

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into on this 21st day of October, 2014, by and between the City of Manhattan Beach, a municipal corporation ("City") and Wallace & Associates Consulting, Inc., a Nevada corporation ("Contractor") (collectively, the "Parties").

RECITALS

A. City desires to obtain services of Contractor for project management, construction management, and construction inspection services for the Sepulveda Boulevard at Marine Avenue Intersection Improvements 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 the Scope of Services, attached hereto as Exhibit A and incorporated herein by this reference, 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 October 21, 2014, 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. Except as otherwise stated in subsection (c) of this section, in no event shall the Contractor be paid more than \$49,892.00 during the term of this Agreement.

(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 of up to \$4,989.20. 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 shall be Carl Wallace, who 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. **[X]** 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 waived 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 gross negligence, 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: Michael A. Guerrero, Principal Civil Engineer

If to Contractor: Wallace & Associate Consulting, Inc.
1655 East 6th Street, Suite A-4a
Corona, CA 92879
Attn: Carl Wallace

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:
Wallace & Associates Consulting, Inc.,

Mark Danaj
City Manager



By: CATY WALLACE, SPHR
Its: PRESIDENT


ATTEST:



By: CARL WALLACE, PE
Its: DIRECTOR OF OPERATIONS, TREASURER

LIZA TAMURA
City Clerk

APPROVED AS TO FORM:



QUINN M. BARROW
City Attorney

EXHIBIT A
SERVICES AND HOURLY RATES

Scope of Work/Approach/Quality Assurance

Sepulveda Blvd at Marine Ave Intersection Improvements - Construction Support/Observation Services



Management Approach

Wallace & Associates (W&A) and our staff have been providing Construction Management and Inspection services to cities and agencies for decades. We have the tools, procedures, equipment and staff with all of the right experience to perform these services for this project. We are eager to demonstrate our ability to cost effectively deliver high quality services and projects for the City of Manhattan Beach. In providing Project Management, Construction Management and Inspection services, our manager will coordinate with City staff to ensure that our staff has all the proper documents and equipment needed prior to the start of the assignment. W&A takes pride in our professional capabilities and providing our staff with the tools needed to do their job. But we also know that our staff is often recognized as a representative of the City and they can be the first contact point on a project with a developer, a resident or a business owner. That is why W&A provides our staff with new, good quality professional work vehicles (all are white color) with clear W&A logo painted on the side, good ground clearance and even 4WD if needed. Because of our ongoing commitment to safety, our staff is equipped with new safety vests and hard hats. We have received very positive feedback from our clients who understand the importance of a professional image.

MANAGEMENT PLAN – It is not easy to gain time once the construction phase begins, so we spend focused effort on the front end during preconstruction to assist the City and become an integral part of the project delivery team for each of our projects. We understand the need to spend time up front to minimize delays and issues later on in the project; we do this through early collaboration prior to the start of the construction activities. The following activities are key to the start-up of most projects and we emphasize them as part of our management approach.

W&A's management plan is to provide the City with cost effective alternatives for project delivery through qualified staff with the right expertise for the proposed project. We want to get the project off to a good start and that starts with the right people. Many large companies can show a high number of successfully completed similar projects. But their future performance is only as good as the staff that they are actually able to deliver to the project. We have an excellent track record in providing qualified staff as did our manager, Carl Wallace, with his previous companies.

Project Kick-Off - W&A will set up a project team kick-off meeting to establish roles and responsibilities, identify critical items and set the pace for the administrative and field portions of the project. Some of these tasks include a review of the record keeping for City work breakdown structure, develop the initial project schedule, present or incorporate established reporting formats for use on the project, discuss report preparation schedules for reports to Board of Directors, review CM budget

reporting format, field office establishment and set-up and administration of the construction contract. We would propose a field visit with key staff to review the site issues and identify potential problem areas during our site investigation. It is important to have the team see the project together and share their concerns and perception of how the project can be successful. Internal coordination will also include meeting with maintenance and operations staff for establishing communication and coordination protocol through the construction phase and for delivery of operations and maintenance manuals and as-builts.

