

**Board Report:-----Bill Neal**

**June 13, 2016**

**Office/Facilities Building - Siding:**

**Background:**

On September 10, 2014 the District contracted with David E Jensen, Architect (DEJ) to design a new office and facilities building to be constructed on District Property located at 2212 272<sup>nd</sup> Street Ocean Park, WA 98640.

The Scope of Work included, Design Programing and Schematic Design, Design Development, and Construction Documents phase of the project was complete with the bid opening in June, 2015.

The final phase of the the Scope of Work by DEJ, Construction Administration, began with the award of the contract to Helligso Construction (Helligso) on June 26, 2015.

DEJ and their team of professional engineers developed the design and specifications for the building. The design team chose the wall framing and siding materials and specifications.

Helligso framed all of the exterior walls and installed all of the siding.

Based on Contracts with DEJ and Helligso<sup>1</sup>:

DEJ, during the Construction Phase was to provide, in addition to other contractual duties, the following:

- Be the representative and consult with the District during construction.
- Visit the site at intervals appropriate to Helligso's operations to become generally familiar with and keep the Owner informed of progress and quality of the Work.
- Report to the Client know deviations from the contract.
- Conduct inspection of Work to establish the dates of substantial completion and final completion.
- Prepare Change Orders and Construction Change Directives with supporting data for the District's approval.
- Interpret and decide matters concerning performance of the Work. Such interpretations and decisions shall be consistent with the intent of and reasonably inferable from the Contract Documents.

Helligso was to provide, in addition to other contractual duties, the following:

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<sup>1</sup> See attached "Architect Services Contract" and "Public Works Contract".

Finish (Substantial Completion) the project no later than one hundred eighty (180) calendar days from the date (July 16, 2015) of the mailing of the notice to proceed. Liquidated damages of \$50.00 per calendar day will be paid by Helligso to the District for each day work remains incomplete after expiration of the specified time. Both Helligso and the District agreed that \$50.00 per calendar day would be actual damages suffered by the District due to delays.

Helligso represented to the District that Helligso was fully experienced and possessed all of the necessary expertise to perform all work specified in the Contract Documents. Additionally, Helligso warranted to the District that materials furnished will be new and of good quality and that the work will be free of defects.

Helligso shall furnish and install the materials and equipment and perform the work as specified on the plans and in the Specifications and permits obtained for this project.

Helligso, DEJ, and the District, shall modify this contract only by a written instrument properly signed by all parties (i.e. amendments, change orders, modifications)

The District has the right to withhold payment from Helligso for any defective or unauthorized work. Defective or unauthorized work includes, without limitation: work and materials that do not conform to the requirements of this Contract, and work and materials furnished without the District's written approval.

If Helligso is unable, for any reason, to satisfactorily complete any portion of the work, the District may complete the work by contract or otherwise, and Helligso shall be liable to the District for any additional costs incurred by the District. "Additional costs" means all reasonable costs incurred by the District, including legal costs and attorneys' fees, beyond the maximum contract price under this Contract.

The District further reserves the right to deduct the cost to complete the work, including any additional costs, from any amounts due or to become due to Helligso.

**Problem:**

The siding specified was:

JamesHardie

HardiPlank® HZ10 Lap Siding Smooth - 6 1/4" with 4 3/4" exposure.

The siding does not lay flat on the walls in many places. There are pronounced gaps in the horizontal between the upper and lower laps. In many places, the butt joints are misaligned. One end will lift up while the other butt end will lay flat creating a pronounced misalignment. Also in many places there are plainly observable undulations in the North, South and East walls of the facilities

building (high walls). Although the undulation is less obvious on the office building (low walls), the problems with horizontal gaps and butt joint misalignment are prevalent.

The District brought the condition to the attention of Helligso and DEJ many times from the start of the installation of the siding.

Helligso and DEJ have not made any serious effort to determine the cause or provide a satisfactory cure to the situation. I have performed extensive research and insisted on getting JamesHardie representatives onsite.

Admittedly, Helligso made an effort to correct the pronounced undulation and gapping on the east wall below the windows by removing some of the siding, installing vertical trim boards under each of the three windows and installing new siding. The result was siding that did not exhibit the horizontal gaps between upper and lower laps, butt joint misalignments, and undulation. The addition of the horizontal trim boards was not approved DEJ and the District's Board of Commissioners have not approved the change as a satisfactory cure for the siding issue.

On April 5, 2016 Reid Kunkel, a representative of JamesHardie, inspected the siding on the building<sup>2</sup>. Mr. Kunkel concluded from his observations that the "excessive waviness" (undulation) in the siding was due to the 4" X 6" framing on 12" centers. According to Mr. Kunkel, 4" X 6" framing members will have increased crowning imperfections that standard framing. Mr. Kunkel also pointed out that 12" on center framing provides more frequent opportunities to telegraph through exterior layers. Mr. Kunkel noted that the 5/16" HardiePlank is a very flexible material that follows the wall, imperfect or not, and has the ability to move with the building over seasonal fluctuations.

The original design for the building called for 1 1/2" X 5 1/2" Laminated Strand Lumber (LSL) Studs on 16" center for all walls over 18 feet high. LSL Studs are a manufactured wood product. LSL studs are stronger, stiffer, and straighter than traditional lumber. LSL studs span farther for added design flexibility. LSL studs do not swell, twist or bow like traditional lumber. They have a moisture content lower than Kiln Dried Douglas Fir. All of the walls in the facilities portion of the building are over 18 feet high.

As far as I can tell, Helligso submitted a request for information (RFI) to DEJ asking for an alternative to the LSL studs. Apparently, an alternate to the LSL studs was approved by the



LSL STUDS

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<sup>2</sup> See attached email and images

Project Engineer, IL Gross. Although I have requested a copy of the RFI documentation on several occasions from DEJ, I have not received a copy of the RFI to date. Apparently the alternate approved by the engineer included was using 4 x 6 dimensional lumber on 10-inch centers. The 4 x 6 dimensional lumber used by the Helligso is number 2 green Douglas fir.

Based on Mr. Kunkel's observations the siding issues delineated above are primarily a result of imperfections in the exterior walls and the exterior wall imperfections are aggravated by the use of 4 x 6 dimensional lumber for studs on 10-inch centers.

In addition to the current siding issues, the District now has to deal with future issues related to framing using green lumber. The green 4 X 6 dimensional lumber will continue to dry for many months. As green lumber dries it will shrink, twist, warp, and sap or ooze pitch. Over time, the wall will gain more imperfections and the existing imperfections will become more pronounced. As Mr. Kunkel noted above, HardiePlank telegraphs wall imperfections. Therefore, it is likely the siding issues delineated above will only worsen over time.

The District's contract with DEJ empowered DEJ with the authority to "Interpret and decide matters concerning performance of the Work", provided, "such interpretations and decisions shall be consistent with the intent of and reasonably inferable from the Contract Documents." The decision to approve an alternative in materials of this magnitude would not be consistent with the intent of and reasonably inferable from the Contract Documents. The District was relying on the experience and knowledge of DEJ regarding construction and wood products. It seems the current issues with the siding and the future issues likely to occur due to framing with green lumber should have been foreseeable by an Architect.

