Ralph Banks, P.E., P.Eng., CEM, LEED AP, Executive Director, Engineering, Design, & Construction** as its Senior Representative ("Owner's Senior Representative"), which individual has the authority and responsibility set forth in this Agreement, including the authority and responsibility for avoiding and resolving disputes under Article 10.

1.7.1.2 Owner designates (To be determined on a per Project Scope basis and identified in the Project Authorization letter) as its Design Phase "Representative", which individual has the authority and responsibility set forth in this Agreement.

1.7.1.3 Owner designates (To be determined on a per Project Scope basis and identified in the Project Authorization letter) as its Construction Phase "Representative", which individual has the authority and responsibility set forth in this Agreement.

1.7.2 DP's Representatives.

1.7.2.1 DP designates (To be determined on a per Project Scope basis and identified in the Project Authorization letter) as its Senior Representative ("DP's Senior Representative"), which individual has the authority and responsibility set forth in this Agreement, including the authority and responsibility for avoiding and resolving disputes under Article 10.

1.7.2.2 DP designates (To be determined on a per Project Scope basis and identified in the Project Authorization letter) as its Project Management "Representative" which individual has the authority and responsibility set forth in this Agreement.

1.7.2.3 DP's Representatives, as approved by the Owner, shall not be replaced without the Owner's prior written approval.

1.7.2.4 DP warrants and shall ensure that only representatives who are authorized to legally bind DP will sign documents associated with this Agreement.

Article 2 **DP's Services and Responsibilities**

2.1 General.

2.1.1 Intent. In accordance with ABOR Section 3-804B.3.a, the University of Arizona intends to enter into a contract for services by a qualified Design Professional (“DP”) for the services as set forth in the Project Authorization(s). The DP’s Services shall be rendered in the phases and subphases described in each individual Project Authorization and shall be coordinated with the services of the Contractor as described herein and in the agreement between Owner and Contractor as identified and incorporated by reference in a Project Authorization. The phases and subphases are to be performed in the sequence set forth in the Project Authorization, and DP shall not proceed with the next phase or subphase in the Project Authorization without prior written authorization from the Owner.

2.1.1.1 Essential Conditions. Due in part to the nature of the Work DP is to perform, it is understood that the time for commencing and completion of the DP’s Services as specified herein are ESSENTIAL CONDITIONS of this Agreement. It is mutually understood and agreed that the services by DP set forth in this Agreement shall be promptly commenced when a Project Authorization listing the Project Scope has been executed by DP and Owner. All DP services shall be prosecuted regularly, diligently, and uninterruptedly at such rate of progress as will help ensure full completion of each Project Scope within the time set forth in the applicable Project Authorization.

2.1.1.2 The “Agreement” consists of the documents listed below, which in the case of conflict shall govern in order listed:

2.1.1.2.1 The following documents:

- (i) This Agreement with attachments;
- (ii) Exhibit A, Hourly Rates / Schedule of Unit Rates as attached to this Agreement
- (iii) Exhibit B, the University’s Scope of Consultant Services, as issued for each Project
- (iv) Exhibit C, the University’s Project Authorization, as issued for each Project
- (v) Any amendments or addenda to the foregoing

2.1.1.2.2 Owner’s Annual Request for Qualifications (ARQ) including all Exhibits, Addenda and Clarifications.

2.1.1.2.3 The DP’s qualifications submission as required by the ARQ, including any clarifications and revisions of the submission.

2.1.1.3 Changes.

2.1.1.3.1 The Owner may at any time, by written notice to DP, make changes within the general scope of this Agreement.

2.1.1.3.2 If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of this Agreement, whether or not identified in the notice, the Owner shall make an equitable adjustment in the DP's Basic Compensation, time for completion, or modify this Agreement accordingly, as approved by Owner in writing.

2.1.1.3.3 The DP must assert its right to an equitable adjustment under this clause within thirty (30) days from the date of receipt of the written notice from the Owner. However, if, at its sole discretion, the Owner decides that the facts justify it, the Owner may receive and act upon a proposal submitted before final payment of this Agreement.

2.1.2 Definitions for this Agreement are as set forth:

2.1.2.1 "Construction Costs" (or "Cost of the Work") consists of those items of Work which are paid for by the Owner to the Contractor. It does not include any design or consulting fees, survey and testing costs, or readily movable furnishings/equipment, unless agreed to in advance in writing by the Owner.

2.1.2.2 "Contractor" means the Contractor and all persons and entities engaged by Owner for the Project and such engaged person's or entities' officers, employees, agents, independent contractors and authorized representatives involved in any way in the Project and any substitute persons or party permitted under the terms of the Agreement.

2.1.2.3 "Construction Documents" are the plans and specifications prepared by the DP for each Project Scope, approved by the Owner, and incorporated into the Agreement by reference after such approval, to be used to construct each Project Scope. All amendments and modifications to the Construction Documents must be approved by the Owner prior to incorporation into the Agreement.

2.1.2.4 "Construction Phase" is defined as including the following subphases: Construction Administration, Closeout and Warranty, and may include some activities that occur after Final Completion.

2.1.2.5 "Consultant" is an entity or person, other than the Contractor or the DP, who performs any design or engineering services directly on behalf of the Owner, and shall include all employees, agents and authorized representatives of such entities or persons.

2.1.2.6 "Contract Time" shall mean the time period for DP's performance of the Scope of Services and completion of the Project as set forth in the Scope of Services.

2.1.2.7 "Day" refers to the calendar day unless otherwise denoted.

2.1.2.8 "Design Phase" is defined as including but not limited to the following subphases: Program Development, Conceptual Design, Schematic Design, Design Development, Bidding and Construction Documents.

