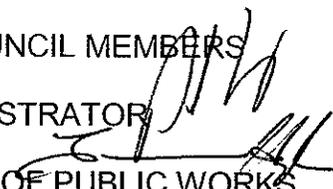


Council/Agency Meeting Held: _____	City Clerk's Signature
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: 8/4/2008	Department ID Number: PW 08-33

**CITY OF HUNTINGTON BEACH
REQUEST FOR CITY COUNCIL ACTION**

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: PAUL EMERY, INTERIM CITY ADMINISTRATOR 

PREPARED BY: TRAVIS K. HOPKINS, PE, DIRECTOR OF PUBLIC WORKS 

SUBJECT: Approve As-Needed Construction Management Agreements

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: The Public Works Department requires General Construction Management services on an as-needed basis.

Funding Source: Funds are available within budgeted capital improvement projects.

Recommended Action: Motion to:

1. Approve and authorize the Mayor and City Clerk to execute Professional Services Agreement with TransSystems for As-Needed Construction Management and Administrative Support Services for an amount not to exceed \$3 million.
2. Approve and authorize the Mayor and City Clerk to execute Professional Services Contracts with Dudek, for As-Needed Construction Management and Administrative Support Services for an amount not to exceed \$3 million.
3. Approve and authorize the Mayor and City Clerk to execute Professional Services Contracts with CivilSource for As-Needed Construction Management and Administrative Support Services for an amount not to exceed \$3 million.
4. Approve and authorize the Mayor and City Clerk to execute Professional Services Contracts with IDS Group for As-Needed Construction Management and Administrative Support Services for an amount not to exceed \$3 million.

Alternative Action(s):

Approve selected, or none of the agreements and direct staff to request proposals from other engineering firms to complete current and future projects or direct City staff to perform this work. Due to limited availability, using City staff could jeopardize the completion of all projects to be constructed each year.

E-15

REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: 8/4/2008

DEPARTMENT ID NUMBER: PW 08-33

Analysis:

The City currently has no agreements with firms to provide construction management services on an as-needed basis. Contract assistance has been project specific construction management agreements or as-needed civil engineering consultants. Construction management is a specialized function in completing capital projects, and as-needed services provide the most flexibility for the city. The proposed new agreements each allow for a five-year contract term with a total budget not to exceed \$3 million per firm.

In compliance with Chapter 3.03 of the Municipal Code, proposals were requested from interested firms. Proposals were rated by experience and ability to provide services on an as-needed basis. Four qualified firms were selected.

It is to the City's benefit to retain qualified firms for capital project construction management. Project assignments are rotated among the consultants, taking advantage of their various specializations. The alternative to as-needed construction management agreements is the preparation of request for proposals and requesting proposals for individual projects. With over 50 budgeted projects to complete over the next two years; the as needed process provides significant savings in staff hours.

Public Works Commission Action: Not required

Strategic Plan Goal:

I-1 Improve the City's plan for funding and completing infrastructure needs, and develop strategies for resolving crucial infrastructure problems to preserve the physical foundation of the community and enable the community's value to grow. C-2 Provide quality public services.

Environmental Status: Not applicable

Attachment(s):

City Clerk's Page Number	No.	Description
3	1.	Professional Services Contract with TransSystems
40	2.	Professional Services Contract with Dudek
74	3.	Professional Services Contract with CivilSource
107	4.	Professional Services Contract with IDS Group

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ATTACHMENT #1

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PROFESSIONAL SERVICES CONTRACT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
TRANSYSTEMS FOR AS-NEEDED CONSTRUCTION
MANAGEMENT AND ADMINISTRATIVE SUPPORT SERVICES

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PROFESSIONAL SERVICES CONTRACT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
TRANSYSTEMS FOR AS-NEEDED CONSTRUCTION
MANAGEMENT AND ADMINISTRATIVE SUPPORT SERVICES

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Huntington Beach, a municipal corporation of the State of California, hereinafter referred to as "CITY, and TRANSYSTEMS, a Missouri corporation hereinafter referred to as "CONSULTANT."

WHEREAS, CITY desires to engage the services of a consultant to as-needed construction management and administrative support services; and

Pursuant to documentation on file in the office of the City Clerk, the provisions of the Huntington Beach Municipal Code, Chapter 3.03, relating to procurement of professional service contracts have been complied with; and

CONSULTANT has been selected to perform these services,

NOW, THEREFORE, it is agreed by CITY and CONSULTANT as follows:

1. SCOPE OF SERVICES

CONSULTANT shall provide all services as described in **Exhibit "A,"** which is attached hereto and incorporated into this Agreement by this reference. These services shall sometimes hereinafter be referred to as the "PROJECT."

CONSULTANT hereby designates Steve Schmucker who shall represent it and be its sole contact and agent in all consultations with CITY during the performance of this Agreement.

2. CITY STAFF ASSISTANCE

CITY shall assign a staff coordinator to work directly with CONSULTANT in the performance of this Agreement.

3. TERM; TIME OF PERFORMANCE

Time is of the essence of this Agreement. The services of CONSULTANT are to commence on _____ (the "Commencement Date"). This Agreement shall automatically terminate five (5) years from the Commencement Date, unless extended or sooner terminated as provided herein. All tasks specified in **Exhibit "A"** shall be completed no later than June 30, 2013 from the Commencement Date. The time for performance of the tasks identified in **Exhibit "A"** are generally to be shown in **Exhibit "A."** This schedule may be amended to benefit the PROJECT if mutually agreed to in writing by CITY and CONSULTANT.

In the event the Commencement Date precedes the Effective Date, CONSULTANT shall be bound by all terms and conditions as provided herein.

4. COMPENSATION

In consideration of the performance of the services described herein, CITY agrees to pay CONSULTANT on a time and materials basis at the rates specified in **Exhibit "B,"** which is attached hereto and incorporated by reference into this Agreement, a fee, including all costs and expenses, not to exceed Three Million Dollars (\$3,000,000.00).

5. EXTRA WORK

In the event CITY requires additional services not included in **Exhibit "A"** or changes in the scope of services described in **Exhibit "A,"** CONSULTANT will undertake such work only after receiving written authorization from CITY. Additional compensation for such extra work shall be allowed only if the prior written approval of CITY is obtained.

6. METHOD OF PAYMENT

CONSULTANT shall be paid pursuant to the terms of **Exhibit "B."**

7. DISPOSITION OF PLANS, ESTIMATES AND OTHER DOCUMENTS

CONSULTANT agrees that title to all materials prepared hereunder, including, without limitation, all original drawings, designs, reports, both field and office notices, calculations, computer code, language, data or programs, maps, memoranda, letters and other documents, shall belong to CITY, and CONSULTANT shall turn these materials over to CITY upon expiration or termination of this Agreement or upon PROJECT completion, whichever shall occur first. These materials may be used by CITY as it sees fit.

8. HOLD HARMLESS

CONSULTANT hereby agrees to protect, defend, indemnify and hold harmless CITY, its officers, elected or appointed officials, employees, agents and volunteers from and against any and all claims, damages, losses, expenses, judgments, demands and defense costs (including, without limitation, costs and fees of litigation of every nature or liability of any kind or nature) arising out of or in connection with CONSULTANT's (or CONSULTANT's subcontractors, if any) negligent (or alleged negligent) performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement by CONSULTANT, its officers, agents or employees except such loss or damage which was caused by the sole negligence or willful misconduct of CITY. CONSULTANT will conduct all defense at its sole cost and expense and CITY shall approve selection of CONSULTANT's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as limitation upon the amount of indemnification to be provided by CONSULTANT.

9. PROFESSIONAL LIABILITY INSURANCE

CONSULTANT shall obtain and furnish to CITY a professional liability insurance policy covering the work performed by it hereunder. This policy shall provide coverage for CONSULTANT's professional liability in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and in the aggregate. The above-mentioned insurance shall not contain a self-insured retention, "deductible" or any other similar form of limitation on the required coverage except with the express written consent of CITY. A claims-made policy shall be acceptable if the policy further provides that:

- A. The policy retroactive date coincides with or precedes the initiation of the scope of work (including subsequent policies purchased as renewals or replacements).
- B. CONSULTANT shall notify CITY of circumstances or incidents that might give rise to future claims.

CONSULTANT will make every effort to maintain similar insurance during the required extended period of coverage following PROJECT completion. If insurance is terminated for any reason, CONSULTANT agrees to purchase an extended reporting provision of at least two (2) years to report claims arising from work performed in connection with this Agreement.

If CONSULTANT fails or refuses to produce or maintain the insurance required by this section or fails or refuses to furnish the CITY with required proof that insurance has been procured and is in force and paid for, the CITY shall have the right, at the CITY's election, to forthwith terminate this Agreement. Such termination shall not effect Consultant's right to be paid for its time and materials expended prior to notification of termination. CONSULTANT

waives the right to receive compensation and agrees to indemnify the CITY for any work performed prior to approval of insurance by the CITY.

10. CERTIFICATE OF INSURANCE

Prior to commencing performance of the work hereunder, CONSULTANT shall furnish to CITY a certificate of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverage as required by this Agreement; the certificate shall:

- A. provide the name and policy number of each carrier and policy;
- B. state that the policy is currently in force; and
- C. shall promise that such policy shall not be suspended, voided or canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice; however, ten (10) days' prior written notice in the event of cancellation for nonpayment of premium.

CONSULTANT shall maintain the foregoing insurance coverage in force until the work under this Agreement is fully completed and accepted by CITY.

The requirement for carrying the foregoing insurance coverage shall not derogate from CONSULTANT's defense, hold harmless and indemnification obligations as set forth in this Agreement. CITY or its representative shall at all times have the right to demand the original or a copy of the policy of insurance. CONSULTANT shall pay, in a prompt and timely manner, the premiums on the insurance hereinabove required.

11. INDEPENDENT CONTRACTOR

CONSULTANT is, and shall be, acting at all times in the performance of this Agreement as an independent contractor herein and not as an employee of CITY. CONSULTANT shall secure at its own cost and expense, and be responsible for any and all

payment of all taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for CONSULTANT and its officers, agents and employees and all business licenses, if any, in connection with the PROJECT and/or the services to be performed hereunder.

12. TERMINATION OF AGREEMENT

All work required hereunder shall be performed in a good and workmanlike manner. CITY may terminate CONSULTANT's services hereunder at any time with or without cause, and whether or not the PROJECT is fully complete. Any termination of this Agreement by CITY shall be made in writing, notice of which shall be delivered to CONSULTANT as provided herein. In the event of termination, all finished and unfinished documents, exhibits, report, and evidence shall, at the option of CITY, become its property and shall be promptly delivered to it by CONSULTANT.

13. ASSIGNMENT AND DELEGATION

This Agreement is a personal service contract and the work hereunder shall not be assigned, delegated or subcontracted by CONSULTANT to any other person or entity without the prior express written consent of CITY. If an assignment, delegation or subcontract is approved, all approved assignees, delegates and subconsultants must satisfy the insurance requirements as set forth in Sections 9 and 10 hereinabove.

14. COPYRIGHTS/PATENTS

CITY shall own all rights to any patent or copyright on any work, item or material produced as a result of this Agreement.

15. CITY EMPLOYEES AND OFFICIALS

CONSULTANT shall employ no CITY official nor any regular CITY employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of the applicable provisions of the California Government Code.

16. NOTICES

Any notices, certificates, or other communications hereunder shall be given either by personal delivery to CONSULTANT's agent (as designated in Section 1 hereinabove) or to CITY as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, to the addresses specified below. CITY and CONSULTANT may designate different addresses to which subsequent notices, certificates or other communications will be sent by notifying the other party via personal delivery, a reputable overnight carrier or U. S. certified mail-return receipt requested:

TO CITY:

City of Huntington Beach
ATTN: Eric Charlonne
2000 Main Street
Huntington Beach, CA 92648

TO CONSULTANT:

TranSystems
Attn: Steve Schmucker
6700 East Pacific Coast Highway, Ste. 201
Long Beach, CA 90803

17. CONSENT

When CITY's consent/approval is required under this Agreement, its consent/approval for one transaction or event shall not be deemed to be a consent/approval to any subsequent occurrence of the same or any other transaction or event.

18. MODIFICATION

No waiver or modification of any language in this Agreement shall be valid unless in writing and duly executed by both parties.

19. SECTION HEADINGS

The titles, captions, section, paragraph and subject headings, and descriptive phrases at the beginning of the various sections in this Agreement are merely descriptive and are included solely for convenience of reference only and are not representative of matters included or excluded from such provisions, and do not interpret, define, limit or describe, or construe the intent of the parties or affect the construction or interpretation of any provision of this Agreement.

20. INTERPRETATION OF THIS AGREEMENT

The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. If any provision of this Agreement is held by an arbitrator or court of competent jurisdiction to be unenforceable, void, illegal or invalid, such holding shall not invalidate or affect the remaining covenants and provisions of this Agreement. No covenant or provision shall be deemed dependent upon any other unless so expressly provided here. As used in this Agreement, the masculine or neuter gender and singular or plural number shall be deemed to include the other whenever the context so indicates or requires. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no right to contract, then the latter shall prevail, and the provision of this Agreement which is hereby affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

21. DUPLICATE ORIGINAL

The original of this Agreement and one or more copies hereto have been prepared and signed in counterparts as duplicate originals, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original. Each duplicate original shall be deemed an original instrument as against any party who has signed it.

22. IMMIGRATION

CONSULTANT shall be responsible for full compliance with the immigration and naturalization laws of the United States and shall, in particular, comply with the provisions of the United States Code regarding employment verification.

23. LEGAL SERVICES SUBCONTRACTING PROHIBITED

CONSULTANT and CITY agree that CITY is not liable for payment of any subcontractor work involving legal services, and that such legal services are expressly outside the scope of services contemplated hereunder. CONSULTANT understands that pursuant to *Huntington Beach City Charter* Section 309, the City Attorney is the exclusive legal counsel for CITY; and CITY shall not be liable for payment of any legal services expenses incurred by CONSULTANT.

24. ATTORNEY'S FEES

In the event suit is brought by either party to construe, interpret and/or enforce the terms and/or provisions of this Agreement or to secure the performance hereof, each party shall bear its own attorney's fees, such that the prevailing party shall not be entitled to recover its attorney's fees from the nonprevailing party.

25. SURVIVAL

Terms and conditions of this Agreement, which by their sense and context survive the expiration or termination of this Agreement, shall so survive.

26. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

27. SIGNATORIES

Each undersigned represents and warrants that its signature hereinbelow has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify CITY fully for any injuries or damages to CITY in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

CONSULTANT's initials

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28. ENTIRETY

The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily following extensive arm's length negotiation, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by that party or anyone acting on that party's behalf, which are not embodied in this Agreement, and that that party has not executed this Agreement in reliance on any representation, inducement, promise, agreement, warranty, fact or circumstance not expressly set forth in this Agreement. This Agreement, and the attached exhibits, contain the entire agreement between the parties respecting the subject matter of this

Agreement, and supersede all prior understandings and agreements whether oral or in writing between the parties respecting the subject matter hereof.

29. EFFECTIVE DATE

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers. This Agreement shall be effective on the date of its approval by the City Council. This Agreement shall expire when terminated as provided herein.

TRANSYSTEMS

By:

[Signature]
print name

ITS: (circle one) Chairman/President/Vice President

AND

By:

[Signature]
Gordon R. Fulton
print name

ITS: (circle one) Secretary/Chief Financial Officer Asst. Secretary Treasurer

CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California

Mayor

City Clerk

INITIATED AND APPROVED:

[Signature]
Director of Public Works

REVIEWED AND APPROVED:

[Signature]
City Administrator

APPROVED AS TO FORM:

[Signature]
City Attorney
6.9.08
7.13.08
M-36-9-08

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EXHIBIT "A"

A. STATEMENT OF WORK:

CONSULTANT shall provide construction management and administrative support services for various City capital improvement construction projects such as sewer lift stations, roadway rehabilitation, new park developments and waterline projects on an "as-needed" basis.

Due to the fact that some of the City projects will be funded by Federal or State grants, CONSULTANT must comply with requirements of Caltrans' Local Program Manual and the City of Huntington Beach Quality Assurance Plan for Federal and State Funded Projects and all applicable prevailing wage laws.

B. CONSULTANT'S DUTIES AND RESPONSIBILITIES:

CONSULTANT's duties and responsibilities shall follow provisions specified in the City of Huntington Beach As-Needed Construction Management and Administrative Support Typical Scope of Work (Exhibit A.1). Services shall include but is not limited to the following:

CONSULTANT will provide the required construction management and administration services for the City's Capital Improvement projects, as directed. The following are the typical services and deliverables anticipated on each project:

Pre-Construction Services

- ◆ Attend the pre-bid meeting and work with the City, Architect and all the Consultants to establish a fair bid process.
- ◆ Perform Constructability Review on 75% complete designs (this will be a separate fee request, as needed).
- ◆ Provide an independent cost estimate at the end of each design phase package with both comments and recommendations.
- ◆ Perform a thorough review of project design and design documents to become familiar with the project.
- ◆ Prepare the Construction Management Procedures Manual for each assigned project.
- ◆ Establish project filing and other record keeping systems.

Mobilization

- ◆ Pre-Construction Meeting: TranSystems will schedule and conduct a pre-construction meeting involving the Contractor, Architect, Consultants and stakeholders to maintain consistency in communication and smooth coordination throughout the project. The agenda for the pre-construction meeting will include reviewing overall project objectives, key personnel roles, responsibilities of team members, execution of work, Best Management Practices, Quality Assurance Program, construction schedule, schedule of values, procedures for handling

EXHIBIT "A"

submittals, lines of communication, formal documentation, construction staging, public safety and access, correspondence, utility relocations, local agency permit requirements, requests for clarification, progress payments, change orders, safety issues, emergency response requirements, and other pertinent topics. TranSystems will prepare and distribute pre-construction minutes to attendees and other parties.

- ◆ TranSystems will work closely with required Public Agencies, Architect, Contractor and City departments on any regulatory and permit issues, setting controls in place up front to make sure that construction conforms to requirements. TranSystems will coordinate with City officials to select and retain all professional services required, such as surveyors, special consultants and testing and inspection. TranSystems will establish a program for the Contractor to request inspection and testing services and document the results of each test.

Safety

- ◆ TranSystems will work to ensure public safety during all phases of construction by developing a staging plan with the Contractor that takes public access into account, smart staging of equipment and work, clear signage and utilizing flag men during tasks to protect visitors and staff.

Correspondence, Reports, and Other Forms of Communication

- ◆ Document Standards: Prepare project correspondence and other forms of communication in accordance with industry standard document control and management procedures.
- ◆ Document/Tracking Control: By establishing a communication protocol that includes routing all correspondence through our Construction Manager, TranSystems will effectively maintain document controls for the project. TranSystems "smart" filing systems is a key component of their document control system and has proven to be an excellent means of tracking all correspondence and monitoring the key project issues.
- ◆ TranSystems will manage the receipt, logging, control, tracking and timely processing of project documents, correspondences, any forms of communication, shop drawings, calculations, data, submittals, manuals and samples received as part of the construction process, non-compliance, work to be completed and other tracking logs as requested.
- ◆ Records: Maintain records of inspections, reports, and test results received from the Contractor, Design Engineer, manufacturers and other pertinent parties.

Site Conditions and Progress Visual Documentation

- ◆ Pre-Construction Video: Coordinate and review the Contractor's videotape of pre-construction site conditions prior to beginning any construction operation. Confirm existing conditions within the limits of the work in adjacent areas. Clearly depict the pre-existing conditions of public and private improvements, including, but not limited to street, drainage, utilities, landscaping and irrigation improvements. Compare Contractor's pre-construction site surveys to site surveys performed. Note any discrepancies and resolve issues. TranSystems shall issue a memorandum describing

EXHIBIT "A"

the pre-existing damages identified within the limits of work and along access and haul roads. TranSystems will meet with City staff to review pre-existing damage and document and confirm existing conditions. Document any damage to public and private improvements incurred during construction operations and meet with owners immediately following discovery of damage to resolve repair requirements and responsibilities.

- ◆ **Progress and Other Photos:** TranSystems will maintain a digital photographic library of significant construction activities to include new piping, structures, relocated utilities, and connections to existing facilities. Additional photos will also be taken to document differing site conditions, change order and claim items, and any special or unique conditions as they arise. Photographs taken by others will be incorporated into the overall photo documentation record of the project.

Meetings

- ◆ **Weekly to Monthly Construction Progress Meetings:** TranSystems will schedule and conduct construction progress meetings with the Contractor and the City. TranSystems has developed a specific construction meeting format that will be used on all public works projects. This format included a review of the current and look - ahead schedule, budget and change orders, RFIs and clarifications, project progress and overall safety. TranSystems will provide meeting agendas and cover any other open items. TranSystems' minutes are concise and reflect ball-in-court status of all outstanding activities. TranSystems also maintains logs of all transmittal documents for the record. These logs reflect when the document was transmitted and its current status.
- ◆ **Other Meetings:** Attend any other construction-related meetings, as requested by the City.

Shop Drawings and Submittal Reviews

- ◆ **Submittal Reviews:** TranSystems will review each submittal received from the Contractor for conformance with the requirements of the drawings and specifications and check each submittal against the Contractor's schedule for potential impacts. TranSystems shall coordinate required reviews of submittals with the Design Engineer and the City and distribute submittals to appropriate reviewers with dated transmittal letters.
- ◆ **Submittal Log and Status of Submittals:** TranSystems will maintain an active database log of all submittals, shop drawings, calculations, data samples, submittals, and manuals from the Contractor noting date of receipt, review comments, acceptance or rejection and the date of return. Quantities of each transaction are also noted. The submittal log is updated as items are received and responses given. TranSystems prepares weekly exception reports identifying outstanding submittals and reviews and review with the Contractor the status of submittals at the weekly construction meeting using the submittal log and the master submittal list.

EXHIBIT "A"

Plan and Specification Interpretation and Control

- ◆ TranSystems' systems of controls for managing projects on schedule and within budget include a reliable and standardized series of logs that are maintained on a regular basis. TranSystems will utilize a formal construction management system that includes a true document control system with a "smart" filing system at its core.
- ◆ Requests for Information (RFI): RFIs are thoroughly reviewed as submitted and the staff evaluates potential cost and time impacts. TranSystems will coordinate the RFI log and maintain a log to show when the item was transmitted and the status of the review process. TranSystems will review and respond to the RFI and make every effort to provide appropriate response prior to involving the Design Engineer. TranSystems will forward the RFI to the appropriate entity for a response and track the process to make certain a prompt response is forwarded to the Contractor. In the event the RFI is related to work in progress, TranSystems will seek an immediate response to avoid delaying any work. TranSystems will review answers and prepare formal response to the Contractor within five calendar days of receipt of response, or as needed to meet schedule requirements. Respond in writing to Contractor questions from a reasonable review of the drawings and specifications for clarification items. Record changes in the record specifications and plans.
- ◆ Requests for Changes in Design: Review and respond to requests for design revisions by the Contractor. TranSystems is fully aware that responses to requests for design revisions require prior written approval from the City and/or Design Engineer and understand that revisions in design may take the form of value engineering (VE) and shall require extensive research, evaluation, and recommendation from the Design Engineer. TranSystems will provide written recommendations, as required.
- ◆ Field Orders: Initiate and review field orders when a change in the work is needed to maintain the design intent. Issue the field order to the Contractor and monitor the work for compliance. Track the issued field orders in a log. Document the changes in the record specifications and plans. If required, follow-up with a change order within 14 calendar days of mutual agreement with Contractor on pricing and conditions.
- ◆ Substitution Requests: Coordinate evaluation of "or-equal" or product substitution requests with the Design Engineer, the City, vendors, manufacturers, and others. Prepare evaluation and recommendation for "or-equal" or product substitution request.
- ◆ Record Drawings and Specifications: TranSystems will continually update the plans and specifications as the work progresses to incorporate modifications and changes from all sources, such as submittals, RFI, field orders, extra work, and change orders. All record drawings and specifications will be noted and discussed with the Contractor monthly.

Construction Management Administration and Staffing

- ◆ Management: TranSystems shall oversee, perform, and coordinate construction management services as required by the progress of the work. Prepare reports, letters, and memoranda; conduct meetings; monitor and track the expiration of insurance

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EXHIBIT "A"

requirements and obtain updated certificates from the Contractor (City to process through Risk Management); coordinate sub-consultants, testing, and specialty services; review daily inspection notes and identify and resolve nonconforming items; notify the City of significant problems and discrepancies; interpret drawings, specifications, and reference standards; monitor construction activities and schedules; resolve constructability problems; coordinate connections and operations; prepare change orders; review and notify the Contractor of test results; investigate claims; perform inspections; review the Contractor's project record drawings periodically and concurrently with Contractor progress payments; prepare project punch lists; and all other duties related to construction management as requested by the City.

- ◆ Resolution of Day-to-Day Construction Issues: TranSystems will address day-to-day construction issues raised for resolution. TranSystems will coordinate with the City, Design Engineer, and Contractor on technical issues and concerns, as well as interpretation of the design documents. Interface with the Design Engineer for resolution of technical issues, processing of change order requests or design changes to suit actual conditions encountered in the field.

Progress Payments

- ◆ Monthly Review: Conduct monthly schedule and progress payment meetings with the Contractor and coordinate and update the record drawings at this meeting. The result of the meetings shall be the progress payment estimate and the baseline schedule. Coordinate the review of the Contractor's monthly progress payment request with City staff and prepare a recommendation stating the proper amount of payment. TranSystems will utilize the Schedule of Values and actual quantities installed as a basis for the recommendation.
- ◆ Progress Reports: The City is kept abreast of progress via monthly Executive Summary of the project noting physical progress and providing reports on cost, schedule, current issues and trends. TranSystems will also provide the City with any potential claims that have not been resolved.
- ◆ Insurance Certificates: TranSystems will maintain a log of all insurance certificates filed by the Contractor. The log will indicate when renewal is required to prevent any lapse in coverage.

Schedule

- ◆ TranSystems will provide a proposal for each task order issued by the City of Huntington Beach that contains an estimate for our services and a duration or schedule. This schedule will correspond to the project schedule and include activities related to pre-construction, construction and post-construction as requested by the City. Our services will be coordinated to augment those provided by City Staff and to facilitate the construction activities planned by the Contractor. TranSystems has staff available for City of Huntington Beach projects and will only utilize approved staff for each project.
- ◆ TranSystems is very familiar with staffing and schedule requirements for on-call contracts. Providing the right staff for each project without compromising the

EXHIBIT "A"

schedule is essential to good management practices. TranSystems will work with the City to provide a smooth transition for each project, beginning with pre-construction services. As the project develops, TranSystems will plan for the construction phase and provide the requisite services.

