

NOTICE OF REQUEST FOR PROPOSALS

Notice is hereby given that Tri-County Schools Insurance Group (hereinafter referred to as "Owner") has issued a Request for Qualifications and Proposals for Construction Management Services ("RFQP") for multiple tenant improvement projects at its TCSIG Offices located at 400 Plumas Blvd Yuba City CA 95991, including but not limited to the Administrative Offices project and the Conference Center project ("Projects").

Owner will receive sealed proposals in response to the RFQP no later than March 8, 2019 at 5:00 P.M. on the clock designated by the Owner or its representative as the governing clock, at:

Tri-County Schools Insurance Group
1176 Live Oak Blvd. Suite A
Yuba City, CA 95991
Attention: Marisa Garramore, Finance and Operations Manager

Copies of the RFQP and the specifications for the Projects may be obtained from:

Tri-County Schools Insurance Group
1176 Live Oak Blvd Suite A
Yuba City, CA 95991
(530) 822-5299

Advertise: 1st Publication Date _____
 2nd Publication Date _____

Tri-County Schools Insurance Group
1176 Live Oak Blvd. Suite A
Yuba City, California 95991

Request for Qualifications and Proposal
For Construction Management Services

RFQP Issued:	February 26, 2019
Responses Due:	March 8, 2019, at 5:00 PM
Interviews:	TBD
Board Approval of Contract:	March 15, 2019, at 5:00 PM

Request for Qualifications and Proposal (“RFQP”)
For Construction Management Services for Tri-County Schools Insurance Group Tenant Improvement
Construction Program

The Governing Board (the “Board”) of the Tri-County Schools Insurance Group (the “TCSIG”) is seeking statements of qualifications and proposals from qualified providers of construction management services for the facilities construction projects described herein.

1. Critical Dates

Submittal Due Date:

An original + six (6) copies of the submittal shall be delivered **no later than March 8, 2019, at 5:00 p.m. (PDT)** to:

Tri-County Schools Insurance Group
1176 Live Oak Blvd. Suite A
Yuba City, CA 95991
Attention: Marisa Garramore, Finance and Operations Manager

Submittals not received by the deadline will be returned unopened.

Interview Date:

To be determined. TCSIG may elect to conduct informal or telephone interviews, or to not conduct interviews at all.

2. Project Description

TCSIG plans to construct multiple projects at its “TCSIG Offices” site located at 400 Plumas Blvd, Yuba City, CA 95991 over the next 12 months, including but not limited to the Administrative Offices project and the Conference Center project (the “Projects”). Accordingly, TCSIG may need to hire one or more construction managers to assist TCSIG staff with the Projects.

3. Scope of Work

The Scope of Work may include overall construction program planning, preconstruction services, and construction management services for the Projects. The Projects may be competitively bid or otherwise awarded to a single prime contractor or multiple prime contractors. TCSIG may also elect to use a delivery method other than competitive bidding for the Projects.

The construction manager(s) to be hired will be expected to perform some or all of the scope of services described in the construction management agreement accompanying this RFQP (*Attachment A*), which will be the general form of agreement that the construction manager must execute. Any statement of qualifications submitted in response to this RFQP (including the proposed hourly rate) must be based on

the scope of services, fee structure (hourly rate with a not-to-exceed total amount), obligations, and other terms of the construction management agreement. TCSIG reserves the right to modify the scope, structure, and terms of the construction management agreement to match the services that a particular construction manager is being hired to perform.

For all services provided, the construction manager will assist TCSIG staff, act as an extension of TCSIG staff, and represent and protect TCSIG's interests.

See *Attachment B* for more detail about the scope of construction management services required for the Projects.

4. Statement Format and Content

The statement of qualifications should be clear, concise, complete, well organized, and demonstrate respondent's ability to follow instructions. Proposals should be reviewed for accuracy before submission to TCSIG. TCSIG will not be responsible for errors in any proposal. TCSIG reserves the right to reject any and all proposals, to waive any irregularities, or informalities in the proposals, or to request further information.