Construction Support and Observation

Preconstruction Conference: W&A will coordinate and conduct the Pre-Construction Meeting including notification to the Contractor, utility agencies and other stakeholders, and prepare the meeting agenda and minutes.

The agenda and minutes will include the following items, at a minimum:

- Introductions of key personnel
- City responsibilities
- Safety (City Property, Traffic, Trench and Shoring, Confined Space, etc.)
- Project Overview
- Confirmation of fully-executed Contract Documents and Notice to Proceed
- Establishment of Contract Time and Completion Date
- Funding Requirements
- Review of Working Day definition and holiday schedule
- Identify common overall project goals
- Identify chain of communication and key contacts
- Public Relations
- Project scope will be discussed and clearly defined
- Critical design elements, schedule and cost factors will be discussed
- Experience and key roles in the project will be discussed
- Past project experiences will be discussed to identify potential pitfalls
- Discussion of Master Schedule
- Sub-contracts identified
- Integration of utility coordination activities into schedule
- Documentation and tracking controls
- Change order procedures
- Scope, schedule and cost change administration, notification requirements, and controls
- Submittal and RFI Process
- Identify long lead and any substitution and "or-equal" items and testing – review call-out requirements and deputy/special and testing requirements
- Review survey for consistency with the design
- Progress payment procedures

Scope of Work/Approach/Quality Assurance

Sepulveda Blvd at Marine Ave Intersection Improvements - Construction Support/Observation Services



- Labor compliance
- Rights-of-way
- Easements and special access considerations
- Placement of signs
- Operation and Maintenance coordination
- Questions and answers
- Action item assignments

W&A considers the pre-construction meeting as progress meeting #1. All items discussed are designated as "open" or "closed." All open items are carried forward to subsequent progress meetings until resolved and closed. Action items are assigned a specific responsible party and a deadline for resolution. Minutes for each progress meeting are prepared and distributed to all attendees and affected coordination parties. W&A will typically conduct or, at a minimum, participate in all site meetings. Pre-construction meeting and site meeting minutes will be distributed to meeting participants and to courtesy recipients identified by the City.

Construction Observation: Our Inspector will be on site whenever the contractor is there. Doug Blois will be our primary staff and John Reidinger will be available on an as-needed basis to handle extended work hours and any multi-shift work. Before work can start our inspector will check that the site has proper permitting and approved submittals for SWPPP, Caltrans, Shoring plan, Traffic Control Plan, Lighting plan, Pipe material, construction materials, Relative compaction baseline data, trench backfill method, plating plan and construction schedule. No one comes on site without the proper personal safety equipment, including our staff and city staff. Our Inspector will maintain extra equipment in his vehicle on site if someone visits the site and does not have that equipment with them. The inspector will document all of the manpower, equipment, material and production for the project each day and allocate any time and materials activities or idle equipment in his daily report (see below). Our inspector will monitor and confirm BAC-T and pressure testing of the new mainline. These will be included on the daily report along with the specific time and location and extent of each test and associated zone.

Daily Construction Observation Reports: W&A Inspector will compile daily observation reports documenting the Contractor's workforce, all materials and equipment used or idle, a summary of the construction operations, any field problems, any disputes or claims, resolutions of issues and information provided or written directives to the Contractor. Completed daily reports will be transmitted to the City on a weekly basis with originals filed and stored appropriately.

Weekly Reports: W&A will prepare a weekly report to the City which would include Inspector's dailies, job photos, and action item list. We can incorporate some of the monthly items in the weekly report if desired; this is something we could work out in our initial project meeting.