- ◆ TranSystems understands the City desires to have a number of firms under contract and available for specific types of projects. TranSystems has the capability and experience to meet the needs of virtually every potential project planned. Our firm is prepared to provide the highest level of service to the City and TranSystems understands the nature of the work and how to interface with the various departments and agencies.

Change Order Management

- ◆ TranSystems formalizes all requests for change, whether arising from City staff, the Architect or the Contractor. All changes or clarifications are formally transmitted to the Contractor and logged into our filing system.
- ◆ Identify and Track Changes: Identify and track potential changes to the original scope of work. TranSystems will establish the completeness and appropriateness of the requested change. TranSystems shall prepare, log, and monitor Contractor or City initiated changes to the work, extra work, and change orders.
- ◆ Requests for Cost Proposals: Request cost proposals from the Contractor for extra work and negotiate final cost.
- ◆ Justification of Extra Work or Change: Prepare written justification and conduct an independent cost estimate and schedule impact analysis for review and approval by the City. This will include a statement of the extra work or change; background leading to issue; resolution alternatives and resolution recommendation for action by the City.
- ◆ Prepare Change Orders: After receiving approval, TranSystems will prepare a change order in the approved format, obtain appropriate signatures and monitor the work. This will be done within seven calendar days of the finalization of negotiations.

Claims Management

- ◆ Identify and Track Claims: Identify, prepare log and monitor Contractor potential claims and report verbal and written claims immediately to the City. Coordinate claims with the City's Project Manager, Risk Manager, and General Counsel Office.
- ◆ Resolution Alternative: Prepare written explanation of each claim with full background of issues, proposed resolution alternatives, and resolution recommendation for action.
- ◆ Negotiate and Resolve Claims: Assist and support the City in resolving claims and disputes, including written responses to Contractor and private parties, giving depositions, assisting with dispute resolution, arbitration and litigation, serving as an expert witness, investigating claims for damages by private sources, design services

EXHIBIT "A"

for replacement of damaged work, and services made necessary by Contractor default. Negotiate claims to an agreed conclusion.

- ◆ Private Party Claims: Investigate claims for damages by private parties and coordinate the written response with the City's Project Manager and Risk Manager.

Quality Assurance

- ◆ Inspection of the Work: Provide inspections as necessary to ensure that materials and workmanship are in compliance with the contract documents. Coordinate delivery, inspect for defects or missing parts and oversee recording the receipt and storage of equipment. Inspect construction activities, which are identified in the contract documents to be performed at night, weekends, and/or holidays.
- ◆ Reports: Prepare reports of the construction activities including weather conditions, Contractor's equipment and manpower, work performed, materials used, site visitors, noting delays in work and reasons for the delays, and deficiencies. Prepare reports of deviations and non-conformance to specifications and provide responses in accordance with the specification requirements.
- ◆ Revisions to Contractor's Methods: Discuss appropriate revisions to the methods and procedures used in performing the work. Inspectors may not authorize extra work or approve of work that deviates from the contract documents. Any deviations must be authorized through the RFI process.
- ◆ Deviations in the Work: Advise the City and Contractor of any deviations in the work. TranSystems will document and record deviations that are not corrected and deliver a Notice of Non-Compliance to the Contractor and perform the necessary follow-up to resolve Notices of Non-Compliance. Unresolved Notices will be included on substantial completion punch lists.
- ◆ Pipeline Shutdowns: Coordinate necessary pipeline shutdowns with City staff to complete connections to existing facilities.

Geotechnical Engineering and Material Testing Services (by the City)

- ◆ General Requirements: TranSystems will schedule sampling, material testing, and laboratory services in accordance with the methods prescribed in current standards of the American Society for Testing and Materials (ASTM). The standards shall be applicable to the class and nature of the articles or materials under review unless otherwise stipulated in the project specifications, or authorized in writing by the City.

Landscape and Revegetation Inspection (by the City)

- ◆ General Requirements: TranSystems will verify that inspection, sampling, and testing of landscape, irrigation, and revegetation systems to ensure contract compliance of all work and the establishment of all planting to the standards, quality, and density required of the contract documents.
- ◆ Landscape Inspection and Testing: TranSystems will verify that inspections and testing of irrigation systems for proper placement, installation, bedding and backfill, leakage, and coverage. System components to be inspected will include mainline and

EXHIBIT "A"

lateral irrigation pipe, valve manifold assemblies, backflow devices, quick couplers, and irrigation equipment. Review and receive all soil report data and soil amendment and fertilizer slips for conformance with contract documents.

Startup, Closeout and Acceptance Services

- ◆ Operation Testing Plan: Review and recommend the operational testing plan. Coordinate the testing of the equipment and facilities with the City and assist Contractor's personnel as required during the startup phase.
- ◆ Punch List: Ensure that an internal punch-list of all pending or uncompleted work is prepared for resolution by the Contractor. Upon correction of deficiencies, TranSystems will schedule, coordinate, and conduct a final walk-through prior to the acceptance of work with the City and other parties. Provide certification of Contractor's compliance on work items specifically requested by the City. Verify that work, testing, cleanup, and Contractor demobilization are complete.
- ◆ Final Walk-Through: Schedule, coordinate and conduct a final walk-through and project review prior to the City's acceptance of the work.
- ◆ Recommend Acceptance: Recommend acceptance of the work in writing in preparation for issuance of the Certificate of Substantial Completion and/or Notice of Completion.
- ◆ Closing-Out Contract: Take the lead in negotiating and closing out the construction contract. Prepare the memorandum to the City recommending acceptance of the project and the Notice of Completion.
- ◆ Final Project Records and Documents: TranSystems shall turn over all final project records and documents to the City upon completion of the project.

Post Construction

- ◆ Operations and Maintenance Materials: Deliver the Operations and Maintenance Manuals and any spare parts and equipment upon acceptance of the project by the City.
- ◆ Record Drawings Certification: Review and certify that the Contractor's project record drawings are complete and accurate. Provide the drawings to the Design Engineer.
- ◆ Final Payment: Recommend final payment in the form of release of retention to the Contractor in accordance with contract requirements. Verify that the Contractor has made all payments to the subcontractors and vendors and that any stop notices or liens have been released. Obtain a Conditional Waiver of Lien from the Contractor prior to recommending final payment.

Review of Prevailing Wage Requirements

- ◆ TranSystems is very familiar with prevailing wage requirements and will verify that wages paid are commensurate with the project requirements. TranSystems will make sure the Contractor submits current certified payroll documents as required each

EXHIBIT "A"

month, and check these records with our daily log of manpower on the site. Using a graph, TranSystems keeps a record of the payroll records that have been checked and verified. In the event the records do not reflect the daily manpower on the site, TranSystems will request additional information from the Contractor. TranSystems staff will also conduct a monthly interview with one employee from each trade working at the site to verify the correct wage is being paid. Records of these interviews shall be kept in the project files. All services will be performed by in-house staff.

Extended Services (by separate fee request)

- ◆ **Extended Services:** Provide other miscellaneous specialty services as required during construction. Miscellaneous specialty services, which may be required, include, but are not limited to: mechanical, electrical, structural, and civil supplemental engineering design; witness testing; factory inspections; and noise and air quality monitoring services.

Special Requirements

- ◆ Due to the fact that some of the City projects will be funded by Federal or State grants, TranSystems will comply with the requirements of Caltrans' Local Program Manual and the City of Huntington Beach Quality Assurance Plan for Federal and State Funded Projects and all applicable prevailing wage laws.

Key Problems, Constraints, Issues

- ◆ **Unknown Site Conditions:** Unknown site conditions are handled by first investigating the what, when, where and how of the situation. The next step is contacting the appropriate agencies to confirm the magnitude of the problem. The responsible parties will be notified and contacted to discuss the issues to determine the scope of the work. The project team will then work towards the appropriate resolution. The event will be documented and all recorded.
- ◆ **Poor Contractor Performance:** This is usually avoided by early tracking of manpower and material delivery. Daily observation of production and short-term forecasts provide immediate feedback on the Contractor's ability to complete the work as scheduled. In the event of continued poor performance, TranSystems will issue written warnings of non-performance along with any cost impacts. This will be recorded, documented and discussed with the Contractor and the City. Stronger methods of enforcement involve notification of bonding company and withholding payment for work completed.
- ◆ **Schedule Delays:** Delays and disputes can be avoided by proper planning with the Contractors in advance of the work to ensure they intend to provide the complete scope of services. This is usually avoided by early review of critical items during weekly construction meetings. Manpower constraints and material delivery problems can be reviewed and alternative solutions provided. Close supervision and early response time is key to maintaining schedules.

EXHIBIT "A"

C. CITY'S DUTIES AND RESPONSIBILITIES:

1. Furnish a scope of work request for each project assigned.
2. Furnish construction plans and specifications to the consultant.

D. WORK PROGRAM/PROJECT SCHEDULE:

A project schedule will be developed for each project assigned by CITY.

EXHIBIT A.1

Typical Scope of Work City of Huntington Beach Construction Management and Administration Services For City Capital Construction Projects

- 1.0 Project Description: This scope of services is to provide the typical construction management and administration services for various City Capital Improvement Projects. The following are the typical services and producibles anticipated for these projects.
- 2.0 Pre-Construction Services
 - 2.1 Attend the pre-bid meeting.
 - 2.2 Perform Constructability Reviews on 75% complete designs (*this will be a separate fee request, as needed*)
 - 2.3 Perform a thorough review of project design 100% design documents to become familiar with the project.
 - 2.4 Prepare the Construction Management Procedures Manual for each assigned project.
 - 2.5 Establish project filing and other record keeping systems.
- 3.0 Mobilization
 - 3.1 Pre-Construction Meeting. Schedule, notify appropriate parties, and conduct an initial pre-construction meeting with the Contractor. Prepare and distribute pre-construction minutes to attendees and other parties. The pre-construction meeting shall cover, as a minimum, the overall project objectives, responsibilities of key personnel and agencies, schedules, schedule of values (bid breakdown), procedures for handling submittals, correspondence, utility relocations, local agency permit requirements, requests for clarification, progress payments, change orders, safety issues, emergency response requirements, and other pertinent topics. Provide opportunities to have the Contractor's questions answered. Collect from the Contractor the submittal items required to be submitted at the pre-construction meeting.
- 4.0 Correspondence, Reports, and Other Forms of Communication
 - 4.1 Document Standards. Prepare project correspondence and other forms of communication in accordance with industry standard document control and management procedures.

- 4.2 Document/Tracking Control. Manage the receipt, logging, control, tracking, and timely processing of project documents, including correspondence and other forms of communication, technical documents, shop drawings, calculations, data, submittals, manuals, and samples received as part of the construction process, non-compliance, work to be completed, and other tracking logs as requested.
- 4.3 Records. Maintain records of inspections, reports, and test results received from the Contractor, Design Engineer, manufacturers, and others.

5.0 Site Conditions and Progress Visual Documentation

- 5.1 Pre-Construction Video. Coordinate and review the Contractor's videotape of pre-construction site conditions prior to beginning any construction operation. Confirm existing conditions within the limits of the work in adjacent areas and along access and haul roads. The Contractor's documentation shall clearly depict the pre-existing conditions of public and private improvements, including, but not limited to, street, drainage, utilities, landscaping, and irrigation improvements. Compare Contractor's pre-construction site surveys to the site surveys performed under this scope of work. Note any discrepancies and resolve issues. Describe in memorandum, submitted prior to the beginning of any construction operation, pre-existing damage identified within the limits of work and along access and haul roads. Meet with owners of pre-existing damage to document and confirm existing conditions. Document any damage to public and private improvements incurred during construction operations and meet with owners immediately following discovery of damage to resolve repair requirements and responsibilities.
- 5.2 Progress and Other Photos. Maintain a digital photographic library of significant construction activities. Include new piping and structures, relocated utilities, and connections to existing facilities. Take additional photographs to document differing site conditions, change order and claim items, and any special or unique conditions as they arise. Incorporate photographs taken by others into the overall photo documentation record of the project.

6.0 Meetings

- 6.1 Weekly to Monthly Construction Progress Meetings. Schedule and conduct construction progress meetings with the Contractor and the City. Provide meeting agendas and discuss the schedule, near-term activities, clarifications and problems which need resolution, coordination with other Contractors, status of change orders, submittals and RFIs, safety issues, OSHA visits and citations, and other topics. Identify action items and assign responsibility for the action and date action is to be completed. Prepare minutes of the meetings and include identified action items. Review the meeting minutes with the Contractor and obtain the Contractor's concurrence with the content. Distribute the minutes to the attendees within five calendar days of the meeting.
- 6.2 Other Meetings. Attend other construction-related meetings as requested by the City.

7.0 Shop Drawing and Submittal Reviews

- 7.1 Submittal Reviews. Review each submittal received from the Contractor for conformance with the requirements of the drawings and specifications. Check each submittal against the Contractor's schedule for potential impacts. Coordinate required reviews of submittals with the Design Engineer and the City. Submittals of a general nature are to be reviewed and processed by the Design Engineer. Distribute submittals to appropriate reviewers with dated transmittal letters.
- 7.2 Submittal Log and Status of Submittals. Log, track, and monitor shop drawings, calculations, data samples, submittals, and manuals from the Contractor. Update the submittal log as items are received and responses given. Prepare weekly exception reports identifying outstanding submittals and reviews. Review with the Contractor the status of submittals at the weekly construction meeting using the submittal log and the master submittal list.

8.0 Plan and Specification Interpretation and Control

- 8.1 Requests for Information (RFI). Coordinate the RFI log. Review and respond to Contractor RFI. Make every effort to review and provide appropriate response to RFI prior to involving the Design Engineer. Distribute RFI to appropriate staff and coordinate timely response. Review answers and prepare formal response to Contractor within five calendar days of receipt of response, or as needed to meet schedule requirements. Respond in writing to Contractor questions from a reasonable review of the drawings and specifications for clarification items. Record changes in the record specifications and plans.
- 8.2 Requests for Changes in Design. Review and respond to requests for design revisions by the Contractor. Responses to requests for design revisions require prior written approval from the City and/or Design Engineer. Revisions in design may take the form of value engineering (VE) and shall require extensive research, evaluation, and recommendation from the Design Engineer. Provide written recommendations, as required.
- 8.3 Field Orders. Initiate and review field orders when a change in the work is needed to maintain the design intent. Issue the field order to the Contractor and monitor the work for compliance. Track the issued field orders in a log. Record the changes in the record specifications and plans. If required, follow-up with a change order within 14 calendar days of mutual agreement with Contractor on pricing and conditions.
- 8.4 Substitution Requests. Coordinate evaluation of "or-equal" or product substitution requests with the Design Engineer, the City, vendors, manufacturers, and others. Prepare evaluation and recommendation for "or-equal" or product substitution request.
- 8.5 Record Drawings and Specifications. Update continually the plans and specifications as the work progresses. Incorporate modifications and changes from all sources, such as submittals, RFI, VE, field orders, extra work, and

change orders. Compare the record drawings and specifications with the Contractor record drawings and specifications monthly.

9.0 Construction Management Administration and Staffing

9.1 Management. Oversee, perform, and coordinate construction management services as required by the progress of the work. Prepare reports, letters, and memoranda; conduct meetings; monitor and track the expiration of insurance requirements and obtain updated certificates from the Contractor (City to process through Risk Management); coordinate subconsultants, testing, and specialty services; review daily inspection notes and identify and resolve nonconforming items; notify the City of significant problems and discrepancies; interpret drawings, specifications, and reference standards; monitor construction activities and schedules; resolve constructability problems; coordinate connections and operations; prepare change orders; review and notify the Contractor of test results; investigate claims; perform inspections; review the Contractor's project record drawings periodically and concurrently with Contractor progress payments; prepare project punch lists; and all other duties related to construction management as requested by the City.

9.2 Resolution of Day-to-Day Construction Issues. Lead resolution of day-to-day construction issues raised. Coordinate with the City, Design Engineer, and Contractor on technical issues and concerns, as well as interpretation of the design documents. Interface with the Design Engineer for resolution of technical issues, processing of change order requests or design changes to suit actual conditions encountered in the field.

10.0 Progress Payments

10.1 Monthly Review. Conduct monthly schedule and progress payment meetings with the Contractor and coordinate and update the record drawings at this meeting. The result of the meetings shall be the progress payment estimate and the baseline schedule. Coordinate the review of the Contractor's monthly progress payment request with City staff and prepare a recommendation stating the proper amount of payment. Use the Schedule of Values and actual quantities installed as a basis for the recommendation.

10.2 Prepare monthly progress reports, of 6 to 10 pages, for City staff.

11.0 Change Order Management

11.1 Identify and Track Changes. Identify and track potential changes to the work. Prepare, log, and monitor Contractor or City initiated changes to the work, extra work, and change orders.

11.2 Requests for Cost Proposals. Request cost proposals from the Contractor for extra work and negotiate final cost.

11.3 Justification of Extra Work or Change. Prepare written justification and cost estimates for each extra work or change item. Justification shall include a

statement of the extra work or change; background leading to issue; resolution alternatives and resolution recommendation for action by the City.

- 11.4 Prepare Change Orders. Prepare and submit change orders in the City's format to the City for written approval within seven calendar days of the finalization of negotiations.

12.0 Claims Management

- 12.1 Identify and Track Claims. Identify, prepare, log, and monitor Contractor potential claims. Report verbal and written claims immediately to the City. Coordinate claims with the City's Project Manager, Risk Manager, and General Counsel Office.
- 12.2 Resolution Alternative. Prepare written explanation of each claim with full background of issues, proposed resolution alternatives, and resolution recommendation for action.
- 12.3 Negotiate and Resolve Claims. Assist and support the City in resolving claims and disputes, including written responses to Contractor and private parties, giving depositions, assisting with dispute resolution, arbitration and litigation, serving as an expert witness, investigating claims for damages by private sources, design services for replacement of damaged work, and services made necessary by Contractor default. Negotiate claims to an agreed conclusion.
- 12.4 Private Party Claims. Investigate claims for damages by private parties and respond in writing within two calendar days of receipt of the claim. Coordinate the written response with the City's Project Manager and Risk Manager.

13.0 Quality Assurance

- 13.1 Inspection of the Work. Provide inspections as necessary to ensure that materials and workmanship are in compliance with the contract documents. Coordinate delivery, inspect for defects or missing parts, and oversee recording the receipt and storage of equipment. Inspect construction activities, which are identified in the contract documents to be performed at night, weekends, and/or holidays.
- 13.2 Reports. Prepare reports of the construction activities including weather conditions, Contractor's equipment and manpower, work performed, materials used, site visitors, noting delays in work and reasons for the delays, and deficiencies. Prepare reports of deviations and non-conformance to specifications and provide responses in accordance with the specification requirements.

- 13.3 Revisions to Contractor's Methods. Discuss appropriate revisions to the methods and procedures used in performing the work. Inspectors may not authorize extra work or approve of work that deviates from the contract documents. Any deviations must be authorized through the RFI process.
- 13.4 Deviations in the Work. Advise the City's Project Manager and the Contractor of deviations in the work and document any deviations. Record deviations that are not corrected and immediately deliver a Notice of Non-Compliance to the Contractor. Perform necessary follow-up to resolve Notices of Non-Compliance. Include unresolved Notices of Non-Compliance on substantial completion punch lists.
- 13.5 Pipeline Shutdowns. Coordinate necessary pipeline shutdowns, with City staff, to complete connections to existing facilities.
- 14.0 Geotechnical Engineering and Material Testing Services (by the City)
 - 14.1 General Requirements. Schedule sampling, material testing, and laboratory services in accordance with the methods prescribed in current standards of the American Society for Testing and Materials (ASTM). The standards shall be applicable to the class and nature of the articles or materials under review unless otherwise stipulated in the project specifications, or authorized in writing by the City. *The City will hire the Geotechnical Engineer for each project*
- 15.0 Landscape and Revegetation Inspection (by the City)
 - 15.1 General Requirements. Verify that inspection, sampling, and testing of landscape, irrigation, and revegetation systems to ensure contract compliance of all work and the establishment of all planting to the standards, quality, and density required of the contract documents.
 - 15.2 Landscape Inspection and Testing. Verify that inspections and testing of irrigation systems for proper placement, installation, bedding and backfill, leakage, and coverage. System components to be inspected will include mainline and lateral irrigation pipe, valve manifold assemblies, backflow devices, quick couplers, and irrigation equipment. Receive and review all soil report data and soil amendment and fertilizer slips for conformance with contract documents.
- 16.0 Startup, Closeout, and Acceptance Services
 - 16.1 Operation Testing Plan. The operational testing plan shall be developed in consultation with the City, Design Engineer, Contractor, and all appropriate vendors. Review and recommend the operational testing plan. Coordinate the testing of the equipment and facilities with the City, and assist Contractor's personnel as required during the startup phase.

- 16.2 Punch List. Prepare detailed project punchlists at substantial completion of the project. Upon correction of deficiencies, schedule, coordinate, and conduct a final walk-through prior to the acceptance of work with the City and other parties. Provide certification of Contractor's compliance on work items specifically requested by the City. Verify that work, testing, cleanup, and Contractor demobilization are complete.
 - 16.3 Final Walk-Through. Schedule, coordinate, and conduct a final walk-through and project review prior to the acceptance of work with the City.
 - 16.4 Recommended Acceptance. Recommend acceptance of the work in writing in preparation for issuance of the Certificate of Substantial Completion and/or Notice of Completion.
 - 16.5 Closing Out Contract. Take the lead in negotiating and closing out the construction contract. Prepare the memorandum to the City recommending acceptance of the project and the Notice of Completion.
 - 16.6 Final Project Records and Documents. *These records must be turned over to the City upon completion of the project*
- 17.0 Post Construction
- 17.1 Operations and Maintenance Materials. Deliver the Operations and Maintenance Manuals and any spare parts and equipment upon acceptance of the project by the City.
 - 17.2 Record Drawings Certification. Review and certify that the Contractor's project record drawings are complete and accurate. Provide the drawings to the Design Engineer.
 - 17.3 Final Payment. Recommend final payment in the form of release of retention to the Contractor in accordance with contract requirements. Verify that the Contractor has made all payments to the subcontractors and vendors and that any stop notices or liens have been released. Obtain a Conditional Waiver of Lien from the Contractor prior to recommending final payment.
- 18.0 Extended Services (*by separate fee request*)
- 20.1 Extended Services. Provide other miscellaneous specialty services as required during construction. Miscellaneous specialty services, which may be required, include, but are not limited to: mechanical, electrical, structural, and civil supplemental engineering design; witness testing; factory inspections; and noise and air quality monitoring services.

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EXHIBIT "B"

Payment Schedule (Fixed Fee Payment)

1. CONSULTANT shall be entitled to monthly payments toward the fees set forth herein in accordance with the following payment schedules.

CONSULTANT'S fees for such services shall be based upon the following hourly rate and cost schedule:

See Exhibit B.1 – Proposed Hourly Fee Schedule

Total fees shall not exceed Three Million Dollars (\$3,000,000.00). CONSULTANT agrees to inform the CITY when CONSULTANT is at the point of reaching the maximum limit. CONSULTANT shall not continue with any work effort over the amount of the maximum limit unless first authorized in writing by City authorized representative(s).

The hourly rates for years four and five shall increase based on the Consumer Price Index (CPI) for all Urban Consumers in the Los Angeles, Riverside or Orange County areas or 5%, whichever is lower.

2. Delivery of work product: A copy of every memorandum, letter, report, calculation and other documentation prepared by CONSULTANT shall be submitted to CITY to demonstrate progress toward completion of tasks. In the event CITY rejects or has comments on any such product, CITY shall identify specific requirements for satisfactory completion.

3. CONSULTANT shall submit to CITY an invoice for each monthly payment due. Such invoice shall:

- A) Reference this Agreement;
- B) Describe the services performed;
- C) Show the total amount of the payment due;
- D) Include a certification by a principal member of CONSULTANT's firm that the work has been performed in accordance with the provisions of this Agreement; and
- E) For all payments include an estimate of the percentage of work completed.

Upon submission of any such invoice, if CITY is satisfied that CONSULTANT is making satisfactory progress toward completion of tasks in accordance with this Agreement, CITY shall approve the invoice, in which event payment shall be made within thirty (30) days of receipt of the invoice by CITY. Such approval shall not be unreasonably withheld. If CITY does not approve an invoice, CITY shall notify CONSULTANT in writing of the reasons for non-approval and the schedule of performance set forth in Exhibit "A" may at the option of CITY be suspended until the parties agree that past performance by CONSULTANT is in, or has been brought into compliance, or until this Agreement has expired or is terminated as provided herein.

4. Any billings for extra work or additional services authorized in advance and in writing by CITY shall be invoiced separately to CITY. Such invoice shall contain all of the

information required above, and in addition shall list the hours expended and hourly rate charged for such time. Such invoices shall be approved by CITY if the work performed is in accordance with the extra work or additional services requested, and if CITY is satisfied that the statement of hours worked and costs incurred is accurate. Such approval shall not be unreasonably withheld. Any dispute between the parties concerning payment of such an invoice shall be treated as separate and apart from the ongoing performance of the remainder of this Agreement.

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Surfnet Exhibit B

**EXHIBIT B
Fixed Fee Payment**



EXHIBIT B.1

TranSystems

FEE SCHEDULE

On-Call Services Three-Year Blended Rate Sheet
(Effective April 01, 2008 thru April 01, 2011)

Professional and Technical Personnel Classifications

Principal Project Manager	\$210.00
Alternate Project Manager	\$190.00
Principal Engineer	\$195.00
Senior Project Manager	\$172.00
Area Construction Manager	\$155.00
Senior Construction Manager	\$140.00
Construction Manager / Resident Engineer	\$125.00
Project Engineer	\$100.00
Cost Estimator	\$100.00
Senior Planner / Permit Specialist	\$104.00
LEED Certified Inspector	\$110.00
CADD Operator/Drafter	\$95.00
Inspector/Construction Observer	\$65.00 - \$85.00
Assistant Construction Manager / Field Engineer	\$60.00 - \$80.00
Clerical	\$65.00

EXCEPTIONS AND GENERAL INFORMATION

1. The Scope of Work does not include payment of fees to Regulatory Agencies for applications, permits, reports or prints.
2. Changes in the Scope of Work will be deemed "Extra Services" and will be billed at the hourly rates presented in the above Fee Schedule, or at a negotiated price agreed upon prior to the performance of the services. The Consultant is required to obtain written approval prior to commencing services outside the original scope.
3. The Scope of Work does not include any reproductions or copies. All prints and reimbursable expenses, such as delivery charges and sub-consultants, will be invoiced at cost.
4. This proposal fee schedule is a firm offer for a sixty (60) day period.