An original + six (6) copies of the statement must be provided, with no more than 30 single-sided pages in total length.

All respondents are requested to follow the order and format specified below. Please tab each section of the submittal to correspond to the numbers/headers shown below.

The cover shall include the RFQP's title and submittal due date, the name, address, fax number, and the telephone number of responding firm (or firms if there is a joint venture or association). The cover should also identify the proposed lead construction manager for the Projects.

The table of contents shall include complete and clear listings of headings and pages to allow easy reference to key information.

The following sections should be included in the statement in the order listed:

A. Cover Letter

A cover letter signed by an authorized officer of the firm submitting the statement, or signed by another person with authority to act on behalf of and bind the firm. Indicate contact person(s) for this Projects.

B. Mandatory Qualifications

Respondents must be a licensed general contractor, registered engineer, or a licensed architect, with the license being current, valid and in good standing. Provide the following information for each license:

1. Name of license holder exactly as on file.
2. License number and date issued.
3. Expiration date.
4. Whether license has been suspended or revoked in the past 5 years (if so, explain).

Respondents must have the necessary qualifications to provide the requested services in accordance with California law, including but not limited to Government Code section 4529.5. Any individual or firm proposing to provide construction project management services shall provide evidence that the individual or firm and its personnel carrying out onsite responsibilities have expertise and experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.

C. Organization, Credentials, and General Background

Please provide a brief history of your organization, including:

1. Number of years the organization has been in business.
2. Location of office that will perform the work required by this RFQP.
3. List of basic services provided by your organization.

D. Public Agency Facilities Planning and Design Experience

Describe the experiences/background of your organization in providing construction management services for public agency facilities required by this RFQP. Provide a list of similar projects performed over the last 5 years listing start and finish dates, project cost, contractor, owner, and owner contact information

E. Past Performance Record

If any of the following has occurred, please describe in detail the circumstances for each occurrence:

1. Failure to enter into a contract once selected/awarded.
2. Withdrawal of a proposal as a result of an error.
3. Termination or failure to complete a contract.
4. Debarment by any municipal, county, state, federal or local agency.
5. Involvement in litigation, arbitration or mediation.
6. Conviction of the firm or its principals for violating any federal or state law related to construction management practice or contract performance.
7. Knowing concealment of any deficiency in the performance of a prior contract.
8. Falsification of information or submission of deceptive or fraudulent statements in connection with a contract, including allegations of, or litigation relating to, violations of the California False Claims Act.
9. Willful disregard for applicable rules, laws or regulations.

10. List any disputes resolved through mediation, arbitration or litigation arising over the past five years from any public works or other construction project your firm or any related business entity has been involved in.

Information regarding any of the above may be deemed to indicate an unsatisfactory record of performance.

F. Project Team

1. Identify key team members for the Projects and provide their qualifications.
2. Describe how the Projects would be staffed.
3. Identify all of your proposed consultants for the Projects and provide their qualifications.
4. Provide an organization chart for the Projects.

G. Client Satisfaction/References

Provide a list of at least five public agency client references for which your organization has performed construction management services similar to those required by this RFQP. References must include:

1. Name, address, telephone number, and a contact person of the project owner.
2. Name, address, telephone number and a contact person for the contractor(s) working on the project(s).
3. Describe the project(s) on which your organization provided services, including costs.

H. Insurance

Attach a letter from your insurance company indicating your firm's ability to provide insurance as required in the attached agreement (*Attachment A*), including but not limited to the following:

1. A.M. Best financial rating of A.
2. Commercial General Liability Insurance: Commercial general Liability Insurance shall be at least as broad as Insurance Services office General Liability Coverage (Occurrence Form CG 0001), with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage/ Two Million Dollars (\$2,000,000) aggregate.
3. Automobile Liability Insurance: Automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto), with coverage limits of at least One Million Dollars (\$1,000,000) for bodily injury and property damage each accident limit.
4. Workers' Compensation and Employer's Liability Insurance: The selected construction manager shall insure (or be a qualified self-insured) under the applicable laws relating to workers' compensation insurance, all of their employees working on the Project, in accordance with the "Workers Compensation and Insurance Act," Division IV of the

California Labor Code. The selected construction manager shall provide employer's liability insurance in the amount of at least One Million Dollars (\$1,000,000) per accident for bodily injury and disease.

