



**CONSTRUCTION CONTRACT**  
**APPENDIX A**  
**GENERAL TERMS AND CONDITIONS**

<b>Contract No:</b>
<b>Date Prepared:</b>

These terms, conditions and requirements apply to the Contract Documents describing the Work for the Project. If any provision of these Contract Documents is declared by a court to be illegal or in conflict with any law, the validity of the remaining provisions and the ensuing rights and obligations of the Parties to the contract shall not be affected.

**1. ARTICLE 1- DEFINITIONS:**

Whenever used in these Contract Documents, the following terms shall have the indicated meaning. Any term not so defined shall have its ordinary meaning.

**Approved or Approval** – The written approval by the Chief Executive Officer (CEO) or authorized representative.

**Award** – The written acceptance by AAC of the successful offeror.

**Bid** – The Offeror’s proposal, submitted on the requested form, to perform the work in accordance with the Contract Documents at the prices quoted.

**Change Order** – A written order by AAC directing changes to the Contract.

**Conditions of the Contract** –The Contract Documents which define the rights and responsibilities of the contracting parties and of others involved in the Work. The Conditions of the Contract include General Conditions and other Conditions specified in the Request for Quote, Request for Proposal, or Invitation to Bid.

**Contract** – The Contract Documents form the Contract between AAC and the Contractor for the Work to be performed. The Contract represents the entire agreement between the parties and supersedes prior negotiations, representations or agreements.

**Contract Documents** – The Statement of Work, the Notice of Contract Award, Offeror’s Bid, and any addenda, written changes, or attachments as noted in the description of the Work.

**Contracting Officer**– The Chief Executive Officer ’s or his designee, authorized to enter into and administer the Contract on behalf of AAC.

**Effective Date of the Contract** – The date on which the Contract is fully executed by both AAC and the Contractor.

**Offeror** – Any individual, firm, corporation, or any acceptable combination thereof, or joint venture that submits a quote, bid, or proposal for advertised work.

**Project** –The total construction, of which the Work performed under the Contract Documents is the whole or a part.

**Project Manager** – The authorized representative of AAC who is responsible for the administration of the Project.

**Regulatory Requirements** – All laws, rules, regulations, ordinances, codes and/or orders applicable to the Work.

**Specifications** – Those portions of the Contract Documents consisting of written technical descriptions of materials, equipment, construction systems, standards and workmanship as applied to the Work.

**Subcontractor** – Any individual, firm, or corporation to whom the Contractor has contracted to perform part of the Contract.

**Work** – The act of, and the result from, performing services, furnishing labor, furnishing and incorporating materials and equipment into the Project and performing other duties and obligations, all as required by the Contract Documents.

**2. ARTICLE 2- AUTHORITIES AND LIMITATIONS**

- a. The President and Chief Executive Officer of AAC is the only authorized representative of AAC under this Contract, unless the Contractor is notified in writing by the President and Chief Executive Officer that another individual has been delegated the authority to act on behalf of AAC for purposes relating to this Contract. All communications must be directed to the attention of the President and Chief Executive Officer, or his designated authorized representative.
- b. The President/Chief Executive Officer (or authorized representative) has the authority to make findings, determinations and decisions with respect to the Contract; to approve materials, Work and payment therefore; and to modify or terminate the contract on behalf of AAC.
- c. The Contractor assumes all the risk and consequences of performing Work in accordance with any order of anyone not authorized to issue such order, and of any order not in writing.

- d. The Contractor shall have the sole responsibility for the means, methods, sequences, or procedures of construction, or safety precautions related to the Project, based on guidance provided by AAC. The Contractor shall conduct all Work in such a manner that protects the public and State resources. Failure to perform Work in accordance with the Contract Documents are the sole responsibility of the Contractor.
- e. The Contractor shall not award Work to any Subcontractor without prior written approval from the an authorized AAC Representative.