ACORD CERTIFICATE OF LIABILITY INSURANCE				10/1/2008	DATE (MM/DD/YYYY) 6/13/2011
PRODUCER Lockton Companies, LLC - Kansas City 444 W 47th Street, Suite 900 Kansas City MO 64112-1906 (816) 960-9000		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.			
INSURED 7479 TRASYSTEMS CORPORATION 6700 EAST PACIFIC COAST HIGHWAY SUITE 201 LONG BEACH CA 90803		INSURERS AFFORDING COVERAGE		NAIC #	
		INSURER A ZURICH AMERICAN INS CO (CHICAGO)			
		INSURER B			
		INSURER C			
		INSURER D			
		INSURER E			
<small>THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER AND THE CERTIFICATE HOLDER</small>					
COVERAGES TRASY01 PM					
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NO (WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
INSR ADD'L TR INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PROJE CT <input type="checkbox"/> LOC	NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX DAMAGE TO RENTED PREMISES (Per occurrence) \$ XXXXXXXX MED EXP (Any and person) \$ XXXXXXXX PERSONAL & AUTO INJURY \$ XXXXXXXX GENERAL AGGREGATE \$ XXXXXXXX PRODUCTS - COMPOUND AGG \$ XXXXXXXX
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	NOT APPLICABLE APPROVED AS TO FORM <i>K. Capeland</i> JENNIFER McGRATH, City Attorney 1/9/08			COMBINED SINGLE LIMIT (Per accident) \$ XXXXXXXX BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO	NOT APPLICABLE			AUTO ONLY - EA ACCIDENT \$ XXXXXXXX OTHER THAN AUTO ONLY EA ACC \$ XXXXXXXX AGG \$ XXXXXXXX
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> UMBRELLA FORM RETENTION \$	NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX \$ XXXXXXXX \$ XXXXXXXX
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/ MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	NOT APPLICABLE			WE STABILIZATORY LIMITS BOTH PER E.L. EACH ACCIDENT \$ XXXXXXXX E.L. DISEASE - EA EMPLOYEE \$ XXXXXXXX E.L. DISEASE - POLICY LIMIT \$ XXXXXXXX
A	OTHER PROFESSIONAL LIABILITY	BOC 9139550	10/1/2007	10/1/2008	\$1,000,000 FACIL CLAIM & IN ANNUAL AGGREGATE FOR ALL PROJECTS
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS RE: AS-NEEDED CONSTRUCTION MANAGEMENT AND ADMINISTRATIVE SUPPORT SERVICES					
CERTIFICATE HOLDER 3687968 CITY OF HUNTINGTON BEACH 2000 MAIN STREET HUNTINGTON BEACH, CA 92645-2702			CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE <i>David J. Foster</i>		

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

10/1/2008

DATE (MM/DD/YYYY)
7/8/2008

PRODUCER Lockton Companies, LLC-I Kansas City
444 W. 47th Street, Suite 900
Kansas City MO 64112-1906
(816) 960-9000

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED 1000119 TRANSYSTEMS CORPORATION
6700 EAST PACIFIC COAST HIGHWAY
SUITE 201
LONG BEACH CA 90803

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: ZÜRICH AMERICAN (O.P.,KS) #16535

INSURER B:

INSURER C:

INSURER D:

INSURER E:

COVERAGES TRASY01 PM

THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER AND THE CERTIFICATE HOLDER.

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS						
A		GENERAL LIABILITY	GLO3707153	10/1/2007	10/1/2008	EACH OCCURRENCE	\$ 1,000,000					
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000					
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 5,000					
		<input checked="" type="checkbox"/> SEVERABILITY CLAUSE				PERSONAL & ADV INJURY	\$ 1,000,000					
		GEN'L AGGREGATE LIMIT APPLIES PER:			GENERAL AGGREGATE	\$ 2,000,000						
		<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			PRODUCTS - COMP/OP AGG	\$ 2,000,000						
A		AUTOMOBILE LIABILITY	BAP3707150	10/1/2007	10/1/2008	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000					
		<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$ XXXXXXX					
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$ XXXXXXX					
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$ XXXXXXX					
		<input checked="" type="checkbox"/> HIRED AUTOS			AUTO ONLY - EA ACCIDENT	\$ XXXXXXX						
		<input checked="" type="checkbox"/> NON-OWNED AUTOS			OTHER THAN AUTO ONLY: EA ACC	\$ XXXXXXX						
					AGG	\$ XXXXXXX						
					EACH OCCURRENCE	\$ XXXXXXX						
					AGGREGATE	\$ XXXXXXX						
						\$ XXXXXXX						
						\$ XXXXXXX						
A		GARAGE LIABILITY	NOT APPLICABLE									
		<input type="checkbox"/> ANY AUTO										
		EXCESS/UMBRELLA LIABILITY				NOT APPLICABLE				EACH OCCURRENCE	\$ XXXXXXX	
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE								AGGREGATE	\$ XXXXXXX	
<input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> UMBRELLA FORM		\$ XXXXXXX										
<input type="checkbox"/> RETENTION \$		\$ XXXXXXX										
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WC3707154	10/1/2007	10/1/2008	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS	OTH-ER					
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? NO				E.L. EACH ACCIDENT	\$ 500,000					
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$ 500,000					
		OTHER				E.L. DISEASE - POLICY LIMIT	\$ 500,000					

APPROVED AS TO FORM
Jennifer McGrath
JENNIFER McGRATH, City Attorney 1/9/08

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
RE: AS-NEEDED CONSTRUCTION MANAGEMENT AND ADMINISTRATIVE SUPPORT SERVICES. THE CITY OF HUNTINGTON BEACH IS AN ADDITIONAL INSURED AS RESPECTS GENERAL LIABILITY, AS REQUIRED BY WRITTEN CONTRACT.

CERTIFICATE HOLDER

CANCELLATION [M47430]

3709223
CITY OF HUNTINGTON BEACH
2000 MAIN STREET
HUNTINGTON BEACH, CA 92645-2702

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

David J. Foster

Additional Insured - Automatic - Owners, Lessees Or Contractors - Broad Form

Policy Number - Effective Date/Expiration Date: **"See Attached Certificate"**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:
Commercial General Liability Coverage Part

A. WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization whom you are required to add as an additional insured on this policy under a written contract or written agreement.

B. The insurance provided to additional insureds applies only to "bodily injury", "property damage" or "personal and advertising injury" covered under **Section I, Coverage A, BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and **Coverage B, PERSONAL AND ADVERTISING INJURY LIABILITY**, but only if:

1. The "bodily injury" or "property damage" results from your negligence; and
2. The "bodily injury", "property damage" or "personal and advertising injury" results directly from:
 - a. Your ongoing operations; or
 - b. "Your work" completed as included in the "products-completed operations hazard", performed for the additional insured, which is the subject of the written contract or written agreement.

C. However, regardless of the provisions of paragraphs **A.** and **B.** above:

1. We will not extend any insurance coverage to any additional insured person or organizations:
 - a. That is not provided to you in this policy; or
 - b. That is any broader coverage than you are required to provide to the additional insured person or organization in the written contract or written agreement; and
2. We will not provide Limits of Insurance to any additional insured person or organization that exceed the lower of:
 - a. The Limits of Insurance provided to you in this policy; or
 - b. The Limits of Insurance you are required to provide in the written contract or written agreement.

D. The insurance provided to the additional insured person or organization does not apply to:

1. "Bodily Injury", "property damage", or "personal and advertising injury" that results solely from negligence of the additional insured; or
2. "Bodily Injury", "property damage", or "personal and advertising injury" arising out of the rendering or failure to render any professional architectural, engineering or surveying services including:

a. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and

b. Supervisory, inspection, architectural or engineering activities.

E. The additional insured must see to it that:

1. We are notified as soon as practicable or an "occurrence" or offense that may result in a claim;
2. We receive written notice of a claim or "suit" as soon as practicable; and
3. A request for defense and indemnity of the claim or "suit" will promptly be brought against any policy issued by another insurer under which the additional insured also has rights as an insured or additional insured.

F. The insurance provided by this endorsement is primary insurance and we will not seek contribution from any other insurance available to any additional insured person or organization unless the other insurance is provided by a contractor other than you for the same operations and job location. Then we will share with that other insurance by the method described in Paragraph 4.c. of **SECTION IV-COMMERCIAL GENERAL LIABILITY CONDITIONS**.

Any provisions in this Coverage Part nor changed by the terms and conditions of this endorsement continue to apply as written.

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ATTACHMENT #2

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PROFESSIONAL SERVICES CONTRACT BETWEEN
 THE CITY OF HUNTINGTON BEACH AND
 DUDEK FOR AS-NEEDED CONSTRUCTION MANAGEMENT
 AND ADMINISTRATIVE SUPPORT SERVICES

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PROFESSIONAL SERVICES CONTRACT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
DUDEK FOR AS-NEEDED CONSTRUCTION MANAGEMENT
AND ADMINISTRATIVE SUPPORT SERVICES

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Huntington Beach, a municipal corporation of the State of California, hereinafter referred to as "CITY, and DUDEK, a California corporation hereinafter referred to as "CONSULTANT."

WHEREAS, CITY desires to engage the services of a consultant to provide as-needed construction management and administrative support services; and

Pursuant to documentation on file in the office of the City Clerk, the provisions of the Huntington Beach Municipal Code, Chapter 3.03, relating to procurement of professional service contracts have been complied with; and

CONSULTANT has been selected to perform these services,

NOW, THEREFORE, it is agreed by CITY and CONSULTANT as follows:

1. SCOPE OF SERVICES

CONSULTANT shall provide all services as described in **Exhibit "A,"** which is attached hereto and incorporated into this Agreement by this reference. These services shall sometimes hereinafter be referred to as the "PROJECT."

CONSULTANT hereby designates George Litzinger who shall represent it and be its sole contact and agent in all consultations with CITY during the performance of this Agreement.

2. CITY STAFF ASSISTANCE

CITY shall assign a staff coordinator to work directly with CONSULTANT in the performance of this Agreement.

3. TERM; TIME OF PERFORMANCE

Time is of the essence of this Agreement. The services of CONSULTANT are to commence on _____ (the "Commencement Date"). This Agreement shall automatically terminate five (5) years from the Commencement Date, unless extended or sooner terminated as provided herein. All tasks specified in **Exhibit "A"** shall be completed no later than June 30, 2013 from the Commencement Date. The time for performance of the tasks identified in **Exhibit "A"** are generally to be shown in **Exhibit "A."** This schedule may be amended to benefit the PROJECT if mutually agreed to in writing by CITY and CONSULTANT.

In the event the Commencement Date precedes the Effective Date, CONSULTANT shall be bound by all terms and conditions as provided herein.

4. COMPENSATION

In consideration of the performance of the services described herein, CITY agrees to pay CONSULTANT on a time and materials basis at the rates specified in **Exhibit "B,"** which is attached hereto and incorporated by reference into this Agreement, a fee, including all costs and expenses, not to exceed Three Million Dollars (\$3,000,000.00).

5. EXTRA WORK

In the event CITY requires additional services not included in **Exhibit "A"** or changes in the scope of services described in **Exhibit "A,"** CONSULTANT will undertake such work only after receiving written authorization from CITY. Additional compensation for such extra work shall be allowed only if the prior written approval of CITY is obtained.

6. METHOD OF PAYMENT

CONSULTANT shall be paid pursuant to the terms of **Exhibit "B."**

7. DISPOSITION OF PLANS, ESTIMATES AND OTHER DOCUMENTS

CONSULTANT agrees that title to all materials prepared hereunder, including, without limitation, all original drawings, designs, reports, both field and office notices, calculations, computer code, language, data or programs, maps, memoranda, letters and other documents, shall belong to CITY, and CONSULTANT shall turn these materials over to CITY upon expiration or termination of this Agreement or upon PROJECT completion, whichever shall occur first. These materials may be used by CITY as it sees fit.

8. HOLD HARMLESS

CONSULTANT hereby agrees to protect, defend, indemnify and hold harmless CITY, its officers, elected or appointed officials, employees, agents and volunteers from and against any and all claims, damages, losses, expenses, judgments, demands and defense costs (including, without limitation, costs and fees of litigation of every nature or liability of any kind or nature) arising out of or in connection with CONSULTANT's (or CONSULTANT's subcontractors, if any) negligent (or alleged negligent) performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement by CONSULTANT, its officers, agents or employees except such loss or damage which was caused by the sole negligence or willful misconduct of CITY. CONSULTANT will conduct all defense at its sole cost and expense and CITY shall approve selection of CONSULTANT's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as limitation upon the amount of indemnification to be provided by CONSULTANT.

9. PROFESSIONAL LIABILITY INSURANCE

CONSULTANT shall obtain and furnish to CITY a professional liability insurance policy covering the work performed by it hereunder. This policy shall provide

coverage for CONSULTANT's professional liability in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and in the aggregate. The above-mentioned insurance shall not contain a self-insured retention, "deductible" or any other similar form of limitation on the required coverage except with the express written consent of CITY. A claims-made policy shall be acceptable if the policy further provides that:

- A. The policy retroactive date coincides with or precedes the initiation of the scope of work (including subsequent policies purchased as renewals or replacements).
- B. CONSULTANT shall notify CITY of circumstances or incidents that might give rise to future claims.

CONSULTANT will make every effort to maintain similar insurance during the required extended period of coverage following PROJECT completion. If insurance is terminated for any reason, CONSULTANT agrees to purchase an extended reporting provision of at least two (2) years to report claims arising from work performed in connection with this Agreement.

If CONSULTANT fails or refuses to produce or maintain the insurance required by this section or fails or refuses to furnish the CITY with required proof that insurance has been procured and is in force and paid for, the CITY shall have the right, at the CITY's election, to forthwith terminate this Agreement. Such termination shall not effect Consultant's right to be paid for its time and materials expended prior to notification of termination. CONSULTANT waives the right to receive compensation and agrees to indemnify the CITY for any work performed prior to approval of insurance by the CITY.

10. CERTIFICATE OF INSURANCE

Prior to commencing performance of the work hereunder, CONSULTANT shall furnish to CITY a certificate of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverage as required by this Agreement; the certificate shall:

- A. provide the name and policy number of each carrier and policy;
- B. state that the policy is currently in force; and
- C. shall promise that such policy shall not be suspended, voided or canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice; however, ten (10) days' prior written notice in the event of cancellation for nonpayment of premium.

CONSULTANT shall maintain the foregoing insurance coverage in force until the work under this Agreement is fully completed and accepted by CITY.

The requirement for carrying the foregoing insurance coverage shall not derogate from CONSULTANT's defense, hold harmless and indemnification obligations as set forth in this Agreement. CITY or its representative shall at all times have the right to demand the original or a copy of the policy of insurance. CONSULTANT shall pay, in a prompt and timely manner, the premiums on the insurance hereinabove required.

11. INDEPENDENT CONTRACTOR

CONSULTANT is, and shall be, acting at all times in the performance of this Agreement as an independent contractor herein and not as an employee of CITY. CONSULTANT shall secure at its own cost and expense, and be responsible for any and all payment of all taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for CONSULTANT and its officers, agents and

employees and all business licenses, if any, in connection with the PROJECT and/or the services to be performed hereunder.

12. TERMINATION OF AGREEMENT

All work required hereunder shall be performed in a good and workmanlike manner. CITY may terminate CONSULTANT's services hereunder at any time with or without cause, and whether or not the PROJECT is fully complete. Any termination of this Agreement by CITY shall be made in writing, notice of which shall be delivered to CONSULTANT as provided herein. In the event of termination, all finished and unfinished documents, exhibits, report, and evidence shall, at the option of CITY, become its property and shall be promptly delivered to it by CONSULTANT.

13. ASSIGNMENT AND DELEGATION

This Agreement is a personal service contract and the work hereunder shall not be assigned, delegated or subcontracted by CONSULTANT to any other person or entity without the prior express written consent of CITY. If an assignment, delegation or subcontract is approved, all approved assignees, delegates and subconsultants must satisfy the insurance requirements as set forth in Sections 9 and 10 hereinabove.

14. COPYRIGHTS/PATENTS

CITY shall own all rights to any patent or copyright on any work, item or material produced as a result of this Agreement.

15. CITY EMPLOYEES AND OFFICIALS

CONSULTANT shall employ no CITY official nor any regular CITY employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of the applicable provisions of the California Government Code.

16. NOTICES

Any notices, certificates, or other communications hereunder shall be given either by personal delivery to CONSULTANT's agent (as designated in Section 1 hereinabove) or to CITY as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, to the addresses specified below. CITY and CONSULTANT may designate different addresses to which subsequent notices, certificates or other communications will be sent by notifying the other party via personal delivery, a reputable overnight carrier or U. S. certified mail-return receipt requested:

TO CITY:

City of Huntington Beach
ATTN: Eric R. Charlonne
2000 Main Street
Huntington Beach, CA 92648

TO CONSULTANT:

Dudek
Attn: George Litzinger
605 Third Street
Encinitas, CA 92024

17. CONSENT

When CITY's consent/approval is required under this Agreement, its consent/approval for one transaction or event shall not be deemed to be a consent/approval to any subsequent occurrence of the same or any other transaction or event.

18. MODIFICATION

No waiver or modification of any language in this Agreement shall be valid unless in writing and duly executed by both parties.

19. SECTION HEADINGS

The titles, captions, section, paragraph and subject headings, and descriptive phrases at the beginning of the various sections in this Agreement are merely descriptive and are included solely for convenience of reference only and are not representative of matters

included or excluded from such provisions, and do not interpret, define, limit or describe, or construe the intent of the parties or affect the construction or interpretation of any provision of this Agreement.

20. INTERPRETATION OF THIS AGREEMENT

The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. If any provision of this Agreement is held by an arbitrator or court of competent jurisdiction to be unenforceable, void, illegal or invalid, such holding shall not invalidate or affect the remaining covenants and provisions of this Agreement. No covenant or provision shall be deemed dependent upon any other unless so expressly provided here. As used in this Agreement, the masculine or neuter gender and singular or plural number shall be deemed to include the other whenever the context so indicates or requires. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no right to contract, then the latter shall prevail, and the provision of this Agreement which is hereby affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

21. DUPLICATE ORIGINAL

The original of this Agreement and one or more copies hereto have been prepared and signed in counterparts as duplicate originals, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original. Each duplicate original shall be deemed an original instrument as against any party who has signed it.

22. IMMIGRATION

CONSULTANT shall be responsible for full compliance with the immigration and naturalization laws of the United States and shall, in particular, comply with the provisions of the United States Code regarding employment verification.

23. LEGAL SERVICES SUBCONTRACTING PROHIBITED

CONSULTANT and CITY agree that CITY is not liable for payment of any subcontractor work involving legal services, and that such legal services are expressly outside the scope of services contemplated hereunder. CONSULTANT understands that pursuant to *Huntington Beach City Charter* Section 309, the City Attorney is the exclusive legal counsel for CITY; and CITY shall not be liable for payment of any legal services expenses incurred by CONSULTANT.

24. ATTORNEY'S FEES

In the event suit is brought by either party to construe, interpret and/or enforce the terms and/or provisions of this Agreement or to secure the performance hereof, each party shall bear its own attorney's fees, such that the prevailing party shall not be entitled to recover its attorney's fees from the nonprevailing party.

25. SURVIVAL

Terms and conditions of this Agreement, which by their sense and context survive the expiration or termination of this Agreement, shall so survive.

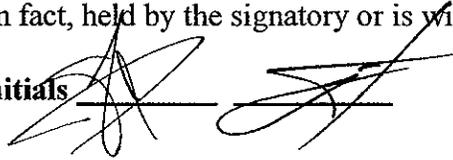
26. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

27. SIGNATORIES

Each undersigned represents and warrants that its signature hereinbelow has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify CITY fully for any injuries or damages to CITY in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

CONSULTANT's initials

Handwritten signatures and initials are written over a horizontal line. The signatures are stylized and appear to be in black ink.

28. ENTIRETY

The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily following extensive arm's length negotiation, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by that party or anyone acting on that party's behalf, which are not embodied in this Agreement, and that that party has not executed this Agreement in reliance on any representation, inducement, promise, agreement, warranty, fact or circumstance not expressly set forth in this Agreement. This Agreement, and the attached exhibits, contain the entire agreement between the parties respecting the subject matter of this Agreement, and supersede all prior understandings and agreements whether oral or in writing between the parties respecting the subject matter hereof.

REST OF PAGE NOT USED

29. EFFECTIVE DATE

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers. This Agreement shall be effective on the date of its approval by the City Council. This Agreement shall expire when terminated as provided herein.

DUDEK, a California corporation

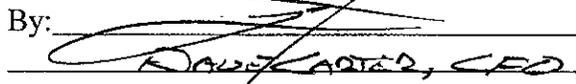
CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California

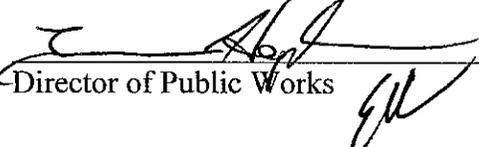
By: 
_____ **Dudek**
_____ **Frank Dudek**
print name
_____ **President**
ITS: (circle one) Chairman/President/Vice President

Mayor

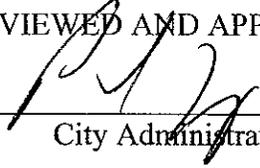
AND

City Clerk

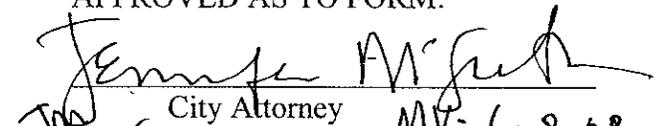
By: 
_____ **DAVID CARTER, CEO**
print name
ITS: (circle one) Secretary/Chief Financial Officer/Asst. Secretary - Treasurer

INITIATED AND APPROVED:


Director of Public Works

REVIEWED AND APPROVED:


City Administrator

APPROVED AS TO FORM:


City Attorney
JM 6.9.08
7.13.08
MT-6-8-08

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EXHIBIT "A"

A. STATEMENT OF WORK:

CONSULTANT shall provide construction management and administrative support services for various City capital improvement construction projects such as sewer lift stations, roadway rehabilitation, new park developments and waterline projects on an "as-needed" basis.

Due to the fact that some of the City projects will be funded by Federal or State grants, CONSULTANT must comply with requirements of Caltrans' Local Program Manual and the City of Huntington Beach Quality Assurance Plan for Federal and State Funded Projects and all applicable prevailing wage laws.

B. CONSULTANT'S DUTIES AND RESPONSIBILITIES:

CONSULTANT's duties and responsibilities shall follow provisions specified in the City of Huntington Beach As-Needed Construction Management and Administrative Support Typical Scope of Work (Exhibit A.1). Detailed services shall include but is not limited to the following scope of work shown in Exhibit A.2.

C. CITY'S DUTIES AND RESPONSIBILITIES:

1. Furnish a scope of work request for each project assigned.
2. Furnish construction plans and specifications to the consultant.

D. WORK PROGRAM/PROJECT SCHEDULE:

A project schedule will be developed for each project assigned by CITY.

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EXHIBIT A.1

Typical Scope of Work City of Huntington Beach Construction Management and Administration Services For City Capital Construction Projects

- 1.0 Project Description: This scope of services is to provide the typical construction management and administration services for various City Capital Improvement Projects. The following are the typical services and producibles anticipated for these projects.
- 2.0 Pre-Construction Services
 - 2.1 Attend the pre-bid meeting.
 - 2.2 Perform Constructability Reviews on 75% complete designs (*this will be a separate fee request, as needed*)
 - 2.3 Perform a thorough review of project design 100% design documents to become familiar with the project.
 - 2.4 Prepare the Construction Management Procedures Manual for each assigned project.
 - 2.5 Establish project filing and other record keeping systems.
- 3.0 Mobilization
 - 3.1 Pre-Construction Meeting. Schedule, notify appropriate parties, and conduct an initial pre-construction meeting with the Contractor. Prepare and distribute pre-construction minutes to attendees and other parties. The pre-construction meeting shall cover, as a minimum, the overall project objectives, responsibilities of key personnel and agencies, schedules, schedule of values (bid breakdown), procedures for handling submittals, correspondence, utility relocations, local agency permit requirements, requests for clarification, progress payments, change orders, safety issues, emergency response requirements, and other pertinent topics. Provide opportunities to have the Contractor's questions answered. Collect from the Contractor the submittal items required to be submitted at the pre-construction meeting.
- 4.0 Correspondence, Reports, and Other Forms of Communication
 - 4.1 Document Standards. Prepare project correspondence and other forms of communication in accordance with industry standard document control and management procedures.

- 4.2 Document/Tracking Control. Manage the receipt, logging, control, tracking, and timely processing of project documents, including correspondence and other forms of communication, technical documents, shop drawings, calculations, data, submittals, manuals, and samples received as part of the construction process, non-compliance, work to be completed, and other tracking logs as requested.
- 4.3 Records. Maintain records of inspections, reports, and test results received from the Contractor, Design Engineer, manufacturers, and others.

5.0 Site Conditions and Progress Visual Documentation

- 5.1 Pre-Construction Video. Coordinate and review the Contractor's videotape of pre-construction site conditions prior to beginning any construction operation. Confirm existing conditions within the limits of the work in adjacent areas and along access and haul roads. The Contractor's documentation shall clearly depict the pre-existing conditions of public and private improvements, including, but not limited to, street, drainage, utilities, landscaping, and irrigation improvements. Compare Contractor's pre-construction site surveys to the site surveys performed under this scope of work. Note any discrepancies and resolve issues. Describe in memorandum, submitted prior to the beginning of any construction operation, pre-existing damage identified within the limits of work and along access and haul roads. Meet with owners of pre-existing damage to document and confirm existing conditions. Document any damage to public and private improvements incurred during construction operations and meet with owners immediately following discovery of damage to resolve repair requirements and responsibilities.
- 5.2 Progress and Other Photos. Maintain a digital photographic library of significant construction activities. Include new piping and structures, relocated utilities, and connections to existing facilities. Take additional photographs to document differing site conditions, change order and claim items, and any special or unique conditions as they arise. Incorporate photographs taken by others into the overall photo documentation record of the project.

6.0 Meetings

- 6.1 Weekly to Monthly Construction Progress Meetings. Schedule and conduct construction progress meetings with the Contractor and the City. Provide meeting agendas and discuss the schedule, near-term activities, clarifications and problems which need resolution, coordination with other Contractors, status of change orders, submittals and RFIs, safety issues, OSHA visits and citations, and other topics. Identify action items and assign responsibility for the action and date action is to be completed. Prepare minutes of the meetings and include identified action items. Review the meeting minutes with the Contractor and obtain the Contractor's concurrence with the content. Distribute the minutes to the attendees within five calendar days of the meeting.
- 6.2 Other Meetings. Attend other construction-related meetings as requested by the City.

