

PO # 45 00650294

Standard Form of Contract
2010 EDITION

BETWEEN THE DEPARTMENT AND CONTRACTOR

CONTRACT NO. D.G.S. A 961-26.1

COLLECTIVE NO.: CN00034790

This CONTRACT, executed this 20th day of January 2012, by and between the Department of General Services, created by Act No. 45 of July 22, 1975, hereinafter called "DEPARTMENT" and PANNULLA CONSTRUCTION CO., INC. at this address: 454-456 CONARROE ST., PHILADELPHIA, PA 19128 a corporation incorporated under the Laws of the State of Pennsylvania its successors and assigns, hereinafter called "CONTRACTOR".

ARTICLE 1 – THE CONTRACT DOCUMENTS

The Contract Documents consist of the Standard Form of Contract, the Notice to Bidders (if procured through competitive sealed bids), the Instructions to Bidders (if procured through competitive sealed bids), the Bid Proposal (if procured through competitive sealed bids), the Notice to Proposers (if procured through competitive sealed proposals), the Request for Proposals (if procured through competitive sealed proposals), the Contractor's entire proposal (if procured through competitive sealed proposals), the Contract Bonds, the Conditions of the Contract (General, Special, Supplementary, and other Conditions), the drawings of all Prime Contracts, the specifications of all Prime Contracts, all bulletins and addenda issued prior to execution of the Standard Form of Contract, all change orders, all schedules, and the Administrative Procedures of the Bureau of Construction. These form the Contract and are incorporated by reference as if fully set forth herein. To the extent that any of these documents are amended by statute, the statutory language will control.

ORIGINAL COPY

ARTICLE 2 – THE WORK

The Contractor shall perform all the Work required by the Contract Documents for the construction of Contract No. D.G.S. A 961-26.1, Construction of Maintenance Building, Delaware Valley Veterans' Home, Philadelphia, Philadelphia County, Pennsylvania

ARTICLE 3 – PROFESSIONAL

The Professional for this Project is the Department of General Services, Bureau of Engineering and Architecture, 18th and Herr Streets, Harrisburg, PA 17125

ARTICLE 4 – TIME OF COMMENCEMENT AND COMPLETION

The Work to be performed under this Contract shall be commenced upon the effective date of the Contract. The Contractor shall commence operations on site on site no later than ten (10) days after the Initial Job Conference or by the date established by the Letter of Intent (if issued) and shall complete all Contract Work to the satisfaction and approval of the Department, on or before the milestones established in the Master Project Schedule. Contractor further agrees that time is of the essence of this Contract, and that, if the Contractor fails to complete the Work within the time specified above, the Contractor will pay the Department, as Liquidated Damages, and not as a penalty for such failure, the sum of One Hundred and -----00/100 Dollars (\$100.00) per day for each and every calendar day after the selected interim milestone dates and the contract completion date until the Work is completed and accepted. The Department may extend the completion date of the Contract for causes set forth in the General Conditions of the Contract and, which, in fact, delay the completion of said Work. In such case, Contractor is liable for said Liquidated Damages only after the expiration of the extended period.

ARTICLE 5 – CONTRACT SUM

The Department will pay the Contractor for the performance of the Work, subject to additions and deductions by change order, as provided in the General Conditions of the Contract, the contract sum of Three Hundred Ninety-Five Thousand and-----00/100 Dollars (\$395,000.00). Payment will be made as set forth in the General Conditions of the Contract. Deductions from or additions to this sum will be made as set forth in the General Conditions of the Contract.

ARTICLE 6 – PROGRESS PAYMENTS

Based upon applications for payment submitted to the Department by the Contractor, the Department will make progress payments on account of the Contract Sum to the Contractor, in accordance with the provisions of the Prompt Payment Act, 62 Pa. C.S. §3931 *et seq.*, as amended, which Act is incorporated herein by reference and made a part hereof as if those provisions were fully and at length herein recited, except that, where said Act refers to the Commonwealth of Pennsylvania or a Department thereof, it is deemed to refer to the Department of General Services.