### **3. Article 3 – CONTRACT DOCUMENTS**

- a. The execution of the Contract by the Contractor is considered a representation that the Contractor examined the Contract Documents to make certain that all sheets and pages were provided, and that the Contractor is satisfied as to the conditions in performing the work. AAC expressly denies any responsibility or liability to a bid, quote, or proposal, submitted on the basis of an incomplete set of Contract Documents.
- b. Before undertaking the Work, the Contractor shall carefully examine and compare the Contract Documents and check and verify pertinent measurements and specifications. If, during the examination or during the performance of work, the Contractor finds an error or discrepancy in the Contract Document, the Contractor shall promptly report such error to AAC. The Contractor shall obtain a written determination or clarification on the error for AAC before proceeding with any Work affected. Any adjustment made by the Contractor without this determination shall be at the Contractor’s own risk and expense.
- c. Contract Documents prepared by the Contractor in connection with the Work shall become property of AAC.

### **4. ARTICLE 4- INSURANCE AND IDEMNIFICATION**

The Contractor shall indemnify, save harmless, and defend AAC, its agents and its employees in accordance with Appendix B. These coverages shall remain in force for the duration of the Contract.

### **5. ARTICLE 5- CONTRACTOR’S RESPONSIBILITIES**

- a. The Contractor shall supervise and direct the Work competently and efficiently as may be necessary to perform the Work in accordance with the Contract Documents.
- b. Unless otherwise specified in the Contract Documents, the Contractor shall furnish and assume full responsibility for all materials, equipment and machinery, tools, fuel, utilities, sanitary facilities, temporary facilities, and incidentals necessary for the performance and completion of the Work.
- c. The Construction of this project shall be planned and recorded with a Critical Path Method schedule. The schedule shall be used for coordination and monitoring of all Work under the Contract including all activity of subcontractors, manufacturers, and suppliers. The Contractor shall submit for AAC’s review, a detailed CPM schedule, within thirty days of Contract Award.
- d. The Contractor shall not award Work to any subcontractor without prior Approval from the Procurement Officer. The Approval will not be given until the Contractor submits to AAC a written statement concerning the proposed award to the subcontractor which shall contain Equal Employment Opportunity Documents and evidence of insurance.
- e. The Contractor shall confine construction equipment, the storage of materials, and equipment and operation of the works to the Project limits and approved remote storage sites and areas identified by AAC, Regulatory Requirements, rights-of-way, permits and easements, and shall not unreasonably burden the site with construction equipment or materials.
- f. The Contractor shall maintain at the site, one record copy of all Drawings, Specifications, Work Orders, and Change Orders. Upon completion of the Work, the record documents, samples and shop drawings will be delivered to AAC.
- g. The Contractor alone shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. In performance of this Contract, the Contractor shall comply with all applicable Federal, State, and Local Laws governing safety, health, and sanitation.

- h. The Contractor shall obtain the written consent of AAC prior to the proposed assignment of any interest in, or part of this Contract.
- i. Records of the Contractor and Subcontractors relating to personnel, payrolls, invoices of materials, and any and all other data relevant to the performance of the Contract, must be kept on a generally recognized accounting system.
- j. Such records must be available during normal work hours to AAC for purposes of investigation to ascertain compliance with Regulatory Requirements and provisions of this Contract Document. Additionally, the Contractor shall make payroll, employment records, and any other information required available for inspection by representatives of the U.S. and/or State Department of Labor.