7.0 Shop Drawing and Submittal Reviews

- 7.1 Submittal Reviews. Review each submittal received from the Contractor for conformance with the requirements of the drawings and specifications. Check each submittal against the Contractor's schedule for potential impacts. Coordinate required reviews of submittals with the Design Engineer and the City. Submittals of a general nature are to be reviewed and processed by the Design Engineer. Distribute submittals to appropriate reviewers with dated transmittal letters.
- 7.2 Submittal Log and Status of Submittals. Log, track, and monitor shop drawings, calculations, data samples, submittals, and manuals from the Contractor. Update the submittal log as items are received and responses given. Prepare weekly exception reports identifying outstanding submittals and reviews. Review with the Contractor the status of submittals at the weekly construction meeting using the submittal log and the master submittal list.

8.0 Plan and Specification Interpretation and Control

- 8.1 Requests for Information (RFI). Coordinate the RFI log. Review and respond to Contractor RFI. Make every effort to review and provide appropriate response to RFI prior to involving the Design Engineer. Distribute RFI to appropriate staff and coordinate timely response. Review answers and prepare formal response to Contractor within five calendar days of receipt of response, or as needed to meet schedule requirements. Respond in writing to Contractor questions from a reasonable review of the drawings and specifications for clarification items. Record changes in the record specifications and plans.
- 8.2 Requests for Changes in Design. Review and respond to requests for design revisions by the Contractor. Responses to requests for design revisions require prior written approval from the City and/or Design Engineer. Revisions in design may take the form of value engineering (VE) and shall require extensive research, evaluation, and recommendation from the Design Engineer. Provide written recommendations, as required.
- 8.3 Field Orders. Initiate and review field orders when a change in the work is needed to maintain the design intent. Issue the field order to the Contractor and monitor the work for compliance. Track the issued field orders in a log. Record the changes in the record specifications and plans. If required, follow-up with a change order within 14 calendar days of mutual agreement with Contractor on pricing and conditions.
- 8.4 Substitution Requests. Coordinate evaluation of "or-equal" or product substitution requests with the Design Engineer, the City, vendors, manufacturers, and others. Prepare evaluation and recommendation for "or-equal" or product substitution request.
- 8.5 Record Drawings and Specifications. Update continually the plans and specifications as the work progresses. Incorporate modifications and changes from all sources, such as submittals, RFI, VE, field orders, extra work, and

change orders. Compare the record drawings and specifications with the Contractor record drawings and specifications monthly.

9.0 Construction Management Administration and Staffing

9.1 Management. Oversee, perform, and coordinate construction management services as required by the progress of the work. Prepare reports, letters, and memoranda; conduct meetings; monitor and track the expiration of insurance requirements and obtain updated certificates from the Contractor (City to process through Risk Management); coordinate subconsultants, testing, and specialty services; review daily inspection notes and identify and resolve nonconforming items; notify the City of significant problems and discrepancies; interpret drawings, specifications, and reference standards; monitor construction activities and schedules; resolve constructability problems; coordinate connections and operations; prepare change orders; review and notify the Contractor of test results; investigate claims; perform inspections; review the Contractor's project record drawings periodically and concurrently with Contractor progress payments; prepare project punch lists; and all other duties related to construction management as requested by the City.

9.2 Resolution of Day-to-Day Construction Issues. Lead resolution of day-to-day construction issues raised. Coordinate with the City, Design Engineer, and Contractor on technical issues and concerns, as well as interpretation of the design documents. Interface with the Design Engineer for resolution of technical issues, processing of change order requests or design changes to suit actual conditions encountered in the field.

10.0 Progress Payments

10.1 Monthly Review. Conduct monthly schedule and progress payment meetings with the Contractor and coordinate and update the record drawings at this meeting. The result of the meetings shall be the progress payment estimate and the baseline schedule. Coordinate the review of the Contractor's monthly progress payment request with City staff and prepare a recommendation stating the proper amount of payment. Use the Schedule of Values and actual quantities installed as a basis for the recommendation.

10.2 Prepare monthly progress reports, of 6 to 10 pages, for City staff.

11.0 Change Order Management

11.1 Identify and Track Changes. Identify and track potential changes to the work. Prepare, log, and monitor Contractor or City initiated changes to the work, extra work, and change orders.

11.2 Requests for Cost Proposals. Request cost proposals from the Contractor for extra work and negotiate final cost.

11.3 Justification of Extra Work or Change. Prepare written justification and cost estimates for each extra work or change item. Justification shall include a

statement of the extra work or change; background leading to issue; resolution alternatives and resolution recommendation for action by the City.

- 11.4 Prepare Change Orders. Prepare and submit change orders in the City's format to the City for written approval within seven calendar days of the finalization of negotiations.

12.0 Claims Management

- 12.1 Identify and Track Claims. Identify, prepare, log, and monitor Contractor potential claims. Report verbal and written claims immediately to the City. Coordinate claims with the City's Project Manager, Risk Manager, and General Counsel Office.
- 12.2 Resolution Alternative. Prepare written explanation of each claim with full background of issues, proposed resolution alternatives, and resolution recommendation for action.
- 12.3 Negotiate and Resolve Claims. Assist and support the City in resolving claims and disputes, including written responses to Contractor and private parties, giving depositions, assisting with dispute resolution, arbitration and litigation, serving as an expert witness, investigating claims for damages by private sources, design services for replacement of damaged work, and services made necessary by Contractor default. Negotiate claims to an agreed conclusion.
- 12.4 Private Party Claims. Investigate claims for damages by private parties and respond in writing within two calendar days of receipt of the claim. Coordinate the written response with the City's Project Manager and Risk Manager.

13.0 Quality Assurance

- 13.1 Inspection of the Work. Provide inspections as necessary to ensure that materials and workmanship are in compliance with the contract documents. Coordinate delivery, inspect for defects or missing parts, and oversee recording the receipt and storage of equipment. Inspect construction activities, which are identified in the contract documents to be performed at night, weekends, and/or holidays.
- 13.2 Reports. Prepare reports of the construction activities including weather conditions, Contractor's equipment and manpower, work performed, materials used, site visitors, noting delays in work and reasons for the delays, and deficiencies. Prepare reports of deviations and non-conformance to specifications and provide responses in accordance with the specification requirements.

- 13.3 Revisions to Contractor's Methods. Discuss appropriate revisions to the methods and procedures used in performing the work. Inspectors may not authorize extra work or approve of work that deviates from the contract documents. Any deviations must be authorized through the RFI process.
- 13.4 Deviations in the Work. Advise the City's Project Manager and the Contractor of deviations in the work and document any deviations. Record deviations that are not corrected and immediately deliver a Notice of Non-Compliance to the Contractor. Perform necessary follow-up to resolve Notices of Non-Compliance. Include unresolved Notices of Non-Compliance on substantial completion punch lists.
- 13.5 Pipeline Shutdowns. Coordinate necessary pipeline shutdowns, with City staff, to complete connections to existing facilities.
- 14.0 Geotechnical Engineering and Material Testing Services (by the City)
- 14.1 General Requirements. Schedule sampling, material testing, and laboratory services in accordance with the methods prescribed in current standards of the American Society for Testing and Materials (ASTM). The standards shall be applicable to the class and nature of the articles or materials under review unless otherwise stipulated in the project specifications, or authorized in writing by the City. *The City will hire the Geotechnical Engineer for each project*
- 15.0 Landscape and Revegetation Inspection (by the City)
- 15.1 General Requirements. Verify that inspection, sampling, and testing of landscape, irrigation, and revegetation systems to ensure contract compliance of all work and the establishment of all planting to the standards, quality, and density required of the contract documents.
- 15.2 Landscape Inspection and Testing. Verify that inspections and testing of irrigation systems for proper placement, installation, bedding and backfill, leakage, and coverage. System components to be inspected will include mainline and lateral irrigation pipe, valve manifold assemblies, backflow devices, quick couplers, and irrigation equipment. Receive and review all soil report data and soil amendment and fertilizer slips for conformance with contract documents.
- 16.0 Startup, Closeout, and Acceptance Services
- 16.1 Operation Testing Plan. The operational testing plan shall be developed in consultation with the City, Design Engineer, Contractor, and all appropriate vendors. Review and recommend the operational testing plan. Coordinate the testing of the equipment and facilities with the City, and assist Contractor's personnel as required during the startup phase.

- 16.2 Punch List. Prepare detailed project punchlists at substantial completion of the project. Upon correction of deficiencies, schedule, coordinate, and conduct a final walk-through prior to the acceptance of work with the City and other parties. Provide certification of Contractor's compliance on work items specifically requested by the City. Verify that work, testing, cleanup, and Contractor demobilization are complete.
- 16.3 Final Walk-Through. Schedule, coordinate, and conduct a final walk-through and project review prior to the acceptance of work with the City.
- 16.4 Recommended Acceptance. Recommend acceptance of the work in writing in preparation for issuance of the Certificate of Substantial Completion and/or Notice of Completion.
- 16.5 Closing Out Contract. Take the lead in negotiating and closing out the construction contract. Prepare the memorandum to the City recommending acceptance of the project and the Notice of Completion.
- 16.6 Final Project Records and Documents. *These records must be turned over to the City upon completion of the project*

17.0 Post Construction

- 17.1 Operations and Maintenance Materials. Deliver the Operations and Maintenance Manuals and any spare parts and equipment upon acceptance of the project by the City.
- 17.2 Record Drawings Certification. Review and certify that the Contractor's project record drawings are complete and accurate. Provide the drawings to the Design Engineer.
- 17.3 Final Payment. Recommend final payment in the form of release of retention to the Contractor in accordance with contract requirements. Verify that the Contractor has made all payments to the subcontractors and vendors and that any stop notices or liens have been released. Obtain a Conditional Waiver of Lien from the Contractor prior to recommending final payment.

18.0 Extended Services *(by separate fee request)*

- 20.1 Extended Services. Provide other miscellaneous specialty services as required during construction. Miscellaneous specialty services, which may be required, include, but are not limited to: mechanical, electrical, structural, and civil supplemental engineering design; witness testing; factory inspections; and noise and air quality monitoring services.

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EXHIBIT A.2

I Scope of Work

1.1 Construction Management

The key to success for the City of Huntington Beach's construction projects is to develop a clear understanding of the project and issues that will be encountered during construction. The CM's role is to understand and interpret each project's plans, specifications and permits to ensure compliance. They must be able to anticipate and have knowledge of the challenges the contractor will face and have the ability to proactively discuss and resolve them with the contractor, engineers, property owners and the public-at-large to avoid negatively impacting the project schedule and budget.

1.2 General Approach

Our philosophy is that obtaining quality construction is a combined responsibility of the construction contractor and the construction team. Our mutual goal must be a quality product conforming to the contract requirements. A cooperative and professional working relationship must be established to realize this common goal. The plans and specifications establish the standards the CM will use to monitor the project's progress. Quality assurance is the process by which the manager delivers the end product, using plan specifications, contract, conditions of approval and permits. The process starts well before construction and includes reviews of the plans and specifications for bidding and constructability.

The Dudek team approach is to provide the City with construction management services to facilitate a project that is completed per code, on time, within budget, and to the City's standards. Furthermore, we need to ensure the City is completely satisfied. We will listen to the City closely to develop a complete understanding of the goals and needs by attending all pre-construction meetings from the outset.

COMMUNICATIONS IN WRITING

Paperwork is critically important in construction management. All communication will be provided to effected personnel in writing. Our managers/inspectors maintain daily logs, complete incident reports and photograph elements of a project. We have found this philosophy helps alleviate any miscommunication or forgotten responsibilities.

COMPLIANCE

Dudek will comply with all Federal and State laws, permits, and other regulations as required. Our compliance includes Greenbook and Caltrans Standard Specifications, City of Huntington Beach Standards, and OSHA Construction Safety Standards.

1.3 Coordination and General Project Management

The CM will maintain on-going interaction with the City, contractor, design engineer, and key suppliers through progress meetings and project updates conducted at regular intervals after start of construction.

Dudek will conduct weekly progress meetings at the site with, at a minimum, the City and contractor attending. We strongly recommend the general contractor's assigned Project Manager and Superintendent attend each meeting. Other affected agencies and entities will be invited, and encouraged to attend to hear the information being discussed. At times their attendance will be mandatory if there are specific issues to address which are in their area of responsibility. Regardless, agendas and meeting minutes will be made available and distributed to those wishing copies.

In addition to regular project progress meetings, the CM will conduct internal weekly staff meetings to coordinate the many subconsultants. These meetings will be conducted to obtain our staff's concerns and issues so that they may be incorporated into the regular weekly project meeting. The intent is to conduct these meetings on a Monday for the upcoming week and incorporation in the following Thursday morning project progress meeting.

COMPLIANCE

Dudek will comply with all Federal and State laws, permits, and other regulations as required. This will include conducting interviews with the contractor's and subcontractor's employees to verify labor compliance. We will review certified payroll to verify compliance with Prevailing Wage Rates.

KICK-OFF MEETING WITH THE CITY

The kick-off meeting is designed to make certain that all concerns of the City, and all other involved agencies, have been discussed, clearly defined, and understood. The following is a tentative agenda:

1. Discuss and understand the City's philosophy and expectations
2. Confirm project goals
3. Discuss and obtain current copies of all project documents
4. Discuss project issues and potential solutions
5. Review lines of communication
6. Assign tasks and establish next steps.

DEVELOP QUALITY ASSURANCE PROGRAM

The construction management objective, as it relates to Quality Assurance/Quality Control (QA/QC), is to provide reproducible evidence that a quality constructed project is delivered. The Dudek QA/QC program will make certain that all testing and inspection activities are performed with quality materials, state-of-the-art workmanship, and are completed on-schedule and on-budget. The QA/QC personnel will strictly enforce the technical specifications, construction drawings, industry standards, and manufacturer's recommendations to provide only approved materials and installation workmanship is incorporated into construction. The CM will coordinate as appropriate.

PRE-CONSTRUCTION CONFERENCE

Prior to the Notice-to-Proceed (NOP), the CM will meet jointly with the contractor and City, as needed, to outline for the contractor the following: contract administration guidelines, contractual roles and relationships, and reinforcement of specific requirements for safety, security and access through various construction sites. The CM will outline project concerns. At

this meeting, the contractor will be furnished a detailed procedures booklet prepared by the CM detailing all of the above.

Mobilization and staging requirements will be reviewed and discussed, and contract interfacing with other contractors working on the site will be discussed for a complete understanding of the site usage, ROW issues, the proposed inspection staff, reporting features required by the contractor, contract administrative details, etc. will be addressed for complete job site familiarization.

Dudek will prepare the agenda, conduct the meeting and issue meeting minutes. This meeting will set the tone for the project and is crucial that the contractor understands that we expect him to comply with the contract documents, particularly in regards to environmental and public relations. The goal is to make certain that the contractor understands that we are there to enforce the specifications, and that we will do it fairly and consistently. We want to portray that our attitude is one of mutual cooperation and respect and that we are there to help expedite the project and not to become a hindrance.

CONTRACTOR COORDINATION

Dudek may utilize schedule comparison software, Claim Digger, to compare consecutive monthly schedule updates from the contractor. The comparison software will identify any irregular scheduling practices which the contractor might employ in order to overstate the quantity of work complete or understate the magnitude of the slippage to the schedule. The comparison software will identify variances in activity durations, activity calendars, activity relationships, and other subtle manipulations of the schedule. The contractor will be required to provide a written narrative with schedule updates specifically listing all changes in logic.

On-Site Construction Management Team. The on-site construction management team will be on-site daily during working hours and whenever work is performed outside of normal working hours. The CM will be available by cell phone or pager whenever they are not at the site to answer any questions and resolve issues. The on-site CM will be the key point of contact for the contractor's project manager and superintendent during the course of the work. The on-site CM will not direct the contractor's work but, will facilitate the contractor's efforts to complete the work by anticipating issues that might affect the progress of it.

The on-site construction management team will inspect the site daily, manage subconsultants, and conduct weekly progress meetings with the contractor. One of the important activities is the weekly progress meeting with the contractor. This is where old business and new business issues are discussed in detail, action items developed, progress to-date reviewed, contractor's three week look-ahead schedule presented, and discussion of interest items from the City and/or other consultants.

Weekly progress meeting minutes. Will designate who is responsible for action item results, and are distributed to all in attendance and the City within 48 hours of the meeting. These action items, chronologically listed, are tracked until they are resolved.

If the contractor's work is non-conforming to the plans or specifications, the on-site CM will issue a written Notice-of-Noncompliance report. This will require a written response from the contractor, and the issue will be tracked until the issue is resolved to our satisfaction.

Submittal review is always a key issue. The CM will assist with a submittal review meeting, and with expediting the submittal turnaround process. The on-site CM will conduct a submittal review meeting with the contractor for designated critical submittals, to insure submittals are returned for prompt material procurement.

Master Submittal Log. The CM will develop a master submittal log to cross check the contractor's submittal log. This identifies what we expect and we can tell the contractor what is lacking during his master submittal log review.

Setup logs. RFI, RFP, RFC, correspondence, and procedures for tracking and reporting. We will set our files up according to the City's requirements.

Construction Schedule. We will review and analyze each activity, and the logic, to determine if the work conforms to the contract requirements and if the work can be built to the contractor's schedule. We will compare production rates and material rates. We will check to see if adequate time is devoted to construction activities. We will provide a written response to the contractor's schedule submittals.

The CM also will develop a detailed job schedule to fully understand the contract work, and use this schedule to evaluate the contractor's cost-loaded schedule. We plan to be ahead of the contractor with schedule analysis, and this tool helps us understand what the contractor is trying to achieve with his schedule. Oftentimes the contractor schedule is too broad and we will require sufficient work breakdown structure detail for the CM to evaluate each activity and cost.

Change Orders/RFI/RFC. The CM will maintain the RFC, RFP and CO Logs in a format that is accessible to the City staff. We have a proven system in place that can be set up quickly and coordinated with the City staff requirements. We will provide the required estimate and analysis of all RFIs and, after negotiations, provide a complete record of negotiation for the reason for the change, why the change was needed, as well as a detailed report on the labor, equipment, material, and other costs.

Critical Action Item Report. In order to make sure project issues are identified and resolved quickly, project issues will be organized on a critical action item report. The report will detail administrative, design, construction, environmental and coordination issues that arise. Each action item will be assigned to project personnel with a target date to complete or resolve the item. The report will be updated at the weekly construction management staff meeting and the contractor progress meetings. The report will be included in the monthly progress report.

One of the key areas requiring swift response and coordination is the contractor's RFI document. This usually is a request for design clarification, or a correction of noted conflict in the drawings and/or specifications, and often has the potential for a claim. RFIs will receive our immediate attention and timely response to which will be a major component in our claims avoidance program.

The CM will be able to respond quickly, professionally and consistently to the City's inquiries. The reporting system will be tailored to the needs of the City and will include the following major components:

- Narrative Progress Reports. Prepared monthly to describe schedule, cost, estimating and accounting activity, including an executive summary, as well as discussions of construction and utility relocation progress. These reports will include schedule and progress payment status, the preceding month's developments, plans for the current month, future plans, issues, requests, recommendations, and general comments. When required, Dudek's CM will provide weekly written narratives addressing specific issues and/or disputes.
- Schedule Reports. Evaluation of contractor's monthly schedule update, identification of poor field production or other contractor caused delays.
- Progress Photos. Captioned, digital images depicting critical milestones in the work.
- Weekly Project Progress Meeting Minutes.
- QA/QC Reports. Including daily inspection diaries and Notices of Non Compliance to the contractor.

In the event of a safety concern, accident, or major quality issue, daily inspection diaries, and digital photo images, will be e-mailed to the City's project manager by the following morning.

Continuing in Dudek's tradition of time efficient management services, we will employ a state-of-the-art photo documentation system using commercially available photo management software. Upon commencement of the day's fieldwork, Dudek's personnel will download the day's images from each digital camera to the computer network located in the field office.

CONSTRUCTION WEEKLY PROGRESS MEETINGS

The CM will schedule and chair weekly and monthly meetings with representatives of the contractor, subcontractors and the City to resolve all project matters (e.g., progress, job problems Notices of Non-Compliance, actions requiring clarification of design intent ambiguities in contract documents). Responsibilities for response will be assigned to appropriate participants. Action monitoring will be implemented to insure compliance and timely response by all parties. The meetings will be documented and distributed to the City, contractor, and engineer/architect for a complete record of project transactions and be included in the project library. Minutes of the meeting will be prepared and distributed to participants the next working day after the meeting.

PLANS AND SPECIFICATIONS INTERPRETATION & CONTROL

Typically, the contractor's requests for information will be of such a nature that Dudek's on-site CM will respond to the contractor via a fair interpretation of the contract drawings and specifications. With the City's approval, Dudek's on-site CM will review and transmit all design related RFIs to the design engineer. Should clarification or other action be required of the design engineer in connection with the RFI, Dudek's on-site CM will obtain a suitable response as soon as possible and continue to interface with the City's design engineer until the RFI is satisfactorily answered. Documentation of the entire RFI response process will be incorporated into the document tracking system.

PROGRESS PAYMENT

The Dudek Team realizes the importance of an accurate timely review of the progress for each month. The on-site construction manager will field measure pay quantities in accordance with Greenbook and project specifications. We will meet with the contractor and discuss the status of

pay quantities, schedule of values (if there are any lump sum bid items), and review the contractor's "as-builts" at the end of the month. The on-site CM will then make a recommendation to the City for the amount of the monthly progress payment application.

Ten (10) percent of approved payment will be set aside for retention. When the acceptable percentage of work installed exceeds 50%, the CM may entertain a contractor request for reduction of retention for satisfactory progress and make a recommendation to the City.

CONTRACTOR'S CLAIMS AND CHANGE ORDERS

The goal of the Dudek Team is to avoid claims and change orders altogether. However, this isn't realistic, as every project has changes to the contract, whether Owner generated, or as a result of changes to the contract documents. The key is to address any changes to the contract on a timely basis, not waiting until the end of the project, or when it is convenient. Potential changes must be dealt with quickly and brought to the attention of the on-site CM immediately. Documentation is extremely important. When a contractor submits a change order request we will insure that they provide proper documentation and justify their request. The on-site CM will promptly evaluate and provide a written position to the City prior to responding back officially to the contractor.

CHANGE ORDERS

The CM will have no authority to issue changes or modifications to the contract documents without approval of the City. The changes will be initiated by the City or requested by the contractor. The CM will track, document, and negotiate, all changes for added costs or credits with the contractor, and evaluate all schedule impacts of changes, in addition to advising the City of equitable costs and time adjustments for proposed or authorized changes. The CM will coordinate change order procedures for preparation of changes to be executed by the contractor and the City. Tracking logs and status for reporting of all changes is a part of the proposed document control system.

CLAIMS MANAGEMENT AND AVOIDANCE

Our approach to claims management focuses on claims avoidance during preconstruction and mitigation during construction. Claims avoidance techniques include constructability reviews of the design and contract documents, and identification and contract accommodation of potentially changed conditions such as subsurface features and proper structuring of bid documents.

Critical claims avoidance areas:

- Ambiguous contract documents
- Changed subsurface conditions
- Incomplete right of way acquisition
- Hazardous waste discovery / disposal
- Environmental document measures
- Delayed equipment or material delivery

EXHIBIT "B"

Payment Schedule (Fixed Fee Payment)

1. CONSULTANT shall be entitled to monthly payments toward the fees set forth herein in accordance with the following payment schedules.

CONSULTANT'S fees for such services shall be based upon the following hourly rate and cost schedule:

See Exhibit B.1 – Proposed Hourly Fee Schedule

Total fees shall not exceed Three Million Dollars (\$3,000,000.00). CONSULTANT agrees to inform the CITY when CONSULTANT is at the point of reaching the maximum limit. CONSULTANT shall not continue with any work effort over the amount of the maximum limit unless first authorized in writing by City authorized representative(s).

The hourly rates for years four and five shall increase based on the Consumer Price Index (CPI) for all Urban Consumers in the Los Angeles, Riverside or Orange County areas or 5%, whichever is lower.

2. Delivery of work product: A copy of every memorandum, letter, report, calculation and other documentation prepared by CONSULTANT shall be submitted to CITY to demonstrate progress toward completion of tasks. In the event CITY rejects or has comments on any such product, CITY shall identify specific requirements for satisfactory completion.

3. CONSULTANT shall submit to CITY an invoice for each monthly payment due. Such invoice shall:

- A) Reference this Agreement;
- B) Describe the services performed;
- C) Show the total amount of the payment due;
- D) Include a certification by a principal member of CONSULTANT's firm that the work has been performed in accordance with the provisions of this Agreement; and
- E) For all payments include an estimate of the percentage of work completed.

Upon submission of any such invoice, if CITY is satisfied that CONSULTANT is making satisfactory progress toward completion of tasks in accordance with this Agreement, CITY shall approve the invoice, in which event payment shall be made within thirty (30) days of receipt of the invoice by CITY. Such approval shall not be unreasonably withheld. If CITY does not approve an invoice, CITY shall notify CONSULTANT in writing of the reasons for non-approval and the schedule of performance set forth in Exhibit "A" may at the option of CITY be suspended until the parties agree that past performance by CONSULTANT is in, or has been brought into compliance, or until this Agreement has expired or is terminated as provided herein.

4. Any billings for extra work or additional services authorized in advance and in writing by CITY shall be invoiced separately to CITY. Such invoice shall contain all of the

information required above, and in addition shall list the hours expended and hourly rate charged for such time. Such invoices shall be approved by CITY if the work performed is in accordance with the extra work or additional services requested, and if CITY is satisfied that the statement of hours worked and costs incurred is accurate. Such approval shall not be unreasonably withheld. Any dispute between the parties concerning payment of such an invoice shall be treated as separate and apart from the ongoing performance of the remainder of this Agreement.

