

Navicent Health
Enterprise Program Management Office
Contractor Bidding Policies and Practices
Revision Date: March 2012

1. The attached bid tabulation sheet does not represent a contract between Owner and Contractor; it is simply a means for Owner to select a Contractor from the field of qualified Contractors. Owner reserves the right to reject any and all bids for any reason or no reason and contractor waives any and all rights to protest.
2. All contracts administered will be based on AIA (American Institute of Architects) documents, adjusted as set forth in the executed contract between Owner and Contractor. These Policies and Practices and the Bid Form shall become Exhibits and will be incorporated in the contract between Owner and Contractor.
3. A breach of these policies and procedures shall result in a material breach of contract and default by Contractor, and will not only put the Contractor's future ability to work with NAVICENT HEALTH in jeopardy, but will be considered grounds for legal action as set forth in the executed contract for a particular project.
4. NAVICENT HEALTH will only consider bids from Contractors that have completed a Bid Form. No contract will be signed without it.
5. For GMP contracts, any savings in the allowances and contingencies line items achieved on the project will be reimbursed to the Owner in full. NAVICENT HEALTH /THE MEDICAL CENTER will strictly follow the definition of "Cost of the Work," as set forth in the contract documents. Until a contract is executed, this is negotiable, but the burden falls on the contractor to argue why this should be the case for each specific project. Any savings split will be set forth in the contract between Owner and Contractor.
6. No allowances in the Contractor's budget shall be expended without written consent from the Owner's Representative specifically agreeing to it.
7. No contingencies in the Contractor's budget shall be expended without written consent from the Owner's Representative specifically agreeing to it.
8. The Owner recognizes that a Contractor will routinely have cost overruns and savings among the many trade contracts involved in a construction project. All reallocations of individual line items in the construction budget should be completed amongst the trades. Allocations into or out of the line item for General Conditions, any Allowances and/or Contingencies shall not be made without a written contract amendment or change order executed by Owner's Representative.
9. No pay application shall be submitted without all applicable back-up documentation. Pay applications will be held and not processed until this is in place.
10. NAVICENT HEALTH reserves the right to audit any and all documentation associated with any project on NAVICENT HEALTH property or that leased by any NAVICENT HEALTH entity, including but not limited to wage rates of all Contractor's employees, contracts with sub-contractors, subcontractor invoices and documents, etc. All documentation and information shall be made available within three business days of the request. Contractor shall ensure that its contracts with

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subcontractors and suppliers, and their sub-subcontractors and suppliers at all levels, include obligations to comply with Owner's demands for documentation or information.

11. For those projects where it is possible to release the retainage of Sub-Contractors before the Date of Substantial Completion at no harm to the Owner and/or Contractor, it is our preference that this occur. Release of retainage shall in no way indicate acceptance by NAVICENT HEALTH / THE MEDICAL CENTER by any work, and shall not relieve Contractor of responsibility for such work.
12. It is the expectation of NAVICENT HEALTH that if a Contractor owns or has any financial equity in an entity that rents equipment or provides other services to be used for a project, the Contractor shall notify Owner in a writing submitted with its bid proposal. The rates charged for such equipment or services shall be mutually agreed upon before execution of the contract. These shall be based on the average of comparable costs obtained by contacting (by phone or email) sales representatives of local rental companies, and not by using their websites. This information shall be provided to the Owner.
13. The Contractor acknowledges and agrees that for any equipment that is rented on a project, and where the total rental value of that equipment exceeds for a reasonable purchase price in Owner's sole discretion, title to such equipment shall be transferred to NAVICENT HEALTH at the conclusion of the project.
14. The Contractor acknowledges that when renting equipment to a project, it will make decisions of amount of equipment, timely rental, etc. that are consistently in keeping with what is in the best interest of NAVICENT HEALTH . Owner reserves the right to withhold reimbursement for rental fees if it determines, in its sole discretion, that equipment is not being used in the most economical manner possible. Any question about this should be brought to the Owner's Representative immediately, and if Contractor fails to do so, Owner reserves the right to withhold reimbursement to the Contractor for the specific equipment rental.
15. Subject to the provisions of the contract, including, but not limited to, the right to withhold payments, NAVICENT HEALTH agrees to pay Contractor via pay application in net-fifteen days from the date that a pay application is approved, not submitted. Contractor recognizes that Owner and Architect have audit procedures that must occur before payment is approved.
16. The Contractor shall pay the Sub-Contractors within net-fifteen days from date of receipt of payment from Owner unless a portion of the Pay Application is contested.
17. Owner acknowledges and Contractor recognizes that selection of a Contractor will not always be based solely on lowest cost. There are several factors for selection, including, but not limited to:
 - a. Experience performing similar work
 - b. Ability to perform the work in a specified time frame and within given parameters (working off-hours, etc.)
 - c. Knowledge and experience working in a specific occupancy type (business vs. healthcare vs. ambulatory)

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- d. Proposed members of the team
 - e. Fee and estimate for General Conditions, including expenses associated with labor and equipment rental
18. It is the intent of NAVICENT HEALTH to not solicit bids from Contractors who are not able to bond a particular project. Therefore, as sizes and scopes of projects fluctuate, the pool of qualified Contractors who will be solicited will also fluctuate. Contractors are expected to update Owner with changes in their bonding capacity.
 19. Joint ventures will generally not be solicited or selected, unless they provide obvious benefit to NAVICENT HEALTH. For projects larger in scope than what local firms can bond, those contractors may act as a Sub-Contractor to the General Contractor, but (generally speaking) NAVICENT HEALTH wishes to have a construction contract with only one Contractor.
 20. A Contractor who wishes to self-perform any work on a job shall receive written consent from the Owner's Representative regarding that decision prior to engagement. This can occur at the outset of a project or during the project.
 21. Contractors acknowledge that each firm has one opportunity to submit a bid on any project. An attempt to submit a second bid will be rejected and will jeopardize the Contractor's ability to bid on future projects with NAVICENT HEALTH.
 22. In its sole discretion, NAVICENT HEALTH will generally use a competitive bid process to award construction projects. However, there will be situations that do not allow for this based on any number of factors. In those cases, NAVICENT HEALTH retains the right to either engage an abbreviated bid process, or award a contract based on existing relationships.
 23. The Contractor will provide a list of Sub-Contractors for each project to the Owner upon signature of the sub-contracts. The Owner retains the right to contact these sub-contractors as needed.
 24. NAVICENT HEALTH is committed to using local Contractors and Sub-Contractors when possible. However, NAVICENT HEALTH reserves the right and will use regional and national firms to obtain the best possible value for the Health System.

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By signing below, you acknowledge and commit your firm to abide by these policies and practices when working with Navicent Health .

Signature

Printed Name

Title

Company

Date