5. Errors and Omissions Insurance: errors and omissions insurance on an occurrence or claims made basis with a limit of at least One Million Dollars (\$1,000,000) with a deductible in an amount not to exceed the sum of Ten Thousand Dollars (\$10,000).
6. All insurance will be in a form and with insurance companies acceptable to TCSIG.
7. Insurance carriers shall be qualified to do business in California and maintain an agent for process within the State.

I. Current and Contracted Projects

Attach a list of your firm's projects currently underway and contracted for but not yet underway. List actual or expected start and completion dates of the projects, and explain how your firm will be able to effectively manage and perform the requested services for the TCSIG while also managing and performing the listed projects.

J. Proposed Rates for Services

Attach a list of your firm's hourly rates for all personnel who may perform services on the Projects pursuant to the agreement.

5. Selection Process

- A. The purpose of this RFQP is to enable TCSIG to select a firm with whom TCSIG may enter a version of the attached agreement for construction management services for the Projects. Selection shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, including performance at fair and reasonable prices. (See description of necessary qualifications, above.)
- B. TCSIG will use the selection process outlined herein. A review and selection committee composed of key TCSIG officials and consultants will review and evaluate all submittals and may conduct interviews.
- C. Statements of qualifications will be opened privately to assure confidentiality and to avoid disclosure of the contents to competing respondents prior to and during the review and evaluation processes. However, to the extent that the submittals are public records under California law, they may be subject to release to members of the public if specifically requested under applicable law.
- D. The following items will be considered by TCSIG in the review process:
 - Conformance to the specified format.
 - Organization, presentation, and content of the statement.
 - Qualifications and experience of the proposing firm, principals, consultants, and project team members, including primary responsibilities of each. These qualifications

must be the qualifications of the proposed team that will actually perform services for TCSIG.

- Capabilities to perform all aspects of the subject project including organization capacity, resources, and other unique capabilities that might differentiate one organization from another.
- Demonstrated ability to manage similar projects on time and within budget.
- Recent experience in the project management and construction management of public school projects in California.
- Hourly rates that will be charged by your organization for services rendered.
- Proposed methods and overall strategic plan to accomplish the work in a timely and competent manner within the TCSIG's financial constraints and time frames.

6. Interviews, Selection, and Requests for Proposals

TCSIG may, but is not obligated to, conduct interviews with one or more of the construction managers that respond to this RFQP. If conducted, the interviews will be held on a date and time to be determined. The construction manager's personnel that it proposes to perform the services must attend the interview.

TCSIG reserves the right to send a further request for information to one or more of the construction managers that respond to this RFQP, including but not limited to a proposed not-to-exceed maximum total fee for the specified services based on the proposed personnel, their estimated total hours of work, and their hourly rates which were submitted in response to the RFQP.

After receipt of the proposals in response to the RFQP, TCSIG may enter negotiations with one or more of the proposing entities regarding the contract price. The terms of the construction management agreement (*Attachment A*) other than the not-to-exceed amount are not negotiable. Should TCSIG be unable to negotiate a satisfactory contract with one of the proposing entities, TCSIG is under no obligation to enter an agreement with any of the proposing entities and may reject all proposals. TCSIG reserves the right to award contracts to one or more entities that TCSIG deems most suitable to perform the services based on many factors, including demonstrated competence and qualifications for the types of services to be performed, and a fair and reasonable price. TCSIG further reserves the right to reject any or all statements or proposals, or waive any irregularities in any of the statements and proposals submitted pursuant to this RFQP.