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Surfnet Exhibit B

**EXHIBIT B
Fixed Fee Payment**

EXHIBIT B.1

Mr. Eric Charlonne

Subject: *Cost Proposal for City of Huntington Beach As-Needed Construction Management and Administrative Support Services for Capital Improvement Projects*

City of Huntington Beach As-Needed Construction Management and Administrative Support Services Cost Proposal

March 26, 2008

Staff	Title	Rate
George Litzinger, PE	Principal Project Manager	\$160 per hour
Shannon Goodrich	Alternate Project Manager	\$150 per hour
George Litzinger, PE	Principal Engineer	\$160 per hour
Richard Cook	Senior Project Manager	\$150 per hour
Eric Honour	Area Construction Manager	\$140 per hour
William Gallegos	Senior Construction Manager/Resident Engineer	\$140 per hour
Scott Fisher	Project Engineer	\$135 per hour
William Harrison	Cost Estimator	\$160 per hour
Jim Courtney	Senior Planner/Permit Specialist	\$135 per hour
Paul Caligiuri	CADD Operator/Drafter	\$120 per hour
Raphael Miller	LEED Certified Inspector	\$125 per hour
Tom Kiskadden	Inspector/Construction Observer	\$110 per hour
Jason Linsdau	Assistant Construction Manager/Field Engineer	\$130 per hour
Deborah Maher	Clerical	\$75 per hour

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/26/2008

PRODUCER Phone: (360) 598-3700 Fax: (360) 598-3703
MICHAEL J. HALL & COMPANY
A/E INSURANCE SERVICES
19660 10TH AVENUE N.E.
POULSBO WA 98370

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

NAIC #

Agency Lic#: 0792445

INSURED
DUDEK
605 3RD STREET
ENCINITAS CA 92024

INSURER A: **FIREMAN'S FUND INSURANCE. CO.**

INSURER B: **GREENWICH INSURANCE COMPANY**

INSURER C:

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	MZG80878514	08/28/07	08/28/08	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED. EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP/OP AGG. \$ 2,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> DED: COMP-\$500/COLL-\$500	MZG80878514	08/28/07	08/28/08	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$
A		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 0	CGX78640687	08/28/07	08/28/08	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WZC80955059	08/28/07	08/28/08	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE-EA EMPLOYEE \$ 1,000,000 E.L. DISEASE-POLICY LIMIT \$ 1,000,000
B		OTHER: PROFESSIONAL LIABILITY POLLUTION LIABILITY CLAIMS MADE POLICY	PEC0024031	08/28/08	08/28/09	\$1,000,000 PER CLAIM \$1,000,000 AGGREGATE RETRO DATE: 1/1/70 DED: \$250,000

AS TO FORM
JENNIFER McGRATH
CITY ATTORNEY

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/ SPECIAL PROVISIONS
SEE SUPPLEMENTAL CERTIFICATE INFORMATION

CERTIFICATE HOLDER

CANCELLATION

City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED OR MATERIALLY CHANGED, BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.

E15.70

AUTHORIZED REPRESENTATIVE

Ashley L. Hurd
Ashley L. Hurd

Attention: Eric R Charlonne

SUPPLEMENT TO CERTIFICATE OF LIABILITY INS #78326

DATE
JUN 26 08

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

RE: As needed construction management and administrative support services.

City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers are an additional insured per written contract or agreement between insured and insured's client on the Commercial General Liability and Automobile Liability Policies as respects liability arising out of activities by or on behalf of the named insured

E15 . 71

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER: MZG80878514

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – (FORM B)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

E15 . 72

IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

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ATTACHMENT #3

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PROFESSIONAL SERVICES CONTRACT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
CIVILSOURCE FOR AS-NEEDED CONSTRUCTION
MANAGEMENT AND ADMINISTRATIVE SUPPORT SERVICES

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Huntington Beach, a municipal corporation of the State of California, hereinafter referred to as "CITY, and CIVILSOURCE, a California corporation hereinafter referred to as "CONSULTANT."

WHEREAS, CITY desires to engage the services of a consultant to provide as-needed construction management and administrative support services; and

Pursuant to documentation on file in the office of the City Clerk, the provisions of the Huntington Beach Municipal Code, Chapter 3.03, relating to procurement of professional service contracts have been complied with; and

CONSULTANT has been selected to perform these services,

NOW, THEREFORE, it is agreed by CITY and CONSULTANT as follows:

1. SCOPE OF SERVICES

CONSULTANT shall provide all services as described in **Exhibit "A,"** which is attached hereto and incorporated into this Agreement by this reference. These services shall sometimes hereinafter be referred to as the "PROJECT."

CONSULTANT hereby designates Amy Amirani who shall represent it and be its sole contact and agent in all consultations with CITY during the performance of this Agreement.

2. CITY STAFF ASSISTANCE

CITY shall assign a staff coordinator to work directly with CONSULTANT in the performance of this Agreement.

3. TERM; TIME OF PERFORMANCE

Time is of the essence of this Agreement. The services of CONSULTANT are to commence on _____ (the "Commencement Date"). This Agreement shall automatically terminate five (5) years from the Commencement Date, unless extended or sooner terminated as provided herein. All tasks specified in **Exhibit "A"** shall be completed no later than June 30, 2013 from the Commencement Date. The time for performance of the tasks identified in **Exhibit "A"** are generally to be shown in **Exhibit "A."** This schedule may be amended to benefit the PROJECT if mutually agreed to in writing by CITY and CONSULTANT.

In the event the Commencement Date precedes the Effective Date, CONSULTANT shall be bound by all terms and conditions as provided herein.

4. COMPENSATION

In consideration of the performance of the services described herein, CITY agrees to pay CONSULTANT on a time and materials basis at the rates specified in **Exhibit "B,"** which is attached hereto and incorporated by reference into this Agreement, a fee, including all costs and expenses, not to exceed Three Million Dollars (\$3,000,000.00).

5. EXTRA WORK

In the event CITY requires additional services not included in **Exhibit "A"** or changes in the scope of services described in **Exhibit "A,"** CONSULTANT will undertake such work only after receiving written authorization from CITY. Additional compensation for such extra work shall be allowed only if the prior written approval of CITY is obtained.

6. METHOD OF PAYMENT

CONSULTANT shall be paid pursuant to the terms of **Exhibit "B."**

7. DISPOSITION OF PLANS, ESTIMATES AND OTHER DOCUMENTS

CONSULTANT agrees that title to all materials prepared hereunder, including, without limitation, all original drawings, designs, reports, both field and office notices, calculations, computer code, language, data or programs, maps, memoranda, letters and other documents, shall belong to CITY, and CONSULTANT shall turn these materials over to CITY upon expiration or termination of this Agreement or upon PROJECT completion, whichever shall occur first. These materials may be used by CITY as it sees fit.

8. HOLD HARMLESS

CONSULTANT hereby agrees to protect, defend, indemnify and hold harmless CITY, its officers, elected or appointed officials, employees, agents and volunteers from and against any and all claims, damages, losses, expenses, judgments, demands and defense costs (including, without limitation, costs and fees of litigation of every nature or liability of any kind or nature) arising out of or in connection with CONSULTANT's (or CONSULTANT's subcontractors, if any) negligent (or alleged negligent) performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement by CONSULTANT, its officers, agents or employees except such loss or damage which was caused by the sole negligence or willful misconduct of CITY. CONSULTANT will conduct all defense at its sole cost and expense and CITY shall approve selection of CONSULTANT's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as limitation upon the amount of indemnification to be provided by CONSULTANT.

9. PROFESSIONAL LIABILITY INSURANCE

CONSULTANT shall obtain and furnish to CITY a professional liability insurance policy covering the work performed by it hereunder. This policy shall provide coverage for CONSULTANT's professional liability in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and in the aggregate. The above-mentioned insurance shall not contain a self-insured retention, "deductible" or any other similar form of limitation on the required coverage except with the express written consent of CITY. A claims-made policy shall be acceptable if the policy further provides that:

- A. The policy retroactive date coincides with or precedes the initiation of the scope of work (including subsequent policies purchased as renewals or replacements).
- B. CONSULTANT shall notify CITY of circumstances or incidents that might give rise to future claims.

CONSULTANT will make every effort to maintain similar insurance during the required extended period of coverage following PROJECT completion. If insurance is terminated for any reason, CONSULTANT agrees to purchase an extended reporting provision of at least two (2) years to report claims arising from work performed in connection with this Agreement.

If CONSULTANT fails or refuses to produce or maintain the insurance required by this section or fails or refuses to furnish the CITY with required proof that insurance has been procured and is in force and paid for, the CITY shall have the right, at the CITY's election, to forthwith terminate this Agreement. Such termination shall not effect Consultant's right to be paid for its time and materials expended prior to notification of termination. CONSULTANT

waives the right to receive compensation and agrees to indemnify the CITY for any work performed prior to approval of insurance by the CITY.

10. CERTIFICATE OF INSURANCE

Prior to commencing performance of the work hereunder, CONSULTANT shall furnish to CITY a certificate of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverage as required by this Agreement; the certificate shall:

- A. provide the name and policy number of each carrier and policy;
- B. state that the policy is currently in force; and
- C. shall promise that such policy shall not be suspended, voided or canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice; however, ten (10) days' prior written notice in the event of cancellation for nonpayment of premium.

CONSULTANT shall maintain the foregoing insurance coverage in force until the work under this Agreement is fully completed and accepted by CITY.

The requirement for carrying the foregoing insurance coverage shall not derogate from CONSULTANT's defense, hold harmless and indemnification obligations as set forth in this Agreement. CITY or its representative shall at all times have the right to demand the original or a copy of the policy of insurance. CONSULTANT shall pay, in a prompt and timely manner, the premiums on the insurance hereinabove required.

11. INDEPENDENT CONTRACTOR

CONSULTANT is, and shall be, acting at all times in the performance of this Agreement as an independent contractor herein and not as an employee of CITY. CONSULTANT shall secure at its own cost and expense, and be responsible for any and all

payment of all taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for CONSULTANT and its officers, agents and employees and all business licenses, if any, in connection with the PROJECT and/or the services to be performed hereunder.

12. TERMINATION OF AGREEMENT

All work required hereunder shall be performed in a good and workmanlike manner. CITY may terminate CONSULTANT's services hereunder at any time with or without cause, and whether or not the PROJECT is fully complete. Any termination of this Agreement by CITY shall be made in writing, notice of which shall be delivered to CONSULTANT as provided herein. In the event of termination, all finished and unfinished documents, exhibits, report, and evidence shall, at the option of CITY, become its property and shall be promptly delivered to it by CONSULTANT.

13. ASSIGNMENT AND DELEGATION

This Agreement is a personal service contract and the work hereunder shall not be assigned, delegated or subcontracted by CONSULTANT to any other person or entity without the prior express written consent of CITY. If an assignment, delegation or subcontract is approved, all approved assignees, delegates and subconsultants must satisfy the insurance requirements as set forth in Sections 9 and 10 hereinabove.

14. COPYRIGHTS/PATENTS

CITY shall own all rights to any patent or copyright on any work, item or material produced as a result of this Agreement.

15. CITY EMPLOYEES AND OFFICIALS

CONSULTANT shall employ no CITY official nor any regular CITY employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of the applicable provisions of the California Government Code.

16. NOTICES

Any notices, certificates, or other communications hereunder shall be given either by personal delivery to CONSULTANT's agent (as designated in Section 1 hereinabove) or to CITY as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, to the addresses specified below. CITY and CONSULTANT may designate different addresses to which subsequent notices, certificates or other communications will be sent by notifying the other party via personal delivery, a reputable overnight carrier or U. S. certified mail-return receipt requested:

TO CITY:

City of Huntington Beach
ATTN: Eric R. Charlonne
2000 Main Street
Huntington Beach, CA 92648

TO CONSULTANT:

CivilSource
Attn: Amy Amirani
500 Wald
Irvine, CA 92618

17. CONSENT

When CITY's consent/approval is required under this Agreement, its consent/approval for one transaction or event shall not be deemed to be a consent/approval to any subsequent occurrence of the same or any other transaction or event.

18. MODIFICATION

No waiver or modification of any language in this Agreement shall be valid unless in writing and duly executed by both parties.

19. SECTION HEADINGS

The titles, captions, section, paragraph and subject headings, and descriptive phrases at the beginning of the various sections in this Agreement are merely descriptive and are included solely for convenience of reference only and are not representative of matters included or excluded from such provisions, and do not interpret, define, limit or describe, or construe the intent of the parties or affect the construction or interpretation of any provision of this Agreement.

20. INTERPRETATION OF THIS AGREEMENT

The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. If any provision of this Agreement is held by an arbitrator or court of competent jurisdiction to be unenforceable, void, illegal or invalid, such holding shall not invalidate or affect the remaining covenants and provisions of this Agreement. No covenant or provision shall be deemed dependent upon any other unless so expressly provided here. As used in this Agreement, the masculine or neuter gender and singular or plural number shall be deemed to include the other whenever the context so indicates or requires. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no right to contract, then the latter shall prevail, and the provision of this Agreement which is hereby affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

21. DUPLICATE ORIGINAL

The original of this Agreement and one or more copies hereto have been prepared and signed in counterparts as duplicate originals, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original. Each duplicate original shall be deemed an original instrument as against any party who has signed it.

22. IMMIGRATION

CONSULTANT shall be responsible for full compliance with the immigration and naturalization laws of the United States and shall, in particular, comply with the provisions of the United States Code regarding employment verification.

23. LEGAL SERVICES SUBCONTRACTING PROHIBITED

CONSULTANT and CITY agree that CITY is not liable for payment of any subcontractor work involving legal services, and that such legal services are expressly outside the scope of services contemplated hereunder. CONSULTANT understands that pursuant to *Huntington Beach City Charter* Section 309, the City Attorney is the exclusive legal counsel for CITY; and CITY shall not be liable for payment of any legal services expenses incurred by CONSULTANT.

24. ATTORNEY'S FEES

In the event suit is brought by either party to construe, interpret and/or enforce the terms and/or provisions of this Agreement or to secure the performance hereof, each party shall bear its own attorney's fees, such that the prevailing party shall not be entitled to recover its attorney's fees from the nonprevailing party.

25. SURVIVAL

Terms and conditions of this Agreement, which by their sense and context survive the expiration or termination of this Agreement, shall so survive.

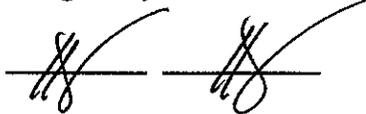
26. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

27. SIGNATORIES

Each undersigned represents and warrants that its signature hereinbelow has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify CITY fully for any injuries or damages to CITY in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

CONSULTANT's initials



28. ENTIRETY

The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily following extensive arm's length negotiation, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by that party or anyone acting on that party's behalf, which are not embodied in this Agreement, and that that party has not executed this Agreement in reliance on any representation, inducement, promise, agreement, warranty, fact or circumstance not expressly set forth in this Agreement. This Agreement, and the attached exhibits, contain the entire agreement between the parties respecting the subject matter of this

Agreement, and supersede all prior understandings and agreements whether oral or in writing between the parties respecting the subject matter hereof.

29. EFFECTIVE DATE

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers. This Agreement shall be effective on the date of its approval by the City Council. This Agreement shall expire when terminated as provided herein.

CIVILSOURCE, a California corporation

CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California

By: Amy Amiran
AMY AMIRANI
print name

ITS: (circle one) Chairman/President/Vice President

Mayor

AND

City Clerk

By: Amy Amiran
AMY AMIRANI
print name

ITS: (circle one) Secretary/Chief Financial Officer/Asst. Secretary - Treasurer

INITIATED AND APPROVED:

[Signature]
Director of Public Works

REVIEWED AND APPROVED:

[Signature]
City Administrator

APPROVED AS TO FORM:

[Signature] City Attorney
6.9.08
7.13.08
MV-6-8-07

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EXHIBIT "A"

A. STATEMENT OF WORK:

CONSULTANT shall provide construction management and administrative support services for various City capital improvement construction projects such as sewer lift stations, roadway rehabilitation, new park developments and waterline projects on an "as-needed" basis.

Due to the fact that some of the City projects will be funded by Federal or State grants, CONSULTANT must comply with requirements of Caltrans' Local Program Manual and the City of Huntington Beach Quality Assurance Plan for Federal and State Funded Projects and all applicable prevailing wage laws.

B. CONSULTANT'S DUTIES AND RESPONSIBILITIES:

CONSULTANT's duties and responsibilities shall follow provisions specified in the City of Huntington Beach As-Needed Construction Management and Administrative Support Typical Scope of Work (Exhibit A.1). Detailed services shall include but is not limited to the following scope of work shown in Exhibit A.2.

C. CITY'S DUTIES AND RESPONSIBILITIES:

1. Furnish a scope of work request for each project assigned.
2. Furnish construction plans and specifications to the consultant.

D. WORK PROGRAM/PROJECT SCHEDULE:

A project schedule will be developed for each project assigned by CITY.

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EXHIBIT A.1

Typical Scope of Work City of Huntington Beach Construction Management and Administration Services For City Capital Construction Projects

- 1.0 Project Description: This scope of services is to provide the typical construction management and administration services for various City Capital Improvement Projects. The following are the typical services and producibles anticipated for these projects.
- 2.0 Pre-Construction Services
 - 2.1 Attend the pre-bid meeting.
 - 2.2 Perform Constructability Reviews on 75% complete designs (*this will be a separate fee request, as needed*)
 - 2.3 Perform a thorough review of project design 100% design documents to become familiar with the project.
 - 2.4 Prepare the Construction Management Procedures Manual for each assigned project.
 - 2.5 Establish project filing and other record keeping systems.
- 3.0 Mobilization
 - 3.1 Pre-Construction Meeting. Schedule, notify appropriate parties, and conduct an initial pre-construction meeting with the Contractor. Prepare and distribute pre-construction minutes to attendees and other parties. The pre-construction meeting shall cover, as a minimum, the overall project objectives, responsibilities of key personnel and agencies, schedules, schedule of values (bid breakdown), procedures for handling submittals, correspondence, utility relocations, local agency permit requirements, requests for clarification, progress payments, change orders, safety issues, emergency response requirements, and other pertinent topics. Provide opportunities to have the Contractor's questions answered. Collect from the Contractor the submittal items required to be submitted at the pre-construction meeting.
- 4.0 Correspondence, Reports, and Other Forms of Communication
 - 4.1 Document Standards. Prepare project correspondence and other forms of communication in accordance with industry standard document control and management procedures.

- 4.2 Document/Tracking Control. Manage the receipt, logging, control, tracking, and timely processing of project documents, including correspondence and other forms of communication, technical documents, shop drawings, calculations, data, submittals, manuals, and samples received as part of the construction process, non-compliance, work to be completed, and other tracking logs as requested.
- 4.3 Records. Maintain records of inspections, reports, and test results received from the Contractor, Design Engineer, manufacturers, and others.

5.0 Site Conditions and Progress Visual Documentation

- 5.1 Pre-Construction Video. Coordinate and review the Contractor's videotape of pre-construction site conditions prior to beginning any construction operation. Confirm existing conditions within the limits of the work in adjacent areas and along access and haul roads. The Contractor's documentation shall clearly depict the pre-existing conditions of public and private improvements, including, but not limited to, street, drainage, utilities, landscaping, and irrigation improvements. Compare Contractor's pre-construction site surveys to the site surveys performed under this scope of work. Note any discrepancies and resolve issues. Describe in memorandum, submitted prior to the beginning of any construction operation, pre-existing damage identified within the limits of work and along access and haul roads. Meet with owners of pre-existing damage to document and confirm existing conditions. Document any damage to public and private improvements incurred during construction operations and meet with owners immediately following discovery of damage to resolve repair requirements and responsibilities.
- 5.2 Progress and Other Photos. Maintain a digital photographic library of significant construction activities. Include new piping and structures, relocated utilities, and connections to existing facilities. Take additional photographs to document differing site conditions, change order and claim items, and any special or unique conditions as they arise. Incorporate photographs taken by others into the overall photo documentation record of the project.

6.0 Meetings

- 6.1 Weekly to Monthly Construction Progress Meetings. Schedule and conduct construction progress meetings with the Contractor and the City. Provide meeting agendas and discuss the schedule, near-term activities, clarifications and problems which need resolution, coordination with other Contractors, status of change orders, submittals and RFIs, safety issues, OSHA visits and citations, and other topics. Identify action items and assign responsibility for the action and date action is to be completed. Prepare minutes of the meetings and include identified action items. Review the meeting minutes with the Contractor and obtain the Contractor's concurrence with the content. Distribute the minutes to the attendees within five calendar days of the meeting.
- 6.2 Other Meetings. Attend other construction-related meetings as requested by the City.

7.0 Shop Drawing and Submittal Reviews

- 7.1 Submittal Reviews. Review each submittal received from the Contractor for conformance with the requirements of the drawings and specifications. Check each submittal against the Contractor's schedule for potential impacts. Coordinate required reviews of submittals with the Design Engineer and the City. Submittals of a general nature are to be reviewed and processed by the Design Engineer. Distribute submittals to appropriate reviewers with dated transmittal letters.
- 7.2 Submittal Log and Status of Submittals. Log, track, and monitor shop drawings, calculations, data samples, submittals, and manuals from the Contractor. Update the submittal log as items are received and responses given. Prepare weekly exception reports identifying outstanding submittals and reviews. Review with the Contractor the status of submittals at the weekly construction meeting using the submittal log and the master submittal list.

8.0 Plan and Specification Interpretation and Control

- 8.1 Requests for Information (RFI). Coordinate the RFI log. Review and respond to Contractor RFI. Make every effort to review and provide appropriate response to RFI prior to involving the Design Engineer. Distribute RFI to appropriate staff and coordinate timely response. Review answers and prepare formal response to Contractor within five calendar days of receipt of response, or as needed to meet schedule requirements. Respond in writing to Contractor questions from a reasonable review of the drawings and specifications for clarification items. Record changes in the record specifications and plans.
- 8.2 Requests for Changes in Design. Review and respond to requests for design revisions by the Contractor. Responses to requests for design revisions require prior written approval from the City and/or Design Engineer. Revisions in design may take the form of value engineering (VE) and shall require extensive research, evaluation, and recommendation from the Design Engineer. Provide written recommendations, as required.
- 8.3 Field Orders. Initiate and review field orders when a change in the work is needed to maintain the design intent. Issue the field order to the Contractor and monitor the work for compliance. Track the issued field orders in a log. Record the changes in the record specifications and plans. If required, follow-up with a change order within 14 calendar days of mutual agreement with Contractor on pricing and conditions.
- 8.4 Substitution Requests. Coordinate evaluation of "or-equal" or product substitution requests with the Design Engineer, the City, vendors, manufacturers, and others. Prepare evaluation and recommendation for "or-equal" or product substitution request.
- 8.5 Record Drawings and Specifications. Update continually the plans and specifications as the work progresses. Incorporate modifications and changes from all sources, such as submittals, RFI, VE, field orders, extra work, and

change orders. Compare the record drawings and specifications with the Contractor record drawings and specifications monthly.

9.0 Construction Management Administration and Staffing

9.1 Management. Oversee, perform, and coordinate construction management services as required by the progress of the work. Prepare reports, letters, and memoranda; conduct meetings; monitor and track the expiration of insurance requirements and obtain updated certificates from the Contractor (City to process through Risk Management); coordinate subconsultants, testing, and specialty services; review daily inspection notes and identify and resolve nonconforming items; notify the City of significant problems and discrepancies; interpret drawings, specifications, and reference standards; monitor construction activities and schedules; resolve constructability problems; coordinate connections and operations; prepare change orders; review and notify the Contractor of test results; investigate claims; perform inspections; review the Contractor's project record drawings periodically and concurrently with Contractor progress payments; prepare project punch lists; and all other duties related to construction management as requested by the City.

9.2 Resolution of Day-to-Day Construction Issues. Lead resolution of day-to-day construction issues raised. Coordinate with the City, Design Engineer, and Contractor on technical issues and concerns, as well as interpretation of the design documents. Interface with the Design Engineer for resolution of technical issues, processing of change order requests or design changes to suit actual conditions encountered in the field.

10.0 Progress Payments

10.1 Monthly Review. Conduct monthly schedule and progress payment meetings with the Contractor and coordinate and update the record drawings at this meeting. The result of the meetings shall be the progress payment estimate and the baseline schedule. Coordinate the review of the Contractor's monthly progress payment request with City staff and prepare a recommendation stating the proper amount of payment. Use the Schedule of Values and actual quantities installed as a basis for the recommendation.

10.2 Prepare monthly progress reports, of 6 to 10 pages, for City staff.

11.0 Change Order Management

11.1 Identify and Track Changes. Identify and track potential changes to the work. Prepare, log, and monitor Contractor or City initiated changes to the work, extra work, and change orders.

11.2 Requests for Cost Proposals. Request cost proposals from the Contractor for extra work and negotiate final cost.

11.3 Justification of Extra Work or Change. Prepare written justification and cost estimates for each extra work or change item. Justification shall include a

statement of the extra work or change; background leading to issue; resolution alternatives and resolution recommendation for action by the City.

- 11.4 Prepare Change Orders. Prepare and submit change orders in the City's format to the City for written approval within seven calendar days of the finalization of negotiations.

12.0 Claims Management

- 12.1 Identify and Track Claims. Identify, prepare, log, and monitor Contractor potential claims. Report verbal and written claims immediately to the City. Coordinate claims with the City's Project Manager, Risk Manager, and General Counsel Office.
- 12.2 Resolution Alternative. Prepare written explanation of each claim with full background of issues, proposed resolution alternatives, and resolution recommendation for action.
- 12.3 Negotiate and Resolve Claims. Assist and support the City in resolving claims and disputes, including written responses to Contractor and private parties, giving depositions, assisting with dispute resolution, arbitration and litigation, serving as an expert witness, investigating claims for damages by private sources, design services for replacement of damaged work, and services made necessary by Contractor default. Negotiate claims to an agreed conclusion.
- 12.4 Private Party Claims. Investigate claims for damages by private parties and respond in writing within two calendar days of receipt of the claim. Coordinate the written response with the City's Project Manager and Risk Manager.

13.0 Quality Assurance

- 13.1 Inspection of the Work. Provide inspections as necessary to ensure that materials and workmanship are in compliance with the contract documents. Coordinate delivery, inspect for defects or missing parts, and oversee recording the receipt and storage of equipment. Inspect construction activities, which are identified in the contract documents to be performed at night, weekends, and/or holidays.
- 13.2 Reports. Prepare reports of the construction activities including weather conditions, Contractor's equipment and manpower, work performed, materials used, site visitors, noting delays in work and reasons for the delays, and deficiencies. Prepare reports of deviations and non-conformance to specifications and provide responses in accordance with the specification requirements.

