

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into on this ___ day of ___, 2013, by and between the City of Manhattan Beach, a municipal corporation ("City") and Wallace & Associates Consulting, Inc., a California Corporation ("Contractor") (collectively, the "Parties").

RECITALS

A. City desires to obtain services of Contractor for Construction Management and Inspection for the FY 2012-2015 Rehabilitation of Sewer Manholes Project.

B. Contractor represents that it is qualified and able to perform the services ("Services") required by this Agreement.

NOW, THEREFORE, in consideration of the Parties' performance of the promises, covenants, and conditions stated herein, the Parties hereto agree as follows:

Section 1. Contractor's Services. Contractor shall perform the Services described in Exhibit A in a manner satisfactory to City and consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.

Section 2. Term of Agreement. This Agreement shall apply to services rendered on or after May 7, 2013, and shall terminate when the work is completed, unless sooner terminated by the City.

Section 3. Time of Performance. Contractor shall commence its services under this Agreement upon receipt of a written notice to proceed from City in the manner described in Exhibit A. Contractor shall complete the services in conformance with the timeline set forth in Exhibit A, or as otherwise directed by the City's representative.

Section 4. Compensation.

(a) City agrees to pay Contractor in accordance with the fee schedule attached hereto as Exhibit B. In no event shall the Contractor be paid more than \$48,824.00 during the term of this Agreement. Any terms in Exhibit B, other than the payment rates and schedule of payment, are null and void.

(b) Unless expressly provided for in Exhibit B, Contractor shall not be entitled to reimbursement for any expenses. Any expenses incurred by Contractor that are not expressly authorized by this Agreement will not be reimbursed by City.

(c) The City Manager may authorize cumulative increases for additional work up to the lesser of \$20,000 or 10% of the amount of the Agreement. Any additional work in excess of this amount shall be approved by the City Council.

Section 5. Method of Payment. City shall pay Contractor said consideration in accordance with the method and schedule of payment set forth in Exhibit B, attached hereto and incorporated herein. Unless otherwise specified in Exhibit B, Contractor shall submit to City a detailed invoice on a monthly basis for the services performed pursuant to this Agreement. Each invoice shall describe in detail the services rendered during the period, the days worked, number of hours worked, the hourly rates charged, and the services performed for each day in the period, as applicable. Within 45 days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice.

Section 6. Independent Contractor. The Parties agree, understand, and acknowledge that Contractor is not an employee of the City, but is solely an independent contractor. Contractor expressly acknowledges and agrees that City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance or other employee benefits and that any person employed by Contractor shall not be in any way an employee of the City. As such, Contractor shall have the sole legal responsibility to remit all federal and state income and social security taxes and to provide for his/her own workers' compensation and unemployment insurance and that of his/her employees or subcontractors. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees. Contractor shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Contractor shall indemnify and hold harmless City and its elected officials, officers and employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Contractor's personnel practices. City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this Section 6.

Section 7. Assignment. This Agreement shall not be assigned, in whole or in part, by Contractor without the prior written approval of City. Any attempt by Contractor to so assign this Agreement or any rights, duties, or obligations arising hereunder shall be void and of no effect.

Section 8. Responsible Principals.

(a) Contractor's responsible principal, Mr. Carl Wallace, shall be principally responsible for Contractor's obligations under this Agreement and shall serve as principal liaison between City and Contractor. Designation of another Responsible Principal by Contractor shall not be made without prior written consent of City.

(b) City's Responsible Principal shall be the City Manager, who shall administer the terms of the Agreement on behalf of City.

Section 9. Personnel. Contractor represents that it has, or shall secure at its own expense, all personnel required to perform the Services under this Agreement. All personnel engaged in the work shall be qualified to perform such Services.

Section 10. Permits and Licenses. Contractor shall obtain and maintain during the term of this Agreement all necessary licenses, permits, and certificates required by law for the provision of the Services, including a business license.

Section 11. Interests of Contractor.

(a) Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the Services, or which would conflict in any manner with the performance of the Services. Contractor further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, Contractor shall avoid the appearance of having any interest, which would conflict in any manner with the performance of the Services. Contractor shall not accept any employment or representation during the term of this Agreement which is or may likely make Contractor "financially interested" (as provided in California Government Code §§ 1090 and 87100) in any decision made by City on any matter in connection with which Contractor has been retained.