Monthly Progress Reports: W&A will prepare monthly reports with the Project Stakeholders. These reports will include the following information:

- Summarized report of construction activities including significant events and accomplished goals
- Construction observation reports
- Description of progress with photos to enhance the descriptions
- Comparison of Actual vs. Planned Progress, in narrative and bar graph forms
- The Contractor's latest detailed Four-Week Look Ahead Schedule reviewed by the CM
- Identification and discussion of current problems or pending change orders and actions taken or planned to resolve such issues
- Inventory log with complete status of RFI's and project submittals
- Discussion of new short- and long-term goals for the project
- Comparison of Actual vs. Planned budget expenditures (Contractor and Consultant Services)
- Report of progress payments made to date and invoices in process
- Labor Compliance Reports for Contractor and Subcontractor employees (if required)
- QA/QC prepared by the team addressing testing and regulatory compliance issues
- Analysis of change order impacts or potential problems on schedule and budget

Pre-Construction Community Meeting: W&A will coordinate with the City and lead a community project meeting before the start of construction. Items for meeting would include: Provide a schedule of the project, describe the effects the project will have on the community, provide our contact information for any issues that may come up during the project and finally listen to their comments and concerns and address these through follow up.

Weekly Progress Meetings will be mandatory for the Contractor and staff, and optional or on an as-needed basis for City and design team staff. All parties are always invited to attend in person or via remote access. Meeting minutes are distributed to all team members whether in attendance or not. Discussions will focus on the following items:

- Contractor's detailed Four-Week Look-Ahead Schedule
- Progress and major decisions during the last week
- Update of unresolved items from previous meetings
- Status of submittals and change orders

Submittal Processing: Our Traffic Engineer, Rusty Beardsley, TE will perform the Submittal Review for our team. He will process (as needed) all Signal submittals on this project with assistance from our Project Administrator. Our Inspector, Doug, will maintain the current submittals for verification that work in the field is in compliance with the approved submittals. All shop

Scope of Work/Approach/Quality Assurance



Sepulveda Blvd at Marine Ave Intersection Improvements - Construction Support/Observation Services

drawings, samples and other submittals received from the Contractor will be logged in and routed to the City and the designer. Responses will be logged in and transmitted to the Contractor. Submittals will be tracked throughout the project to ensure timely responses in order to avoid Contractor claims for delay. All submittals will be expedited utilizing electronic delivery whenever possible (except for shop drawings, large format documents, etc.). Additionally, W&A will recommend key contractual requirements for the Contractor to clearly indicate submittal processing requirements in the project schedule. Submittal comments will be monitored to identify potential impacts to quality, cost or schedule, with recommended alternatives and/or solutions.

RFI's: Upon receipt, the Inspector will log, distribute and respond to each Request for Information (RFI) as required. It is anticipated that most will be handled upon receipt. However, in the event that the design engineer or the City staff is required to answer questions, the Inspector will coordinate a timely resolution. W&A will identify potential impacts to cost or time that may result due to issues identified in RFIs, with recommended alternatives or solutions to mitigate the potential impacts.

Weekly Statement of Working Days: W&A will prepare a weekly statement of working days documenting the construction progress, time of completion, delays and time extensions, and submit to Contractor and the City on a weekly basis. The weekly statement of working days is typically discussed and agreed upon at each progress meeting and transmitted as an attachment to the minutes.

Problems and Solutions: The W&A proactive approach serves to anticipate and expeditiously resolve field problems. Our team is well trained in problem solving. All issues are processed with a sense of urgency and presented to the City with suggested alternatives, cost and schedule impacts and recommended solutions. The W&A inspection staff will quickly implement the alternative which suits the best interests of the project and the City. W&A will effectively communicate with City staff, Design Consultants and the Contractor to identify conflicts, construction problems, and coordination issues, and will obtain the needed action and response to submittals and RFI's.

Project Controls: Complete and current project files will be kept at the job site, or at a location agreeable to the City, and will be available to the City at all times. Our inspection staff may or may not have the role of fulfilling these requirements for the project. These files will consist of the contract, correspondence relating to or modifying the contract, proposal requests, clarifications, permits, logs, reports, RFI's, field orders, change orders, claims inspection reports, test reports, etc. The W&A team will prepare a detailed file indexing system for all project hard files, and we would offer an industry standard system for contract administration for

logging and tracking of critical issues, change management, RFIs, submittals, digital data and scanned documents. W&A can use City standard or customized forms; we will adapt our system to the specific needs of the project, in order to monitor, track and control the project. This detailed tracking system will enable us to provide an accurate assessment of the progress to the City with recommendations to maintain or improve adherence to the approved project schedule. We will also log and track site environmental mitigation measures and compliance issues that may be required for bonding and fund reimbursement.

