

# EXHIBIT 7

## Supplemental General Conditions

Contract No. \_\_\_\_\_

**Project Name: Surplus Building Upgrades**

For the above Contract, the following supplements modify the “State of Oregon General Conditions for Public Improvement Contracts” set forth in Exhibit 6. Where a portion of the General Conditions is modified or deleted by these Supplemental General Conditions, the unaltered portions of the General Conditions shall remain in effect.

**SGC-1 Add the following new Sections A.3.5 and A.3.6 after A.3.4 under INTERPRETATION OF CONTRACT DOCUMENTS:**

**A.3.5** The characterization of provisions of the Contract as material provisions or the failure to comply with certain provisions as a material breach of the Contract shall in no way be construed to mean that any other provisions of the Contract are not material or that failure to comply with any other provisions is not a material breach of the Contract.

**A.3.6** Should any Plans or Specifications provided by the Owner, that Contractor is required to utilize for any aspect of the Work, fail to particularly describe the materials, kind of goods, or details of construction, Contractor shall inquire of the Owner as to what is required, prior to utilization of the Plans and Specifications in performing the affected Work. Absent Owner-supplied Specifications to the contrary, the materials, construction methods, and processes that would normally be used by the Contractor to produce first-quality finished Work are considered a part of the Contract requirements.

**SGC-2 Make the following revisions to Section B.5 COMPLIANCE WITH GOVERNMENT LAWS AND REGULATIONS:**

- **Add the following to the end of Section B.5.1:**

All rights and remedies available to Owner under applicable federal, state and local laws are also incorporated by reference herein and are cumulative with all rights and remedies under the Contract.

- **Section B.5.2(a) is deleted and replaced with the following:**

(a) Pursuant to ORS 279A.110, Contractor shall not discriminate against a disadvantaged business enterprise, a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns or an emerging small business, in the awarding of subcontracts.

- **The following Section B.5.2(c) is added:**

(c) Respecting certification as a disadvantaged business enterprise, minority-owned business, woman-owned business, business that a service-disabled veteran owns or an emerging small business under ORS 200.055, as and when applicable, Contractor shall maintain the certification, and require in its subcontracts that subcontractors maintain the certification required by Section 2, Chapter 325, Oregon Laws 2015, as amended by Section 26, Chapter 565, Oregon Laws 2015. Owner may require Contractor to terminate a subcontract with a subcontractor that fails to maintain its certification under ORS 200.055 throughout the term of the subcontract and any extensions.

- **Section B.5.6 is deleted and replaced with the following revised Section B.5.6 and new Section B.5.7:**

B.5.6 Contractor shall comply with all Oregon Tax Laws, consistent with the Contractor’s Certificate of Compliance with Tax Laws and the Contractor’s warranty that the Contractor has complied with the Oregon Tax

Laws. Any violation of the Contractor's Certificate of Compliance or warranty will constitute a material breach of the Contract.

B.5.7 Failure to comply with any or all of the requirements of B.5.1 through B.5.6 shall be a material breach of Contract entitling the Owner to pursue and recover any and all of its available remedies at law or in equity that arise from the breach, including, but not limited to, recovery of damages, the termination of the Contract, and the exercise of the right of setoff, garnishment if applicable and the withholding of amounts otherwise due and owing to the Contractor without penalty. Damages or costs resulting from such non-compliance shall be the responsibility of the Contractor.

**SGC-3 The provisions in Section B.15 GOVERNING LAW are deleted and replaced with the following provisions:**

The ITB and the resulting Contract shall be governed by, construed, and enforced in accordance with the laws of State of Oregon without regard to principles of conflicts of law.

**SGC-4 Add the following at the end of Section C.5 HOURS OF LABOR:**

Compliance with ORS 279C.520 includes, but is not limited to, not prohibiting employees from discussing wages, salaries, benefits and other compensation, and compliance with the wage related prohibitions in ORS 652.220. Compliance with ORS 279C.520 and ORS 652.220 is a material element of the Contract, and Contractor's failure to comply is a breach of the Contract that entitles the contracting agency to terminate the Contract for cause.

**SGC-5 Make the following revisions to Section D.3 CLAIMS REVIEW PROCESS:**

**The following section is added:**

**D.4 FALSE CLAIMS (OREGON FALSE CLAIMS ACT)**

D.4.1 Contractor understands and acknowledges it is subject to the Oregon False Claims Act ([ORS 180.750 to 180.785](#)) and to any liabilities or penalties associated with the making of a false claim under that Act. By its execution of the Contract, Contractor certifies the truthfulness, completeness, and accuracy of any statement or claim it has made, it makes, it may make, or cause to be made that pertains to the Contract or the Project for which the services are being performed, including but not limited to Contractor's statement of proposal and any invoices, reports, or other deliverables.