In addition, DEJ is contractually obligated to prepare Change Orders and Construction Change Directives with supporting data and present them to the District for approval. The change from using LSL studs to green dimensional lumber resulted in negative impacts on the quality of construction and will likely have even greater negative impacts in the future.

There was likely a material saving to Helligso. I called several builders suppliers and requested prices for LSL studs and 4 x 6 green #2 dimensional lumber. The average cost per foot for LSL studs was \$2.95 and the average cost per foot for 4 x 6 green #2 dimensional lumber was \$1.55 per foot. Framing a

wall with studs on 16" center calculates to .75 studs per foot. Framing a wall with studs on 10" center calculates to 1.2 studs per lineal foot. If the facilities section of the building has 150 lineal feet of exterior walls then the cost of LSL studs would be approximately \$6,637.50 and the cost of 4 x 6 green #2 dimensional lumber would be \$5,580.00. A Change Order should have been prepared by DEJ and presented to the District.

Considering the above, I recommend to the Board the following motions:

**Motion #1**

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In accordance with Section 9.2 of the Public Works Contract by and between the District and Larry Helligso Construction Co. DBA Helligso Construction Co. Dated July 6, 2015,

I Move to declare the exterior wall framing and siding on the New Facilities Building to be defective or unauthorized Work and withhold payment from Helligso in the amount of \$60,000.00 until such time the defective or unauthorized work is satisfactorily complete. The District will allow Helligso Construction ninety calendar days from the date of this meeting to satisfactorily complete the defective or unauthorized work, provided, Helligso Construction submits to the District for approval a "Corrective Work Schedule" that includes plans and drawings of sufficient detail to clearly represent the proposed corrective measures.

**Motion #2**

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In accordance with section 8 of the Architect Services Contract by and between the District and David E Jensen Architect, PS Dated September 11, 2014,

I Move to formally request that David E Jensen Architect, PE forward all documents, including but not limited to, all records, files, drawings, specifications, data, correspondence, information, materials, reports, and other documents prepared by David E Jensen Architect, PS for the District within three calendar days from the date of this meeting and that the documents be in hard copy and digital format that is compatible with the District's computer software programs.

**From:** [Reid Kunkel](#)  
**To:** [Bill Neal](#)  
**Cc:** [David E Jensen PE](#); ["Ryan Helligso"](#); [Jack McCarty NBWD](#)  
**Subject:** RE: North Beach Water District  
**Date:** Wednesday, April 06, 2016 3:34:10 PM  
**Attachments:** [ocean\\_park.pdf](#)

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Good afternoon Bill,

It is my impression from our observations yesterday that much of the excess waviness you are seeing is due to the 4"x6" framing at 12"OC. These framing members are presumably going to have increased crowning and imperfections than a standard framing and, at 12"OC, they have more frequent opportunities to telegraph through exterior layers. 5/16" HardiePlank is a flexible material that follows the wall, imperfect or not, and has the ability to move with the building over seasonal fluctuations. Because of this flexibility, it can telegraph the interior wall irregularities.

There are some issues that can be addressed to help improve your overall exterior aesthetics. See attached pdf for pictures of aesthetic issues and let me know if you have questions.

Please let me know how else I can be of assistance.

Regards,

Reid Kunkel  
Commercial Business Development  
James Hardie Building Products  
971.409.0240

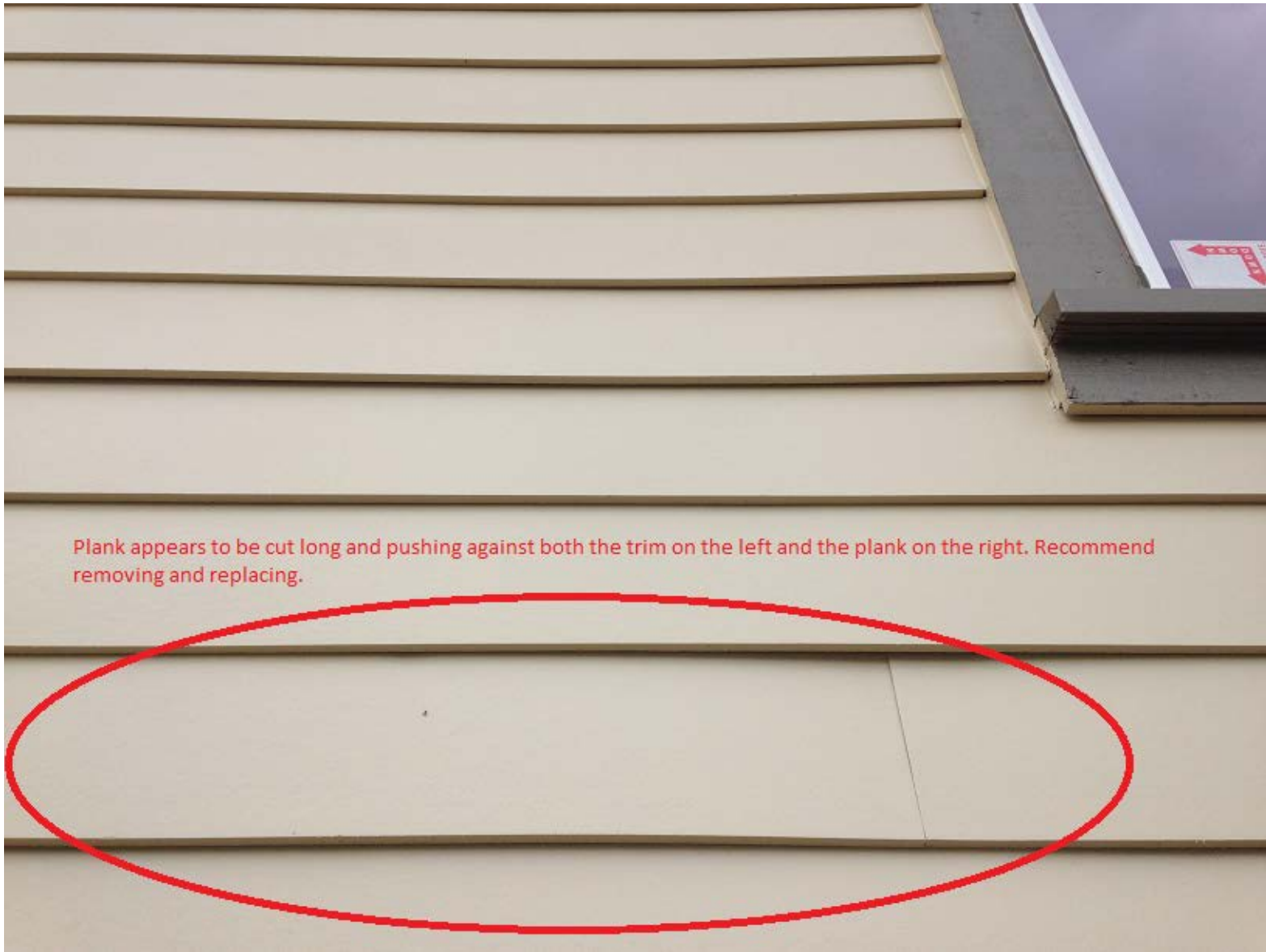
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**From:** Bill Neal [mailto:[bneal@northbeachwater.com](mailto:bneal@northbeachwater.com)]  
**Sent:** Tuesday, April 05, 2016 4:05 PM  
**To:** Reid Kunkel  
**Cc:** David E Jensen PE; 'Ryan Helligso'; Jack McCarty NBWD  
**Subject:** North Beach Water District