## 6. ARTICLE 6- LAWS AND REGULATIONS

- a. **LAWS TO BE OBSERVED.** The Contractor must comply with all applicable laws, regulations, codes, ordinances and written directives issued by the Contracting Officer.
- b. **BUSINESS REGISTRATION.** The Contractor shall comply with AS 08.18.011 and obtain Business Registration with the Department of Commerce.
- c. **PERMITS, LAWS, AND TAXES.** The Contractor must obtain applicable licenses and permits; pay all charges, fees, and taxes, and give all notices necessary and incidental to the lawful performance of this Work. Contract is governed by the laws of the State of Alaska. Except where otherwise expressly required by applicable Regulatory Requirements, AAC shall not be responsible for monitoring Contractor's compliance with any Regulatory Requirements. The Contractor's certification that taxes have been paid (as contained in the Release of Contract) will be verified with the Department of Revenue and Department of Labor prior to final payment.
- d. **COMPLIANCE OF SPECIFICATIONS AND DRAWINGS.** If the Contractor observes that the Specifications and Drawings supplied by AAC are at variance with any Regulatory Requirements, the Contractor shall give AAC prompt written notice and any necessary changes will be authorized by AAC. If the Contractor performs any Work knowing or having reason to know that is contrary to Regulatory Requirements, and without such notice to AAC, the Contractor shall bear all costs arising therefrom. However, it shall not be the Contractor's primary responsibility to make certain the Specifications supplied by AAC are in accordance with such Regulator Requirements.
- e. **LOCAL BUILDING CODES.** The Contractor shall comply with applicable local building codes.
- f. **WAGES AND HOURS OF LABOR.** The Department of Labor and Workforce Development, Wage and Hour Administration, must be notified in accordance with AS 36.05.040 if the resulting contract for repairs or construction exceeds \$25,000. The Contractor must comply with the requirements noted within the Department of Labor packet entitled, "Laborers' & Mechanics' Minimum Rates of Pay, Pamphlet 600." To obtain a copy of the referenced packet, contact AAC or the Department of Labor. The Contractor shall submit certified payrolls bearing an original signature to the U.S. and/or State Department of Labor as required by law and shall comply with all other applicable labor reporting laws. The Contractor shall also submit certified payrolls bearing an original signature, along with those of subcontractors, to AAC on a bi-weekly basis and shall retain copies of the payrolls for a minimum of three (3) years. The Contractor shall be responsible for the submission and retention of certified payrolls of all its subcontractors. The certification shall affirm that the payrolls are current and complete, that the wage rates contained therein are not less than the prevailing wage rates, and the classification set forth for each laborer or mechanic conforms with the Work he performed. The Contractor shall not require nor permit any laborer or mechanic in any workweek in which he is employed on any Work under this Contract to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in any workweek on Work subject to the provisions of the Contract Work Hours and Safety Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one half times his basic rate of pay for all such hours worked in excess of eight hours in any Calendar Day or in excess of forty (40) hours in such workweek whichever is the greater number of overtime hours.
- g. **COVENANT AGAINST CONTINGENT FEES.** The Contractor warrants that no person or agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, contingent fee, or brokerage except employees or agencies maintained

by the Contractor for the purpose of securing business. For the breach or violation of this warranty, AAC may terminate this Contract without liability or in its discretion deduct from the Contract price or consideration the full amount of the commission, percentage, brokerage, or contingent fee.

- h. **OFFICIALS NOT TO BENEFIT.** The Contractor must comply with all applicable federal and state laws regulating ethical conduct of public officers and employees.