ARTICLE 7 – FINAL PAYMENT

Final payment, constituting the entire unpaid balance of the Contract Sum, will be paid by the Department to the Contractor in accordance with the provisions of the Prompt Payment Act, 62 Pa. C.S. § 3941 *et seq.*, as amended, which Act is incorporated herein by reference and made a part hereof as if those provisions were fully and at length herein recited, except that, where said Act refers to the Commonwealth of Pennsylvania or a Department thereof, it is deemed to refer to the Department of General Services.

ARTICLE 8 – UNIT PRICES

Unit Prices contained in the bid for additions to or deductions from estimated quantities and or price are:

- Acceptable and are, therefore, incorporated into the Contract
- Are not acceptable and are not incorporated as part of the Contract
- Not applicable to this Contract

ARTICLE 9 – MISCELLANEOUS PROVISIONS

- 9.1 Terms used in the Contract that are defined in the General Conditions of the Contract have the meanings designated in those General Conditions.
- 9.2 In addition to any other guarantees or warranties, the Contractor covenants and agrees, after acceptance of the Work performed under this Contract, to remedy without cost to the Department, any such defect, provided said defects in the judgment of the Department, or

its successors having jurisdiction in the premises, are caused by defective or inferior materials, equipment or workmanship. If the corrective Work is not completed within thirty (30) days after notification by the Department to the Contractor, the Department may do the Work and submit those costs to the Surety Company for reimbursement.

- 9.3 The Contract Bonds given by the Contractor conditioned upon the faithful performance of the Contract and for the payment of labor, material, equipment rental and public utility service claims are attached to this contract and are made a part of it.
- 9.4 No third party acquires any rights against the Department under this Contract.
- 9.5 The Contractor agrees to abide by and be bound by the Laws of Pennsylvania relating to and regulating the hours and conditions of employment.
- 9.6 Any claimant who has performed labor or furnished material in the prosecution of the Work has a right of action to recover the cost thereof from the Contractor and/or the surety on the Bond given to secure the payment as set forth in 62 Pa. C. S. §903(d), also known as the Commonwealth Procurement Code. For those who do not have a contract directly with the Contractor, this right of action may not be exercised unless the Contractor receives written notification of the claim within ninety (90) days after the day on which the claimant performed the last of the labor or furnished the last of the materials for which it claims payment. The Contractor shall include in all of its subcontracts or supply contracts a provision requiring that its subcontractors and suppliers notify, in writing, their subcontractors and suppliers of this requirement. It is hereby agreed that no third party rights arise against the Department for any reason under this Section, and Contractor hereby agrees to so inform all subcontractors in writing.

ARTICLE 10 – CONTRACT COMPLIANCE REGULATIONS

Refer to the appropriate paragraph of the 2010 General Conditions of Contract (which are made a part of this Contract by incorporation by reference as if fully set forth herein), which prohibits discrimination in hiring or employment opportunities. Also made a part of this Contract by incorporation by reference are all State and Federal Laws prohibiting discrimination in hiring or employment opportunities. The contract documents also list applicable statutory provisions which are incorporated by reference into this contract as if set forth fully herein.

IN WITNESS WHEREOF, the Department of General Services and the Contractor have caused this contract to be executed the day and year above written.

Rosemary Pannulla
Secretary or Treasurer
Rosemary Pannulla, Secretary
(Corporate Seal)

PANNULLA CONSTRUCTION CO., INC.
Contractor – Corporation

By: Joseph Pannulla 1/10/12
President Date
Joseph Pannulla

COMMONWEALTH OF PENNSYLVANIA
ACTING THROUGH THE DEPARTMENT
OF GENERAL SERVICES

APPROVED ELECTRONICALLY
Secretary of General Services

Witness

APPROVED AS TO LEGALITY AND FORM:

APPROVED ELECTRONICALLY
Office of General Counsel

APPROVED ELECTRONICALLY
Office of Attorney General

I hereby certify that funds in the amount of \$ 395,000.00
are available under Appropriation Symbol _____

APPROVED ELECTRONICALLY
Comptroller Date

**APPROVED ELECTRONICALLY
VIA SAP**

Contract Bond
2010 EDITION

CONTRACT BOND

BOND #778760P

KNOW ALL PERSONS BY THESE PRESENTS, That we the undersigned

PANNULLA CONSTRUCTION CO., INC.