2.1.2.9 “Design Professional” is a representative of the Owner for the Project as provided in the Contract Documents, whose agreement is with the Owner, and a) who is a qualified professional properly licensed in the State of Arizona to furnish applicable design and construction administration services, and b) is not the representative of the Owner except for the approval and certification of Contractor progress payment applications, and Substantial Completion, if so designated.

2.1.2.10 “Design Submission Documents” (or “Design Documents”) consist of the drawings and specifications prepared at specific phases of the design effort by the DP including Programming, Schematic Design, Design Development, and Construction Documents as well as other documents prepared by the Contractor that are submitted for Owner’s approval for each subphase of the design services.

2.1.2.11 “Final Completion” is defined as 100% completion of all Work by the Contractor described by or reasonably inferred from the Project Criteria and Contract Documents, including but not limited to all a) punch lists, b) Close-Out Documents, c) Owner training/start up activities, and d) third party commissioning.

2.1.2.12 “Professional Services” is defined as all services described in this Agreement, the Project Authorization(s), and the Project Authorization Revision(s), if any.

2.1.2.13 “Project Authorization” is the document authorizing Professional Services for a particular Project Scope.

2.1.2.14 “Probable Construction Cost” is the estimate of the Construction Cost that is to be prepared by the DP for presentation to the Owner.

2.1.2.15 “Project Budget” is the total cost to the Owner for the Project.

2.1.2.16 “Project Criteria” are developed by or for Owner to describe Owner’s program, requirements and objectives for the Project, including use, space, price, time, site, utility, parking, and expandability requirements, as well as all submittal requirements and other requirements affecting Contractor’s performance of its Work. The Project Criteria may include conceptual documents, design criteria, performance requirements, and other Project specific technical materials and requirements prepared by or for Owner.

2.1.2.17 “Project Scope” is an individual sub-project of the overall Project, authorized via a Project Authorization to this Agreement. Each Project Scope will have a unique Project Budget, schedule, Project Criteria, and compensation.

2.1.2.18 “Punch List” are those minor items of Work identified and listed by DP and agreed to by Owner to be completed by Contractor after Substantial Completion and prior to Final Completion, which do not prevent the Project from being fully used for the purpose for which it is intended and which will not prevent the issuance of a certificate of occupancy.

2.1.2.19 “Standard of Care” is the performance standard under which DP shall provide its Services and is defined as: the skill, care and competence exercised by members of the applicable professional discipline currently practicing under similar circumstances. The DP shall perform its services as expeditiously as is consistent with the Standard of Care and the orderly and timely progress of the Project and Project Schedule.

2.1.2.20 “Subconsultant” is an entity or person who performs any services directly on behalf of the DP, and shall include all employees, agents and authorized representatives of such entities or persons.

2.1.2.21 “Subcontractor” (of any tier) is any entity or person who performs a portion of the Work, on or off site, directly on behalf of the Contractor, including any materials, workers and suppliers, and shall include all employees, agents and authorized representatives of such entities or persons.

2.1.2.22 “Substantial Completion” is the date on which Contractor’s Work, or an agreed upon portion of the Work, is sufficiently complete, as determined by the DP or Owner’s issuance of a Certificate of Substantial Completion, so that Owner can fully occupy and utilize the Project, or a portion thereof, for the purposes for which it is intended. In order to achieve Substantial Completion, all Work must be complete except for items included on the approved punch list. As part of Substantial Completion all required inspections, State Fire Marshal and State Elevator certificates, Boiler inspection, ACC inspection for natural gas lines, and preliminary test and balance of the mechanical system must be obtained or completed. (Note – The Owner retains the right to require inspections of the Work past those inspections required for Substantial Completion, and such inspections may be required through the date of Final Completion.)

2.1.2.23 “Work” is comprised of all activities required in order to complete the Project as defined by the Project Criteria and Contract Documents, including procuring and furnishing all materials, equipment, services, and labor reasonably inferable from the Contract Documents, or from prevailing trade usage and custom.

2.1.3 Cooperation.

2.1.3.1 Pursuant to the Standard of Care, Owner and DP will cooperate with each other and with the Contractor and others involved in the Project to the maximum extent possible and to proceed on the basis of trust, confidence, and good faith to permit each party to this Agreement and the Contractor to realize the goals sought and benefits afforded under this Agreement. Those benefits include the satisfactory and timely completion of the Project and the performance of all obligations described by this Agreement.

2.1.3.2 The DP shall cooperate fully with the Owner and the Contractor in the design and construction of the Project and must keep the Project within the Owner’s Project Budget and the schedule requirements. The Contractor, the Owner, and the DP, called the “Project Team”, shall cooperatively work together during all phases of the Project in which they are involved to achieve expedited completion of the Project within Owner’s Project Budget and time constraints.

2.2 DP's Professional Responsibilities.

2.2.1 To the maximum extent allowed by law, the DP shall be responsible for and shall indemnify, hold harmless and, if elected by Owner, defend the Owner, the Arizona Board of Regents, and the State of Arizona from any and all claims, demands, losses, damages, liabilities, costs and expenses to the extent alleged to arise or result from any negligence, recklessness, or intentional wrongful conduct or errors or omissions by DP or DP's Subconsultants in the performance of the DP's Basic Services or Additional Services ("Errors and Omissions Amounts"). DP represents that it and the professional staff and Subconsultants it will assign to the project (registrants with the Arizona Board of Technical Registration and others), are fully qualified by education, technical training, and experience as professionals to perform the design services and contract administration called for by this Agreement.