(b) Contractor further warrants and maintains that it has not employed or retained any person or entity, other than a bona fide employee working exclusively for Contractor, to solicit or obtain this Agreement. Nor has Contractor paid or agreed to pay any person or entity, other than a bona fide employee working exclusively for Contractor, any fee, commission, gift, percentage, or any other consideration contingent upon the execution of this Agreement. Upon any breach or violation of this warranty, City shall have the right, at its sole and absolute discretion, to terminate this Agreement without further liability, or to deduct from any sums payable to Contractor hereunder the full amount or value of any such fee, commission, percentage or gift.

(c) Contractor warrants and maintains that it has no knowledge that any officer or employee of City has any interest, whether contractual, non-contractual, financial, proprietary, or otherwise, in this transaction or in the business of Contractor, and that if any such interest comes to the knowledge of Contractor at any time during the term of this Agreement, Contractor shall immediately make a complete, written disclosure of such interest to City, even if such interest would not be deemed a prohibited "conflict of interest" under applicable laws as described in this subsection.

Section 12. Insurance. [Check if Applicable]

(a) Contractor shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1. A policy or policies of Comprehensive General Liability Insurance, with minimum limits of \$2,000,000 for each occurrence, combined single limit, against any personal injury, death, loss, or damage resulting from the wrongful or negligent acts by Contractor.

2. [X] A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of \$1,000,000 per occurrence combined single limit, covering any vehicle utilized by Contractor in performing the Services required by this Agreement.

3. [X] Workers' compensation insurance as required by the State of California.

4. [X] A policy or policies of Professional Liability Insurance (errors and omissions) with minimum limits of \$2,000,000 per claim and in the aggregate. Any deductibles or self-insured retentions attached to such policy or policies must be declared to and be approved by City. Further, Contractor agrees to maintain in full force and effect such insurance for one year after performance of work under this Agreement is completed.

(b) Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. City, its officers, officials, employees, designated volunteers and agents serving as independent contractors in the role of City officials, are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no limitations on the scope of protection afforded to City, its officers, officials, employees, designated volunteers or agents serving as independent contractors in the role of City officials which are not also limitations applicable to the named insured.

2. For any claims related to this Agreement, Contractor's insurance coverage shall be primary insurance as respects City, its officers, officials, employees, designated volunteers and agents serving as independent contractors in the role of City officials. Any insurance or self-insurance maintained by City, its officers, officials, employees, designated volunteers or agents serving as independent contractors in the role of City officials shall be excess of Contractor's insurance and shall not contribute with it.

3. Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

4. Each insurance policy, except for the professional liability policy, required by this clause shall expressly waive the insurer's right of subrogation against City and its elected officials, officers, employees, servants, attorneys, designated volunteers, and agents serving as independent contractors in the role of City officials.

5. Each insurance policy required by this Agreement shall be endorsed to state: should the policy be canceled before the expiration date, the issuing insurer shall mail 30 days' prior written notice to the City.

6. If insurance coverage is canceled or reduced in coverage or in limits, Contractor shall within two business days of notice from insurer, phone, fax and/or notify the City via certified mail, return receipt requested, of the changes to or cancellation of the policy.

(c) The City's Risk Manager may, in writing, amend and/or waive any or all of the insurance provisions set forth herein. In such case, the Contractor shall comply with the insurance provisions required by the City's Risk Manager.

(d) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A-;VII in the latest edition of Best's Insurance Guide, unless waved in writing by City's Risk Manager.

(e) Contractor agrees that if it does not keep the aforesaid insurance in full force and effect, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at Contractor's expense, the premium thereon.

(f) All insurance coverages shall be confirmed by execution of endorsements on forms approved by City. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by City before services commence. As an alternative to City forms, Contractor's insurer may provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

(g) Any deductibles or self-insured retentions must be declared to and approved by City, and shall not exceed \$25,000.

(h) Contractor shall require each of its sub-contractors (if any) to maintain insurance coverage that meets all of the requirements of this Agreement.

Section 13. Indemnification. Contractor shall defend, indemnify, and hold harmless the City, its officials, and every officer, employee and agent of City (collectively "City") from any claim, liability or financial loss (including, without limitation, attorneys fees and costs), injuries to property or persons (including without limitation, attorneys fees and costs) arising out of any acts or omissions of Contractor, its officials, officers, employees or agents in connection with the performance of this Agreement, except for such claim, liability or financial loss or damage arising from the sole negligence or willful misconduct of the City, as determined by final arbitration or court decision or by the agreement of the Parties. Contractor shall defend City, with counsel of City's choice, at Contractor's own cost, expense, and risk, and shall pay and satisfy any judgment, award, or decree that may be rendered against City. Contractor shall reimburse City for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by

Contractor or City. All duties of Contractor under this Section shall survive termination of this Agreement.

Section 14. Termination.

