

APPENDIX 6

PROGRESS PAYMENTS AND MAXIMUM DRAWDOWN SCHEDULE

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6.1. PURPOSE

This Appendix sets forth the maximum drawdown schedule and the requirements for the development of the detailed progress payment schedule for the payment of the Design-Build Price. The requirements set forth in this Appendix supplement the requirements set forth in Article VI of the Service Contract for the payment of the Design-Build Price.

6.2. PAYMENT PROCEDURES

The Company shall be entitled to submit Requisitions and receive from the County the payments that will be set forth in the progress payment schedule developed in accordance with this Appendix 6, subject to the conditions to payment set forth in Section 6.4 (Payment Procedure) of the Service Contract (the "Progress Payment Schedule"). The maximum drawdown schedule set forth in this Appendix and the Progress Payment Schedule developed by the Company and approved by the County shall serve as the basis for progress payments of the Design-Build Price. Each Requisition for payment shall be signed and certified by the Design-Build Manager and the Company shall provide all supporting information in accordance with Section 6.4 (Payment Procedure) of the Service Contract. Each Requisition shall set forth the amount due for the payment period, the amount invoiced to date and the amount remaining for each line item on the Progress Payment Schedule. The Company agrees that it shall not submit any Requisition for payments on a percent complete basis prior to approval by the County of the applicable detailed Progress Payment Schedule in accordance with this Appendix.

6.3. PROGRESS PAYMENT SCHEDULE

6.3.1 Interim Progress Payment Schedule

Within 30 days following the Contract Date, the Company shall prepare and submit for approval by the County an interim Progress Payment Schedule to assist the County and the County Engineering Representative in evaluating Company Requisitions for progress payments to be paid on a percent complete basis during the first 180 days of the Design-Build Period in accordance with the Service Contract. The interim Progress Payment Schedule shall be prepared in accordance with the requirements of this Appendix 6 and shall be based upon the

detailed breakdown of the Fixed Design-Build Price set forth in Table 6-1 and the interim schedule prepared by the Company pursuant to Appendix 5. The Company shall not receive payments for any Requisitions for any Design-Build Work completed during the first 180 days of the Design-Build Period unless the County has approved the interim Progress Payment Schedule and the Requisition for such work contains a copy of the final interim schedule that has been established and updated in accordance with Appendix 5 and shows the progress made by the Company for the period covered by such Requisition.

6.3.2 Final Progress Payment Schedule

Within 30 days following the finalization of the Company's master schedule in accordance with Appendix 5, the Company shall prepare and submit for approval by the County a final Progress Payment Schedule to assist the County and the County Engineering Representative in evaluating Company Requisitions for progress payments to be paid on a percent complete basis in accordance with the Service Contract. The final Progress Payment Schedule shall be prepared in accordance with the requirements of this Appendix 6, shall be based upon the master schedule prepared by the Company pursuant to Appendix 5 and shall become the basis for the County's consideration of partial payments to be made to the Company following the first 180 days of the Design-Build Period. The Company shall not receive payments for any invoices for any Design-Build Work completed following the first 180 days of the Design-Build Period unless the County has approved the final Progress Payment Schedule and the Requisition for such work contains a copy of the final master schedule that has been established and updated in accordance with Appendix 5 and shows the progress made by the Company for the period covered by the Requisition.

6.3.3 Requirements for the Development of the Interim and Final Progress Payment Schedules

Table 6-1 (Attachment 6A to this Appendix 6) sets forth a detailed breakdown of the Fixed Design-Build Price for individual elements of the Design-Build Work. Table 6-2 (Attachment 6B to this Appendix 6) sets forth the maximum monthly payment limitations that the Company is subject to in its submittal of Requisitions as set forth in Section 6.4 (Payment Procedure) of the Service Contract. Both the interim Progress Payment Schedule and the final Progress Payment Schedule shall be subject to the maximum drawdown schedule set forth in Table 6-2. In no event shall there be any change to the percentages set forth in Table 6-2.

The Company's detailed interim and final Progress Payment Schedules shall be in sufficient detail to indicate breakdown of the individual elements of the Fixed Design-Build Price,

indicated in Table 6-1, into equipment, systems, sub-systems, building structures and other discrete elements. The Progress Payment Schedules shall list the installed value of the component parts of the Design-Build Work in sufficient detail to serve as a basis for computing values for partial payments during construction. Line items or indicated groups of line items shall match the construction activities' breakdown in the Company's interim schedule or master schedule, as applicable. The cost loaded schedules shall be used as the basis of the Progress Payment Schedule and therefor the basis of payment. Each line item shall include a directly proportional amount of the Company's overhead and profit. In preparing the interim Progress Payment Schedule and the final Progress Payment Schedule, the Company shall seek to limit the overall number of line items to the maximum extent reasonably practicable for the administrative convenience of the County. However, no single line item shall exceed \$10,000,000. Line items shall be defined in a manner consistent with the asset identification requirements set forth in the County's "Addition of New Assets for Major Construction Projects", dated February 2009, which is a Reference Document to the Service Contract.

The detailed interim and final Progress Payment Schedules shall include procurement costs as a separate payment item for each piece of equipment or unit of material for which the Company will request payment prior to installation. The balance of the payment for installation, including labor, equipment and all other costs, shall be included as a separate pay item for each piece of equipment or unit of material. The Company's detailed interim and final Progress Payment Schedule shall also include a breakdown of all design and permitting submittals and for obtaining significant Governmental Approvals.