2.2.2 DP agrees that in performing the design professional services to be performed under this Agreement, whether in the Design Phase or Construction Phase, or any subphase, it will apply the technical skills, knowledge and judgment that would be applied by other design and contract administration professionals in performing similar services as defined in Section 2.1.2.19 of this Agreement and cause all Subconsultants it employs to meet this same criteria and same Standard of Care.

2.2.3 Notwithstanding the contractual and indemnity remedies provided to Owner under the Agreement and applicable law to recover for any economic loss caused by DP's actions, inactions, errors or omissions, DP acknowledges that a violation of the Standard of Care or a failure to apply the necessary technical skill, knowledge and judgment when performing its services causing injury or damage to Owner is actionable and DP agrees that Owner may pursue as a remedy, in addition to any contractual or indemnity remedy, a tort claim for professional negligence against DP.

2.2.4 Although the Owner has the right to make claims in tort for professional negligence against DP as the lead registrant of the design team for the negligence, recklessness, or intentional wrongful conduct or errors or omissions of DP or any of its Subconsultants, DP agrees it shall also be responsible for and shall indemnify and hold Owner, ABOR, and the State of Arizona harmless from any and all losses, expenses, damages, costs and injuries arising from or resulting from any negligence, recklessness, or intentional wrongful conduct or errors or omissions in the design and/or documents prepared by DP or DP's Subconsultants for Owner by the DP or DP's Subconsultants or in the construction administration during the Construction Phase.

2.2.5 Notwithstanding Articles 2.2.1 through 2.2.4, Owner agrees not to hold DP responsible or liable for an amount equal to two percent (2%) of the Actual Costs of Construction Work in effect at the time of Final Completion for any costs associated with professional errors or omissions of DP. It is understood and agreed that this 2% share shall apply to the aggregate amount of costs for professional errors or omissions and not to each error or omission individually. This 2% share shall not apply to claims for property damage, personal injury, or death, whether incurred by Owner, or third parties.

Owner shall deliver to DP a list of errors or omissions amounts that Owner has determined it has absorbed or will absorb in whole or in part.

2.2.6 At all times during this Agreement, DP shall comply with, and shall ensure its Work, including but not limited to Basic Services and Additional Services comply with, all applicable laws, statutes, ordinances, regulations, rules or codes.

2.2.7 Owner acceptance of the Design Documents provided to it by the DP and the DP's estimates of Probable Construction Cost shall not relieve the DP from any responsibility for errors or omissions in those regards, nor from any other obligation of the DP under this Agreement or applicable laws, statutes, ordinances, building codes, rules and regulations, or operation of law.

The DP acknowledges and agrees that approval by the Owner and the Contractor and involvement of the Contractor and the Owner during the Design Phase (including, without limitation, recommendations by the Contractor or Owner as to the design), in no way relieves the DP of responsibility for the Design Documents. The DP, Contractor, and the Owner will cooperate in the resolution of such matters so as to minimize any detrimental impact upon the Project. However, such cooperation shall not be deemed a waiver of any rights the Owner may have relating to the DP.

2.2.8 The DP hereby agrees, subject to the Standard of Care, that it shall have the same legal responsibility to the Owner as the Owner has, or may have, to others arising out of, or resulting from, any acts or omissions of the DP.

2.2.9 All Drawings and Specifications shall bear the signature and seal of the DP or the DP's Subconsultants, or both as appropriate. The DP as lead professional shall be fully responsible for all design and administration provided under this Agreement.

2.2.10 The DP shall prepare and provide all documents in form necessary for Owner to obtain any and all approvals required for approval of design and completed construction by all governmental authorities having jurisdiction over the Project and/or designated by the Owner. The Owner will sign applications and pay applicable fees for such governmental approvals.

2.2.11 Reserved.

2.2.12 Reserved.

2.2.13 The DP shall prepare complete and useable plans and specifications for the Contractor's use for each portion of the Work to be bid separately and, if the Work is done in phases, complete sets plans and specifications for each phase.

2.2.14 If and to the extent Owner has given its prior approval, DP shall provide written interpretations and clarifications of the Construction Documents requested by the Contractor or any potential bidder.

2.2.15 Provide such other reasonable assistance to the Contractor as the Contractor and Owner request.

2.2.16 Reserved.

2.2.17 Reserved.

Article 3 Design Requirements

3.1 General Information – Applicable only to firms providing professional design services.

3.1.1 DP shall provide thorough coordination and review, and place professional seal on all documents.

3.1.2 DP is responsible for production of complete Drawings and Specifications. Document covers shall include the Owner project name and number and date.

3.1.3 Drawings shall be prepared on the DP's own sheets, with Owner Project Number on all sheets.

Specifications shall be prepared by the DP using CSI format, with University Project Number on all pages.

3.1.4 Project documents will be produced using computer aided design and drafting (CADD) software. Refer to "Attachment 1 – Construction Drawings Requirements for University of Arizona" and "Attachment 2 – 'As-Built' and 'Record Drawings' Requirements" for University of Arizona" for drawing format, plotting requirements and submittal requirements.

3.2 The DP shall be responsible for Professional Services conforming to the Owner's design standards in effect at the time the Project Authorization(s) is/are issued, as follows:

DP shall be responsible for the design conforming to the University of Arizona "Manual of Design and Specification Standards." Coordinate final product specifications with PD&C.

3.3 The DP shall be responsible for coordination with the governing jurisdiction as follows:

The project utilities will be served by the University's Central plant as well as Southwest Gas, City of Tucson and Pima County utilities. The University's Risk Management Services will be the Authority Having Jurisdiction (AHJ). The University will provide design review and construction inspection. Local zoning and ordinances will not apply; the University will provide site development guidelines specific to the project. Interface and permitting by the DP with the City of Tucson and other municipalities will be limited to street acquisition, right-of-way permits, and utility easements with these entities if these improvements are not owned by the University. Interface with Pima Wastewater Management will be required for sanitary sewer capacity and connections.