7. General Information

Amendments: TCSIG reserves the right to cancel or revise this RFQP in part or in its entirety. If TCSIG cancels or revises the RFQP, all respondents will be notified by addenda. TCSIG also reserves the right to extend the date responses are due, or postpone the interview date.

Inquiries: Any questions concerning this RFQP or selection process may be directed to Marisa Garramore, Finance and Operations Manager, TCSIG; telephone: (530) 822-5299; Fax: (530) 822-5284. Replies involving any substantive issues will be issued by addenda and mailed to all parties recorded by TCSIG as having received the RFQP documents. No reply shall be binding on TCSIG unless issued as an addenda.

8. Special Conditions

Non-Discrimination: TCSIG does not discriminate on the basis of race, color, national origin, religion, age, ancestry, medical condition, disability, or gender in consideration for an award of contract.

Costs: Costs of preparing a statement in response to this RFQP are solely the responsibility of the respondent.

Limitations: This RFQP does not commit TCSIG to award a contract, to defray any costs incurred in the preparation of a statement or proposal pursuant to the RFQP, or to procure or contract for work. TCSIG reserves the right to waive any irregularities in the statements or proposals received pursuant to this RFQP, or in the process outlined herein for selection of a construction manager for these services.

9. Offer to Enter Into Contract

By submitting a proposal, the organization offers to enter into a contract with TCSIG and to furnish services as described in this RFQP and in the form of the attached Form Construction Management Agreement.

ATTACHMENT A

FORM OF AGREEMENT FOR CONSTRUCTION MANAGEMENT SERVICES

CONSTRUCTION MANAGEMENT AGREEMENT

This Construction Management Agreement (“Agreement”) is made and entered into effective _____, 2019, by and between the Tri-County Schools Insurance Group (“TCSIG”) and _____, (“Construction Manager”).

NOW, THEREFORE, the parties agree as follows:

1. RETENTION OF CONSTRUCTION MANAGER. TCSIG and Construction Manager agree that Construction Manager shall be retained to assist in the development and construction of multiple tenant improvement projects at its _____ [*site name*] located at _____ [*address*] over the next [___ months *or* ___ years], including but not limited to the Administrative Offices project and the Conference Center project (the “Projects”, or individually the “Project”). Construction Manager shall be one of TCSIG’s representatives and agents on the Projects. Construction Manager shall be responsible for the overall coordination, administration, and scheduling of all work on the Projects. Construction Manager shall be responsible, to the extent described in this Agreement, for ensuring in a competent and professional manner that the Projects are properly completed within TCSIG’s Project budget for total construction costs (“TCSIG’s budget”) and in accordance with TCSIG’s schedule for timely completion of the Projects. The term of this Agreement shall be through final completion of the Projects and all applicable warranty periods, which includes completion of all financial transactions (i.e., all progress and final payments, releases of retention, change orders, and any claims). Construction Manager, and its subconsultants on the Projects, shall not be allowed to bid on any of the Project’s construction work, including any and all prime contracts. Construction Manager shall comply with any applicable prevailing wage laws.

2. PAYMENT OF CONSTRUCTION MANAGER.

A. For satisfactory performance of the services required by this Agreement (“Basic Services”), Construction Manager shall be compensated according to its hourly rate schedule (see Exhibit A, attached). Construction Manager’s total compensation for services under this Agreement shall not exceed \$_____ for the Administrative Offices project and \$_____ for the Conference Center project, which are Construction Manager’s estimates of the total costs of its services on each project. Prior to execution of this Agreement, Construction Manager shall submit its calculations, and any other documentation required, to reasonably support its estimate of the total cost of its services. This documentation shall include the anticipated work hours required to provide Construction Management services for each phase of the Projects, including but not limited to pre-design, design, plan check, bidding, construction, and post-construction.