Schedule Review: W&A is very proficient with all of the mainstream scheduling software used by the public works contracting industry including, but not limited to, Primavera P3@ Suretrak@ and Microsoft Project@. The project Inspector will review the baseline construction schedule, including activity sequences and duration, schedule of submittals and schedule of delivery for products with long lead-times. He will evaluate the baseline project schedule for the following:

- Consistency with the contract schedule (completion within the contract time)
- Accurate start dates, completion dates, other dates detailed in the contract
- Any impacts of weather and change orders
- Sufficient detail – including submittal process and procurement requirements
- Sequence of construction and correct schedule logic
- Identification of the critical path and project float

The schedule will not be approved as the baseline until all discrepancies are resolved.

Schedule Control: During the progress of construction, the W&A team will compare the Contractor's monthly schedule updates to the baseline schedule and any approved time extensions, note any shortcomings and monitor and track corrections by the Contractor to keep the project schedule on track. A four week "look-ahead" schedule will be required from the Contractor, updated weekly and presented at the weekly construction progress meetings. This tool will keep the entire team looking one month ahead of the project and will facilitate proactive handling of project activities and issues. If necessary, W&A will negotiate time extensions due to change orders or other delays.

Photographs: W&A Inspector will prepare and maintain an electronic photo journal documenting the construction progress. Photos will be taken before construction begins, during construction and upon completion of the project.

Contract Conformance: W&A Inspector(s) will visit the site during the normal working hours (and when critical activities warrant it) to verify construction progress and to verify that all work conforms to contract requirements. Deputy and special inspection and materials sampling and testing will be coordinated

Scope of Work/Approach/Quality Assurance

Sepulveda Blvd at Marine Ave Intersection Improvements - Construction Support/Observation Services



and provided as required by the final plans and specifications. W&A will reject work that does not conform to the requirements of the contract documents and will promptly report unacceptable work to the City and Contractor. Rejected work will be thoroughly documented, photographed, and tracked until repaired or replaced to the satisfaction of the City.

Coordination with City: W&A will closely monitor the work of the Contractor. The four week "look-ahead" schedule discussed above is a very effective tool in helping to coordinate the construction operation, particularly in relation to any interface operations with the City's activities. W&A will assist the City to minimize disruption to both City and construction operations.

Coordination with City Water Division for Shut Downs:

Our Inspector will work closely with the City Water department to coordinate their time and make sure that they are aware of the Contractor's plan and the upcoming need for their support on the project.

Shoring: Our Inspector will monitor trench shoring during the temporary construction. He has designed trench shoring as a contractor and professionally as a registered engineer.

Safe Conditions: W&A will monitor project work and adjacent areas for unsafe conditions, promptly require corrective measures to be addressed by the Contractor in compliance with the contract documents and report such issues and corrective measures taken to the City.

SWPPP: W&A will enforce all provisions of the Storm Water Pollution Prevention Plan and/or other requirements set forth in the specifications. W&A CM staff is well versed in SWPPP monitoring through provision of dedicated services for oversight of developers and contractors on behalf of several public agencies. In addition we can assign QSP staff when required or on a spot basis to existing projects. At a minimum, SWPPP requirements will be monitored and a specific SWPPP Checklist will be compiled. Any deficiencies noted will be addressed with the Contractor for immediate remedy. In the event that inclement weather is forecasted, a site walk will be conducted to ensure that SWPPP measures are in place and well maintained. Our inspector will make sure that the Contractor is in compliance with the approved SWPP Plan.

Materials and Workmanship: W&A will recommend approval of materials and workmanship that meet the contract requirements, in coordination with the authority of the consulting engineer, architect, fire inspector, deputy inspector, or other authorized representative or regulatory authorities having jurisdiction.