Owner will coordinate submittal and payment for Pima County Wastewater Management sewer connection fees.

3.4 DP shall design the Project in such a manner that the completion of Project is in compliance with the following codes. When reference is made to "this code" it shall mean all the codes listed below.

DP shall design the project in compliance with the codes identified in the Exhibit B.

Article 4 Reimbursable Expenses

4.1 The Price for Professional Services includes expenses that the DP may incur for services, supplies and travel (under 200 miles per roundtrip), as such expenses are not separately reimbursable. DP may request Owner to reimburse DP for any additional expenses for services, supplies and travel (in excess of 200 miles per roundtrip), provided that expenses associated with such additional travel (mileage, lodging and meals) is subject to Owner's current travel policies applicable to Owner's employees, unless Owner specifically authorizes a different reimbursement rate in writing in advance of the incurrence of such expenses by DP. The State of Arizona's travel policy is located at <http://www.gao.az.gov/travel/>. No markups are allowable on Owner-approved reimbursable expenses. All Owner-approved reimbursable expenses shall be invoiced at and paid at actual cost.

Article 5 Owner's Responsibilities

5.1 The Owner will provide all preliminary information readily available to Owner regarding the requirements for the Project including budget information. The DP shall notify the Owner in writing if the DP requires additional information and of any information provided by the Owner which the DP believes to be unclear or insufficient for the successful completion of the Project.

5.2 The Owner will designate a representative to act on its behalf with respect to the Project at all relevant times until Final Acceptance. Upon request the Owner will provide the DP with a copy of the executed contract between the Owner and the Contractor. Upon request the Owner will provide the Contractor with a copy of the executed DP Agreement.

5.3 If the Owner should observe or otherwise become aware of any fault or defect in the design of the Work or any non-conformity with the Contract Documents, Owner will give prompt written notice thereof to the DP and the Contractor.

Article 6 DP's Accounting Records

6.1 The DP's records pertaining to its services on the Project shall be kept on a generally recognized accounting basis and shall be available to the Owner or his authorized representative upon request for a period of five years from the date of Final Payment to the Contractor.

6.2 The DP shall retain and require its Subconsultants to retain, for inspection and audit by the Owner all books, accounts, reports, files and other records relating to the bidding and performance of this Agreement for a similar period of five years.

6.3 Upon request by the Owner, the original or a legible copy of the originals of all such accounting records shall be produced by the DP or Subconsultants at the address designated by the Owner.

Article 7 Insurance and Indemnity against Liability

The DP shall not commence any Work until it obtains all required insurance and delivers satisfactory proof thereof to the Owner. The DP shall not permit Subconsultants to commence Work until applicable insurance requirements have been complied with by Subconsultants.

Insurance coverage assuring the adequacy of the DP's performance and warranty obligations shall be maintained until Final Completion of the Project for the period(s) specified herein and any longer specific periods set forth in the Contract Documents or available by law.

7.1 Minimum Scope and Limits of Insurance. Without limiting any liabilities or any other obligations of the DP, the DP shall provide and maintain, and cause its Subconsultants to provide and maintain, insurance coverage in such types and amounts as requested by Owner and with duly licensed or approved non-admitted insurers in the state of Arizona and rated at least A-VII in the current A.M. Best Company ratings. DP shall provide Owner with certificates of insurance showing Subconsultant's insurance if requested by Owner. The Owner in no way warrants that the above-required minimum insurer rating is sufficient to protect the DP or any Subconsultant from potential insurer insolvency.

7.2 Worker's Compensation Insurance. DP shall procure and maintain worker's compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of the DP, its employees, or both, engaged in the performance of services under this Agreement. DP shall maintain coverage through Final Completion for all employees engaged in the performance of services under this Agreement.

Worker's Compensation Employer's Liability	Statutory
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

The policy shall be endorsed to contain a waiver of subrogation against the State of Arizona, the Arizona Board of Regents, the University of Arizona and their officers, officials, agents, and employees for losses arising from Work performed by or on behalf of the DP.

This requirement shall not apply to: Separately, each Consultant, contractor, Subcontractor or Subconsultant that is exempt under A.R.S. §23-901, and when such Consultant, contractor,

Subcontractor or Subconsultant executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

7.3 Commercial General Liability Insurance. The policy shall be an occurrence form policy and shall include coverage for bodily injury, broad form property damage (including completed operation), personal injury (including coverage for contractual and employee acts), and blanket contractual products. Said policy shall be endorsed to contain a severability of interest provision, and shall not contain any provision which would serve to eliminate third-party action over claims. DP shall maintain coverage through Final Completion for DP and all Subconsultants engaged in the performance of services under this Agreement do the same.

- Each Occurrence \$1,000,000
- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Damage to Rented Premises \$ 50,000

The policy shall be endorsed to include the following additional insured language: “The State of Arizona, the Arizona Board of Regents, the University of Arizona and their officers, officials and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the DP”.

The policy shall be endorsed to contain a waiver of subrogation against the State of Arizona, the Arizona Board of Regents, the University of Arizona and their officers, officials, and employees for losses arising from Work performed by or on behalf of the DP

7.4 Business Automobile Liability Insurance.

Each Accident \$1,000,000

DP shall procure and maintain commercial/business automobile liability insurance with a minimum, combined single limit for bodily injury and property damage of not less than \$1,000,000 each accident with respect to the DP’s owned, hired, or non-owned vehicles assigned to or used in performance of the services.

DP shall maintain coverage through Final Completion for DP and all Subconsultants engaged in the performance of services under this Agreement.