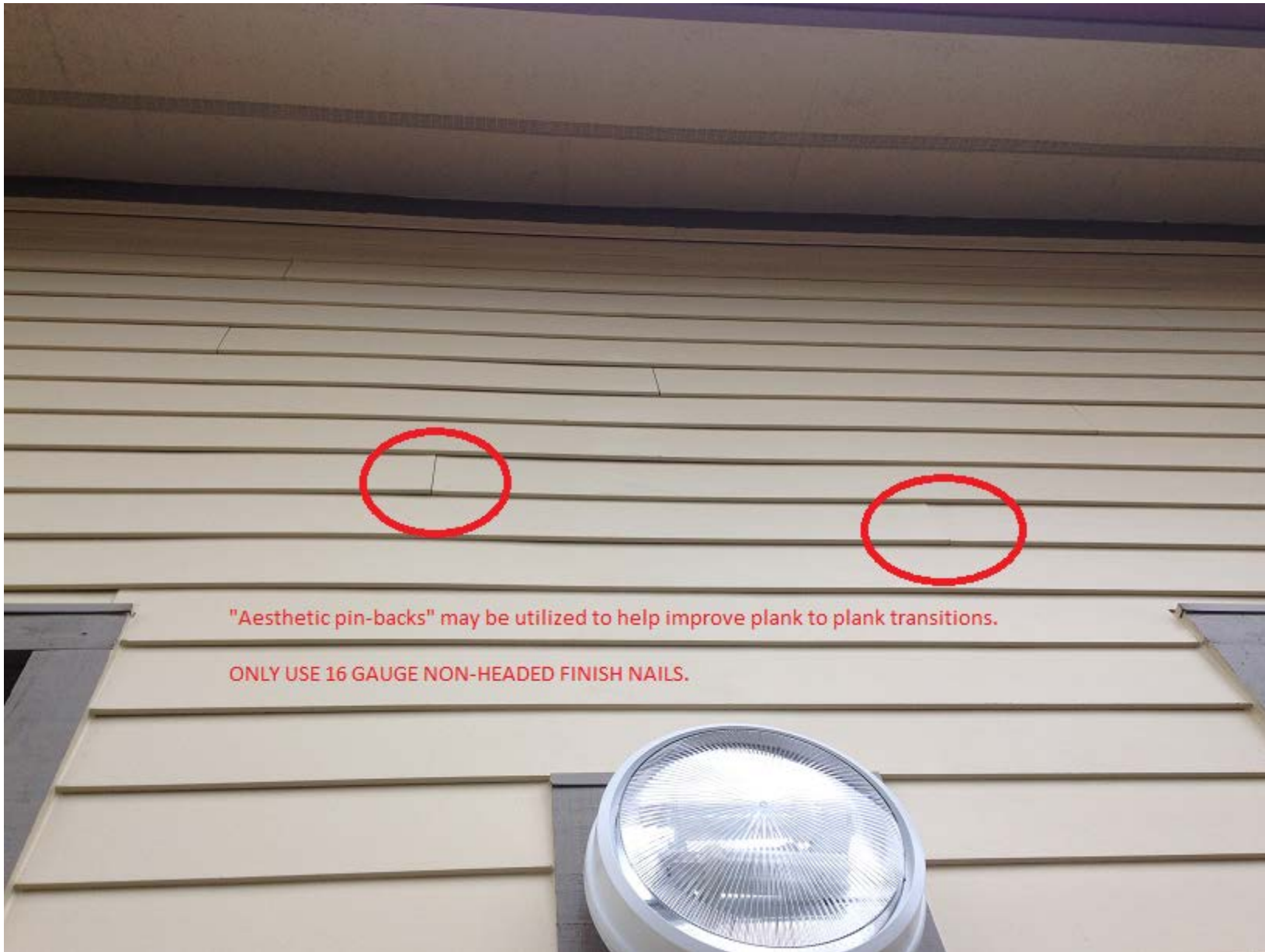
Dear Reid,

It was nice meeting you today. I look forward to seeing your report on the condition of the siding on our new building.

William "Bill" Neal  
General Manager  
North Beach Water District  
[bneal@northbeachwater.com](mailto:bneal@northbeachwater.com)  
360.665.4144



Plank appears to be cut long and pushing against both the trim on the left and the plank on the right. Recommend removing and replacing.