Documentation Interpretation: W&A will perform the coordination and expediting between the Contractor, Design team and City staff to clarify any questions for interpretation of the construction documents. Timely, firm and fair

determinations will be processed to minimize any cost and time impacts.

Special, Deputy and Soils Inspection and Materials

Testing: W&A has brought in Group Delta to provide material testing services. W&A will work with the Consultant and develop the required scope of services for QC on the project. Our Construction Manager/Inspector will work closely with Tom Swantko in preparation of the project QC testing plan and then manage its implementation. This activity will include laboratory, jobsite and offsite testing of construction materials and required observations per construction documents, construction codes, and jurisdictional agencies. W&A will implement established procedures for testing as required per the construction documents. The CM will monitor testing services, track documentation and record testing results in weekly construction progress meetings. When necessary, corrective measures will be implemented and re-inspected to verify acceptable completion.

Change Orders: W&A will establish, implement, and coordinate systems for processing all contract change orders. Each issue, which is identified as a potential change to the design, scope, cost or contract time, will generate a change notice. The CM will determine whether or not a change notice should be considered. The plans and specifications will be reviewed against the change notice. If the issue does not appear to be included in the plans or specifications, a Request for Quotation (RFQ) will be sent to the Contractor. Any credits for work deleted as a result of the change will be required at this time as well. The Contractor's response to the RFQ will be evaluated for reasonableness and completeness. The CM will maintain a Trend Log, listing potential changes as identified, either formally or informally. This Trend Log will be used so that potential change items are not overlooked or deferred until the end of the job. W&A will prepare independent cost estimates as required for contract change orders. Upon approval by the City, the CM will prepare, log and process change orders for full execution, and administer their implementation. Once fully executed, the CM Team will review the timely completion of the work and coordinate inclusion of the change order in the appropriate payment application.

Daily Extra Work Reports: W&A Inspector will verify and sign the Contractor's daily extra work reports documenting force account (time and materials) work. In particular, W&A will monitor that only appropriate worker classifications necessary for approved time and materials work are included on extra work reports. Any inappropriate workforce and/or equipment charges will be promptly rejected and removed from extra work reports.

Progress Payment Processing: A cost control system, based on the Contractor's schedule of values, approved change orders and the contract amount, will be developed and implemented to monitor progress costs. Monthly cost reports will be submitted to the City as a component of the Monthly Progress Report.

Scope of Work/Approach/Quality Assurance

Sepulveda Blvd at Marine Ave Intersection Improvements - Construction Support/Observation Services



W&A Inspector will review the payment applications submitted by the Contractor and determine whether the amount requested reflects the progress of the Contractor's work. Appropriate adjustments to each payment application will be required by the Contractor. The items will be identified by proper coding for breakout by funding source to comply with funding requirements. When the payment application has been checked and approved by our Construction Manager, it will be presented to the City for processing.

Written Instructions: W&A will issue written instructions to the Contractor regarding routine matters and/or follow-up of verbal instructions as necessary to properly document project issues. Our inspectors have speed memo forms to document any issue and immediately provide a copy to the Contractor.

Quality Control/Assurance: W&A will monitor the Contractor's work and have quality assurance testing performed to verify items independently throughout the project. These items include: Survey control, depth and width of excavation, line and grade, work conformance with all submittals, materials testing to name a few. The key is to establish continuous monitoring of the items necessary to produce the desired outcome for the project.

Plans, Specs and As-Builts: At a minimum, W&A will periodically review the Contractor's as-built updates on the approved job plan set, identify missing items, and require the Contractor to keep as-built records up to date throughout the project. At the City's option W&A will keep its own set of as-built plans, which will note the location of subsurface utilities encountered and/or installed, identify where any design or field changes were required (utilizing the corresponding RFI and/or change order numbers), and note the location of critical building components that are covered by finish work. At the end of the project the final as-built plans are submitted to the City within thirty (30) days of construction completion.