The policy shall be endorsed to contain a waiver of subrogation against the State of Arizona, the Arizona Board of Regents, the University of Arizona and their officers, officials, and employees for losses arising from Work performed by or on behalf of the DP.

The policy shall be endorsed to include the following additional insured language: “The State of Arizona, the Arizona Board of Regents, the University of Arizona, and their officers, officials and

employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the DP".

7.5 Professional Liability Insurance.

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

7.5.1 The policy shall cover negligence, errors and omissions and lack of ordinary skill for those positions defined in the Scope of Work of this Agreement and, except as set forth in section 7.5.2, shall be an occurrence form policy.

7.5.2 In the event that the professional liability insurance required by this Agreement is written on a claims-made basis, DP warrants that any retroactive date under the policy shall be no later than the effective date of this Agreement, and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time of Final Completion.

7.5.3 DP is required to maintain unimpaired aggregate limits for this insurance. In the event aggregate limits become impaired by claims or payments during the coverage term required by this Agreement, DP shall notify Owner within 30 days of becoming aware of such impairment, and shall procure additional coverage to restore full aggregate limits. Any new coverage procured must have a retroactive date no later than the date the original limits became impaired.

7.5.4 The policy shall be endorsed to contain a waiver of subrogation against the State of Arizona, the Arizona Board of Regents, the University of Arizona, and their officers, officials, and employees for losses arising from Work performed by or on behalf of the DP.

7.6 Additional Insurance Requirements.

7.6.1 Reserved.

7.6.2 The DP's insurance coverage shall be primary insurance with respect to all other available sources, except for Worker's Compensation insurance. Any self-insurance or other insurance carried by the State of Arizona, the Arizona Board of Regents, and the University, their officers, or employees, if any, shall be excess and not contributory to the insurance provided by the DP.

7.6.3 Coverage provided by the DP shall not be limited to the liability assumed under the indemnification provisions of this Agreement.

7.7 Proof of Insurance. DP shall provide to the Owner certificates of insurance (ACORD form or equivalent approved by the Owner) evidencing the coverages and endorsements required herein as proof that the policies providing the required coverages and endorsements are in force and effect prior to the DP's performing any work on behalf of the Owner. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its

behalf. Such certificates shall identify this Agreement or be an annual or periodic certificate stating that it covers any and all projects or work performed by the DP during said period. Certificates of insurance should be addressed as follows:

Arizona Board of Regents, State of Arizona and the University of Arizona
c/o University of Arizona Planning, Design, and Construction
Post Office Box 210300
Tucson, AZ 85721-0300

Owner has the right to request and to receive, within ten (10) business days, certified copies of any or all of the policies and/or endorsements required in this Agreement. Owner shall not be obligated to review same or to advise DP of any deficiencies in such policies and endorsements, and such receipt shall not relieve DP from, or be deemed waiver of, Owner's right to insist on strict fulfillment of DP's obligations under this Agreement.

7.8 Cancellation or Failure to Provide or Maintain Insurance. In the event any insurance coverage required in this Article 7 is canceled, reduced, or terminated, DP agrees to provide notice to Owner within 30 days and replace the insurance without any lapse of protection to Owner. Failure on the part of the DP to procure or maintain the required insurance shall constitute a material breach of this Agreement upon which the Owner may immediately terminate this Agreement, or at its discretion procure new or renew such insurance and pay all premiums in connection therewith, and all monies so paid by the Owner shall be repaid by the DP to the Owner upon demand, or the Owner may offset the cost of such premiums together with interest at the statutory legal rate against any money due the DP from the Owner. Costs for coverages maintained by the DP in excess of those required hereunder shall not be charged to the Owner.

7.9 Authorization to Obtain Information. The Owner may, and the DP hereby authorizes the Owner to, request and receive directly from insurance companies utilized by the DP in meeting the insurance requirements any and all information reasonably considered necessary in the sole discretion of the Owner.

7.10 Waiver. DP and its insurers providing the coverages required above shall and do hereby waive all rights of recovery against the State of Arizona, the Arizona Board of Regents, the University of Arizona, and their officers and employees.

7.11 Claim Reporting. Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect Owner.

7.12 Self-insurance. The policies specified herein may provide coverage which contains deductibles or self-insured retentions. Such deductibles and/or self-insured retentions shall not be applicable with respect to the coverage provided to Owner under such policies. The DP shall be solely responsible for deductible and/or self-insured retention, and Owner, at its option, may require the DP to secure the payment of such deductible or self-insured retention by a surety bond or an irrevocable and unconditional letter of credit.

7.13 Contractual Obligations. The stipulation of insurance coverages in this Article 7 or elsewhere, shall not be construed to limit, qualify, or waive any liabilities or obligations of DP, assumed or otherwise, under this Agreement.

7.14 Indemnity. To the maximum extent allowed by law, DP shall indemnify, defend, save and hold harmless the State of Arizona, the Arizona Board of Regents, and the University of Arizona and their officers, officials, agents, and employees (hereinafter referred to as “Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as “Claims”) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property to the extent caused, or alleged to be caused, by the negligence, recklessness, or intentional wrongful conduct or errors or omissions by the DP or DP’s Subconsultants or any of its owners, officers, directors, agents, employees, arising out of performance of the Work or this Agreement, or in connection with the Project or defects in the Work. This indemnity includes any claim or amount arising out of or recovered under the Workers’ Compensation Law or arising out of the failure of such DP or contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is agreed that DP will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Agreement, the DP agrees to waive all rights of subrogation against the State of Arizona, the Arizona Board of Regents, the University of Arizona and their officers, officials, agents and employees for losses arising from the Work performed by the DP for the State of Arizona.