454-456 CONARROE ST., PHILADELPHIA, PA 19128

as Principal

and

DEVELOPERS SURETY & INDEMNITY COMPANY

CHERRINGTON CORPORATE CENTER, 200 CORPORATE CENTER DR SUITE 301

MOON TOWNSHIP, PA 15108

a

Corporation organized and existing under the Laws of the State of

IOWA

and authorized to transact business in Pennsylvania,

as Surety

are held and firmly bound unto the Department of General Services as hereinafter set forth, in the full and just several sums of

(A) Three Hundred Ninety-Five Thousand and -----00/100 Dollars (\$395,000.00)
for faithful performance of the Contract as designated in Paragraph "A" herein; and

(B) Three Hundred Ninety-Five Thousand and -----00/100 Dollars (\$395,000.00)
for payment for labor, material equipment rental and public utility services as designated
in Paragraph "B".

Sealed with our respective seals and date this 5th day of January, 2012.

WHEREAS, the above Principal has entered into a Contract with the Department of General Services dated the 20th day of January, 2012 for Contract No. D.G.S A 961-26.1, for the General Construction, Construction of Maintenance Building, Delaware Valley Veterans' Home, Philadelphia, Philadelphia County, Pennsylvania upon certain terms and conditions in said Contract more particularly mentioned; and

WHEREAS, it is one of the Conditions of the Award of the Department of General Services pursuant to which said Contract is about to be entered into, that these presents be executed;

NOW, THEREFORE, the joint and several conditions of this obligation are such:

A. That, if the above Principal as Contractor shall well and faithfully do and perform the things agreed by It to be done and performed according to the terms of said Contract and General Conditions, including the plans and specifications therein referred to and made part thereof, and such alterations as may be made in said plans and specifications as therein provided and which are hereby made part of this Bond the same as though they were fully set forth herein, and shall indemnify and save harmless the Department of General Services and all of its officers, agents and employees from any expense incurred through the failure of said Contractor to complete the Work as specified and for any damages growing out of the manner of performance of said Contract by said Contractor or its Subcontractors, or Its or their agents or servants, including, but not limited to, patent trademark and copyright infringements, then this part of this obligation shall be void; otherwise, it shall be and remain in full force and effect.

B. That, if the above Principal shall and will promptly pay or cause to be paid all sums of money which may be due by the Principal or any of its Subcontractors to any person, co-partnership, association or corporation for all material furnished and labor supplied or performed in the prosecution of the Work, whether or not the said material or labor entered into and become component parts of the Work or improvements contemplated, and for rental of equipment used, and services rendered by public utilities in, or in connection with, the prosecution of such Work, then this part of this obligation shall be void; otherwise, it shall be and remain in full force and effect.

C. It is further agreed that any alterations which may be made in the terms of the Contract or in the Work to be done or materials to be furnished or labor to be supplied or performed, or equipment to be rented, or public utility services to be rendered, or the giving by the Department of General Services of any Extension of Time for the performance of the Contract, or

the reduction of the retained percentage as permitted by the Contract, or any other forbearance on the part of either the Department of General Services or the Principal to the other, shall not in any way release the Principal and the surety or sureties or either or any of them, their heirs, executors, administrators, successors or assigns, from their liability hereunder; notice to the surety or sureties of any such alterations, extension or forbearance being hereby waived.