- 13.3 Revisions to Contractor's Methods. Discuss appropriate revisions to the methods and procedures used in performing the work. Inspectors may not authorize extra work or approve of work that deviates from the contract documents. Any deviations must be authorized through the RFI process.
- 13.4 Deviations in the Work. Advise the City's Project Manager and the Contractor of deviations in the work and document any deviations. Record deviations that are not corrected and immediately deliver a Notice of Non-Compliance to the Contractor. Perform necessary follow-up to resolve Notices of Non-Compliance. Include unresolved Notices of Non-Compliance on substantial completion punch lists.
- 13.5 Pipeline Shutdowns. Coordinate necessary pipeline shutdowns, with City staff, to complete connections to existing facilities.
- 14.0 Geotechnical Engineering and Material Testing Services (by the City)
- 14.1 General Requirements. Schedule sampling, material testing, and laboratory services in accordance with the methods prescribed in current standards of the American Society for Testing and Materials (ASTM). The standards shall be applicable to the class and nature of the articles or materials under review unless otherwise stipulated in the project specifications, or authorized in writing by the City. *The City will hire the Geotechnical Engineer for each project*
- 15.0 Landscape and Revegetation Inspection (by the City)
- 15.1 General Requirements. Verify that inspection, sampling, and testing of landscape, irrigation, and revegetation systems to ensure contract compliance of all work and the establishment of all planting to the standards, quality, and density required of the contract documents.
- 15.2 Landscape Inspection and Testing. Verify that inspections and testing of irrigation systems for proper placement, installation, bedding and backfill, leakage, and coverage. System components to be inspected will include mainline and lateral irrigation pipe, valve manifold assemblies, backflow devices, quick couplers, and irrigation equipment. Receive and review all soil report data and soil amendment and fertilizer slips for conformance with contract documents.
- 16.0 Startup, Closeout, and Acceptance Services
- 16.1 Operation Testing Plan. The operational testing plan shall be developed in consultation with the City, Design Engineer, Contractor, and all appropriate vendors. Review and recommend the operational testing plan. Coordinate the testing of the equipment and facilities with the City, and assist Contractor's personnel as required during the startup phase.

- 16.2 Punch List. Prepare detailed project punchlists at substantial completion of the project. Upon correction of deficiencies, schedule, coordinate, and conduct a final walk-through prior to the acceptance of work with the City and other parties. Provide certification of Contractor's compliance on work items specifically requested by the City. Verify that work, testing, cleanup, and Contractor demobilization are complete.
- 16.3 Final Walk-Through. Schedule, coordinate, and conduct a final walk-through and project review prior to the acceptance of work with the City.
- 16.4 Recommended Acceptance. Recommend acceptance of the work in writing in preparation for issuance of the Certificate of Substantial Completion and/or Notice of Completion.
- 16.5 Closing Out Contract. Take the lead in negotiating and closing out the construction contract. Prepare the memorandum to the City recommending acceptance of the project and the Notice of Completion.
- 16.6 Final Project Records and Documents. *These records must be turned over to the City upon completion of the project*

17.0 Post Construction

- 17.1 Operations and Maintenance Materials. Deliver the Operations and Maintenance Manuals and any spare parts and equipment upon acceptance of the project by the City.
- 17.2 Record Drawings Certification. Review and certify that the Contractor's project record drawings are complete and accurate. Provide the drawings to the Design Engineer.
- 17.3 Final Payment. Recommend final payment in the form of release of retention to the Contractor in accordance with contract requirements. Verify that the Contractor has made all payments to the subcontractors and vendors and that any stop notices or liens have been released. Obtain a Conditional Waiver of Lien from the Contractor prior to recommending final payment.

18.0 Extended Services *(by separate fee request)*

- 20.1 Extended Services. Provide other miscellaneous specialty services as required during construction. Miscellaneous specialty services, which may be required, include, but are not limited to: mechanical, electrical, structural, and civil supplemental engineering design; witness testing; factory inspections; and noise and air quality monitoring services.

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SCOPE OF WORK

CivilSource understands the complex issues facing local agencies from project implementation thru construction completion. Our team consists of experienced public works professionals who possess the ability and knowledge to methodically support City staff in minimizing the complexity of these issues. We are equipped with first hand knowledge of municipal practices and procedures and are extensively familiar with government processes ranging from resident notifications to Board or City Council reviews.

The CivilSource project management team has the size, depth, and experience to be able to commit the necessary personnel to meet your schedules and deadlines. **We are represented by highly experienced construction professionals who have proven track records managing the construction of City projects.**

In the short time since CivilSource's inception, we have already been and continue to be successful in supporting other local cities by providing project administration, construction management and inspection services. We are proud of our expertise and are committed to exceeding our client's needs and reducing the quantity of work they face by maintaining the quality of ours.

The CivilSource project team has reviewed the Scope of Work as outlined in the Request for Proposal. CivilSource views construction management not simply as a list of tasks grouped by category but *a sequential and thorough process in which we have identified four phases: preconstruction, project start-up, construction and close-out.* We will provide all tasks listed in the RFP and any of the the following additional tasks we feel may be required to meet the project objectives.

PRE-CONSTRUCTION PHASE SERVICES

The success of a construction project is most often determined during the planning and design stage. Selecting a Construction Manager to provide preconstruction services in the early stages of the project enables the Architect/Engineer to maximize the improvements while maintaining the integrity of the design.

As a part of our construction management program, CivilSource can provide early analysis of the price of various design options, which allows the Architect/Engineer and Owner to select the appropriate systems to fit within their program and budget. Estimates and a project schedule are developed early in the design and refined as the design progresses. As design details are developed, *constructability reviews are conducted which are essential elements of project planning* that help to ensure the success of the project once it gets to the Construction Phase. This review process is continuous from the Conceptual Phase of the design through the completion of construction documents.

CivilSource has a proven track record of providing Preconstruction services through the planning and design phases of a project. We have the experience and expertise to assist the owner and architect/engineer in developing an overall design and construction plan which meets the specific needs of the project by providing:

- Value Engineering Analysis
- Project Schedule Preparation
- System Analysis
- Continuous Interactive Communication
- Accurate Early Estimates of Cost
- Constructability Reviews
- Early Purchasing

Our tasks can include the aforementioned items and will include Bid/Award coordination, thorough review of 100% design documents, preparing Construction Management Procedures Manuals, establishing project files, and other tasks that are undertaken in the Pre-construction Phase.

PROJECT START-UP, COORDINATION, AND ORIENTATION PHASE

This brief phase is essential to establishing communications, setting protocols, and building the procedural framework for the



EXHIBIT A.2

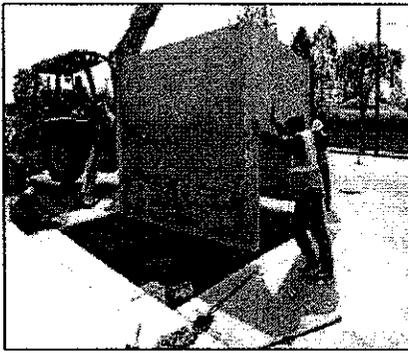
Construction Management & Administrative Support for Capital

Scope of Work

project. In particular, we establish communications between the project team, including the construction management team, City staff, the engineering design team, the Contractor, utility companies, and other essential parties at interest, to the resolution of construction issues.

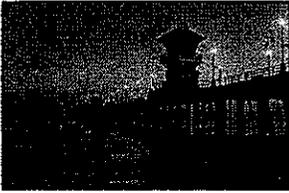
The following discussion reiterates some of the key tasks during this phase and briefly explains our approach.

- Review funding with the City of Huntington Beach to affirm the special requirements affecting the work, and identifying accounting and reporting requirements that will be followed.
- Review project plans and conduct a field review to become familiar with the project requirements, and notify the City of any design ambiguities. CivilSource will attend all field review meetings and prepare field review reports.



- Develop a project specific management plan, that outlines the procedures for all team communications, reporting, review and approval of critical submittals, protocol for weekly meetings, distribution of documentation, change order procedures, and other necessary procedures in order to streamline the project. We will ensure there is buy-in from all project members prior to the start of construction.
- Establish and ensure implementation of a coordination plan to coordinate work (e.g. utility facility relocations) and work impact (e.g. traffic and access) with all affected agencies including utilities, police and fire departments, home owner associations and special districts. CivilSource will conduct all necessary coordinating meetings with City staff, design engineer, contractor, subcontractors, utility companies, and other agencies as required.

- Coordinate and conduct a pre-construction meeting and prepare meeting minutes for distribution. The pre-construction meeting will cover, as a minimum, the overall project objectives, responsibilities of key personnel and agencies, schedules, schedule of values, submittal procedures, correspondence, utility relocations, local agency permit requirements, RFQ/RFI processes, progress payments, change orders, safety issues, emergency response requirements, and all other pertinent topics. CivilSource will provide opportunities to have the Contractor's questions answered and will collect all of the required submittal items at that time.
- **We recommend the City requests that the Contractor perform a Contractor's Constructability review** prior to the start of construction. This review will identify many RFI's that would be submitted during the course of construction. By doing this upfront, each issue can be addressed without the time pressures that only increase later as the project progresses.
- Prepare for and deliver to the City, with input from the Contractor(s), an overall site logistics plan. This plan will outline items like *staging, phasing, circulation for public access to and from businesses and neighborhoods, fire department access during construction, delivery path of travel, public safety concerns, and signage required* during construction of the project, and other necessary information in order to create an efficient and safe project site.
- Review the Contractor(s) bonding and insurance information to ensure compliance with City requirements.
- Review Contractor(s) Safety Program for compliance with City standards as well as any OSHA regulations. Recommend Contractor(s) submit "site Specific" safety plans that identify the risks and liability arising from specific operations relating to the two projects.



CONSTRUCTION PHASE

Approach to Tasks

CivilSource will focus on the daily tasks that are required to ensure the Contractor is executing the work according to the accepted CPM baseline schedule, the design team is responding in a timely manner, the budget is maintained, and the City is informed and involved on all decisions and aspects as the project is delivered. Timing is critical and expedient managerial procedures will be a key factor for staying on schedule and within budget.

The following discussion reiterates some of the key tasks to be performed in the Construction Phase, and briefly explains our approach.

Construction Management

- Work as an extension of City staff. CivilSource will serve as an extension of the City staff on this project. This is our accustomed method of working and the best way both to ensure a close working relationship and to assure all City objectives are fully met.
- Coordinate weekly progress meetings with City staff and the Contractor to update the status of the project. CivilSource will discuss the schedule, near-term activities, clarifications and problems which need resolution, coordination with other contractors, change order/submittal/RFI status, safety issues, OSHA visits and citations, etc. Coordination shall also include preparation of agendas and meeting minutes. Meeting minutes will be distributed to the Contractor and City Staff for comments within three days and the final and approved minutes within two working days of receipt of comments.
- Provide project coordination for project control during the construction period. We will monitor the contractor's work progress, personnel, equipment and materials to ensure that adequate resources are available to meet the project schedule and that the contractor's work is in compliance with the contract documents. Coordination will include ensuring that City activities (such as bus routes, street sweeping and trash pick-up) and responsibilities are addressed and appropriately scheduled so as not to affect the progress of the work. We will represent the City's interests among the contractor, subcontractors, utility companies, state inspectors, businesses and the general public. CivilSource will maintain the ability to communicate via telephone, fax and e-mail from the project site.
- Maintain record drawings and documents on-site. CivilSource will require the Contractor to maintain an updated set of drawings, specifications, addenda, bulletins, change orders, or other document updates at the jobsite. Updates shall incorporate modifications and changes from all sources such as submittals, RFIs, field orders, etc. As a condition of approving the monthly application for payment, we will review the record drawings and documents on-site to ensure updates are being provided in a timely manner.
- Submit written progress reports to City. On a monthly basis, we will generate written progress reports that document all aspects of the project's progress, including daily reports, schedule, budget, executed and potential change orders, changes in traffic control for the upcoming work, submittal status, consultant performance, payment application status, labor compliance, safety, list of all failed tests to date, list of all claims to date, list of all accidents to date, status of current RFI's and other information deemed necessary for the City's benefit and information. The report shall also include progress photographs and a 4-week look ahead.
- Process Requests for Information (RFI) and ensure timely distribution to and response by appropriate project team members (City staff, Engineer, other agencies). Response to RFIs shall take no longer than 7 calendar days. We will coordinate all technical support and constructability reviews during preparation of responses to RFIs and maintain an RFI log to track closed and outstanding RFIs. The RFI log shall be updated weekly at a minimum, and reviewed at weekly progress meetings.
- Ensure an efficient submittal process, beginning with the contractor submitting a submittal schedule for review



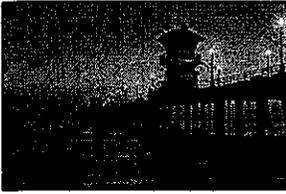
EXHIBIT A.2

Construction Management & Administrative Support for Capital

Scope of Work

within 10 calendar days after the effective date of the construction contract. CivilSource will provide technical support during review of the submittal schedule (and at a minimum weekly thereafter) to ensure compliance with the contract documents *and note any matters of concern to the City*, such as potential impacts to schedule. We will monitor, process, and forward for approval all submittals and ensure timely distribution to and review by appropriate project team members (City staff, engineer, and other agencies). Submittal reviews shall take no longer than 30 calendar days after submittal is received. It shall be our responsibility to verify, prior to final approval, that any changes or revisions to submittals do not result in changes to the contract scope of work. We will also log, track and monitor all submittals and update logs as items are received and responses given.

- Review and recommend for approval the contractors' CPM baseline schedule which shall be submitted for review within 10 calendar days after the effective date of the construction contract; and upon review and acceptance, will be adopted for the remainder of the project. The Contractor shall not be allowed to start construction work prior to the acceptance of a baseline schedule. We will monitor work progress in accordance with this baseline schedule on a daily, weekly, monthly basis to ensure the Contractor maintains all milestone and critical-path dates. Indicated slippage will be addressed during the project meetings and written reports. We will require the Contractor to provide an updated construction schedule monthly at a minimum for review at weekly progress meetings.
- Ensure that contractor submits a Schedule of Values (SOV) for review within the specified time in the contract documents. We will confirm that the submitted SOV are in compliance with the contract documents.
- Review and respond to requests for design revisions by the contractor. CivilSource will provide recommendations and forward all responses for approval to the City and/or design engineer prior to transmitting to the Contractor.
- Coordinate evaluation of substitution requests. CivilSource will coordinate evaluation of "or-equal" or product substitution requests with the design engineer, City, vendors, manufacturers and others. We will prepare evaluation and recommendations for "or-equal" or product substitution requests.
- Initiate and review field orders when a change in the work is needed to maintain the design intent. We will issue field orders to the Contractor and monitor the work for compliance. Changes will be logged and recorded in the record specifications and plans. If required, we will follow-up with a change order within 14 calendar days of mutual agreement with the Contractor on pricing and conditions.
- Review and evaluate Contractor change orders. CivilSource will act on behalf of the City and receive, evaluate, negotiate, and recommend for approval any change orders that are submitted. We will use our expertise in evaluating change orders by applying knowledge of prevailing wage rates, material unit cost guide publications, quantity take-offs, or other measures required in order to substantiate and/or negotiate change orders. We will provide easily accessible change order information by maintaining a Change Order log that tracks executed and potential change orders and monitors the amounts against the total construction contract. The log shall be updated weekly at a minimum, and reviewed at weekly progress meetings. CivilSource will not direct the contractor to proceed with any change order work without a fully executed change order or prior written authorization from the City.
- Create and maintain a daily account of all construction activities. We will request, review, analyze, and use for reporting, the daily construction reports as generated by the Contractor(s). This will be a vital source of information for identifying and reviewing potential delays, weather impacts, labor shortages, untimely deliveries of long lead items, and other factors that can lead to schedule and cost impacts. Adverse findings will be included as discussion in weekly meetings with all project team members.
- Perform weekly progress photos and a video survey at project initiation. CivilSource will perform and require the Contractor to perform, and will review for completeness and quality, the essential photographic logging as required in this project. Documentation will be used for monthly reporting to City, updates for informational websites, and



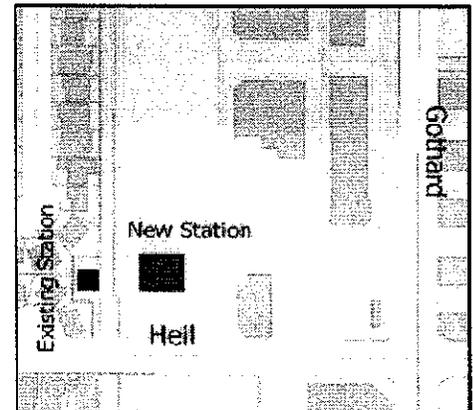
documentation for any potential claims by Contractor. Photos and a video survey will also ensure that the site is returned to its original condition at the end of the construction period.

- Oversee the Contractor Quality Assurance and Quality Control Program. This is very important to the success of any project. We will establish a protocol with the Contractor for monitoring the installed work on a day to day basis for compliance. We will require that the Contractor submit a project specific QA/QC program that specifically outlines critical issues regarding the components or systems of the project. We will also require the Contractor designate an on-site team member as the QA/QC manager, and that this individual be responsible for conducting walkthroughs to perform period checklist to ensure all work complies with the QA/QC manual. Any deficiencies will be documented and all remedial work will be managed by CivilSource and the necessary consultants.
- Review, and forward for approval, the Contractor Payment Applications. CivilSource will conduct the monthly “pencil draft” with the contractor to review the progress to date and verify that payment applications represent work in place and are in compliance with the accepted Schedule of Values and the requirements of the construction documents. Once the payment applications are reviewed and approved, and once we have verified that the contractor’s record drawings are current, the construction schedule is updated, and weekly certified payroll reports are submitted, we will forward to the City for approval.
- Collect and review certified payroll. CivilSource will ensure all certified payroll reports are submitted each month with the payment applications. We will use our in-house expertise to review these reports, verify payroll amounts against wage reports, and then submit to City for filing.

Administration

CivilSource will maintain all project documents in an organized manner to provide for efficient document control.

- Project correspondence and forms of communication will be prepared in accordance with industry standard document control and management procedures.
- We will manage the receipt, logging, control, tracking, and timely processing of project documents, including correspondence and other forms of communication, technical documents, shop drawings, calculations, data, submittals, manuals, and samples received as part of the construction process, non-compliance, work to be completed, and other tracking logs as requested in the City’s RFP.
- Records of inspections, reports, and test results will be properly maintained.
- Insurance requirements will be monitored and tracked and updated insurance certificates obtained from the Contractor



New location for Heil Pump Station

Inspection

Detailed and accurate inspection of the contractor's work is required for successful project competition. Our Resident Inspector and will discuss any appropriate revisions to the Contractor’s methods and coordinate with the City's project manager and inspector at all times that work is progressing.

- Perform daily field and quality control inspections of the Contractor’s work, submittals, and construction materials to ensure all conform to the contract documents, City codes and ordinances, “Greenbook” Standard Specifications and all other applicable codes and regulations. Health and safety measure will be strictly enforced to maintain a safe construction environment.



EXHIBIT A.2

Construction Management & Administrative Support for Capital

Scope of Work

- Coordinate the work of the soils and materials testing and inspection services. We understand that the City will hire the Geotechnical Engineer for each project.
- Coordinate the work of landscape and vegetation Inspection. We understand that the landscape and vegetation inspection will be conducted by the City. We will, however, verify the inspection, sampling, and testing of landscape, irrigation and revegetation systems. We will also verify inspections and testing of irrigation systems for proper placement, installation bedding, backfill, leakage and coverage.
- Ensure compliance with environmental regulations. The inspector will confirm that the contractor is in full compliance with the Clean Water Act and require that the Contractor provide and maintain at all times during construction devices to promptly remove and dispose of all water entering the work area. We will monitor work to ensure full compliance with NPDES regulations and coordinate all other environmental compliance monitoring as required.
- Prepare daily reports detailing work completed and/or other activities for each day the contractor performs work. Daily reports will be kept in a bound notebook and will state at a minimum the date, weather conditions, progression of work, materials used, and subcontractors, equipment and employees on site. We will also prepare reports of deviations and non-conformance to specifications and provide responses in accordance with the specification requirements. Notices of Non-Compliance will be immediately delivered to the Contractor for any and all deviations.
- Coordinate pipeline shutdowns, if necessary, with City staff to complete connections to existing facilities.
- Ensure submittal and implementation of a traffic control plan that is in accordance with the latest "Work Area Traffic Control Handbook" (WATCH) manual requirements, the City's requirements, and the contract documents (Section 7-10 of the Special Provisions).

CLOSE-OUT PHASE

CivilSource will receive, review and approve all Contractors closeout documents, tools and other turnover items as required in the project contract documents. We will coordinate and attend a final acceptance inspection, assist in the preparation of punch list items, and attend any additional meetings required as part of the project closeout. We will coordinate with city departments, other public agencies, utility companies, and other interested parties in the final closeout of the project, prepare a final report for staff and turn over all project documents and other information related to the project including: the complete project files, all photos on DVD, and red-lined as-built plans.

CivilSource is committed to executing an expedient close-out schedule. We have had considerable success in outlining the requirements during the initial start of construction and monitoring progress on a monthly basis with milestones.

Our philosophy on such projects is that "Close-Out starts during Pre-construction." Our efforts will begin up-front, to outline and anticipate all project close-out deliverables including as-builts, warranties, O&M manuals, attic stock, training classes, and other components required by the City. Financial close-out is a separate critical activity, and it is best to have the Contractor negotiate final contract amounts once their subcontractors' scope of work is complete. This prevents subcontractors from having an extended amount of time which might cause unsubstantiated change orders or claims.

The following discussion reiterates some of the key tasks to be performed in the Close-Out Phase, and briefly explains our approach.

- Operation Testing Plan. CivilSource will develop an operation testing plan in consultation with the City, Design Engineer, Contractor and all appropriate vendors. We will also coordinate the testing of equipment and facilities with the City, and assist Contractor's personnel as required during the startup phase.

EXHIBIT A.2

Construction Management & Administrative Support for Capital

Scope of Work

- Substantial completion. CivilSource will oversee issuance and confirm the achievement of the Certificate of Substantial Completion. We will conduct a walk-thru with the engineering design team and City staff member to ensure beneficial occupancy has been achieved. We will then ensure the engineer issues the Certificate for all parties to sign.
- Compile detailed punch-lists with City, Consultants, and Contractor. The CivilSource Project Manager will conduct a preliminary walk-through with the Contractor to ensure there are no blatant issues and to generate a preliminary punch-list. After completion of the preliminary punch-list items, the Project Manager will conduct a punch-list walk-through with the Consultants to generate a second punch-list, if required. After completion of the consultant's punch list items, the Project Manager will conduct the official punch-list walk-through with City staff and the Engineer (and all subs if necessary) to generate the official and final punch list. We have found in our past experience that scheduling separate walk-throughs allows adequate time with each party and limits the time required of City Staff. It will also ensure that punch lists are issued and completed in the scheduled timeframe.
- Coordinate to complete Close-Out deliverables. CivilSource will monitor the collection and completeness of the close-out packages for all components, and then forward them to the City. O&M manuals will be drafted and collected from the Contractor and will be forwarded to both the Architect and City for review and approval prior to Contractor submitting final drafts. We will ensure as-builts have been completed according to the specifications and also to the satisfaction of the City's record-keeping division. We will cause all Warranties to be forwarded to the City for review and acceptance, and attic stock items to be coordinated with and delivered to City staff for proper storage.
- Evaluate Contractor claims. In the event Contractor claims arise, CivilSource will act on behalf of the City to review, evaluate, negotiate and recommend rejection/approval of such claims by our in house expertise. All potential claims will be identified, logged, monitored and reported immediately to the City. We will prepare written explanations of each claim with full background of issues, proposed resolution alternatives, and resolution recommendations for action. If it is warranted, and the added service is requested by the City, we will retain outside professional services to provide additional expertise.
- Evaluate private party claims. We will investigate claims for damages by private parties and respond in writing within two calendar days of receipt of claim. Responses will be coordinated with the City's Project Manager and Risk Manager.
- Filing of the Notice to Completion. We will advise the City when this is appropriate based on all expired time and other conditions required.
- Conclude when Final Completion has been achieved. CivilSource will monitor and advise the City as to when Final Completion has been achieved.
- Review Final Payment Application. CivilSource will review for completeness, and forward to City for approval, the Contractor(s) Final Application for Payment.



Brighton/Shoreham
Sewer Lift Station

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EXHIBIT "B"

Payment Schedule (Fixed Fee Payment)

1. CONSULTANT shall be entitled to monthly payments toward the fees set forth herein in accordance with the following payment schedules.

CONSULTANT'S fees for such services shall be based upon the following hourly rate and cost schedule:

See Exhibit B.1 – Proposed Hourly Fee Schedule

Total fees shall not exceed Three Million Dollars (\$3,000,000.00). CONSULTANT agrees to inform the CITY when CONSULTANT is at the point of reaching the maximum limit. CONSULTANT shall not continue with any work effort over the amount of the maximum limit unless first authorized in writing by City authorized representative(s).

The hourly rates for years four and five shall increase based on the Consumer Price Index (CPI) for all Urban Consumers in the Los Angeles, Riverside or Orange County areas or 5%, whichever is lower.

2. Delivery of work product: A copy of every memorandum, letter, report, calculation and other documentation prepared by CONSULTANT shall be submitted to CITY to demonstrate progress toward completion of tasks. In the event CITY rejects or has comments on any such product, CITY shall identify specific requirements for satisfactory completion.

3. CONSULTANT shall submit to CITY an invoice for each monthly payment due. Such invoice shall:

- A) Reference this Agreement;
- B) Describe the services performed;
- C) Show the total amount of the payment due;
- D) Include a certification by a principal member of CONSULTANT's firm that the work has been performed in accordance with the provisions of this Agreement; and
- E) For all payments include an estimate of the percentage of work completed.

Upon submission of any such invoice, if CITY is satisfied that CONSULTANT is making satisfactory progress toward completion of tasks in accordance with this Agreement, CITY shall approve the invoice, in which event payment shall be made within thirty (30) days of receipt of the invoice by CITY. Such approval shall not be unreasonably withheld. If CITY does not approve an invoice, CITY shall notify CONSULTANT in writing of the reasons for non-approval and the schedule of performance set forth in Exhibit "A" may at the option of CITY be suspended until the parties agree that past performance by CONSULTANT is in, or has been brought into compliance, or until this Agreement has expired or is terminated as provided herein.

4. Any billings for extra work or additional services authorized in advance and in writing by CITY shall be invoiced separately to CITY. Such invoice shall contain all of the

information required above, and in addition shall list the hours expended and hourly rate charged for such time. Such invoices shall be approved by CITY if the work performed is in accordance with the extra work or additional services requested, and if CITY is satisfied that the statement of hours worked and costs incurred is accurate. Such approval shall not be unreasonably withheld. Any dispute between the parties concerning payment of such an invoice shall be treated as separate and apart from the ongoing performance of the remainder of this Agreement.