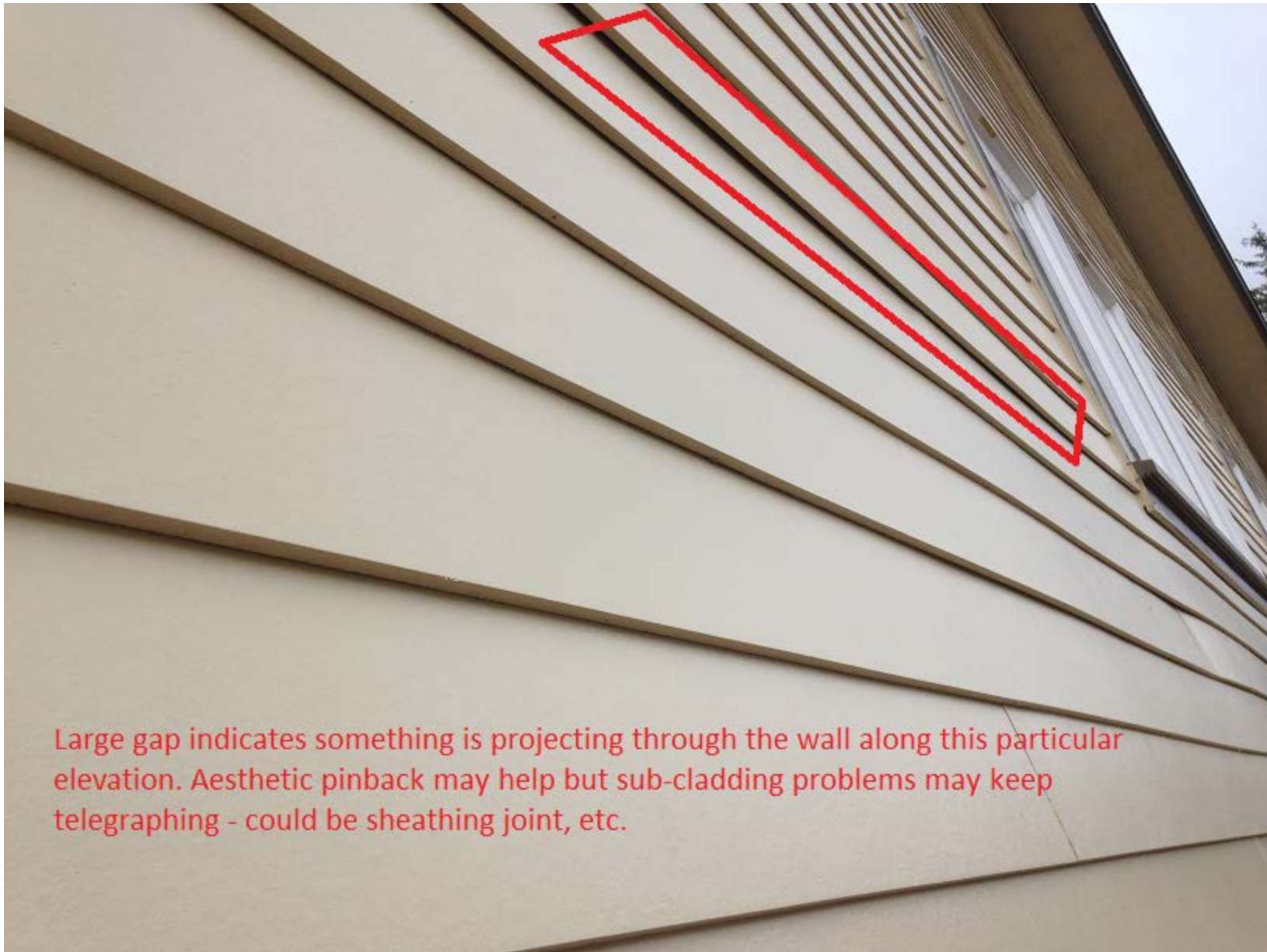


"Aesthetic pin-backs" may be utilized to help improve plank to plank transitions.

ONLY USE 16 GAUGE NON-HEADED FINISH NAILS.







Large gap indicates something is projecting through the wall along this particular elevation. Aesthetic pinback may help but sub-cladding problems may keep telegraphing - could be sheathing joint, etc.



# LETTER OF TRANSMITTAL

TO: North Beach Water District

ATTN: Bill Neal

RE: NBWD – New Office and Facilities Building

DATE: 7/16/2015

We are sending to you:

- |   |                                       |   |
|---|---------------------------------------|---|
| <input type="checkbox"/> Shop Drawings  | <input type="checkbox"/> Change Order | <input type="checkbox"/> Specifications   |
| <input type="checkbox"/> Prints         | <input type="checkbox"/> Plans        | <input type="checkbox"/> Addendum         |
| <input type="checkbox"/> Copy of Letter | <input type="checkbox"/> Samples      | <input checked="" type="checkbox"/> Other |

Copies	Date	No.	Description
2	7/6/15		Public Works Contract - Signed
1	7/16/15		Notice to Proceed - Signed

These are transmitted

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> For your approval       | <input type="checkbox"/> Approved as submitted | <input type="checkbox"/> For review & comment   |
| <input checked="" type="checkbox"/> For your use | <input type="checkbox"/> Approved as noted     | <input type="checkbox"/> Return for corrections |
| <input type="checkbox"/> As you requested        | <input type="checkbox"/> Other                 |   |

Remarks:



July 16, 2015

Helligso Construction Co.  
PO Box 147  
Astoria, OR 97103

RE: New Office and Facilities Building for North Beach Water District  
2212 272<sup>nd</sup> Street  
Ocean Park, WA

**NOTICE TO PROCEED**

You are hereby notified that you may proceed with the Work as described in the Contract Documents as of the date of Pacific County Building Permit issuance.

1. North Beach Water District, Public Works Contract, dated July 6, 2015.
2. Drawings as listed and dated in Attachment A – Drawing Schedule
3. Project Manual, dated June 25, 2015

Sincerely,

  
David E. Jensen  
Architect

Cc: Bill Neal, General Manager  
North Beach Water District



July 16, 2015

## North Beach Water District New Office and Facilities Building

### Attachment A Schedule of Drawings

SHEET	DESCRIPTION	DATE
0.	COVER	06/01/15
1.	SITE PLAN / GENERAL NOTES	06/01/15
C1.	SITE GRADING PLAN	06/01/15
C2.	SIDEWALK DETAILS	06/01/15
S0.	STRUCTURAL – GENERAL NOTES	06/05/15
S1.	STRUCTURAL – OFFICE FOUNDATION	06/05/15
S2.	STRUCTURAL – OFFICE ROOF FRAMING	06/05/15
S3.	STRUCTURAL – GARAGE FOUNDATION	06/05/15
S4.	STRUCTURAL – GARAGE ROOF FRAMING	06/05/15
S5.	STRUCTURAL – DETAILS	06/05/15
S6.	STRUCTURAL – DETAILS	06/05/15
S7.	STRUCTURAL – DETAILS	06/05/15
2.	CONCRETE PLAN	06/01/15
3.	OFFICE FLOOR PLAN	06/25/15
4.	GARAGE FLOOR PLAN	06/25/15
5.	BUILDING SECTIONS	06/12/15
6.	BUILDING SECTIONS	06/12/15
7.	EXTERIOR ELEVATIONS – NORTH	06/25/15
8.	EXTERIOR ELEVATIONS – SOUTH	06/25/15
9.	EXTERIOR ELEVATIONS – EAST & WEST	06/25/15
10.	EXTERIOR DETAILS	06/25/15
11.	INTERIOR ELEVATIONS – 1 THROUGH 16	06/01/15
12.	INTERIOR ELEVATIONS – 17 THROUGH 29	06/12/15
13.	INTERIOR ELEVATIONS – 30 THROUGH 37	06/12/15
14.	INTERIOR ELEVATIONS – 38 THROUGH 49	06/12/15
15.	INTERIOR ELEVATIONS – 40 THROUGH 61	06/12/15
16.	INTERIOR ELEVATIONS – 62 THROUGH 63	06/12/15
17.	INTERIOR ELEVATIONS – 64 THROUGH 65	06/01/15
18.	INTERIOR ELEVATIONS – 66 THROUGH 76	06/01/15
19.	INTERIOR DETAILS	06/25/15
20.	SCHEDULES AND FINISHES	06/16/12

21.	REFLECTED OFFICE CEILING	06/01/15
E1.	ELECTRICAL SITE PLAN	05/28/15
E2.	OFFICE LIGHTING PLAN	05/28/15
E3.	GARAGE LIGHTING PLAN	05/28/15
E4.	MEZZANINE LIGHTING PLAN	05/28/15
E5.	OFFICE POWER PLAN	05/28/15
E6.	GARAGE POWER PLAN	05/28/15
E7.	MEZZANINE POWER PLAN	05/28/15
E8.	ONE LINE DIAGRAM AND PANEL SCHEDULES	05/28/15
P0.1	PLUMBING FIXTURE SCHEDULE AND DETAILS	06/01/15
P2.1	PLUMBING FLOOR PLANS	06/01/15
M0.1	MECHANICAL FIXTURE SCHEDULE AND DETAILS	06/01/15
M2.1	HVAC FLOOR PLAN	06/01/15
M2.2	HVAC SECTION AND DETAILS	06/01/15

- END -

## PUBLIC WORKS CONTRACT

THIS CONTRACT ("Contract") is made between North Beach Water District ("District") and Larry Helligso Construction Co. DBA Helligso Construction Co. ("Contractor").