D.4.2. Contractor shall immediately disclose (in writing) to Agency whenever, in connection with the award, performance or closeout of the Contract, or any subcontract thereunder, Contractor has credible evidence that a principal, employee, agent, or subcontractor of Contractor has committed—

(i) A violation of the Oregon False Claims Act; or;

(ii) A violation of State or Federal criminal or civil law involving fraud, conflict of interest, bribery, gratuity or similar misconduct.

D.4.3. Contractor must include subsections D.4.1 and D.4.2 of this section in each subcontract Contractor may award in connection with the performance of the Contract. In doing so, Contractor may not modify the terms of those subsections, except to identify the subcontractors or sub grantee that will be subject to those provisions.

**SGC-6 Make the following revisions to Section E.2.4, related to Owner's right to withhold payment:**

**A new subsection is added to Section E.2.4 as subsection (i) and existing subsections (g) and (h) of Section E.2.4 are removed, re-numbered and revised to read as follows:**

(g) failure to carry out the Work in accordance with the Contract Documents;

(h) assessment of liquidated damages, when withholding is made for offset purposes; or

(i) The Contractor having liquidated and delinquent debt owed to the State of Oregon or any department or agency of the State of Oregon.

**SGC-7 Add the following Smoke-Free Workplace language at the end of Section F.1 USE OF PREMISES:**

Under Oregon's Indoor Clean Air Act all State of Oregon properties are smoke, aerosol and vapor free (ORS 433.835-870, effective January 1, 2016.) A person may not smoke, aerosolize or vaporize an inhalant or carry a lighted smoking instrument within 10 feet of the following parts of public places or places of employment: Entrances; Exits; windows that open; and Ventilation intakes that serve an enclosed area.

**SGC-8 Section J.4, Owner's Right to Terminate Contract**

**A new subsection is added to Section J.4.1 as subsection (f) and existing subsections (e) and (f) of Section J.4.1 are removed, re-numbered and revised to read as follows:**

“(e) If Contractor should repeatedly fail to make prompt payment to Subcontractors or for material or labor, or should disregard laws, ordinances or the instructions of the Owner or its Authorized Representative;

(f) If Contractor has liquidated and delinquent debt owed to the State of Oregon or any department or agency of the State of Oregon; or

(g) If Contractor is otherwise in material breach of any part of the Contract.”

**SGC-9 Section J.4, Owner's Right to Terminate Contract**

**Subsection J.4.2 is removed and revised to read as follows:**

“J.4.2 At any time that any of the above occurs, Owner may exercise all rights and remedies available to Owner at law or in equity, including, in the event of the conditions set forth in Section J.4.1(f) regarding Contractor's liquidated and delinquent debt (including garnishing all monies due for any and all Work performed by the Contractor, when appropriate) and otherwise recovering any liquidated and delinquent debt owed to the State of Oregon or any department or agency of the State of Oregon. In addition, the Owner may take possession of the premises and of all materials and appliances and finish the Work by whatever method it may deem expedient. In such case, the Contractor shall not be entitled to receive further payment until the Work is completed. If the Owner's cost of finishing the Work exceeds the unpaid balance of the Contract Price, Contractor shall pay the difference to the Owner.”

**SGC-10. The provisions included under Section G.3 INSURANCE are deleted and replaced with the following:**

**“G.3.1 INSURANCE REQUIREMENTS**

Contractor shall obtain at Contractor's expense the insurance specified in this Section G.3 prior to performing under the Contract and shall maintain it in full force and at its own expense throughout the duration of the Contract, as required by any extended reporting period, and all warranty periods that apply. Contractor shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to Agency. Coverage shall be primary and non-contributory with any other insurance and self-insurance with the exception of Professional Liability and Workers' Compensation. Contractor shall pay for all deductibles, self-insured retention and self-insurance, if any.

**G.3.2 WORKERS' COMPENSATION & EMPLOYERS' LIABILITY**

All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors complies with these requirements. If Contractor is a subject employer, as defined in ORS 656.023, Contractor shall also obtain employers' liability insurance coverage with limits not less than \$1,000,000 each accident. If Contractor is an employer subject to any other state's workers' compensation law, Contractor shall provide workers' compensation insurance coverage for its employees as required by applicable workers' compensation laws including employers' liability insurance coverage with limits not less than \$1,000,000 and shall require and ensure that each of its out-of-state subcontractors complies with these requirements.