Pre-Final Inspection: The Construction Engineer/Inspector will perform the final job walk and prepare the punch list (deficiency list). W&A will coordinate and observe the completion of required corrections. If the Contractor does not complete a portion of the project work, W&A will estimate the value of the incomplete items and recommend specific retention in accordance with the contract to preserve the City's financial participation. If necessary, a change order will be recommended for approval for completion of the remaining work such that the City may file the notice of completion and start the time after which stop notices and/or claims are no longer valid.

W&A will schedule and perform quality assurance materials testing to verify compliance of the work with the contract documents. We will review test reports submitted by others to substantiate compliance and ensure that Certificates of Compliance or source release tags are furnished by the

Contractor along with the applicable delivered materials at the project site.

Final Inspection: All corrections must be made before W&A recommends processing of the "Notice of Completion." W&A is noted for our attention to detail. Upon completion of the punch list and final sign-off by all project stakeholders, W&A will make a recommendation to the City regarding the Contractor's final progress payment request and prepare a final progress payment report for submission to the City.

Delivery of As-Builts and close-out documents: W&A will review "as-built" plans and prepare "as-built" reports. W&A will assist the Contractor in maintaining a field set of "as-built" plans to be updated daily and delivered to the City upon project completion. W&A will continually document changed field conditions and not rely on the Contractor to document "as-built" conditions. The CM will report and photograph field condition changes; he will document and keep these "as-built" conditions on plans in his office. W&A will review the Contractor's submittal of "as-built" conditions and compare this submittal to W&A's own documentation. Discrepancies will be discussed, resolved and recorded. Completed "as-built" plans will be submitted to the City.

W&A will enforce the provisions of the specifications to require the Contractor to submit well coordinated operations and maintenance manuals, warranties and guarantees, bonds, extra stock and/or other items required by the contract documents so that a timely close-out of the project is implemented.

W&A will perform closeout duties including final organization of project files and submit to the City for final approval, and assist with the filing of the notice of completion and release of retention.

Bond Release: After all requirements have been met, the CE/Inspector will sign off on the appropriate form to recommend approval for release of bond funds.

Post Construction Support: W&A can assist the City with resolution of post-construction issues such as user department inquiries and issues, resolution of stop notices or notices from the labor commissioner, etc.

EXHIBIT B
CONSIDERATION AND METHOD OF PAYMENT



**Construction Support/Observation Services for
Sepulveda Boulevard at Marine Avenue Intersection Improvements Project**

	Anticipated Weeks of Construction										Total Hours	Subtotal	Subtotal			
	2015															
	1	2	3	4	5	6	7	8	9	10						
1 - Construction Management Services																
<i>Wallace & Associates Staff</i>																
As Needed	4	2	2	2	2	2	2	2	2	2	2	2	24	\$130	\$3,120	
Full time	4	4	4	4	4	4	4	4	4	4	4	4	356	\$104	\$37,024	
As Needed	4	4											8	\$130	\$1,040	
As Needed				8	8	8	8	8					32	\$100	\$3,200	
As-Needed	2	3	3	3	3	3	3	3	2				31	\$68	\$2,108	
<i>Sub-Consultants</i>																
Group Delta																\$5,000
<i>Direct Cost Budget (Reproduction, Postage, Shipping, Incidentals)</i>																
																\$100
											Total Hours	451	Subtotal	\$49,592		
											10% Markup on SubConsultant		\$300			
											CM Subtotal (with Materials Testing Sub and Mark-up Included)		\$49,892			
											Construction Cost		\$400,000			
											Construction Services Cost as a percentage of Construction Cost		12.5%			

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
GENERAL LIABILITY SUPPLEMENTARY ENDORSEMENT**

This endorsement modifies insurance provided under the following:
BUSINESSOWNERS COVERAGE FORM

I. Additional Insured by Contract, Agreement or Permit

Under SECTION II – LIABILITY, C. Who Is An Insured, Paragraph 4. is added as follows:

a. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract, agreement or permit that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- (1) Your acts or omissions; or
- (2) The acts or omissions of those acting on your behalf,

but only with respect to:

- (3) "Your work" for the additional insured(s) at the location designated in the contract, agreement or permit; or
- (4) Premises you own, rent, lease, control or occupy.