In consideration of the terms and conditions contained herein and attached and made a part of this Contract, the parties herein covenant and agree as follows:

1. Project. The Contractor shall do all work and furnish all tools, materials and equipment for the District's public works project known as the New Office and Facilities Building Project ("Project") in accordance with and as described in the Contract Documents including addenda (if any) described in the Bid Documents which are by this reference incorporated herein and made a part thereof, and shall perform any alterations in or additions to the Project provided under this Contract and every part thereof.

2. Project Cost. The amount of the Contract is Seven Hundred Fifty Three Thousand four hundred nineteen dollars (\$753,419.00) including applicable Washington State Slakes Tax. The Total Project cost includes all cost associated with the Project work, including but not limited to, labor, materials, overhead, administrative, permits, subcontractors, and regulatory costs unless otherwise agreed in writing. The District will pay sales tax at the rate assessed for unincorporated Pacific County to the Contractor for those portions of the Project that are subject to sales tax. The Contractor shall make sales tax and other tax payments to the State of Washington as provided by Washington State Law.

3. District Contract. The District hereby promises and agrees with the Contractor to employ and does employ the Contractor to provide the materials and to do and cause to be done the Project work required by the Contract Documents and to complete and finish same according to the Contract Documents.

4. Contractor Contract. The Contractor hereby agrees to fully perform the Project work in accord with the Contract Documents.

5. Liability. It is further provided that no liability shall attach to the District by reason of entering into this Contract except as expressly provided herein.

6. Completion Deadline/Liquidated Damages. The Project must be commenced no later than Ten (10) calendar days from the date of mailing of the Notice to Proceed to the Contractor and must be finished no later than One Hundred Eighty (180) calendar days from the date of such mailing; if the Project is not completed within such time period, then because of the difficulty of computing the actual damages to the District arising from any delay in completing the Contract, the parties determine in advance and agree that the Contractor shall pay the District the amount of Fifty (\$50.00) per calendar

day that the work remains incomplete after expiration of the specified time for completion as liquidated damages, which the District will suffer by failure of the Contractor to complete the work within the agreed time. The execution of this Contract constitutes acknowledgement by the Contractor that Contractor has ascertained and agrees that the District will actually suffer damages of at least the amount herein fixed.

**7. Contractor Responsibilities.** The Contractor represents that Contractor is fully experienced and possesses all of the necessary expertise for performance of all work specified herein. The Contractor warrants to the District that any materials and equipment furnished under this Contract will be new and of good quality unless otherwise required or permitted by the Contract Documents, that the work will be free from defects, and that the work will conform to the requirements of the Contract Documents. Contractor shall return to the project and repair or replace all defects in workmanship and material discovered within one year after Final Acceptance of the Work. Contractor shall start work to remedy any such defects within seven (7) calendar days of receiving the District's written notice of a defect and shall complete such work within reasonable and mutually agreed time frame. In case of an emergency, where damage may result from delay or where loss of services may result, such corrections may be made by Owner's own forces or another contractor, in which case the cost of corrections shall be paid by Contractor. In the event Contractor does not accomplish corrections within the time specified, the work will be otherwise accomplished and the cost of same shall be paid by Contractor. When corrections of defects are made, Contractor shall then be responsible for correcting all defects in workmanship and materials in the corrected work for one year after acceptance of the corrections by the District. This guarantee is supplemental to and does not limit or affect the requirements that Contractor's work comply with the requirements of the Contract Documents or any other legal rights or remedies of the District.

**8. Equitable Adjustments.** Should the Contractor desire an equitable adjustment to the Project Cost, on the basis of a written change order or an oral order from the District, Contractor shall file a written notice of that fact with the District within 48 hours of the written or oral order. No later than seven days thereafter, Contractor shall file a written claim with the District stating the amount claimed supported by appropriate documentation. By not protesting or following procedures as this section provides, the Contractor waives any additional entitlement or claims for protested work, and accepts from the District any written or oral order (including directions, instructions, interpretations, and determinations). In spite of any protest, the Contractor shall proceed to promptly complete work that the District has ordered. THE CONTRACTOR'S ACCEPTANCE OF FINAL PAYMENT SHALL CONSTITUTE A WAIVER OF CLAIMS, EXCEPT THOSE PREVIOUSLY AND PROPERLY MADE AND IDENTIFIED BY THE CONTRACTOR IN WRITING AS UNSETTLED AT THE TIME REQUEST FOR FINAL PAYMENT IS MADE.



**9. Payment Terms.**

**9.1. Payments.** The District shall pay the Contractor on a monthly basis for all work and services satisfactorily completed during the preceding month. A detailed application for payment shall be submitted by the Contractor to the District on or before the 30 day of each month, showing the progress of the work and requesting payment in an amount proportionate to the work completed. In cases of single payment, the District shall make payment only after all appropriate releases are submitted. In cases of multiple payments, the District shall retain monies as required by RCW 60.28 and pay the retainage as provided therein. Payment to the Contractor shall be made within 30 days after approval of the application for payment.

**9.2. Defective or Unauthorized Work.** The District reserves the right to withhold payment from the Contractor for any defective or unauthorized work. Defective or unauthorized work includes, without limitation: work and materials that do not conform to the requirements of this Contract, and extra work and materials furnished without the District's written approval. If the Contractor is unable, for any reason, to satisfactorily complete any portion of the work, the District may complete the work by contract or otherwise, and the Contractor shall be liable to the District for any additional costs incurred by the District. "Additional costs" means all reasonable costs incurred by the District, including legal costs and attorneys' fees, beyond the maximum contract price under this Contract. The District further reserves the right to deduct the cost to complete the work, including any additional costs, from any amounts due or to become due to the Contractor. The provisions of this subsection 8.2 shall be in addition to any other remedies available under this Contract.

**10. Prevailing Wages Requirement.** The Contractor shall pay prevailing wages in accord with RCW 39.12 and RCW 49.28. A statement of prevailing wages applicable to the Project is included in the specifications. Notice of intent to pay prevailing wages and prevailing wage rates for the project must be posted for the benefit of workers. The Contractor shall provide an "Affidavit of Industrial Insurance Compliance" for himself and each subcontractor upon acceptance of the Project by the District. Final payment will be made in accordance with the requirements of RCW 39.12.

**11. Retainage.** The District may hold back a retainage in the amount of five percent (5%) in accordance with applicable statutes including RCW 60.28.