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Surfnet Exhibit B

**EXHIBIT B
Fixed Fee Payment**

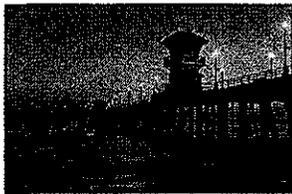


EXHIBIT B.1

Construction Management & Administrative Support for Capital Rate Schedule

RATE SCHEDULE

Range of Hourly Rates: All Employees in company/field office or in City offices.

Effective: For the duration of this contract.

<u>PROGRAM / CONSTRUCTION MANAGEMENT</u>	<u>HOURLY RATE</u>
Principal/Project Director	\$145
Principal/Alternate Project Manager	\$110
Principal Engineer	\$110
Senior Project Manager, Area/Senior Construction Manager	\$100
Construction Manager/Resident Engineer	\$100
Project Engineer	\$100
Scheduling/Cost Engineer	\$90
Senior Planner/Permit Specialist	\$80
CADD Operator/Drafter	\$70
LEED Certified Inspector	\$100
Senior Field Inspector	\$89
Contract Administration	\$58

<u>PUBLIC WORKS SERVICES GROUPS</u>	<u>HOURLY RATE</u>
Technical Support	\$54
Administration	\$54

<u>REIMBURSABLE EXPENSES</u>	<u>COST</u>
Reproduction	Cost
Consultant Services	Cost
Automobile Transportation	\$.40 per mile
Delivery, Freight, Courier	Cost
Agency Fees	Cost
Commercial Travel	Cost

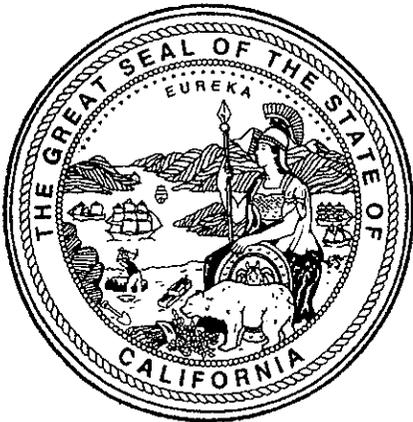
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**State of California
Secretary of State**



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

OCT 2 2006

A handwritten signature in black ink, appearing to read "Bruce McPherson".

BRUCE McPHERSON
Secretary of State

E15 . 104

2929069

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

SEP 15 2006

ARTICLES OF INCORPORATION

OF

CIVILSOURCE, INC.

ARTICLE I

The corporation name is CivilSource, Inc.

ARTICLE II

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business, or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

The name and complete address in the State of California of the Corporation's initial agent for service of process is:

Amy Amirani
500 Wald
Irvine, CA 92618

ARTICLE IV

The Corporation is authorized to issue only one class of shares, which shall be designated Common Shares. The total number of Common Shares that the Corporation is authorized to issue is one hundred (100) shares.

ARTICLE V

(a) The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

(b) The Corporation is authorized to indemnify the "Agents" (as defined in Section 317 of the California Corporations Code) of the Corporation to the fullest extent permissible under California law.

(c) Any repeal or amendment of this Article V shall not adversely affect any right of or protection afforded any agent of the Corporation in effect at the time of the repeal or amendment.



Michael A. Ross
Incorporator



E15 . 105

ACORD™ CERTIFICATE OF LIABILITY INSURANCE DATE (MM/DD/YY)
06/26/08

PRODUCER
Dealey, Renton & Associates
P. O. Box 10550
Santa Ana, CA 92711-0550
714 427-6810

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
Civil Source
500 Wald Street
Irvine, CA 92618

INSURER A: **The Travelers Indemnity Co of CT**
INSURER B: **Travelers Property Casualty**
INSURER C: **St. Paul Fire & Marine Ins. Co.**
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	6802810L758	07/20/07	07/20/09	EACH OCCURRENCE	\$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	General Liability excludes claims rising out of the performance of professional services			FIRE DAMAGE (Any one fire)	\$300,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$5,000
					PERSONAL & ADV INJURY	\$1,000,000
GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE	\$2,000,000
<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					PRODUCTS - COMP/OP AGG	\$2,000,000
B	AUTOMOBILE LIABILITY	BA4592L377	07/20/07	07/20/09	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
	<input type="checkbox"/> ANY AUTO	APPROVED AS TO FORM <i>Jennifer McGrath</i> JENNIFER McGRATH, City Attorney 6/26/08			BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
<input checked="" type="checkbox"/> HIRED AUTOS						
<input checked="" type="checkbox"/> NON-OWNED AUTOS						
GARAGE LIABILITY					AUTO ONLY - EA ACCIDENT	\$
<input type="checkbox"/> ANY AUTO					OTHER THAN EA ACC AGG	\$
B	EXCESS LIABILITY	CUP6772Y251	07/20/07	07/20/09	EACH OCCURRENCE	\$1,000,000
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE	Excludes Prof'l. Liability Following Form			AGGREGATE	\$1,000,000
<input type="checkbox"/> DEDUCTIBLE RETENTION \$						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	UB6771Y51807	07/20/07	07/20/09	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	
					<input type="checkbox"/> OTHER	
					E.L. EACH ACCIDENT	\$1,000,000
					E.L. DISEASE - EA EMPLOYEE	\$1,000,000
				E.L. DISEASE - POLICY LIMIT	\$1,000,000	
C	OTHER Prof'l. Liab Claims Made Full Prior Acts	QP03810787	07/20/07	07/20/08	\$2,000,000 per claim	\$2,000,000 annl aggr.
\$0 ded per claim						

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Re: On Call Construction Management Projects

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER: _____

CANCELLATION Ten Day Notice for Non-Payment of Premium

City of Huntington Beach
Attn: Eric Charlonne
2000 Main Street
Huntington Beach, CA 92648

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL SEND BY MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.
 AUTHORIZED REPRESENTATIVE
Kathleen A. Vassoy

E15 . 107

ATTACHMENT #4

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PROFESSIONAL SERVICES CONTRACT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
IDS GROUP, INC. FOR AS-NEEDED CONSTRUCTION
MANAGEMENT AND ADMINISTRATIVE SUPPORT SERVICES

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PROFESSIONAL SERVICES CONTRACT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
IDS GROUP, INC. FOR AS-NEEDED CONSTRUCTION
MANAGEMENT AND ADMINISTRATIVE SUPPORT SERVICES

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Huntington Beach, a municipal corporation of the State of California, hereinafter referred to as "CITY, and IDS GROUP, INC., a California corporation hereinafter referred to as "CONSULTANT."

WHEREAS, CITY desires to engage the services of a consultant to provide as-needed construction management and administrative support services; and

Pursuant to documentation on file in the office of the City Clerk, the provisions of the Huntington Beach Municipal Code, Chapter 3.03, relating to procurement of professional service contracts have been complied with; and

CONSULTANT has been selected to perform these services,

NOW, THEREFORE, it is agreed by CITY and CONSULTANT as follows:

1. SCOPE OF SERVICES

CONSULTANT shall provide all services as described in **Exhibit "A,"** which is attached hereto and incorporated into this Agreement by this reference. These services shall sometimes hereinafter be referred to as the "PROJECT."

CONSULTANT hereby designates Michael Wolfe who shall represent it in all consultations with CITY during the performance of this Agreement.

2. CITY STAFF ASSISTANCE

CITY shall assign a staff coordinator to work directly with CONSULTANT in the performance of this Agreement.

3. TERM; TIME OF PERFORMANCE

Time is of the essence of this Agreement. The services of CONSULTANT are to commence on _____ (the "Commencement Date"). This Agreement shall automatically terminate five (5) years from the Commencement Date, unless extended or sooner terminated as provided herein. All tasks specified in **Exhibit "A"** shall be completed no later than June 30, 2013 from the Commencement Date. The time for performance of the tasks identified in **Exhibit "A"** are generally to be shown in **Exhibit "A."** This schedule may be amended to benefit the PROJECT if mutually agreed to in writing by CITY and CONSULTANT.

In the event the Commencement Date precedes the Effective Date, CONSULTANT shall be bound by all terms and conditions as provided herein.

4. COMPENSATION

In consideration of the performance of the services described herein, CITY agrees to pay CONSULTANT on a time and materials basis at the rates specified in **Exhibit "B,"** which is attached hereto and incorporated by reference into this Agreement, a fee, including all costs and expenses, not to exceed Three Million Dollars (\$3,000,000.00).

5. EXTRA WORK

In the event CITY requires additional services not included in **Exhibit "A"** or changes in the scope of services described in **Exhibit "A,"** CONSULTANT will undertake such work only after receiving written authorization from CITY. Additional compensation for such extra work shall be allowed only if the prior written approval of CITY is obtained.

6. METHOD OF PAYMENT

CONSULTANT shall be paid pursuant to the terms of **Exhibit "B."**

7. DISPOSITION OF PLANS, ESTIMATES AND OTHER DOCUMENTS

CONSULTANT agrees that title to all materials prepared hereunder, including, without limitation, all original drawings, designs, reports, both field and office notices, calculations, computer code, language, data or programs, maps, memoranda, letters and other documents, shall belong to CITY, and CONSULTANT shall turn these materials over to CITY upon expiration or termination of this Agreement or upon PROJECT completion, whichever shall occur first. These materials may be used by CITY as it sees fit.

8. HOLD HARMLESS

CONSULTANT hereby agrees to protect, defend, indemnify and hold harmless CITY, its officers, elected or appointed officials, employees, agents and volunteers from and against any and all claims, damages, losses, expenses, judgments, demands and defense costs (including, without limitation, costs and fees of litigation of every nature or liability of any kind or nature) arising out of or in connection with CONSULTANT's (or CONSULTANT's subcontractors, if any) negligent performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement by CONSULTANT, its officers, agents or employees except such loss or damage which was caused by the sole negligence or willful misconduct of CITY. CONSULTANT will conduct all defense at its sole cost and expense and CITY shall approve selection of CONSULTANT's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as limitation upon the amount of indemnification to be provided by CONSULTANT. (Modification per attached Waiver.)

9. PROFESSIONAL LIABILITY INSURANCE

CONSULTANT shall obtain and furnish to CITY a professional liability insurance policy covering the work performed by it hereunder. This policy shall provide coverage for CONSULTANT's professional liability in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and in the aggregate. The above-mentioned insurance shall not contain a self-insured retention, "deductible" or any other similar form of limitation on the required coverage except with the express written consent of CITY. A claims-made policy shall be acceptable if the policy further provides that:

- A. The policy retroactive date coincides with or precedes the initiation of the scope of work (including subsequent policies purchased as renewals or replacements).
- B. CONSULTANT shall notify CITY of circumstances or incidents that might give rise to future claims.

CONSULTANT will make every effort to maintain similar insurance during the required extended period of coverage following PROJECT completion. If insurance is terminated for any reason, CONSULTANT agrees to purchase an extended reporting provision of at least two (2) years to report claims arising from work performed in connection with this Agreement.

If CONSULTANT fails or refuses to produce or maintain the insurance required by this section or fails or refuses to furnish the CITY with required proof that insurance has been procured and is in force and paid for, the CITY shall have the right, at the CITY's election, to forthwith terminate this Agreement. Such termination shall not effect Consultant's right to be paid for its time and materials expended prior to notification of termination. CONSULTANT

waives the right to receive compensation and agrees to indemnify the CITY for any work performed prior to approval of insurance by the CITY.

10. CERTIFICATE OF INSURANCE

Prior to commencing performance of the work hereunder, CONSULTANT shall furnish to CITY a certificate of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverage as required by this Agreement; the certificate shall:

- A. provide the name and policy number of each carrier and policy;
- B. state that the policy is currently in force; and
- C. shall promise that such policy shall not be suspended, voided or canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice; however, ten (10) days' prior written notice in the event of cancellation for nonpayment of premium.

CONSULTANT shall maintain the foregoing insurance coverage in force until the work under this Agreement is fully completed and accepted by CITY.

The requirement for carrying the foregoing insurance coverage shall not derogate from CONSULTANT's defense, hold harmless and indemnification obligations as set forth in this Agreement. CITY or its representative shall at all times have the right to demand the original or a copy of the policy of insurance. CONSULTANT shall pay, in a prompt and timely manner, the premiums on the insurance hereinabove required.

11. INDEPENDENT CONTRACTOR

CONSULTANT is, and shall be, acting at all times in the performance of this Agreement as an independent contractor herein and not as an employee of CITY. CONSULTANT shall secure at its own cost and expense, and be responsible for any and all

payment of all taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for CONSULTANT and its officers, agents and employees and all business licenses, if any, in connection with the PROJECT and/or the services to be performed hereunder.

12. TERMINATION OF AGREEMENT

All work required hereunder shall be performed in a good and workmanlike manner. CITY may terminate CONSULTANT's services hereunder at any time with or without cause, and whether or not the PROJECT is fully complete. Any termination of this Agreement by CITY shall be made in writing, notice of which shall be delivered to CONSULTANT as provided herein. In the event of termination, all finished and unfinished documents, exhibits, report, and evidence shall, at the option of CITY, become its property and shall be promptly delivered to it by CONSULTANT.

13. ASSIGNMENT AND DELEGATION

This Agreement is a personal service contract and the work hereunder shall not be assigned, delegated or subcontracted by CONSULTANT to any other person or entity without the prior express written consent of CITY. If an assignment, delegation or subcontract is approved, all approved assignees, delegates and subconsultants must satisfy the insurance requirements as set forth in Sections 9 and 10 hereinabove.

14. COPYRIGHTS/PATENTS

CITY shall own all rights to any patent or copyright on any work, item or material produced as a result of this Agreement.

15. CITY EMPLOYEES AND OFFICIALS

CONSULTANT shall employ no CITY official nor any regular CITY employee in the work performed pursuant to this Agreement. No officer or employee of CITY shall have any financial interest in this Agreement in violation of the applicable provisions of the California Government Code.

16. NOTICES

Any notices, certificates, or other communications hereunder shall be given either by personal delivery to CONSULTANT's agent (as designated in Section 1 hereinabove) or to CITY as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, to the addresses specified below. CITY and CONSULTANT may designate different addresses to which subsequent notices, certificates or other communications will be sent by notifying the other party via personal delivery, a reputable overnight carrier or U. S. certified mail-return receipt requested:

TO CITY:

City of Huntington Beach
ATTN: Eric Charlonne
2000 Main Street
Huntington Beach, CA 92648

TO CONSULTANT:

IDS Group, Inc.
ATTN: Michael Wolfe
1 Peter Landing Road, Ste. 140
Irvine, CA 92606

17. CONSENT

When CITY's consent/approval is required under this Agreement, its consent/approval for one transaction or event shall not be deemed to be a consent/approval to any subsequent occurrence of the same or any other transaction or event.

18. MODIFICATION

No waiver or modification of any language in this Agreement shall be valid unless in writing and duly executed by both parties.

19. SECTION HEADINGS

The titles, captions, section, paragraph and subject headings, and descriptive phrases at the beginning of the various sections in this Agreement are merely descriptive and are included solely for convenience of reference only and are not representative of matters included or excluded from such provisions, and do not interpret, define, limit or describe, or construe the intent of the parties or affect the construction or interpretation of any provision of this Agreement.

20. INTERPRETATION OF THIS AGREEMENT

The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. If any provision of this Agreement is held by an arbitrator or court of competent jurisdiction to be unenforceable, void, illegal or invalid, such holding shall not invalidate or affect the remaining covenants and provisions of this Agreement. No covenant or provision shall be deemed dependent upon any other unless so expressly provided here. As used in this Agreement, the masculine or neuter gender and singular or plural number shall be deemed to include the other whenever the context so indicates or requires. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no right to contract, then the latter shall prevail, and the provision of this Agreement which is hereby affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

21. DUPLICATE ORIGINAL

The original of this Agreement and one or more copies hereto have been prepared and signed in counterparts as duplicate originals, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original. Each duplicate original shall be deemed an original instrument as against any party who has signed it.

22. IMMIGRATION

CONSULTANT shall be responsible for full compliance with the immigration and naturalization laws of the United States and shall, in particular, comply with the provisions of the United States Code regarding employment verification.

23. LEGAL SERVICES SUBCONTRACTING PROHIBITED

CONSULTANT and CITY agree that CITY is not liable for payment of any subcontractor work involving legal services, and that such legal services are expressly outside the scope of services contemplated hereunder. CONSULTANT understands that pursuant to *Huntington Beach City Charter* Section 309, the City Attorney is the exclusive legal counsel for CITY; and CITY shall not be liable for payment of any legal services expenses incurred by CONSULTANT.

24. ATTORNEY'S FEES

In the event suit is brought by either party to construe, interpret and/or enforce the terms and/or provisions of this Agreement or to secure the performance hereof, each party shall bear its own attorney's fees, such that the prevailing party shall not be entitled to recover its attorney's fees from the nonprevailing party.

25. SURVIVAL

Terms and conditions of this Agreement, which by their sense and context survive the expiration or termination of this Agreement, shall so survive.

26. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

27. SIGNATORIES

Each undersigned represents and warrants that its signature hereinbelow has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify CITY fully for any injuries or damages to CITY in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

CONSULTANT's initials GH PC

28. ENTIRETY

The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily following extensive arm's length negotiation, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by that party or anyone acting on that party's behalf, which are not embodied in this Agreement, and that that party has not executed this Agreement in reliance on any representation, inducement, promise, agreement, warranty, fact or circumstance not expressly set forth in this Agreement. This Agreement, and the attached exhibits, contain the entire agreement between the parties respecting the subject matter of this

Agreement, and supersede all prior understandings and agreements whether oral or in writing between the parties respecting the subject matter hereof.

29. EFFECTIVE DATE

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers. This Agreement shall be effective on the date of its approval by the City Council. This Agreement shall expire when terminated as provided herein.

IDS GROUP, INC.

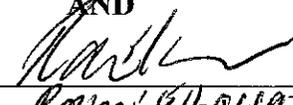
By: 
Said Hilmy
print name

ITS: (circle one) Chairman/President/Vice President

CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California

Mayor

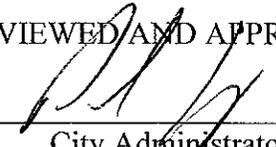
City Clerk

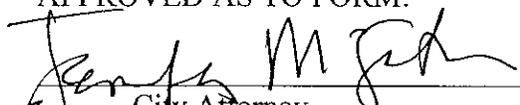
AND
By: 
Rami Elhassan
print name

ITS: (circle one) Secretary/Chief Financial Officer/Asst.
Secretary - Treasurer

INITIATED AND APPROVED:

Director of Public Works

REVIEWED AND APPROVED:

City Administrator

APPROVED AS TO FORM:

City Attorney

7.2.08
7.13.08

MV-6-19-08

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EXHIBIT "A"

A. STATEMENT OF WORK:

CONSULTANT shall provide construction management and administrative support services for various City capital improvement construction projects such as sewer lift stations, roadway rehabilitation, new park developments and waterline projects on an "as-needed" basis.

Due to the fact that some of the City projects will be funded by Federal or State grants, CONSULTANT must comply with requirements of Caltrans' Local Program Manual and the City of Huntington Beach Quality Assurance Plan for Federal and State Funded Projects and all applicable prevailing wage laws.

B. CONSULTANT'S DUTIES AND RESPONSIBILITIES:

CONSULTANT's duties and responsibilities shall follow provisions specified in the City of Huntington Beach As-Needed Construction Management and Administrative Support Request for Proposal (Exhibit A.1). Services shall include but is not limited to the following:

Technical Approach

1. CONSULTANT will provide Construction Management (CM) and administrative support services for various city capital improvement projects such as sewer lift stations, roadway rehabilitations, new park developments and waterline projects on an "as-needed" basis. Projects may include federally funded or grant funded projects.
2. CONSULTANT will act as the Owner's Representative for all construction related activities. CONSULTANT will be the primary point of contact for the Contractor as it relates to any City of Huntington Beach items. This provides a central point for communications flow and simplifies the communication process during what can typically become very hectic pre-construction and construction phases. CONSULTANT will provide an overall Project Manager (PM) to be the focal point for the project and an alternate PM. The PM will coordinate all construction related activities from the City of Huntington Beach side to include typical CM related activities, City of Huntington Beach Staff interaction, Deputy Inspection and Material Testing liaison, Geotechnical Engineering, and support from the design team. It is important to have one person knowledgeable about all construction related activities and items to ensure that any potential problems are avoided.
3. CONSULTANT will conduct constructability reviews and general overall plan reviews during the pre-construction phase to allow for a thorough understanding of the design intent. This provides the Project Management Team with valuable insight to the project that will allow the construction phase to move smoother and avoid delays due to design uncertainties and Requests for Information (RFI). CONSULTANT will work closely with the City of Huntington Beach Staff and the

EXHIBIT "A"

Design Team to understand the design intent, and carry that intent through the completion of construction.

4. CONSULTANT will provide Construction Managers for each project assigned. The Construction Managers will be the on-site representative of the Project Management Team and will be conducting the daily quality assurance/field inspections and providing daily documents for the project. All City projects will include significant interaction between the CM and the Contractor to ensure project issues are tracked and the project is completed on time and within budget. This will be the primary focus of the Construction Managers. However, in addition to the overall project picture, an important part of Construction Management is document control.
5. During the pre-construction phase, CONSULTANT will develop a project-specific comprehensive Document Management Procedures manual. CONSULTANT will maintain all documents such as Requests for Information, Submittals, correspondence, shop drawings, daily field reports, structural observation reports, change orders, etc. As part of any potential claims mitigation, it is important to have a well-organized document tracking system.

Specific Tasks and Activities: Pre-Construction Phase

1. CONSULTANT will coordinate a full review of appropriate plans, specifications, estimates, and calculations on 75% complete design documents. In addition, a thorough review of 100% project design documents will be conducted to become familiar with the project. The intent of these reviews will be to identify errors, conflicts, constructability issues, code compliance problems, and end-use compatibility. All reviews will be performed by professionals licensed in each particular discipline. CONSULTANT will review all design disciplines and the designer's generated project cost estimate.
2. CONSULTANT will produce Construction Management procedures for each project assigned. Upon review of the design documents and discussion with the City Staff, a comprehensive Construction Management approach will be provided. This will include the required staffing of personnel, project approach and phasing, any necessary sequencing, preliminary scheduling, and development of the document controls.
3. Following the development of the Construction Management Procedures, CONSULTANT will identify the overall project document controls. This will include the tracking and management of documents such as: Requests for Information, Submittals, Change Orders, Correspondence, Field Memos, Meeting Agendas, Meeting Minutes, Non-Compliance Reports, Substitution Requests, Record Documents, Daily Field Reports, Deputy Inspector Reports, Geotechnical Engineer Reports, and Closeout Documents. All items will be tracked electronically and are

EXHIBIT "A"

available for the City to review through our FTP site or can be provided electronically on a periodic basis.

4. CONSULTANT will schedule a pre-construction meeting for each project. This will include notification of appropriate parties, preparation of an agenda, facilitation of the meeting, and preparation and distribution of meeting minutes. Meeting minutes will include documentation of action items and provide a means to track action items to ensure completion. CONSULTANT will track and document all pre-construction submittals.

Specific Tasks and Activities: Construction Phase

Following construction contract award, CONSULTANT will provide comprehensive Construction Management and Contract Administration services as follows:

1. Correspondence, Reports, and Other Forms of Communication:
 - ◆ Keep CITY informed as to the status of the project and advice how to keep the project on schedule and under budget.
 - ◆ Act as the initial point of contact for all communications between CITY and the Contractor.
 - ◆ Prepare project correspondence and other forms of communications for document control.
 - ◆ Document and track project documents including correspondence and other forms of communication, technical documents, shop drawings, calculations, data, submittals, manuals, and samples received. This includes non-compliance, work to be completed, and other tracking logs as required.
2. Site Conditions and Progress Visual Documentation:
 - ◆ Conduct a pre-construction video to document pre-existing conditions and compare to the Contractor's pre-construction survey, resolving any conflicts
 - ◆ Take and document progress photos throughout the construction phase
3. Meetings:
 - ◆ Organize and plan weekly to monthly progress meetings with the contractor, design consultant, City staff, and any other necessary parties. CONSULTANT will prepare and distribute meeting minutes (within 5 calendar days), facilitate coordination, and resolve issues, as appropriate.
 - ◆ Coordinate, attend and facilitate other required meetings during the construction phase
4. Shop Drawings and Submittal Reviews:
 - ◆ Review each submittal received for conformance with the requirements of the drawings and specifications. Check the submittal against the project schedule for potential impacts. Coordinate required review of submittals with the Design Engineer and CITY.

EXHIBIT "A"

- ◆ Document submittals in a submittal log with dates and actions taken. Log will be updated continuously and a weekly report will be provided identifying outstanding submittals and reviews.
5. Plan and Specification Interpretation and Control:
- ◆ Coordinating, tracking, prioritizing, and resolving RFIs. Timely RFI resolution is important to avoid delays and change order requests. Respond to Contractor's questions from a reasonable review of the drawings and specifications for clarification items.
 - ◆ Document, review, and track any requests for changes in design. Coordinate with CITY and design team on any response to include value engineering aspects. Provide written recommendations, as required.
 - ◆ Develop and track necessary field orders in order to maintain design intent and avoid delays to the project.
 - ◆ Monitor construction progress, ensuring adherence to the schedule and advising how to keep the project on schedule and on budget.
 - ◆ Track and document any substitution requests and coordinate CITY and design team for responses.
 - ◆ Maintaining documentation logs (RFIs, submittals, and change orders) to ensure accurate documentation of project paperwork
 - ◆ Ensure redline plans and specifications are maintained on the project site at all times and that record documents are provided in a form acceptable to CITY. Incorporate changes from all sources such as submittals, RFI, VE, field orders, extra work, and change orders and compare with the Contractor's record documents on a monthly basis.
6. Construction Management Administration and Staffing:
- ◆ Overall Construction Management to include preparation of reports, letters, and memoranda; conducting meetings; monitoring and resolution of nonconforming items; communication with CITY; and all other duties as required...
 - ◆ Performing periodic inspection of the work. Periodic inspection will focus on adherence to the design and City standards. Inspections will also concentrate on defining work completed in order to review and process Contractor pay requests.
 - ◆ Resolve daily construction issues by coordinating with CITY, design engineer, and contractor on technical issues and concerns.
7. Progress Payment:
- ◆ Provide monthly review of project schedule and progress payment to include review of schedule of values and provide a recommendation to the City stating the proper amount of payment

EXHIBIT "A"

8. Change Order Management:
 - ◆ Reviewing, tracking, and making appropriate recommendations on change order requests. Processing change orders that are approved by CITY.
 - ◆ Prepare written justification and cost estimates for extra work or change items,
 - ◆ Prepare change orders for City review,
9. Claims Management:
 - ◆ Identify and track claims to include resolution alternative and, if required, negotiate and resolve claims
 - ◆ Investigate private party claims
10. Quality Assurance:
 - ◆ Conduct inspection of work to ensure that materials and workmanship are in compliance with the contract documents
 - ◆ Daily field reports will be used to document inspections and work progress. Prepare reports of deviation and non-conformance to specifications and provide responses.
 - ◆ Advise and document any deviation in the work and utility shut-downs
11. Third Party Inspection:
 - ◆ Coordinate and track independent inspections such as deputy inspection, material testing, geotechnical, or landscape and revegetation inspection
12. Startup, Closeout, and Acceptance Service:
 - ◆ In consultation with CITY, designer, and contractor, develop and manage an operation testing plan.
 - ◆ Attend final project walk with City staff and contractor and assist in the preparation of the final punch list for contractor action prior to project acceptance
13. Post Construction:
 - ◆ Deliver the O&M manuals and any spare parts and equipment upon acceptance of the project
 - ◆ Certify that the Contractor's project drawings are complete and accurate
 - ◆ Recommend for final payment in the form of a release of retention to the Contractor

C. CITY'S DUTIES AND RESPONSIBILITIES:

1. Furnish a scope of work request for each project assigned.
2. Furnish construction plans and specifications to the consultant.