7.14.1 DP shall defend any action or proceeding brought against Owner based on any assertion or claim that the Construction Documents, any services provided by the DP, or any part thereof, constitutes infringement of any third party proprietary rights, trademark, patent or copyright, now or hereafter issued (“Proprietary Rights”). Owner agrees to give prompt notice in writing to DP of any such action or proceeding and to provide authority, information and assistance in the defense of same. DP shall defend, indemnify and hold harmless Owner from and against all damages and costs, including attorney’s fees, awarded against Owner or DP in any such action or proceeding. DP further agrees to keep Owner informed of all developments in the defense of such actions or proceedings.

7.14.2 In the event that Owner is enjoined from use of the Construction Documents, DP services, or any part thereof in connection with any claim of infringed Proprietary Rights, DP shall at its sole expense take reasonable steps to procure the right or license to operate or use same. If DP cannot so procure the aforesaid right within a reasonable time, DP shall then, promptly, at DP’s option and at DP’s expense and in consultation with Owner (a) modify the Construction Documents, or DP services, so to avoid infringement of any Proprietary Rights; or (b) replace said Construction Documents or DP Services, or any part thereof with work that does not infringe or violate any such Proprietary Rights.

7.14.3 Sections 7.14.1 and 7.14.2 above shall not be applicable to any action or proceeding based on infringement or violation of a Proprietary Right (a) relating solely to a particular process or the product of a particular manufacturer specified by Owner and such processes or products are

something other than that which has been offered or recommended by DP to Owner; or (b) arising from modifications to the Work by Owner or its agents after acceptance of the Work.

7.14.4 In addition to the other obligations of DP under this section 7.14, DP will be responsible for delays and for increases in the cost of the Work to the extent caused by allegations that DP infringed proprietary rights.

Article 8 Ownership of Documents

8.1 The plans, drawings, specifications, notes, reports, renderings, final models, design concepts and images, and all other documents and items to be prepared and furnished by the DP pursuant to this Agreement shall be the property of the Owner, including the right to use same on Owner's other projects without additional cost to the Owner. The DP shall maintain for its file copies of those documents, drawings and/or other products required by law or the standards of professional practices.

8.2 In the case of reuse or modification of the Construction documents by the Owner, the DP's name and seal shall be removed, and the DP shall not be liable to the Owner or third parties in their reuse.

8.3 By execution of this Agreement, the DP transfers all copyright, ownership, and other intellectual property interest in the Construction Documents and the completed Project to the Owner and further agrees to execute any separate assignment agreement necessary to implement such transfer. DP may use on other projects any standard detail and other parts of the Construction Documents not prepared exclusively for the Owner.

Article 9 No Assignments

9.1 The DP shall not assign, sublet or delegate his obligations under this Agreement without the prior written consent of the Owner and the Owner may withhold such consent for any reason.

Article 10 Requests for Contractual Adjustments and Dispute Resolution

10.1 Dispute Avoidance and Resolution.

10.1.1 The parties are fully committed to interacting and working with each other through the course of the Project, and agree to communicate regularly with each other at all times, including attending weekly on-site design and construction status meetings, so as to avoid, eliminate, or minimize any disputes, disagreements, claims, or controversies relating to the Project, (hereinafter "Disputes"). To the extent Disputes arise during the course of the Project that are not otherwise resolved by applicable portions of this Agreement, both DP and Owner agree to timely resolving such Disputes in an amicable, professional, and expeditious manner at the lowest possible level so as to avoid unnecessary costs, delays, and disruptions to the Work. To this end, the DP's Representative shall refer the Dispute to the Owner's Representative by written notice of same, not more than seven (7) calendar days from the occurrence of the event which gives rise to the

Dispute, or not more than seven (7) calendar days from the date that the DP knew or should have known of the matter.

10.1.2 In the event a Dispute cannot be resolved through DP's Representative and Owner's Representative in accordance with Section 10.1.1, the DP's Senior Representative and Owner's Senior Representative shall meet within 48 hours of such field level failure to attempt to resolve the Dispute. The parties agree that prior to any meetings between the Senior Representatives, they will timely exchange with each other all relevant documents and information that will assist the Senior Representatives in resolving the Dispute. The Senior Representatives shall have seven (7) calendar days from the time they first met to resolve the Dispute. If the Senior Representatives, after meeting in good faith, determine that the Dispute cannot be resolved by them on terms satisfactory to both parties, the parties agree that the sole remedy for DP to pursue the Dispute is to submit the Dispute to Owner in accordance with the applicable provisions of the Arizona Board of Regents' Policy Section 3-809.

10.1.3 The parties understand and agree that the process set forth in Section 10.1, 10.2, and in ABOR Policy Section 3-809, provide the sole and exclusive remedy to resolve a Dispute. The Parties further understand and agree that asserting the Dispute in accordance with Section 10.1.1 and 10.1.2 is integral and essential to the Parties' ability to perform their obligations under this Agreement. Failure to properly utilize the procedures in Section 10.1.1 and 10.1.2 exposes the non-utilizing party to damages which are difficult to accurately quantify and ascertain. The Parties agree that failure to properly utilize the procedures in Section 10.1.1 and 10.1.2 will require the non-utilizing party to pay the other party **ten thousand and 00/100 Dollars (\$10,000.00)** as liquidated damages, and not as a penalty. The damages awarded pursuant to this section shall be in addition to and not in lieu of other damages provided for under this Agreement.

10.2 Administrative Process.

10.2.1 DP and Owner agree that all other parties involved in the Project, including but not limited to the Contractor, can be made parties to the administrative process called for by Section 3-809 and to this end, both DP and Owner will include appropriate provisions in all contracts they execute with other parties in connection with the Project requiring attendance and participation by those other parties in any such administrative proceeding.