**12. Indemnification.** The Contractor shall defend, indemnify, and save the District and its officers and employees harmless from any and all claim and risk and all losses, damages, demands, suits, judgments, and attorneys' fees or other costs, penalties, fees or expenses of any kind on account of injury to or death of any and all persons, on account of all property damage of any kind, or loss of use resulting therefrom, or on account of liability under any federal, state or local laws, ordinances or regulations (including, but not limited to, those laws set forth in Section

17 below) governing the disposal of waste or debris accumulated and/or generated during the course of performance of the work under this Contract, that is in any manner connected with, the work performed under this Contract, or caused in whole or in part by reason of the presence of the contractor, the subcontractors, or their property, employees, or agents, upon or in proximity to the property of the District during performance of the work or at any time before final acceptance, except only for those losses resulting from and to the extent of the negligence of the District with regard to activities within the Contractor's scope of work. The Contractor specifically waives any immunity granted under the State Industrial Insurance Law, RCW Title 51, which is specifically acknowledged by the Contractor.       
 (Contractor's Initials)

13. Authority to Execute. The undersigned warrant and represent they have full authority to execute this Contract for their respective entities and are fully authorized to do so.

14. Payment and Performance Bonds. The Contractor shall furnish performance, payment and guaranty bond for the faithful performance and payment of all its obligations under this Contract. The bond shall be in penal sums at least equal to the contract price unless otherwise stated, in such form, and with such corporate sureties as are acceptable to the District. The bond shall remain in effect to guarantee the repair and replacement of defective equipment, materials, and workmanship, and payment of damages sustained by the District on account of such defects, discovered within two years after final acceptance by the District. This guaranty is supplemental and does not limit or affect the requirements that the Contractor's work comply with the requirements of the Contract or any other legal rights or remedies of the District.

In lieu of performance, payment and guaranty bond, for Projects with an estimated Project Cost of \$35,000.00 or less, the Contractor may elect to have the District withhold 50 percent of the contract amount for a period of 30 days after the date of the District's final acceptance of the Project Work, or until receipt of all necessary releases from the Department of Revenue and the Department of Labor & Industries and settlement of any liens filed under Chapter 60.28 RCW, whichever is later.

15. Insurance. The Contractor shall obtain and keep in force during the term of the Contract, insurance in the following amounts:

	General	Automobile	Property	Completed Operations
Occurrence	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Aggregate	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000

The Contractor shall obtain endorsement forms CG 2010 07 04, CG 2032 07 04 and CG 2037 07 04 or the equivalent of each, naming the District and David E Jensen, Architect as Additional Insured(s) and showing the policy number. If

the Contractor is unsuccessful in securing these endorsements after exerting commercially reasonable efforts, the Contractor shall obtain other endorsements providing equivalent protection to the Additional Insured. A statement of additional insured status on an ACORD Certificate of Insurance shall not satisfy this requirement. Commercially reasonable efforts shall be evidenced by a signed statement by the Contractor's insurance broker indicating that endorsement forms CG 2010 07 04, CG 2032 07 04 and CG 2037 07 04 are not available and the endorsements submitted provide equivalent protection to the Additional Insured. A Certificate of Insurance and endorsement shall be executed and delivered to the District at the time of execution of this Contract.

The following listed entities shall be named Additional Insured on all insurance policies:

- The District and its officers, elected officials, employees, agents and volunteers.
- David E Jensen, Architect

Providing coverage in the stated amounts shall not be construed to relieve the Contractor from liability in excess of such limits. The Contractor's insurance policies shall not contain deductibles or any self-insured retention in excess of \$10,000 unless approved by the District.

16. Safety. The Contractor shall be solely and completely responsible for safety and safety conditions on the jobsite, including the safety of all persons and property during performance of the Work. Observation of the Work by the District's employees, agents and consultants is not intended to include review of the Contractor's work methods, equipment, bracing, scaffolding or trenching, or safety measures in, on or near the construction site. The Contractor shall provide a safe access for the District and its employees, agents, and consultants to adequately observe the quality of the Work and the Contractor's conformance with the project specifications. The Contractor shall be solely and completely responsible to perform all work and furnish all materials in strict compliance with all applicable state, city, county and federal laws, regulations, ordinances, orders and codes. The Contractor's attention is directed to the requirements of the Washington Industrial Safety and Health Act (WISHA), Chapter 49.17 RCW.

17. Hours of Work. Contractor shall conduct all Work between the hours of 7:00 a.m. and 6:00 p.m. Monday through Friday unless stated otherwise under the Project's permit conditions or this Contract. No Work on weekends shall be allowed unless District gives written approval prior to the weekend. Contractor shall give a minimum of 48 hours' notice if Work on the weekend is necessary. Approved Work on the weekends shall be conducted between the hours of 7:00 a.m. and 6:00 p.m. Work hours may be further restricted due to permit conditions.

18. Specifications. Contractor shall furnish and install the materials and equipment and perform the work as specified on the Plans and in the Specifications and permits obtained for this Project.

19. Miscellaneous.

19.1. Subletting or Assigning Contract. The Contractor shall not assign, transfer, or encumber any rights, duties or interest accruing from this Contract without the express prior written consent of the District.

19.2. Extent of Contract Modification. This Contract, together with attachments or addenda, represents the entire and integrated Contract between the parties and supersedes all prior negotiations, representations, or Contracts, either written or oral. This Contract may be amended, modified or added to only by written instrument properly signed by both parties.

19.3. Work Performed at Contractor's Risk. The Contractor shall take all precautions necessary and shall be responsible for the safety of its employees, agents, and subcontractors in the performance of work under this Contract. All work shall be done at the Contractor's own risk, and the Contractor shall be responsible for any loss of or damage to materials, tools, or other articles used or held for use in connection with the work.

19.4. Non-waiver of Breach. The failure of the District to insist upon strict performance of any of the terms and rights contained in this Contract, or to exercise any option contained in this Contract in one or more instances, shall not be construed to be a waiver or relinquishment of those terms and rights and such terms and rights shall remain in full force and effect.

19.5. Written Notice. All communications regarding this Contract shall be sent to the parties at the addresses listed below, unless otherwise notified. Any written notice shall become effective on delivery, but in any event on 3 calendar days after the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Contract.

District  
PO Box 618  
Ocean Park, WA 98640

Contractor  
35047 Hwy. 101 Business  
Astoria, OR. 97103

19.6. Discrimination. The Contractor agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Contract because of race, creed, color, national origin, marital status, sex, age, disability, or other circumstance prohibited by federal, state or local law or ordinance, except for a bona fide occupational qualification.

19.7. Compliance with Laws. The Contractor shall comply with all federal, state and local laws, ordinances, regulations, and rules applicable to the work to be done under this Contract.

19.8. Severability. If any provision of this Contract is held invalid, the remainder shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law, and shall continue in force and effect.