## 7. **ARTICLE 7- PAYMENTS TO CONTRACTOR AND COMPLETION**

- a. If Progress Payment are required, the Contractor shall ensure a request is submitted in writing by providing payment terms and the Schedule of Values with their Offer. The schedule of values provided in the Contractor's bid, quote, or proposal will serve as the bases for progress payments.
- b. **CONTRACTOR'S WARRANTY OF TITLE.** The Contractor warrants and guarantees that title to all the Work, materials, and equipment covered by any application of payment, will pass to AAC no later than the time of payment free and clear of any claims, liens, security interests and further obligations.
- c. **WITHOLDING OF PAYMENT.** Liens or other claims relating to the Project may be withheld from final payment if written notice is first given to the Contractor. Acceptance of the final payment will constitute the Contractor's waiver to future claims.
- d. **FINAL INSPECTION.** Upon written notice from the Contractor that the entire Work is complete, AAC will perform a final inspection. Such inspection will be made within a reasonable time after completion of Work. AAC shall notify the Contractor in writing if any Work delivered hereunder is rejected, and at AAC's election and the Contractor's risk and expense, the Contractor shall immediately take such measures as necessary to remedy such deficiencies.
- e. **FINAL APPLICATION FOR PAYMENT.** After the Contractor has completed all such corrections to the satisfaction of AAC and delivered all maintenance and operating instructions, schedules, tools, certificates of payment to all laborers, subcontractors, and supplies, and final record drawings and other documents as required by the Contract Documents, and after AAC has indicated that the Work is acceptable, the Contractor may make application for Final payment following procedure for progress payments. The application for final payment shall be accompanied by all certificates, warranties, releases, affidavits, and other documentation required by the Contract Documents.
- f. **FINAL PAYMENT.** If on the bases of AAC's observation of the Work during construction and Final inspection, and AAC's review of the Application for Final Payment and accompanying documentation all as required by the Contract Documents, AAC is satisfied that the Work has been completed and the Contractor's other obligations under the Contract Documents have been fulfilled, AAC will process the Application for Final Payment.
- g. **FINAL ACCEPTANCE AND CONTRACT CLOSE OUT.** Following receipt of the Contractor's Release with no exceptions, and certification that laborers, subcontractors and material men have been paid, certification of payment of payroll and revenue taxes and Final payment to the Contractor, AAC will issue a Contract Closeout Letter.
- h. **CONTRACTOR'S OBLIGATION.** The Contractor's obligation to perform and complete the Work and pay all laborers, subcontractors, and material men in accordance with the Contract Documents shall be absolute.
- i. **INVOICE SUBMITTAL.** All invoices and final application for payments shall be submitted electronically to AACBillings@akaerospace.com.

- 8. **ARTICLE 8- CHANGES.** AAC shall have the right at any time before completion of the order, to make changes in quantities, in drawings and specifications, in delivery schedules, and in methods of shipment and packaging. If such changes cause an increase or decrease in price or in the time required for performance, the Contractor shall promptly notify AAC thereof in writing and equitable adjustment shall be made. Changes shall not be binding upon AAC unless evidenced by a change order and issued and signed by AAC.

## 9. **ARTICLE 9- SUSPENSION OF WORK, DEFAULT AND TERMINATION**

- a. **STOP WORK.** AAC may, by written order to the Contractor, require the Subcontractor to stop all, or any part, of the work called for by this Purchase Order for a period of 30 days after the order is delivered

to the Contractor, and for any further period to which the parties may agree. AAC shall specify if Stop Work is for all, or part of the work in progress. If only for partial stoppage, AAC shall identify any subtask(s) intended for stoppage, as to not impact other areas of the program.

- b. **REMEDIES.** The Contractor shall remedy all defects in materials or workmanship that develop within a period of one year from the date of final payment.
- c. **BREACH.** The failure of the Contractor to perform a material obligation under this Agreement shall be a default if not cured within ten (10) days after AAC gives the Contractor written notice of the default, or if the default cannot be cured within such ten (10) day period, within the time for cure specified in a written cure plan provided by the Contractor and approved in writing by AAC within such ten (10) day period. Immediately upon receiving written approval of a cure plan, the Contractor shall commence and proceed diligently to carry out the cure plan. Failure to perform under this article constitutes a material breach of this Agreement.
- d. **TERMINATION.** AAC may terminate performance of work under this contract in whole or, from time to time, in part if the Contracting Officer determines that a termination is in AAC's interest. The Contract Manager shall terminate by delivering to the Contractor a Notice of Termination specifying the extent of termination and the effective date.
  - i. **For Cause.** AAC, by written notice, may terminate this Agreement in the event of a default by CONTRACTOR that is not cured within the time allowed under Section c.
  - ii. **For Convenience.** AAC may terminate this Agreement, in whole or in part, when it is in the best interest of AAC. AAC is liable only for payment in accordance with the payment provisions of this Agreement for supplies/services rendered before the effective date of termination.

#### 10. ARTICLE 10 –DISPUTES

Any dispute arising under this Agreement which is not disposed of by mutual agreement shall first be subject to the same procedure as bid protests are under Section 1.070 of AAC's Procurement Regulations. Go to <https://akaerospace.com/contracts/> and click on "Procurement Regulations" for full text.