10.2.2 Unless otherwise agreed in writing, the DP shall carry on the Work and maintain its progress during the course of any unresolved Dispute, and the Owner shall continue to make payments as they fall due to the DP in accordance with the Contract Documents.

10.3 Decisions of Owner.

Any failure of the Owner to make a decision within the time limits set forth herein shall not be construed as acquiescence in all or any part of the DP's claim for relief.

Article 11 Termination or Suspension

11.1 The Owner may suspend or terminate the Project at any time, for any reason, for the convenience of the Owner. Upon written notice of suspension or termination the DP shall immediately cease all Work and not incur any further costs or expenses except as expressly permitted by the Owner in writing. If the Project is suspended for more than one calendar year through no fault of the DP, the DP shall be paid for Work actually performed and this Agreement shall terminate. Otherwise, the DP shall recommence work upon written notice from the Owner and this Agreement shall remain in full force and effect.

11.2 The Owner may terminate this Agreement without penalty or further obligation pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the Owner is or becomes, at any time while the Agreement or any extension of the Agreement is in effect, an employee of or Subconsultant to the DP with respect to the subject matter of the Agreement. Such termination shall be effective when written notice from the Owner is received by the DP, unless the notice specifies a later time.

11.3 If Owner's performance under this Agreement or funds available for this Project and/or Work are dependent upon (i) the appropriation or allocation of funds by the Arizona Legislature, and if the Legislature fails to appropriate or allot funds necessary for performance of the Project and/or Work, (ii) the sale of bonds or other similar instruments, and if such bonds or other instruments are not sold or proceeds are not available, or (iii) third party gifts, donations or grants, and if such gifts, donations or grants are not received in whole or in part by Owner; then Owner may provide notice of this to the DP, and either a) cancel this Agreement without further obligation of Owner except as set forth at the end of this paragraph, or b) delay the Project and/or Work for a period of up to six (6) months (without cost to the Owner), after which date if no such funds are legally available for performance of this Agreement, Owner may cancel this Agreement without further obligation of Owner, except as set forth at the end of this paragraph. If cancellation occurs, Owner shall reimburse DP for all services authorized and rendered prior to lack of funds.

11.4 The Owner may, by written notice to the DP, terminate this Agreement if it is found by the Owner that improper gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the DP or any agent or representative of the DP to any officer or employee of the State of Arizona, the Arizona Board of Regents, or the University of Arizona.

11.5 In the event of termination which is not the fault of the DP, the Owner shall pay to the DP only the compensation properly due for services properly performed on the Project and accepted by the Owner prior to the termination date and Reimbursable Expenses incurred as provided hereunder. Any post-termination wrap-up costs must be approved by the Owner in writing in advance of their commitment or expenditure or DP specifically waives all rights to claim such post-termination costs not pre-approved hereunder.

11.6 This Agreement may be terminated by either party for default upon the defaulting party's failure to cure a material breach within seven (7) days after written notice by the non-defaulting party specifying the nature of the default.

11.7 At or prior to the Termination Date, all Drawings, Specifications, and other design, bidding or construction administration documents then available shall be provided by the DP to the Owner.

Article 12 Extent of Agreement

12.1 This Agreement constitutes the complete and integrated agreement between the Owner and the DP, and it supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by a duly authorized representative of both parties.

Article 13 Compensation for the DP's Services

13.1 Payment for Basic Services and Reimbursable Expenses.

13.1.1 Payments for Basic Services and Reimbursable Expenses shall be as permitted in each Project Authorization per Project Scope. Payments to DP by Owner shall be made monthly to DP, within thirty (30) days after the Owner receives the DP's properly itemized invoice for Basic Services and Reimbursable Expenses in such form and accompanied by such supporting documentation as Owner may direct. If the Owner determines that any amounts requested by the DP are not due or are not sufficiently documented, the Owner will furnish the DP with notice of the reasons for withholding payment along with the Owner's payment on account of the balance of the statement. Amounts withheld will be paid upon proper resubmission.

13.1.1.1 Invoices.

All Invoices must be submitted on the University standard Vendor's Original Claim for Goods and/or Services, must be accompanied by back-up summarizing the payment status of the project. Reimbursable Invoices must also include copies of receipts for outside services, or a log documenting the specific nature of any inside services. Separate Invoices will be required for Fees and for Reimbursables. Originals of the Vendor's Claim Form, and examples of acceptable payment status summary back-up forms, are available at the offices of PDC. All Invoices must be submitted directly to PDC.

For Basic Services, the DP's Basic Compensation shall be computed as set forth in Owner's Project Authorization and Exhibit "A", Hourly Rates for Services, as attached hereto.

13.1.2 When DP's Basic Compensation is based on a stipulated sum, the payments for Basic Services shall be allocated to each phase or subphase in accordance with Contract Time and as determined in the Project Authorization.

13.1.3 When any part of the Project is deleted or otherwise not constructed, compensation for such portions of the Project shall be payable to the extent services are performed on such portions.

13.1.4 If and to the extent that the time initially established for completion of the Construction Administration Subphase of the Project is exceeded or extended beyond the

established completion date through no fault of the DP as determined by the Owner, compensation for Basic Services required for such extended period of administration of the Contractor Construction Agreement shall be computed and paid as established in the Project Authorization.

13.1.5 DP shall pay to each of its Subconsultants within thirty (30) days of receipt of its monthly payment from Owner, that amount properly due and payable to said Subconsultant for services performed within the payment period. DP shall, by an appropriate agreement with each of its Subconsultants, require each such Subconsultant to make payments to its Sub-subconsultants in a similar manner. No markups shall be allowed with respect to Subconsultants without Owner's prior written approval. Upon request of the Owner, DP shall furnish documentary evidence of compliance with these payment provisions.