19.9. Venue and Attorneys' Fees. This Contract shall be interpreted under and pursuant to the laws of the State of Washington. Venue for any action brought to enforce any of the provisions of this Contract shall be in Pacific County Superior Court, and the substantially prevailing party shall be entitled to recover its reasonable costs, expenses and attorneys' fees incurred in the action.

EXECUTED THIS 6 DAY OF July, 20 15 by our signatures below:

CONTRACTOR: HELLIGSO CONSTRUCTION Co. DISTRICT:

By: [Signature]

By: [Signature]

Its PRES.

Its General Manager

Address: PO BOX 147

ASTORIA, OR 97103

Telephone: 503.325.7697

Legal Entity: CORP. (OR)

Cont. License No.:

LARRYHC9760R

ARCHITECT SERVICES CONTRACT

THIS CONTRACT for Architect services is between North Beach Water District ("District") and David E. Jensen Architect, PS ("Architect").

1. Scope of Architect Services. Architect shall perform the services described in the scope of work attached as Attachment A. If specified in Attachment A, the services shall be performed pursuant to task orders issued by District.

2. Compensation and Payment.

a. District shall pay Architect for the services as indicated below (check one):

Fixed fee, including all services, costs, and taxes, in the amount of \$ \_\_\_\_\_; or

Time and materials based on the rates described in Attachment B, not to exceed \_\_\_\_\_; or

Ten and one half percent (10.5%) of construction cost and other reimbursables as described in Attachment A.

b. On or about the fifth (5<sup>th</sup>) day of each month the Architect shall submit a detailed monthly billing for all services performed in the preceding month in a format reasonably satisfactory to District, which format shall include, at a minimum, total authorized contract amount, charges and costs to date and current billing amount. District shall pay the invoices within twenty five (25) days of receipt, except as to any disputed amounts. Interest at 12% per annum will accrue on invoices not paid within forty (40) days.

3. Schedule of Work. Architect shall commence services upon receipt of notice from District to do so, and shall (check one):

Complete the services by \_\_\_\_\_; or

Perform the services in accordance with the schedule on Attachment B.

Subcontractors. Architect shall not subcontract or assign any portion of the services covered by this contract without prior written approval of District.

5. Changes. District may, from time to time, authorize in writing changes or modifications in the scope of services to be performed under this contract. The compensation for the changes or modifications, whether a decrease or increase, shall be on the same

terms and conditions as stated previously in this contract, or pursuant to terms and conditions mutually agreed to by the parties. District shall compensate Architect only for services performed or costs incurred that are within the scope of services authorized by this contract, or any modifications to the contract in accordance with this section.

6. Insurance. Architect shall maintain throughout the performance of this contract the following types and amounts of insurance:

- a. Umbrella liability covering personal injury and property damage claims arising from the use of hired and unowned motor vehicles with combined single limits of One Million Dollars (\$1,000,000).
- b. Commercial General Liability Insurance written on an occurrence basis with limits no less than Two Million Dollars (\$2,000,000) combined single limit per occurrence and Three Million Dollars (\$3,000,000) aggregate for personal injury, bodily injury and property damage.
- c. Coverage shall include, but not be limited to: blanket contractual, products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability; and
- d. Professional liability insurance (Errors and Omissions insurance) with limits no less than One Million Dollars (\$1,000,000).
- e. The insurance policies shall: (1) state that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (2) be primary to any insurance maintained by District, except as respects losses attributable to the negligence of District; and (3) shall state that District will be given thirty (30) days prior written notice of any cancellation or suspension of or material change in coverage.
- f. District shall be named as an additional insured on the Commercial General Liability Insurance policy with regard to work and services performed by or on behalf of Architect, and a copy of the endorsement naming District as an additional insured shall be attached to the Certificate of Insurance.
- g. Before commencing work and services, Architect shall provide to District a Certificate of Insurance evidencing the insurance described above. District reserves the right to request and receive a certified copy of all required insurance policies.

h. The above insurance limits do not constitute a limit on Architect's liability to District. Any payment of deductible or self-insured retention shall be the sole responsibility of Architect.

7. Indemnification. Architect shall protect, defend, indemnify and save harmless District, its officers, employees and agents from any and all costs, claims, injuries, damages, suits, losses or liabilities of any nature, including attorneys' fees, arising out of or resulting from the acts, errors or omissions of Architect, its officers, employees and agents in performing this Contract, except for injuries and damages caused by the negligence of District.

8. Ownership and Use of Documents. All records, files, drawings, specifications, data, information, materials, reports, memoranda and other documents produced or prepared by Architect in connection with the services rendered under this contract except working notes, internal documents and standard details ("Documents"), whether finished or not, shall be the property of District. Upon request, Architect shall forward the Documents to District in hard copy and in digital format that is compatible with District's computer software programs. If District uses the Documents for purposes other than those intended in this contract, without written permission of Architect, District shall do so at its sole risk.

9. Termination. This contract may be terminated by either party upon fifteen (15) days written notice if the other party fails to substantially perform in accordance with the contract.

10. Dispute Resolution.

a. Mediation. If any dispute, controversy, or claim arises out of or relates to this contract, the parties agree first to try to settle the dispute by non-binding mediation with the assistance of a recognized professional mediation service. The parties shall bear equally all expenses, exclusive of attorneys' fees, associated with the mediation.

b. Litigation. Thereafter, any dispute, controversy, or claim not resolved by mediation shall be resolved by litigation with venue in Pacific County. The laws of the State of Washington shall govern this contract.

11. Effective Date. The effective date of this contract shall be the date that the contract is signed by an authorized representative of District.



11. Effective Date. The effective date of this contract shall be the date that the contract is signed by an authorized representative of District.

12. Independent Contractor. Architect is and shall be at all times during the term of this contract an independent contractor.

13. Compliance with Laws. Architect shall comply with all federal, state and local laws, ordinances, regulations, and rules applicable to the services to be performed under this contract.

NORTH BEACH WATER DISTRICT

David E. Jensen Architect, PS  
(Architect)

By:  \_\_\_\_\_

By:  \_\_\_\_\_

Typed Name: William Neal

Typed Name: David E Jensen

Its: General Manager

Its: Principal

Address: 25902 Vernon Ave., Ste. C

Address: P.O. Box 6

PO Box 618

Long Beach, WA 98631

Ocean Park, WA 98640

Telephone: 360.665.4144

Telephone: 360.642.3507

Fax: 360.665.4641

Fax: 360.642.8636

Date: 9/11/2014

Date: 9.11.14



DAVID E. JENSEN ARCHITECT P.S.

Architecture, Project Management, Historic Preservation, Planning

## Architectural Services Scope of Work

Architectural services will be completed in four phases. These are listed and defined below:

- Programming and Schematic Design Phase
- Design Development Phase
- Construction Documents Phase
- Construction Administration Phase

### **Programming and Schematic Design**

Preliminary meeting(s) will be held with the Architect to determine the Client's functional needs, general aesthetic goals, projected budget and time schedule. Based on this information, the Architect prepares preliminary scheme(s) in sketch form.