(a) City shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to Contractor. Contractor agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) City may at any time, for any reason, with or without cause, suspend this Agreement, or any portion hereof, by serving upon the Contractor written notice. Upon receipt of said notice, the Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends only a portion of this Agreement, such suspension shall not make void or invalidate the remainder of this Agreement.

(c) In the event of termination or cancellation of this Agreement by City, due to no fault or failure of performance by Contractor, Contractor shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall Contractor be entitled to receive more than the amount that would be paid to Contractor for the full performance of the Services required by this Agreement. Contractor shall have no other claim against City by reason of such termination, including any claim for compensation.

Section 15. City's Responsibility. City shall provide Contractor with all pertinent data, documents, and other requested information as is available for the proper performance of Contractor's Services.

Section 16. Information and Documents.

(a) Contractor covenants that all data, documents, discussion, or other information (collectively "Data") developed or received by Contractor or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Contractor without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Contractor, its officers, employees, agents, or subcontractors, shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Contractor gives City notice of such court order or subpoena.

(b) Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any

project or property located within the City. City retains the right, but has no obligation, to represent Contractor and/or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, the City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

(c) All Data required to be furnished to City in connection with this Agreement shall become the property of City, and City may use all or any portion of the Data submitted by Contractor as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the Services shall become the sole property of the City and may be used, reused or otherwise disposed of by City without Contractor's permission.

(d) Contractor shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Contractor shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit said books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of 3 years after receipt of final payment.

(e) Contractor's covenants under this Section shall survive the termination of this Agreement.

Section 17. Default

(a) Contractor's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Contractor is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Contractor for any work performed after the date of default and can terminate this Agreement immediately by written notice to Contractor. If such failure by Contractor to make progress in the performance of work hereunder arises out of causes beyond Contractor's control, and without fault or negligence of Contractor, it shall not be considered a default.

(b) If the City Manager or his delegate determines that the Contractor is in default in the performance of any of the terms or conditions of this Agreement, City shall serve the Contractor with written notice of the default. The Contractor shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Contractor fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of

this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

Section 18. Changes in the Services. City shall have the right to order, in writing, changes in the Services or the services to be performed. Any changes in the Services requested by Contractor must be made in writing and approved by both Parties.

Section 19. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid, to the addresses set forth below, or to such other addresses as the Parties may, from time to time, designate in writing pursuant to this section.

If to City: City of Manhattan Beach
 1400 Highland Avenue
 Manhattan Beach, California 90266
 Attn: Gilbert Gamboa, Sr. Civil Engineer

If to Contractor: Wallace & Associates Consulting, Inc.
 1655 E 6th Street, Suite A-4a
 Corona, CA 92879
 Attn: Carl Wallace, Director of Operations

Section 20. Attorneys' Fees. If a party commences any legal, administrative, or other action against the other party arising out of or in connection with this Agreement, the prevailing party in such action shall be entitled to have and recover from the losing party all of its attorneys' fees and other costs incurred in connection therewith, in addition to such other relief as may be sought and awarded.

Section 21. Entire Agreement. This Agreement represents the entire integrated agreement between City and Contractor, and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both City and Contractor.

Section 22. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 23. Venue. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Manhattan Beach.

Section 24. City Not Obligated to Third Parties. City shall not be obligated or liable under this Agreement to any party other than Contractor.

Section 25. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 26. Corporate Authority. The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that by their execution, the Parties are formally bound to the provision of this Agreement.

Section 27. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED on the date first written above at Manhattan Beach, California.

CITY OF MANHATTAN BEACH

CONTRACTOR:

DAVID N. CARMANY
City Manager

WALLACE & ASSOCIATES CONSULTING, INC.

ATTEST:

Cathy Wallace
CATHY WALLACE, PRESIDENT

LIZA TAMURA
City Clerk

APPROVED AS TO FORM:

QUINN M. BARROW
City Attorney

EXHIBIT A
SCOPE OF SERVICES



April 24, 2013

Mr. Gilbert Gamboa, PE Senior Civil *Engineer*
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

Sent via E-mail: ggamboa@citymb.info

Subject: Proposal for Construction Management Services and Inspection Services for the 2012-2015 Sewer Manholes Replacement Project

Dear Mr. Gamboa:

Wallace & Associates (W&A) is pleased to submit our proposal for Construction Management and Inspection Services to the City of Manhattan Beach. We have recent local experience and expertise in street construction under traffic with Caltrans Coordination. Our proposed staff has the required expertise and knowledge with sewer manhole repair and replacement construction. As a company that specializes in construction field services, we place a strong emphasis on safety and have a spotless record in this area.