This insurance applies on a primary basis if that is required by the written contract, agreement or permit.

b. This provision does not apply:

- (1) Unless the written contract or written agreement has been executed or permit has been issued prior to the "bodily injury", "property damage" or "personal and advertising injury";
- (2) To any person or organization included as an insured by an endorsement issued by us and made part of this Policy;
- (3) To any lessor of equipment:
 - (a) After the equipment lease expires; or
 - (b) If the "bodily injury", "property damage" or "personal and advertising injury" arises out of the sole negligence of the lessor;
- (4) To any:
 - (a) Owners or other interests from whom land has been leased which takes place after the lease for that land expires; or
 - (b) Managers or lessors of premises if:
 - (i) The occurrence takes place after you cease to be a tenant in that premises; or

(ii) The "bodily injury", "property damage" or "personal and advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor; or

(5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services. This includes but is not limited to any professional services 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, advice, expertise or work. Construction includes, but is not limited to, the plan, conception, design, build, construct, assembly, development, safety, erection, formation, reconstruct, rehabilitation, repair, or any improvement made to real property. Construction also includes the hiring, supervision or management of any 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.

- c. Additional insured coverage provided by this provision will not be broader than coverage provided to any other insured.
- d. All other insuring agreements, exclusions, and conditions of the policy apply.

II. Additional Insured by Contract, Agreement or Permit – Primary and Non-contributory

The following is added to SECTION III – COMMON POLICY CONDITIONS:

M. Other Insurance

1. Additional Insureds

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under SECTION II - LIABILITY, Part C – Who is An Insured, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss we cover under **SECTION II – LIABILITY, Part A. Coverages, Paragraph 1., Business Liability** our obligations are limited as follows:

a. Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the Additional Insured as a Named Insured.

We will not seek contribution from any other insurance available to the Additional Insured except:

- (1) For the sole negligence of the Additional Insured;
- (2) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (3) When b.(2) below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b.(3) below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;
 - (c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION II – LIABILITY, Part A. Coverages, 1. Business Liability**.

When this insurance is excess, we will have no duty under **SECTION II – LIABILITY, Part A. Coverages, 1. Business Liability** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

III. Aggregate Limit of Insurance (Per Project)

- a. For purposes of the coverage provided by this endorsement, **D. Liability and Medical Expenses Limits of Insurance under Section II – Liability** is amended by adding the following:

The General Aggregate Limit under **D. Liability and Medical Expenses Limits of Insurance** applies separately to each of "your projects" or each location listed in the Declarations.

- b. For purposes of the coverage provided by this endorsement **F. Liability And Medical Expenses Definitions under Section II - Liability** is amended by adding the following:

a. "Your project" means:

- i. Any premises, site or location at, on, or in which "your work" is not yet completed; and
- ii. Does not include any location listed in the Declarations.

IV. Blanket Waiver of Subrogation

Paragraph K. Transfer Of Rights Of Recovery Against Others To Us in Section III – Common Policy Conditions is amended by the addition of the following:

We will waive any right of recovery we may have against any person or organization when you have agreed in a written contract, permit or agreement to waive any rights of recovery against such person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard".

Policy No.: AW3986606201



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED


This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provide by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 3/1/2014	Countersigned By:  (Authorized Representative)
Name Insured: Wallace & Associates Consulting, Inc.	

SCHEDULE

Name of Person(s) or Organization(s): Where required by written contract

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

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in Section II of the Coverage Form.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT – CA

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless otherwise stated.

This endorsement effective on 3/1/2014 at 12:01 am standard times forms a part of Policy No. WZ3986603002

of the Hanover American Insurance Co.

issued to: Wallace & Associates Consulting, Inc.

Premium (if any) \$



Authorized Representative

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2.000% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

ANY PERSON OR ORGANIZATION WITH WHOM YOU AGREE IN WRITING TO WAIVE YOUR RIGHT TO RECOVER AGAINST THEM. YOU MUST AGREE TO THIS WAIVER PRIOR TO THE DATE OF LOSS

Job Description: Projects as on file with the insured

WC 252 040 84