There will be a series of progress meetings to assess and critique the scheme(s). Throughout these meetings, the Architect will assist the Client in analyzing and revising the project scope, schedule, and budget options. The site will be analyzed for traffic flows, prevailing winds, and other items that will influence building design. Progress drawings will be presented at each meeting. Multiple design alternatives may be explored with these drawings in order to hone in on the specific design that meets all the project goals.

The Architect will present sketches to the owner for approval. These sketches may consist of exterior elevations, exterior perspectives, site plan, floor plans, and building sections. At this point, the sketches are conceptual in nature and not to an exact scale. This provides the Client with the opportunity to verify that the Architect has correctly interpreted the desired functional relationships between various activities. The approved sketches will be upgraded to CAD drawings in order to present a more specific set of plans.

A preliminary project schedule for completion of construction and a cost estimate will be prepared based on square footage costs. The Client will be able to select a scheme and critique it for remaining issues. The Architect will provide final schematic drawings (plans and elevations) that reflect the approved scheme.

### **Design Development**

Based on schematic plan approval, the Architect will proceed with the selected design. Progress meetings will be held to refine the schematic design. The Architect will assist the Client in analyzing the project scope, schedule and budget options. Computer drafted to-scale drawings, will be provided with dimensions, that will illustrate the full size, character and scope of the project.

- Site plan
- Foundation plan
- Floor plans
- Roof plan
- Sections
- Exterior elevations
- Interior elevations
- Details
- Flow of egress
- Accessible flow plan
- Outline specifications
- Electrical plan
- Mechanical plan
- Statement of Probable Costs

It is important that the Client provide input at this time as the design development drawings will be used as the basis for the Construction Documents.

During this phase the cost estimate and schedule are updated with more specific information.

### **Construction Documents Phase**

Based on the approved design, Architect will provide complete Construction Documents and Specifications setting forth the requirements for the Owner. Architect and Owner will have periodic meetings to ensure accuracy and illustrate project progress.

- The Architect uses CAD to create detailed Floor Plans, Exterior and Interior Elevations, Building Sections, Building Details, Window and Door Schedules, and Finish Schedules. Plans shall be complete to a level that all contractors can provide accurate bids and complete the Work.
- The Architect works with Mechanical, Electrical, and Structural Engineer so that they can provide complete, accurate drawings and specifications to be included in the Construction Documents.
- The Architect meets with the Client, researches, and uses expertise in the regional climate to specify products that will be both aesthetically pleasing and functional.
- The Architect shall prepare and submit to Client for review a list of required Contractor submittals, such as material, shop drawings, and equipment submittals that the Architect recommend be included in the Construction Contract.
- The Architect will prepare all necessary bidding documents and use several resources, including, but not limited to, Contractor feedback, Product Catalogs, and expertise to provide a detailed Statement of Probable Costs based on the approved Construction Documents.

- The Architect will submit the required amount of copies of the completed Construction Documents to the Client.
- The Architect shall assist the Client in making the application for a building permit.

**Bidding and Construction Administration Phase**

The Architect, following the Client's approval of the Construction Documents and the Statement of Probable Costs, shall assist the Client in obtaining bids or negotiated proposals and assist in awarding the preparing contracts for construction. The Architect shall provide administration of the Contract for Construction as follows:

- The Architect shall be a representative of and consult with the Client during the construction.
- The Architect shall visit the site at intervals appropriate to the Contractor's operations to become generally familiar with and keep the Owner informed of progress and the quality of the Work.
- The Architect shall report to the Client known deviations from the contract.
- The Architect shall have access to the work whenever it is in progress.
- The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts.
- The Architect shall have authority to reject Work that does not conform to the Contract Documents.
- The Architect shall review, approve or take other action upon Contractor's submittals.
- The Architect shall prepare Change Orders and Construction Change Directives with supporting data for the Client's approval.
- The Architect shall conduct inspections of the Work to establish the dates of Substantial Completion and final completion.
- The Architect shall interpret and decide matters concerning performance of the Work. Such interpretations and decisions shall be consistent with the intent of and reasonably inferable from the Contract Documents.

**Progress payments** for Basic Services in each Phase shall total the following percentages of the total compensation:

<b>Schematic Design Phase:</b>	Fifteen percent	(15%)
<b>Design Development Phase:</b>	Twenty five percent	(25%)
<b>Construction Documents Phase:</b>	Forty percent	(40%)
<b>Contract Administration Phase:</b>	Twenty percent	(20%)
<b>Total Compensation:</b>	One hundred percent	(100%)

The Client shall provide full information, including a program of objectives, schedule, and budget with reasonable contingencies and criteria. The Client shall also furnish surveys describing the physical characteristics and legal limitations for the site of the Project. The Architect shall be entitled to rely upon the accuracy and completeness thereof.

**Compensation**

The Client agrees to compensate the Architect for the aforementioned Basic Services at a rate of ten and one half percent (10.5%) of the construction costs.

The Construction Cost shall be the total cost or estimated cost to the Client of all elements of the Project designed or specified by the Architect.

The Construction Cost shall include the cost at current market rates of labor and materials furnished by the Client and any equipment which has been designed, specified, or selected by the Architect, plus a reasonable allowance for the Contractor's overhead and profit.

Construction Cost does not include the compensation of the Architect and the Architect's consultants, the cost of the land, rights-of-way, and financing or other costs that are the responsibility of the Client.

Compensation is payable monthly and is due within 25 days of the Architect's invoice. Interest after 40 days will accrue at the rate of 12% per annum.

**Additional services** shall be provided if authorized by the Client and compensated at the following rate:

Principal -	\$ 95.00
Staff -	\$ 24.00
Computer Drafters -	\$ 30.00

Such additional services shall include, but not be limited to:

1. Making revisions in Drawings, Specifications or other documents when such revisions are:
  - (a) Inconsistent with approvals or instructions previously given by the Client.
  - (b) Required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents.
  - (c) Due to changes required as a result of the Client's failure to render decisions in a timely manner.
2. Providing services required because of significant changes in the Project.

3. Preparing Drawings, Specifications, and other documentation and supporting data, evaluating Contractor's proposals and providing other services in connection with Change Orders and construction Change Directives.
4. Providing services in connection with a public hearing.
5. Providing special surveys, environmental studies and submissions required for approvals of governmental authorities or others having jurisdiction over the Project.

**Reimbursable expenses** include expenses incurred by the Architect in the interest of the Project for:

1. Fees paid for securing approvals of authorities having jurisdiction over the Project.
2. Reproductions—in office, during Project, at \$1.50 per sheet. Client will receive four (4) complimentary sets of final plans at the end of the Construction Documents Phase.
3. Commercial reproductions at 1.15 times the expense incurred by the Architect.
4. Travel expenses from the Architect's office to the job site in Ocean Park, WA. at a rate of \$0.56 per mile.
5. Expenses for travel beyond a 50 mile radius of the Architect's office at a rate of \$0.56 per mile.



North Beach Water District  
Equipment Building and Office Facility

Preliminary Project Schedule