#### 11. ARTICLE 11 - MISCELLANEOUS

- a. **NO ADDITIONAL WORK OR MATERIAL.** No claim for additional services, not specifically provided in this Agreement, performed or furnished by the Contractor, will be allowed, nor may Contractor do any work or furnish any material not covered by this Agreement unless the work or material is ordered in writing by an authorized AAC Representative.
- b. **CONFIDENTIALITY.** Confidential and proprietary information refers to any data or information relating to the business of AAC and any affiliated/partnered relationship which would reasonably be considered as proprietary to AAC, including but not limited to accounting records, business processes, business development prospects, strategic planning, client records, and customer contracts. The Contractor shall not disclose, divulge, reveal, report or use for any purpose any Confidential or Proprietary information obtained under this Agreement, except as authorized by AAC.



**CONSTRUCTION CONTRACT**  
**APPENDIX B**  
**INSURANCE AND INDEMNIFICATION**

<b>Contract No:</b>
<b>Date Prepared:</b>

**Article 1 - Indemnification**

Contractor shall indemnify, defend with counsel of AAC's choice and hold harmless AAC, its officers, agents, and employees from all liability, including reasonable costs and expenses, for all actions or claims resulting from injury or death to any person or damages sustained by any person or property arising directly or indirectly as a result of any breach of this Agreement or negligent or wrongful act of Contractor or its subcontractors, or anyone directly or indirectly employed by either of them, in the performance of this Agreement.

All actions or claims including costs and expenses resulting from injury or death to any person or damages sustained by any person or property arising directly or indirectly from Contractor's performance of this Agreement which are caused by the joint negligence of AAC and Contractor shall be apportioned on a comparative fault basis.

**Article 2 - Insurance**

Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this Agreement the following policies of insurance which shall name AAC as an insured and contain an appropriate waiver of subrogation in favor of AAC. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If Contractor's policy contains higher limits, AAC shall be entitled to coverage to the extent of such higher limits. Certificates of insurance must be furnished to AAC prior to beginning work and must provide for a 30-day prior notice to AAC of cancellation, nonrenewal or material change. Failure to furnish satisfactory evidence of insurance or any lapse of the policy is a material breach and grounds for termination of this Agreement.

**Article 3 - Worker's Compensation Insurance**

For all employees of Contractor engaged in work under this Agreement, Worker's Compensation insurance as required by AS 23.30.045. Contractor shall be responsible for Workers' Compensation insurance for any subcontractor who directly or indirectly provides service under this Agreement. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S.L.&H and Jones Acts) must also be included.

**Article 4 - Commercial General Liability**

Is required with coverage limits not less than \$2,000,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

**Article 5 - Automobile Liability**

Covering all owned, hired and non-owned vehicles with coverage limits not less than \$300,000 per person/\$500,000 per occurrence bodily injury and \$50,000 property damage.



**ALASKA AEROSPACE CORPORATION**  
**4300 B Street, Suite 101**  
**Anchorage, Alaska 99503**  
**PHONE: 907-561-3338, FAX: 907-561-3339**

**Contract No.:** Click or tap here to enter text.

**Attachment**

**Date**

**FINAL APPLICATION FOR PAYMENT**

After the Contractor has completed the scope of this contract to the satisfaction of AAC, the Contractor may make application for Final payment. The application for final payment shall be accompanied by all certificates, warranties, releases, affidavits, and other documentation required by the Contract Documents.

**CONTRACTOR CERTIFICATION**

The business entity for which I am the duly authorized representative:

- (A) Has delivered all maintenance and operating instructions, schedules, tools, and Final Record drawings as required by this Contract;
- (B) Certifies compliance with the requirements noted within the Department of Labor packet entitled, "Laborers' & Mechanics' Minimum Rates of Pay, Pamphlet 600";
- (C) Certifies all laborers, subcontractors and material men have been paid;
- (D) Certifies payment of payroll and revenue taxes; and
- (E) Has filed Notice of Completion (NOC) with the Department of Labor and Workforce Development.

By applying my signature below, I certify under penalty of perjury that I am the duly appointed representative of this business entity, which has authorized and empowered me to legally bind it concerning this Contract, and that the foregoing statements are true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Alaska Business License Number

\_\_\_\_\_  
Title