

## GENERAL CONTRACT PROVISIONS

The following provisions shall be incorporated into all contracts under the Dirt and Gravel Road Maintenance Program:

(1) Legality – All work under this Agreement shall be performed in accordance with applicable statutes, rules, and regulations of the Federal, State, and local governments.

(2) Changes – The parties to the Agreement hereby agree to execute minor adjustments to this Agreement via a letter of mutual consent approved by the District.

(3) Suspension – When the District determines that the terms and conditions of this Agreement are not materially being met, the District may, upon written notice to the Contractor, suspend the Agreement until corrective action has been taken to the satisfaction of the District, or until the Agreement has been terminated.

(4) Termination – The District may terminate the Agreement in whole, or in part, at any time before the date of completion if any of the following occurs:

- (a) It is determined that the terms and conditions of the Agreement have not been met. Prompt notification in writing of the termination, with effective date, will be made by the District. Payments or recoveries by the District shall be in accordance with the legal rights and obligations of the parties.
- (b) Anticipated State and/or Federal funds are not obtained or continued at a sufficient level.
- (c) The District, without cause, provides written notification to the Contractor with an effective termination date. Payments and recoveries by the District shall be in accordance with the legal rights and obligations of the parties.

(5) Extension of Time – The Agreement may be extended for additional periods beyond its established expiration date by written amendment to the Agreement. The extension of time must be approved by both of the contract parties prior to the expiration date of the Agreement.

(6) Conflict of Interest

- (a) Interest of Members of the Commonwealth and others – No officer, member, or employee of the Commonwealth who exercises any function or responsibilities under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested; nor shall any such officer, member, or employee of the Commonwealth, and no member of its

governing body, have any interest, direct or indirect, in this Agreement or the proceeds thereof.

- (b) Interest of Contractor – The Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants that in the performance of this Agreement, it shall not knowingly employ any persons having such interests. Contractor further certifies that no member of the Board of Directors of the Contractor or any of its officers have such adverse interest.

(7) Hold Harmless – Contractor shall be responsible for and agrees to indemnify and hold harmless the District, the County, the Commission, and the Commonwealth from and against damages to property or injuries (including death) to any person and other losses, damages, expenses, claims, demands, suits, and actions by any party against the District, the County, the Commission, and the Commonwealth in connection with the work performed by the Contractor.

(8) Fiscal Records – Contractor agrees to maintain books, records, documents, correspondence, and other evidence pertaining to the costs and expenses of this Agreement (hereinafter collectively referred to as “the records”, to the extent and in such detail as will properly reflect all costs, direct and indirect, of labor, materials, equipment, supplies, services, and all other costs and expenses of whatever nature for which funding has been provided under the provisions of this Agreement, and in accordance with generally accepted accounting principles.

(9) Retention of Records – The records shall be retained by the District and be made available for audit for a period of three (3) years after final payment is made and the Agreement has expired and all other pending matters are resolved.

(10) Right to Audit – The District, the Commission, and the Office of Auditor General, or any of their duly authorized representatives, shall have access to the records of the Contractor for the purpose of making an audit of financial transactions, compliance with the Agreement terms, and an evaluation of Agreement performance. It is further understood that the District, the Commission, and the Office of Auditor General are authorized to make examination, excerpts, copies, and transcriptions of such records during the course of an audit.

(11) Indirect Costs – Where indirect costs are part of the amount charged to the District, the method of determining those costs must be identified with sufficient documentation to support its use. Regardless of the method used to calculate indirect costs, the amount charged must not exceed actual costs incurred.