6.4. CERTAIN LIMITATIONS ASSOCIATED WITH PROGRESS PAYMENTS

Payments shall be made on account of equipment or unit of materials delivered and suitably stored on the Project Sites for subsequent incorporation into the Design-Build Work. If approved in advance by the County, Requisitions may also be submitted for materials and equipment suitably stored off the Project Sites at a location and in a manner acceptable to the County. The Company shall not be entitled to payment for materials and equipment that are not stored properly, either at the Project Sites or off the Project Sites, in accordance with the Contract Standards so as to protect such materials and equipment from damaging environmental elements (e.g., dust intrusion into rotating equipment). All material and equipment storage locations, either at the Project Sites or off the Project Sites, shall be subject to inspection by the County and its representatives during normal business hours.

Governmental Approval applications shall be complete, as determined by the applicable Governmental Body, in order for the Company to receive payment for the corresponding payment milestone associated with the submittal of the Governmental Approval application.

In no event shall the cumulative Design-Build Price payments in any month exceed the maximum drawdown amount for the particular month, as indicated in Table 6-2.

6.5. QUARTERLY MILESTONE PAYMENT ESTIMATES

The Company shall provide the County with a good faith calendar quarterly estimate of payments of the Design-Build Price throughout the Design-Build Period, specifying the range of minimum and maximum payments, which shall not exceed the maximum drawdown applicable for any month in accordance with Table 6-2. The first such estimate shall be submitted to the County with the initial submittal of the interim Progress Payment Schedule.

ATTACHMENT 6A
FIXED DESIGN BUILD PRICE

ATTACHMENT 6A
FIXED DESIGN BUILD PRICE

Table 6-1

CH2M

PCRWRD-WRC Project
Price Proposal Form 1
Fixed Design/Build Price

Proposed Construction Start Date

June 15, 2011

Development Period

Cost

Payment during Development Period (Not to exceed 4% of Fixed D/B Price)

\$6,562,531

Payment for Closing Development Period/Achieving Construction Date (Not to exceed 4% of Fixed D/B Price)

6,562,531

Subtotal - Development Period

13,125,062

Construction Period

Site Work

Roads, Parking, Lighting, Utilities, Site Drainage, Fencing, Gates, Mass Grading and Excavation, etc.

\$4,348,860

Landscaping and Irrigation

279,377

Influent Conveyance Line

547,745

Sludge Conveyance Line

40,255

Effluent Conveyance Line

234,347

Emergency Sludge Conveyance Line

55,364

Other

Subtotal - Site Work

\$5,505,948

Influent Pumping Station / Preliminary Treatment

Pump Station / Grit Removal / Screenings Removal

\$5,146,529

Subtotal - Influent Pumping Station / Preliminary Treatment

\$5,146,529

Sludge Pumping Station

Construction

\$135,651

Subtotal - Sludge Pumping Station

\$135,651

Plant and Process

Wastewater Treatment System

\$88,123,731

Solids Thickening

3,071,354

Odor Control

3,578,621

Instrumentation Control Communication Security Systems, and Information Access System

3,084,225

Electrical/Emergency Power Systems/Substation

14,153,037

Operations/Maintenance Building

8,385,228

Other

Subtotal - Plant and Process

\$120,396,196

Start-up and Acceptance Testing

Start-up Activities

\$1,942,187

Acceptance Testing Activities

821,204

Subtotal Start-up and Acceptance Testing

\$2,763,391

Other Direct and Indirect Costs

Mobilization (Not to exceed 2% of Fixed D/B Price)

\$3,281,265

Demobilization (Not to exceed 25% of the Mobilization Price)

410,158

Material Testing

331,192

Administrative

Shop Drawings

572,500

Record Documents

226,121

Other

765,020

Insurance (During Construction)

2,273,917

Performance Bond (During Construction)

9,130,331

Other – Transaction Privilege Tax

Subtotal - Other Direct and Indirect Costs

\$16,990,504

Total - Fixed Design/Build Price

\$164,063,281

ATTACHMENT 6B

MAXIMUM MONTHLY PAYMENT LIMITATIONS

ATTACHMENT 6B

**FIXED DESIGN-BUILD PRICE
 MAXIMUM DRAWDOWN SCHEDULE**

Table 6-2

The percentages set forth in Table 6-2 are percentages of the total Fixed Design-Build Price.

Month	Maximum Percentage of applicable Fixed Design-Build Price
1	1.89%
2	0.64%
3	0.79%
4	0.94%
5	1.33%
6	6.80%
7	2.82%
8	2.77%
9	3.08%
10	3.32%
11	3.11%
12	2.80%
13	3.23%
14	3.72%
15	4.27%
16	4.15%
17	3.72%
18	5.09%
19	4.69%
20	5.06%
21	4.88%
22	5.03%
23	4.57%
24	4.18%

Month	Maximum Percentage of applicable Fixed Design-Build Price
25	3.69%
26	3.57%
27	1.68%
28	1.08%
29	1.04%
30	1.02%
31	0.66%
32	0.48%
33	0.56%
34	0.55%
35	0.55%
36	0.55%
37	0.52%
38	0.23%
39	0.20%
40	0.20%
41	0.20%
42	0.15%
43	0.12%
44	0.08%
Total	100.0%