D. The Principal and Surety hereby jointly and severally agree with the Obligor herein that every person, co-partnership, association or corporation which, whether as subcontractor or as a person otherwise entitled to the benefits of this Bond, has furnished material or supplied or performed labor or rented equipment used in the prosecution of the Work as above provided and any public utility, which has rendered services, in, or in connection with, the prosecution of such Work, and, which has not been paid in full therefore, may sue in assumpsit on this Bond in his, their, or its name and prosecute the same to final judgment for such sum or sums as may be justly due him, them, or its, and have execution thereon; provided, however, that the Department of General Services shall not be liable for the payment of any costs or expenses of such suit to a third party under any theory of law or equity.

E. Recovery by any persons, co-partnership, association or corporation hereunder is subject to the provisions of the Act of May 15, 1998, P.L. 358, No. 57, 62 Pa.C.S §§101-4509, as amended, which Act is incorporated herein and made a part hereof, as fully and completely as though its provisions were fully and at length herein recited, except that, where said Act refers to the Commonwealth of Pennsylvania or a Department thereof, it is deemed to refer to the Department of General Services.

[Signature Page Immediately Follows]

Contract Bond
2010 EDITION

IN WITNESS WHEREOF, the said Principal and Surety have duly executed this Bond under seal the day and year above written.

Rosemary Pannulla 1/10/12
Secretary of Treasurer Date
Rosemary Pannulla

(Corporate Seal)

PANNULLA CONSTRUCTION CO., INC.
Corporation

By Joseph Pannulla 1/10/12
President Date
Joseph Pannulla

Susan A. Sallada 1/5/12
PA Resident Agent Date
SUSAN A. SALLADA

DEVELOPERS SURETY & INDEMNITY COMPANY
Surety Date

Susan A. Sallada 1/5/12
Attorney-in-Fact Date
SUSAN A. SALLADA

APPROVED AS TO LEGALITY AND FORM:

APPROVED ELECTRONICALLY
Office of Chief Counsel

APPROVED ELECTRONICALLY
Office of Attorney General

**APPROVED ELECTRONICALLY
VIA SAP**

POWER OF ATTORNEY FOR
DEVELOPERS SURETY AND INDEMNITY COMPANY
PO Box 19725, IRVINE, CA 92623 (949) 263-3300

KNOW ALL BY THESE PRESENTS that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY, does hereby make, constitute and appoint:

Susan A. Sallada, Patricia A. Marinucci, jointly or severally

as its true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporation, as surety, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporation could do, but reserving to each of said corporation full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolution adopted by the Board of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY, effective as of January 1st, 2008.

RESOLVED, that a combination of any two of the Chairman of the Board, the President, any Executive Vice-President, Senior Vice-President or Vice-President of the corporation be, and that each of them hereby is, authorized to execute this Power of Attorney, qualifying the attorney(s) named in the Power of Attorney to execute, on behalf of the corporation, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of the corporation be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporation when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY has caused these presents to be signed by its officers and attested by its Secretary or Assistant Secretary this January 1st, 2008.

By: Daniel Young
Daniel Young, Vice-President

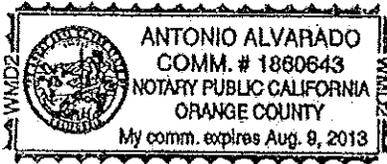
By: Stephen T. Pate
Stephen T. Pate, Senior Vice-President



State of California
County of Orange

On January 31, 2011 before me, Antonio Alvarado, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Daniel Young and Stephen T. Pate
Name(s) of Signer(s)



Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Antonio Alvarado
Antonio Alvarado, Notary Public

CERTIFICATE

The undersigned, as Secretary or Assistant Secretary of DEVELOPERS SURETY AND INDEMNITY COMPANY does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked and, furthermore, that the provisions of the resolution of the Board of Directors of said corporation set forth in the Power of Attorney are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, this 5th day of Jan, 2012.

By: Gregg Okura
Gregg Okura, Assistant Secretary