Article 14 Project-Specific Provisions

14.1 Any additional provisions to the foregoing for this Project shall be established by Project Authorization(s) or Project Authorization Revision(s).

Article 15 Compliance and Legal Worker Requirements

15.1 Compliance.

15.1.1 The parties shall comply with all applicable state and federal statutes and regulations governing equal employment opportunity, non-discrimination, and immigration. In addition, the DP agrees to actively recruit in accordance with any affirmative action programs applicable to DP. The aforesaid provisions 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 DP shall post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause and shall insert this provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

15.2 Legal Worker Requirements.

15.2.1 The DP warrants that it is in compliance with all federal immigration laws and regulations that relate to its employees. Pursuant to Arizona Revised Statutes § 41-4401, the DP warrants that it is in compliance with the state law requirement that employers in Arizona verify the employment eligibility of employees, hired after December 31, 2007, through the E-verify program or any successor program. DP shall be responsible for all costs associated with compliance with such programs. DP shall flow-down each of the warranty requirements of this Article to all Subconsultants, and the DP shall require each Subconsultant to warrant compliance with the provisions of this Article. This Article is not applicable where the Contractor is a governmental entity nor is the DP required to pass this provision through to Subconsultants and sub-subconsultants who are governmental entities.

15.2.2 A breach of any of the warranties required under this Article shall be deemed a material breach of this Agreement subject to penalties, including termination for cause.

15.2.3 In addition to other audit provisions contained in this Agreement, the Owner retains the right to audit and inspect the papers of any DP or Subconsultant's employees who perform services to ensure that the DP or Subconsultant is complying with the warranty requirements of this Article.

Article 16 Miscellaneous

16.1 Payments are owed, were properly submitted and that have not been made to the DP within thirty (30) days of the due date, shall thereafter bear interest at the legal rate prevailing in the State of Arizona, as established at A.R.S. § 44-1201, as amended or superseded from time to time.

16.2 No Boycott of Israel: As required by ARS §§ 35-393 to 35-393.01, DP certifies it is not currently engaged in a boycott of Israel and will not engage in a boycott of Israel during the term of this Agreement.

16.3 Severability. If any provision or any part of a provision of the Agreement shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to applicable laws by any authority having jurisdiction, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Agreement, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

16.4 Sexual Harassment. The DP shall comply with the Owner's current policy regarding sexual harassment. The Owner prohibits sexual harassment by any person on the Owner's premises or at any Owner-affiliated functions or facilities.

16.5 Conflict of Interest. This Agreement is subject to the provisions of Arizona Revised Statute § 38-511 and the Arizona Board of Regents may, within three years after its execution, cancel this Agreement without penalty or further obligation if any person significantly involved in negotiating, drafting, securing or obtaining this Agreement for or on behalf of the Arizona Board of Regents becomes an employee or agent in any capacity of any other party or a consultant to any other party with reference to the subject matter of this Agreement while the Agreement or any extension hereof is in effect.

16.6 Governing Law. Interpretation of the Agreement and any and all disputes arising under or in connection with this Agreement shall be governed by Arizona Law. No suit or action shall be commenced hereunder by any claimant other than in the Arizona Superior Court in the County where Owner and the Project are located, and only after all contractual and Arizona Board of Regents administrative procedures have been exhausted. By submitting a proposal, DP agrees to be bound by the Arizona Board of Regents' Procurement Code Dispute Resolution Procedures and by execution of the Agreement waives any objections to those procedures.

16.7 Notice. Whenever the Agreement requires that notice be provided to the other party, notice will be deemed to have been validly given (a) if delivered in person to the individual intended to receive such notice; (b) if delivered or sent by registered or certified mail, postage prepaid to the address indicated in the Agreement; (c) if transmitted by facsimile, by the time stated in a machine generated confirmation that notice was received at the number of the intended recipient; or if d) if delivered by other means mutually agreed upon by the parties.

16.8 Headings. The headings used in this Agreement are for ease of reference only and shall not be in any way be construed to limit or alter the meaning of any provision.

16.9 No Waiver. The failure of either DP or Owner to insist, in any one or more instances, on the performance or timely performance of any of the obligations required by this Agreement, shall not be construed as a waiver or relinquishment of such obligation or right with respect to any other performance or obligation

16.10 Assignment of Overcharge Claims. The Owner and DP recognize that in actual economic practice overcharges resulting from antitrust violations are in fact borne by Owner. Therefore, the DP hereby assigns to Owner any and all claims for such overcharges that may vest in DP during performance of the Project and for three (3) years after the final acceptance. The DP in all Subconsultant agreements shall require all Subconsultants to likewise assign claims for overcharges to Owner.

16.11 Successorship. The provisions of this Agreement shall be binding upon the parties, their employees, agents, heirs, successors and assigns.

16.12 Complete Agreement. This Agreement constitutes the complete and integrated agreement between the Owner and the DP, and it supersedes all prior negotiations, representations or agreements, either written or oral. Each party acknowledges that it has had an opportunity to review this Agreement with counsel and this document shall be construed so as to effectuate the intention of the parties irrespective of who is determined to have been the drafter of the document.

16.13 Time. Time is of the essence with respect to each provision herein.

Agreement entered into as of the date and year first written above.

DP:

[DP Company Name]

By Its Authorized Representative

OWNER:

Arizona Board of Regents

For and on behalf of

The University of Arizona

(Signature)

(Signature)

(Printed Name)

(Printed Name)

(Title)

(Title)

(Date)

(Date)