We take pride in offering our construction management and inspection services to the City of Manhattan Beach for this important project. Our key advantage is our highly qualified staff as well as our company and staff's experience with street and sewer manholes facilities as highlighted below:

- ✓ La Brea Boulevard – **City of Inglewood**
- ✓ City Hall Fueling Station – **City of Irvine**
- ✓ Masters Drive Recycled Water line and Roadway Rehabilitation Project – **City of Corona**
- ✓ Katella Smart Street – **City of Anaheim**
- ✓ Imperial and La Palma Interchange – **City of Anaheim**
- ✓ El Toro Road – **City of Lake Forest**
- ✓ Highway 111 Rehabilitation – **City of Indian Wells**
- ✓ Guava Road, Jefferson Ave, Madison Drive, Jackson Ave Roadway Projects – **City of Murrieta**
- ✓ Tradewinds Road and SafeRoute to School Projects – **City of Meniffee**

PROJECT TEAM

PROJECT MANAGER: We have an experienced and dynamic Project Manager in Carl Wallace, PE to oversee our staff on the project and provide QA/QC. Carl has managed successful projects for the City of Manhattan Beach while working for his previous firm. He is a registered Professional Engineering the State of California and has extensive previous experience working with cities, state agencies and utility companies. He is currently overseeing similar work for W&A at the City of Corona, City of Lake Elsinore, Rancho California Water District, Coachella Valley Water District, Orange County Sanitation District and has managed similar projects for the City of Corona, City of Anaheim, City of Inglewood, City of Lake Forest and Caltrans District 6, 9 and 10.

CONSTRUCTION MANAGER/INSPECTOR: We are pleased to offer Joe Ruzicka as our Construction Manager/Inspector for the Project. Joe is certified as Qualified Storm Water Practitioner (QSP). Joe has worked on previous street projects involving Caltrans oversight at the City of Anaheim, City of Simi Valley and various projects in Districts 6, 7, 8, 9/10 and 12. He would handle both the administration and inspection for our team. We have a strong back-up inspector George Hartmann who worked at Orange County Sanitation District managing and inspecting a variety of Sewer projects.

Mr. Finton
February 6, 2013
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MATERIALS TESTING: Our team partner Group Delta is available to perform the materials testing. Group Delta located in nearby Torrance and Denn Engineering for any surveying on the project.

Office Location-Our operations are headquartered in our Corona, CA office. In addition, our staff is equipped with a mobile office which includes a laptop computer with internet connectivity, a portable printer/scanner for transmitting and storing hand written documents, camera and a cell phone. However, we will maintain our records and can hold meetings if necessary at the Group Delta's Torrance office or the Manhattan Beach City office location. Torrance office address: 370 Amapola Ave., Torrance, CA 90501 Tel: 310-320-5100.

Cost Proposal - Our cost proposal is attached and will remain valid for 120 days.

Proposal Contact - Carl Wallace will be our Project Manager and the designated point of contact for this proposal. You may reach Carl anytime at (951) 966-7774.

I want you to know that we are eager to show the City our capabilities and cost effective approach on this project and we look forward to working with you. Please do not hesitate to contact me should you have any questions about our company or our other services at (858) 414-4699.

Respectfully submitted,
Wallace & Associates Consulting, Inc.



Cathy Wallace, SPHR
President

SCOPE OF SERVICES

Wallace & Associates manage and inspect the construction portion of the project. Project duration is identified as 90 working days however inspection during construction is not anticipated to be full time for parts of the contract.

Meetings - Wallace & Associates will participate in the following meetings with business owners, residents, contractor, utility agencies, City's Project Manager and other stakeholders, and prepare meeting minutes:

- Pre-Construction Meeting with Contractor and City staff
- Pre-Construction Meeting with residents
- Weekly Construction Meetings (with City, contractor and necessary stake holders)
- Field Meetings and other meetings when necessary
- Coordination meetings with Third Parties and Utilities.

Wallace & Associates will prepare following reports:

Inspector's Daily Report - Inspector's Daily Report shall cover the entire duration of the construction from beginning to completion of the project. The daily observation report shall be typed and include but not limited to the contractor's workforce, material and equipment used, a summary of construction activities, field problems, disputes or claims, resolutions of issues and directions given to the contractor.

Photographs - Wallace & Associates will have a digital camera on site and take ample pictures of the daily activities and field situations that may lead to possible disputes or claims. Photos shall also be taken before construction begins and upon completion of the project. Wallace & Associates will submit the completed Inspector's Daily Reports and construction photos to the City on Monday morning the following week.