### **G.3.3 COMMERCIAL GENERAL LIABILITY**

Commercial General Liability Insurance covering bodily injury and property damage written on an ISO CG 00 01 10 01 (or equivalent). This insurance shall include personal and advertising injury liability, products and completed operations, contractual liability coverage for the indemnity provided under the Contract, and shall have no limitation of coverage to designated premises, project or operation. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000.

### **G.3.4 AUTOMOBILE LIABILITY**

Automobile Liability Insurance covering Contractor's business use including coverage for all owned, non-owned, or hired vehicles with a combined single limit of not less than \$1,000,000 for bodily injury and property damage. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability).

### **G.3.5 BUILDERS RISK INSURANCE**

#### **G.3.5.1 Builders Risk**

During the term of the Contract, Contractor shall maintain and keep in effect Builders Risk insurance on a special form, including earthquake and flood, covering risks of physical loss or damage to the structure(s) including, without limitation, the transmission lines to the interconnected facilities, buildings, temporary structures, materials, supplies and equipment to be incorporated in the Work. For new construction, the Contractor shall secure, be responsible for payment of premium, deductibles and any penalties associated with the policy. The policy shall include coverage for "soft costs" resulting from delay in construction. As applicable, such insurance shall cover all building(s), structures, facilities or other improvements, as outlined in the Contract, during construction and testing, and shall include the Owner, Design-Builder (if applicable), Consultants, Contractors, and Subcontractors, sub-subcontractors to the Project as insureds. Any deductible shall not exceed \$50,000 for each loss, except the earthquake and flood deductible shall not exceed five (5) percent of each loss or \$50,000, whichever is more. The policy shall be written on a replacement cost basis and shall contain an agreed amount endorsement waiving any coinsurance penalty. The policy shall include as loss payees the Owner, the Contractor and its Subcontractors as their interest may appear. The minimum policy limit shall be equal to the full amount of the Contract.

#### **G.3.5.2 Builders Risk Installation Floater**

For other than new construction the Contractor shall obtain and keep in effect during the term of the Contract, a Builders Risk Installation Floater for coverage of the Contractor's labor, materials and equipment to be used for completion of the Work performed under the Contract. The minimum amount of coverage to be carried shall be equal to the full amount of the Contract. This insurance shall include as loss payees the Owner, the Contractor and its Subcontractors as their interests may appear.

#### **G.3.5.3 Builders Risk Period**

Such insurance shall be maintained until the later of (a) final payment is made, or (b) no person or entity other than the Owner has an insurable interested in the covered property.

#### **G.3.5.4 Builders Risk Losses**

A loss insured under the Builders Risk and Builders Risk Installation Floater shall be adjusted by the Owner and made payable to the Owner for the insureds, as their interests may appear. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner. The Owner shall have power to adjust and settle a loss with insurers.

### **G.3.6 ADDITIONAL INSURED**

The Commercial General Liability insurance and Automobile Liability insurance required under the Contract must include an additional insured endorsement specifying the State of Oregon, its officers, employees and agents as Additional Insureds, including additional insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to Contractor's activities to be performed under the Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance. The Additional Insured endorsement with respect to liability arising out of your ongoing operations must be on ISO Form CG 20 10 07 04 or equivalent and the Additional Insured endorsement with respect to completed operations must be on ISO form CG 20 37 04 13 or equivalent.

### **G.3.7 EXTENDED REPORTING**

If any of the required insurance is on a claims made basis and does not include an extended reporting period through the statute of ultimate repose, Contractor shall maintain continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of the Contract, for a period equal to the statute of ultimate repose following the later of (i) Contractor's completion and Agency's acceptance of all Services and Work required under the Contract, or, (ii) The expiration of all warranty periods provided under the Contract.

### **G.3.8 CERTIFICATE(S) AND PROOF OF INSURANCE**

Contractor shall provide to Agency Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services and Work required under the Contract. The Certificate(s) shall list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. If a Contractor Pollution Liability coverage requirement includes an Asbestos Liability, Lead Liability or both Asbestos Liability and Lead Liability endorsement(s), copies of the endorsement(s) must be provided with the Certificate. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance Agency has the right to request copies of insurance policies and endorsements relating to the insurance requirements in the Contract.

### **G.3.9 NOTICE OF CHANGE OR CANCELLATION**

The Contractor or its insurer must provide at least 30 days' written notice to Agency before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

### **G.3.10 INSURANCE REQUIREMENT REVIEW**

Contractor agrees to periodic review of insurance requirements by Agency under the Contract and to provide updated requirements as mutually agreed upon by Contractor and Agency.

### **G.3.11 STATE ACCEPTANCE**

All insurance providers are subject to Agency acceptance. If requested by Agency, Contractor shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to Agency's representatives responsible for verification of the insurance coverages required under this Section G.3.