D. WORK PROGRAM/PROJECT SCHEDULE:

A project schedule will be developed for each project assigned by CITY.

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EXHIBIT A.1

Typical Scope of Work City of Huntington Beach Construction Management and Administration Services For City Capital Construction Projects

- 1.0 Project Description: This scope of services is to provide the typical construction management and administration services for various City Capital Improvement Projects. The following are the typical services and producibles anticipated for these projects.
- 2.0 Pre-Construction Services
 - 2.1 Attend the pre-bid meeting.
 - 2.2 Perform Constructability Reviews on 75% complete designs (*this will be a separate fee request, as needed*)
 - 2.3 Perform a thorough review of project design 100% design documents to become familiar with the project.
 - 2.4 Prepare the Construction Management Procedures Manual for each assigned project.
 - 2.5 Establish project filing and other record keeping systems.
- 3.0 Mobilization
 - 3.1 Pre-Construction Meeting. Schedule, notify appropriate parties, and conduct an initial pre-construction meeting with the Contractor. Prepare and distribute pre-construction minutes to attendees and other parties. The pre-construction meeting shall cover, as a minimum, the overall project objectives, responsibilities of key personnel and agencies, schedules, schedule of values (bid breakdown), procedures for handling submittals, correspondence, utility relocations, local agency permit requirements, requests for clarification, progress payments, change orders, safety issues, emergency response requirements, and other pertinent topics. Provide opportunities to have the Contractor's questions answered. Collect from the Contractor the submittal items required to be submitted at the pre-construction meeting.
- 4.0 Correspondence, Reports, and Other Forms of Communication
 - 4.1 Document Standards. Prepare project correspondence and other forms of communication in accordance with industry standard document control and management procedures.

- 4.2 Document/Tracking Control. Manage the receipt, logging, control, tracking, and timely processing of project documents, including correspondence and other forms of communication, technical documents, shop drawings, calculations, data, submittals, manuals, and samples received as part of the construction process, non-compliance, work to be completed, and other tracking logs as requested.
- 4.3 Records. Maintain records of inspections, reports, and test results received from the Contractor, Design Engineer, manufacturers, and others.

5.0 Site Conditions and Progress Visual Documentation

- 5.1 Pre-Construction Video. Coordinate and review the Contractor's videotape of pre-construction site conditions prior to beginning any construction operation. Confirm existing conditions within the limits of the work in adjacent areas and along access and haul roads. The Contractor's documentation shall clearly depict the pre-existing conditions of public and private improvements, including, but not limited to, street, drainage, utilities, landscaping, and irrigation improvements. Compare Contractor's pre-construction site surveys to the site surveys performed under this scope of work. Note any discrepancies and resolve issues. Describe in memorandum, submitted prior to the beginning of any construction operation, pre-existing damage identified within the limits of work and along access and haul roads. Meet with owners of pre-existing damage to document and confirm existing conditions. Document any damage to public and private improvements incurred during construction operations and meet with owners immediately following discovery of damage to resolve repair requirements and responsibilities.
- 5.2 Progress and Other Photos. Maintain a digital photographic library of significant construction activities. Include new piping and structures, relocated utilities, and connections to existing facilities. Take additional photographs to document differing site conditions, change order and claim items, and any special or unique conditions as they arise. Incorporate photographs taken by others into the overall photo documentation record of the project.

6.0 Meetings

- 6.1 Weekly to Monthly Construction Progress Meetings. Schedule and conduct construction progress meetings with the Contractor and the City. Provide meeting agendas and discuss the schedule, near-term activities, clarifications and problems which need resolution, coordination with other Contractors, status of change orders, submittals and RFIs, safety issues, OSHA visits and citations, and other topics. Identify action items and assign responsibility for the action and date action is to be completed. Prepare minutes of the meetings and include identified action items. Review the meeting minutes with the Contractor and obtain the Contractor's concurrence with the content. Distribute the minutes to the attendees within five calendar days of the meeting.
- 6.2 Other Meetings. Attend other construction-related meetings as requested by the City.

7.0 Shop Drawing and Submittal Reviews

- 7.1 Submittal Reviews. Review each submittal received from the Contractor for conformance with the requirements of the drawings and specifications. Check each submittal against the Contractor's schedule for potential impacts. Coordinate required reviews of submittals with the Design Engineer and the City. Submittals of a general nature are to be reviewed and processed by the Design Engineer. Distribute submittals to appropriate reviewers with dated transmittal letters.
- 7.2 Submittal Log and Status of Submittals. Log, track, and monitor shop drawings, calculations, data samples, submittals, and manuals from the Contractor. Update the submittal log as items are received and responses given. Prepare weekly exception reports identifying outstanding submittals and reviews. Review with the Contractor the status of submittals at the weekly construction meeting using the submittal log and the master submittal list.

8.0 Plan and Specification Interpretation and Control

- 8.1 Requests for Information (RFI). Coordinate the RFI log. Review and respond to Contractor RFI. Make every effort to review and provide appropriate response to RFI prior to involving the Design Engineer. Distribute RFI to appropriate staff and coordinate timely response. Review answers and prepare formal response to Contractor within five calendar days of receipt of response, or as needed to meet schedule requirements. Respond in writing to Contractor questions from a reasonable review of the drawings and specifications for clarification items. Record changes in the record specifications and plans.
- 8.2 Requests for Changes in Design. Review and respond to requests for design revisions by the Contractor. Responses to requests for design revisions require prior written approval from the City and/or Design Engineer. Revisions in design may take the form of value engineering (VE) and shall require extensive research, evaluation, and recommendation from the Design Engineer. Provide written recommendations, as required.
- 8.3 Field Orders. Initiate and review field orders when a change in the work is needed to maintain the design intent. Issue the field order to the Contractor and monitor the work for compliance. Track the issued field orders in a log. Record the changes in the record specifications and plans. If required, follow-up with a change order within 14 calendar days of mutual agreement with Contractor on pricing and conditions.
- 8.4 Substitution Requests. Coordinate evaluation of "or-equal" or product substitution requests with the Design Engineer, the City, vendors, manufacturers, and others. Prepare evaluation and recommendation for "or-equal" or product substitution request.
- 8.5 Record Drawings and Specifications. Update continually the plans and specifications as the work progresses. Incorporate modifications and changes from all sources, such as submittals, RFI, VE, field orders, extra work, and

change orders. Compare the record drawings and specifications with the Contractor record drawings and specifications monthly.

9.0 Construction Management Administration and Staffing

- 9.1 Management. Oversee, perform, and coordinate construction management services as required by the progress of the work. Prepare reports, letters, and memoranda; conduct meetings; monitor and track the expiration of insurance requirements and obtain updated certificates from the Contractor (City to process through Risk Management); coordinate subconsultants, testing, and specialty services; review daily inspection notes and identify and resolve nonconforming items; notify the City of significant problems and discrepancies; interpret drawings, specifications, and reference standards; monitor construction activities and schedules; resolve constructability problems; coordinate connections and operations; prepare change orders; review and notify the Contractor of test results; investigate claims; perform inspections; review the Contractor's project record drawings periodically and concurrently with Contractor progress payments; prepare project punch lists; and all other duties related to construction management as requested by the City.
- 9.2 Resolution of Day-to-Day Construction Issues. Lead resolution of day-to-day construction issues raised. Coordinate with the City, Design Engineer, and Contractor on technical issues and concerns, as well as interpretation of the design documents. Interface with the Design Engineer for resolution of technical issues, processing of change order requests or design changes to suit actual conditions encountered in the field.

10.0 Progress Payments

- 10.1 Monthly Review. Conduct monthly schedule and progress payment meetings with the Contractor and coordinate and update the record drawings at this meeting. The result of the meetings shall be the progress payment estimate and the baseline schedule. Coordinate the review of the Contractor's monthly progress payment request with City staff and prepare a recommendation stating the proper amount of payment. Use the Schedule of Values and actual quantities installed as a basis for the recommendation.

- 10.2 Prepare monthly progress reports, of 6 to 10 pages, for City staff.

11.0 Change Order Management

- 11.1 Identify and Track Changes. Identify and track potential changes to the work. Prepare, log, and monitor Contractor or City initiated changes to the work, extra work, and change orders.
- 11.2 Requests for Cost Proposals. Request cost proposals from the Contractor for extra work and negotiate final cost.
- 11.3 Justification of Extra Work or Change. Prepare written justification and cost estimates for each extra work or change item. Justification shall include a

statement of the extra work or change; background leading to issue; resolution alternatives and resolution recommendation for action by the City.

- 11.4 Prepare Change Orders. Prepare and submit change orders in the City's format to the City for written approval within seven calendar days of the finalization of negotiations.

12.0 Claims Management

- 12.1 Identify and Track Claims. Identify, prepare, log, and monitor Contractor potential claims. Report verbal and written claims immediately to the City. Coordinate claims with the City's Project Manager, Risk Manager, and General Counsel Office.
- 12.2 Resolution Alternative. Prepare written explanation of each claim with full background of issues, proposed resolution alternatives, and resolution recommendation for action.
- 12.3 Negotiate and Resolve Claims. Assist and support the City in resolving claims and disputes, including written responses to Contractor and private parties, giving depositions, assisting with dispute resolution, arbitration and litigation, serving as an expert witness, investigating claims for damages by private sources, design services for replacement of damaged work, and services made necessary by Contractor default. Negotiate claims to an agreed conclusion.
- 12.4 Private Party Claims. Investigate claims for damages by private parties and respond in writing within two calendar days of receipt of the claim. Coordinate the written response with the City's Project Manager and Risk Manager.

13.0 Quality Assurance

- 13.1 Inspection of the Work. Provide inspections as necessary to ensure that materials and workmanship are in compliance with the contract documents. Coordinate delivery, inspect for defects or missing parts, and oversee recording the receipt and storage of equipment. Inspect construction activities, which are identified in the contract documents to be performed at night, weekends, and/or holidays.
- 13.2 Reports. Prepare reports of the construction activities including weather conditions, Contractor's equipment and manpower, work performed, materials used, site visitors, noting delays in work and reasons for the delays, and deficiencies. Prepare reports of deviations and non-conformance to specifications and provide responses in accordance with the specification requirements.

- 13.3 Revisions to Contractor's Methods. Discuss appropriate revisions to the methods and procedures used in performing the work. Inspectors may not authorize extra work or approve of work that deviates from the contract documents. Any deviations must be authorized through the RFI process.
- 13.4 Deviations in the Work. Advise the City's Project Manager and the Contractor of deviations in the work and document any deviations. Record deviations that are not corrected and immediately deliver a Notice of Non-Compliance to the Contractor. Perform necessary follow-up to resolve Notices of Non-Compliance. Include unresolved Notices of Non-Compliance on substantial completion punch lists.
- 13.5 Pipeline Shutdowns. Coordinate necessary pipeline shutdowns, with City staff, to complete connections to existing facilities.
- 14.0 Geotechnical Engineering and Material Testing Services (by the City)
 - 14.1 General Requirements. Schedule sampling, material testing, and laboratory services in accordance with the methods prescribed in current standards of the American Society for Testing and Materials (ASTM). The standards shall be applicable to the class and nature of the articles or materials under review unless otherwise stipulated in the project specifications, or authorized in writing by the City. *The City will hire the Geotechnical Engineer for each project*
- 15.0 Landscape and Revegetation Inspection (by the City)
 - 15.1 General Requirements. Verify that inspection, sampling, and testing of landscape, irrigation, and revegetation systems to ensure contract compliance of all work and the establishment of all planting to the standards, quality, and density required of the contract documents.
 - 15.2 Landscape Inspection and Testing. Verify that inspections and testing of irrigation systems for proper placement, installation, bedding and backfill, leakage, and coverage. System components to be inspected will include mainline and lateral irrigation pipe, valve manifold assemblies, backflow devices, quick couplers, and irrigation equipment. Receive and review all soil report data and soil amendment and fertilizer slips for conformance with contract documents.
- 16.0 Startup, Closeout, and Acceptance Services
 - 16.1 Operation Testing Plan. The operational testing plan shall be developed in consultation with the City, Design Engineer, Contractor, and all appropriate vendors. Review and recommend the operational testing plan. Coordinate the testing of the equipment and facilities with the City, and assist Contractor's personnel as required during the startup phase.

- 16.2 Punch List. Prepare detailed project punchlists at substantial completion of the project. Upon correction of deficiencies, schedule, coordinate, and conduct a final walk-through prior to the acceptance of work with the City and other parties. Provide certification of Contractor's compliance on work items specifically requested by the City. Verify that work, testing, cleanup, and Contractor demobilization are complete.
- 16.3 Final Walk-Through. Schedule, coordinate, and conduct a final walk-through and project review prior to the acceptance of work with the City.
- 16.4 Recommended Acceptance. Recommend acceptance of the work in writing in preparation for issuance of the Certificate of Substantial Completion and/or Notice of Completion.
- 16.5 Closing Out Contract. Take the lead in negotiating and closing out the construction contract. Prepare the memorandum to the City recommending acceptance of the project and the Notice of Completion.
- 16.6 Final Project Records and Documents. *These records must be turned over to the City upon completion of the project*

17.0 Post Construction

- 17.1 Operations and Maintenance Materials. Deliver the Operations and Maintenance Manuals and any spare parts and equipment upon acceptance of the project by the City.
- 17.2 Record Drawings Certification. Review and certify that the Contractor's project record drawings are complete and accurate. Provide the drawings to the Design Engineer.
- 17.3 Final Payment. Recommend final payment in the form of release of retention to the Contractor in accordance with contract requirements. Verify that the Contractor has made all payments to the subcontractors and vendors and that any stop notices or liens have been released. Obtain a Conditional Waiver of Lien from the Contractor prior to recommending final payment.

18.0 Extended Services *(by separate fee request)*

- 20.1 Extended Services. Provide other miscellaneous specialty services as required during construction. Miscellaneous specialty services, which may be required, include, but are not limited to: mechanical, electrical, structural, and civil supplemental engineering design; witness testing; factory inspections; and noise and air quality monitoring services.

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EXHIBIT "B"

Payment Schedule (Fixed Fee Payment)

1. CONSULTANT shall be entitled to monthly payments toward the fees set forth herein in accordance with the following payment schedules.

CONSULTANT'S fees for such services shall be based upon the following hourly rate and cost schedule:

See Exhibit B.1 – Proposed Hourly Fee Schedule

Total fees shall not exceed Three Million Dollars (\$3,000,000.00). CONSULTANT agrees to inform the CITY when CONSULTANT is at the point of reaching the maximum limit. CONSULTANT shall not continue with any work effort over the amount of the maximum limit unless first authorized in writing by City authorized representative(s).

The hourly rates for years four and five shall increase based on the Consumer Price Index (CPI) for all Urban Consumers in the Los Angeles, Riverside or Orange County areas or 5%, whichever is lower.

2. Delivery of work product: A copy of every memorandum, letter, report, calculation and other documentation prepared by CONSULTANT shall be submitted to CITY to demonstrate progress toward completion of tasks. In the event CITY rejects or has comments on any such product, CITY shall identify specific requirements for satisfactory completion.

3. CONSULTANT shall submit to CITY an invoice for each monthly payment due. Such invoice shall:

- A) Reference this Agreement;
- B) Describe the services performed;
- C) Show the total amount of the payment due;
- D) Include a certification by a principal member of CONSULTANT's firm that the work has been performed in accordance with the provisions of this Agreement; and
- E) For all payments include an estimate of the percentage of work completed.

Upon submission of any such invoice, if CITY is satisfied that CONSULTANT is making satisfactory progress toward completion of tasks in accordance with this Agreement, CITY shall approve the invoice, in which event payment shall be made within thirty (30) days of receipt of the invoice by CITY. Such approval shall not be unreasonably withheld. If CITY does not approve an invoice, CITY shall notify CONSULTANT in writing of the reasons for non-approval and the schedule of performance set forth in Exhibit "A" may at the option of CITY be suspended until the parties agree that past performance by CONSULTANT is in, or has been brought into compliance, or until this Agreement has expired or is terminated as provided herein.

4. Any billings for extra work or additional services authorized in advance and in writing by CITY shall be invoiced separately to CITY. Such invoice shall contain all of the

information required above, and in addition shall list the hours expended and hourly rate charged for such time. Such invoices shall be approved by CITY if the work performed is in accordance with the extra work or additional services requested, and if CITY is satisfied that the statement of hours worked and costs incurred is accurate. Such approval shall not be unreasonably withheld. Any dispute between the parties concerning payment of such an invoice shall be treated as separate and apart from the ongoing performance of the remainder of this Agreement.

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Surfnet Exhibit B

**EXHIBIT B
Fixed Fee Payment**

EXHIBIT B.1

FEE SCHEDULE

City of Huntington Beach
As-Needed Construction Management and Administrative Support Services
Revised May 2008

Proposed Hourly Fee Schedule

Three Year Blended Rate

<i>Task:</i>	<i>Hourly Rate:</i>
Principal Project Manager	\$156
Alternate Project Manager	\$150
Principal Engineer	\$135
Senior Project Manager	\$135
Area Construction Manager	\$130
Senior Construction Manager	\$145
Construction Manager/Resident Engineer	\$130
Project Engineer	\$125
Cost Estimator	\$145
Senior Planner/Permit Specialist	\$125
CADD Operator/Drafter	\$80
LEED Certified Inspector	\$145
Inspector/Construction Observer	\$130
Assistant Construction Manager/Field Engineer	\$125
Clerical	\$65

This proposed hourly fee schedule constitutes a firm offer for a 60-day period following the date signed below.



 Signed By:
 Said Hilmy, Ph.D. SE
 Principal-in-Charge

 Dated: 5/15/2008

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

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DESCRIPTIONS (Continued from Page 1)

E15.137

Architects and Engineers Extender Additional Insured Language*

The following policy language is from Employers Fire Insurance Company Business Owners Liability Coverage Form G15911 03 05:

Form G15911 03 05 Amends the **Commercial General Liability Coverage Form**:

1. The following are added to **Section II – Who is an insured**:

a. Person or organization required by Written Contract

Any person or organization that you agree to add as additional insured under this General Liability coverage Part in a written contract or agreement that is made before, and in effect when, the "bodily injury" or "property damage" occurs or the offense that causes the "personal and advertising injury" is first committed, but only with respect to that person's or organization's liability arising out of your non-professional work for that person or organization.

However such person or organization is not an additional insured with respect to any:

- (1) "Bodily Injury", "property damage", or "personal and advertising injury" that does not arise out of:
 - (a) Your Negligence; or
 - (b) The negligence of another person or organization for whom you are liable;
- (2) "Bodily injury", "property damage" or "personal and advertising injury" for which such person or organization has assumed liability in a contract or agreement, except for liability for damages that such person or organization would have in the absence of the contract or agreement;
- (3) "Property Damage" to:
 - (a) Property owned, used or occupied by or loaned or rented to, such person or organization; or
 - (b) Property over which such person or organization is for any purpose exercising physical control;
- (4) All Professional liability as an architect or engineer arising out of any construction agreement or activities under which any insured or anyone acting on any insured's behalf provides or provided service, advise, expertise or work. Construction includes, but is not limited to, the plan, conception, design, build, construct, assembly, development, safety, erection formation, reconstruct, repair, or in any improvement made to real property. Construction also includes the hiring, supervision or management of these activities.

However, this exclusion does not apply to liability arising out of an insured's presence at a jobsite that was not caused by professional activities listed in the above paragraph.

Primary & Non-Contributory: This insurance will be considered primary to, and non-contributory with any other insurance issued directly to a person or organization added as an additional insured.

Per Project Aggregate: Section III Limits of Insurance is amended by adding the following: The General Aggregate Limit under Section III-Limits of Insurance applies separately to each of "your projects" or each location listed in the location information in the common policy declarations.

Separation of Insureds: Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the First Named Insured, this insured applies:

- a. As if each Named insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

Waiver of Subrogation: Transfer of Rights of Recovery Against Other to Us in Section IV – Commercial General Liability Conditions:

However, we waive the right of recovery and proceeds we may have against any person or organization that is added as an additional insured under I.1.a

- a. Because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" arising out of "your work" in ongoing operations include or included in the "products-completed operations hazard" and
- b. Performed under a written contract or agreement that is made before, and in effect when, the "bodily injury" or "property damage" occurs or the offense that causes the "personal and advertising injury" is committed; and
- c. You specifically agree in such written contract or agreement to waive those rights of recovery and proceeds for such person or organization.

Named Insured: IDS GROUP INC. –INTEGRATED DESIGN SVC

Policy No.: 1U42925

ADDTL INSURED

CITY OF HUNTINGTON BEACH AND ITS ELECTED OR APPOINTED OFFICIALS, EMPLOYEES, AGENTS AND VOLUNTEERS



Business Information Report Now with NEW Features

IDS GROUP, INC.
D-U-N-S® Number 06-237-5667

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ATTN: jlockhart@surfcity-hb.org

Report Printed: JUL 08 2008
 In Date

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- Overview**
- History & Operations
- Payments
- Banking & Finance
- Public Filings

How useful was the D&B data for this company?

☆☆☆☆☆

Not Very Very

Add comments?

- OVERVIEW**
- Business Summary
 - Special Events
 - Summary Analysis
 - Customer Service

- HISTORY & OPERATIONS**
- History
 - Business Registration
 - Operations
 - SIC & NAICS

- PAYMENTS**
- D&B PAYDEX
 - Payment Summary
 - Payment Details

- BANKING & FINANCE**
- Finance

- PUBLIC FILINGS**
- Government Activity

- WEB RESOURCES**

- NOW WITH THIS REPORT**
- Credit Limit
 - Recommendation
 - Payment Trends
 - Profile **NEW!**

- BUY OTHER D&B PRODUCTS**
- Comprehensive Report
 - Payment Analysis Report
 - Industry Norms Report

- D&B RESOURCES**
- Full Glossary of Terms
 - Making Better Credit Decisions
 - Interpreting D&B Ratings and Scores
 - Understanding Financial Statements
 - Understanding Key Business Ratios
 - Submit a Credit Reference on this Business

BUSINESS SUMMARY

IDS GROUP, INC.
1 Peters Canyon Rd Ste 140
Irvine, CA 92606

This is a **single** location.

Telephone: 949 387-8500

Chief executive: SAID HILMY, PRESIDENT

Year started: 1998

Employs: 22

History: CLEAR
 • Jump to: [Finance Section](#)

SIC: 8711
 • Jump to: [SIC & NAICS Section](#)

Line of business: Engineering services

About Business Summary

Now Included with this Report

Industry Economic Outlook
 A forward look at the U.S. economy within a specific industry

Professional and Scientific Services 2008-2010 Industry Trend: Ne
[View Report](#)

D&B's Credit Limit Recommendation
 D&B's industry and risk-based limit guidance
[Learn More](#) [View](#)

Payment Trends Profile
 Payment trends and industry benchmarks
[Learn More](#) [View](#)

D-U-N-S Number: 06-237-5667

D&B Rating: 1R3
Number of employees: 1R is 10 or more employees.
Composite credit appraisal: 3 is fair.
 • Jump to: [Summary Analysis Section](#)

D&B PAYDEX®:

12-Month D&B PAYDEX: 62
 When weighted by dollar amount, payment suppliers average 21 days beyond terms.



Based on trade collected over last 12 months.
D&B PAYDEX Key

- High risk of late payment (average 30 to 120 days beyond term)
- Medium risk of late payment (average 30 days or less beyond term)
- Low risk of late payment

E15 . 139

(average prompt to 30+ days sooner)

• Jump to: [Payments](#)

NEW! [Enhanced payment trends and industry benchmarks are available on this busi](#)

SPECIAL EVENTS

[About Specia](#)

11/06/2007

This business is located in an area at previous risk of fire damage from the Southern California wildf
D&B has obtained information from published reports that indicate there has been no major impact
commercial buildings in this area.

SUMMARY ANALYSIS

[About Summary](#)

D&B Rating: 1R3

Number of employees: 1R indicates 10 or more employees.

Composite credit appraisal: 3 is fair.

The Rating was changed on October 25, 2007 because of a change in payment information appearin
D&B's file. The 1R and 2R ratings categories reflect company size based on the total number of emp
for the business. They are assigned to business files that do not contain a current financial statemer
1R and 2R Ratings, the 2, 3, or 4 creditworthiness indicator is based on analysis by D&B of public fili
trade payments, business age and other important factors. 2 is the highest Composite Credit Apprai
company not supplying D&B with current financial information can receive. For more information, se
D&B Rating Key.

Below is an overview of the company's rating history since 06/06/00:

D&B Rating	Date Applied
1R3	10/25/07
1R2	02/14/04
1R3	09/25/01
--	06/06/00

The Summary Analysis section reflects information in D&B's file as of July 7, 2008.

NEW! **How does IDS GROUP, INC.'s payment record compare to its industry?**
A Payment Trends Profile will show you - [View Now](#)

CUSTOMER SERVICE

If you have questions about this report, please call our Customer Resource Center at 1.800.234.386
anywhere within the U.S. If you are outside the U.S. contact your local D&B office.

*** Additional Decision Support Available ***

Additional D&B products, monitoring services and specialized investigations are available to help you
evaluate this company or its industry. Call Dun & Bradstreet's Customer Resource Center at
1.800.234.3867 from anywhere within the U.S. or visit our website at www.dnb.com.

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