Project Files - Wallace & Associates will maintain an organized, complete and current project file and shall be available to the City at all times. The files shall be part of the submittals at the end of the project.

Testing and Observations - Wallace & Associates will coordinate with the City for any materials testing however, Materials testing is not included in the scope of work.

Change Orders - Each issue, which is identified as a potential change to the design, scope, cost or contract time will generate change notice. Wallace & Associates will determine whether or not a change notice should be considered. Every change order request has to be justified. Upon approval by the City, the consultant will prepare, log and process change orders for full execution, and administer their implementation.

Progress Payment Processing - Wallace & Associates will use the City's Progress Payment Request Check List. Once the General Contractor (GC) submitted the Progress Payment Request Packet, the consultant shall review the completeness and correctness of the submittals. He then either returns the packet to GC for correction or forwards it to the City's Project Manager for approval and payment.

Wallace & Associates will perform the following Construction Management and Inspection duties:

- Oversee Contract Conformance
- Perform Construction Administration and Documentation
- Review Project submittals
- Maintain Project submittal log
- Schedule Control
- Monitor Job Site Safety
- Monitor Compliance of Traffic Control
- Coordinate with Third Party Agencies (Caltrans, Utility Co, etc)
- Enforce Storm Water Pollution Prevention Plan (SWPPP)
- Respond to Residents' Calls and Concerns
- Final job walk, generate punch list and complete corrections
- Final Inspection
- Review and approve contractor's "Record Drawing"

Project Close-out - Wallace & Associates will perform close-out duties including complete all required submittals, finalize project files and submit contractor's "Record Drawings".

EXHIBIT B
CONSIDERATION AND METHOD OF PAYMENT



April 24, 2013

Construction Management and Inspection Services Fee Estimate

City of Manhattan Beach						
2012 - 2015 Sewer Manhole Project						
Task 1 - Pre-Construction Phase						
TITLE	HRS/DAY	DAYS	HRLY RATE	TOTAL HRS	AMOUNT	
Principal In Charge/QA	6.0	2	\$136	12	\$1,632	
Construction Manager/Inspector	2.0	2	\$96	4	\$384	
SUBTOTAL -TASK 1					\$2,016	
Task 2 - Construction Phase						
TITLE	HRS/DAY	DAYS	HRLY RATE	TOTAL HRS	AMOUNT	
Principal In Charge/QA	0.50	60	\$136	30	\$4,080	
Construction Manager/Inspector	7.0	60	\$96	420	\$40,320	
SUBTOTAL -TASK 2					\$44,400	
Task 3 - Post Construction Phase						
TITLE	HRS/DAY	DAYS	HRLY RATE	TOTAL HRS	AMOUNT	
Principal In Charge/QA	6.0	2.0	\$136	12	\$1,632	
Construction Manager/Inspector	3.0	2.0	\$96	6	\$576	
SUBTOTAL -TASK 3					\$2,208	
Task 4 - Materials Testing						
Compaction and gradation testing for Backfill, Agg Base and AC					\$0	Budget
Based upon Time and Materials				Mark-Up	\$0	
SUBTOTAL -TASK 4					\$0	
DIRECT COST BUDGET (Copying, shipping, delivery, binding at cost plus 10% if needed)					\$200	
Total Fee Estimate (Not to Exceed)					\$48,824	
<i>If desired by City 8 % Construction Management Contingency</i>					\$3,905.92	
<i>Proposed budget with city approved contingency</i>					\$52,729.92	

NOTES:

1. The fee is based on the level of effort shown to perform typical scope of services for project. Material provided shows that the project duration would be 60 working days.
2. Overtime for full time inspection staff will be charged at 140 percent of the regular hourly rate. Double time for full time staff will be charged at 175 percent of regular hourly rate. Sundays and holidays will be charged at 200 percent of the regular hourly rate. Part time staff will be 150 percent of base rate for Overtime and 200 percent base rate for double time.
3. Delays or additional services caused by factors outside the control of Wallace & Associates may require additional fees.
4. The estimated fee is for Management Consulting services, and Materials testing as stated in the RFP and no overtime, weekend work, surveying, construction labor, equipment or materials, or temporary facilities are included. Utilizing any of these services would be additional to this fee proposal
5. Direct expense budget is identified for use on the project to cover incidentals such as copying, binding, reproduction of special reports, express shipping and overnight service, and items will be charged as direct cost plus 10% mark-up. Full size plans and specification reproduction is not anticipated in this budget.
6. W&A Field Service Rate includes overhead costs, profit, equipment, labor, vehicles, fuel, insurance, taxes, computers and cell phones except as noted above.