B. TCSIG shall reimburse Construction Manager for reimbursable expenses, as defined below, up to a maximum of \$_____, which is Construction Manager’s estimate of its total reimbursable expenses on the Projects. Prior to execution of this Agreement, Construction Manager shall submit calculations, and other documentation required, to reasonably support its estimated total reimbursable expenses. Reimbursable expenses are those out-of-

pocket expenses Construction Manager directly incurs in performing this Agreement. Reimbursable expenses for the Projects are limited to job office/trailer, site move in/out, trailer utilities, phone, phone system, fax, copier, miscellaneous blueprints, postage, messenger, computers, vehicle mileage, supplies, furniture, preconstruction expense, and miscellaneous expense. Reimbursable expenses do not include indirect costs, such as general overhead (for example, home office overhead, or insurance premiums), for which Construction Manager must pay out of its compensation for services under Section A., above. Reimbursable expenses do not include general conditions construction work (including but not limited to equipment rentals, temporary toilets, dust control, temporary barricades, site security, worker safety, temporary water, temporary power, and janitorial and debris services), which shall be included in the bid packages to be awarded to one or more prime contractors.

C. Construction Manager shall submit monthly invoices for its time and reimbursable expenses. The invoices shall list the employees, and their time entries, services performed, and all reimbursable expenses for the previous calendar month. If TCSIG disputes a portion of the invoice, it shall notify Construction Manager within twenty (20) days and meet and confer with Construction Manager to resolve the dispute. TCSIG shall pay the undisputed amount of any invoice within thirty (30) days of receipt of the invoice. Failure of TCSIG to dispute an invoice within twenty (20) days shall not act as a waiver of TCSIG's rights to later challenge the validity of the invoice and to withhold the potentially invalid portion.

D. If Construction Manager reaches a not-to-exceed amount set forth in this Section 2 before its services under this Agreement are complete, Construction Manager shall complete its services under this Agreement and shall not be entitled to any further compensation. For any pre-construction phase of Construction Manager's work, Construction Manager may only invoice fifteen percent (15%) of the total not-to-exceed compensation.

E. TCSIG may withhold from payments to Construction Manager to the extent that Construction Manager's wrongful acts or omissions caused TCSIG to incur damages or costs, including but not limited to withholding the full amount of any change order necessitated by an error or omission in the Contract Documents. ("Contract Documents" means all documents that are incorporated into a construction agreement between TCSIG and a Contractor for the Project, including plans and specifications.) ("Contractor(s)" shall mean individual prime or trade contractor(s).)

F. Construction Manager may separately invoice, on an hourly basis, for services that it performs at TCSIG's written direction that are outside the scope of this Agreement ("Additional Services"). Prior to performing these services, Construction Manager must provide TCSIG with written notice that the requested services are Additional Services. Additional Services are also subject to the dispute procedures in Section 2.C., above. Construction Manager shall not be compensated for any Additional Services required as a result of Construction Manager's wrongful acts or omissions in breach of this Agreement, the applicable standard of care, or the law.

G. TCSIG has the right to audit Construction Manager's records regarding any of the services Construction Manager performs for TCSIG on the Projects.

3. DUTIES AND RESPONSIBILITIES OF CONSTRUCTION MANAGER.

A. General Duties and Responsibilities.

1. Construction Manager will administer all phases of construction activities to achieve the completion of all construction contracts and the Projects in accordance with the requirements of this Agreement and in accordance with the reasonable care of a professional construction manager in the circumstances of the Projects. All services Construction Manager performs under this Agreement shall be conducted in a manner consistent with the terms of this Agreement and with the level of care and skill ordinarily exercised by construction managers, on similar projects in California with similar complexity and with similar agreements, who are specially qualified to provide the services TCSIG requires. Construction Manager shall conduct all such services in conformance to, and compliance with, all applicable Federal, State and local laws, including but not limited to statutes, decisions, regulations, building or other codes, ordinances, charters, the Americans with Disabilities Act (“ADA”), the California Public Contract Code, the California Civil Code, and the California Government Code. Construction Manager shall provide other reasonable and necessary services that assist TCSIG in maintaining TCSIG’s budget and schedule. Construction Manager shall perform the services set forth in this Agreement as expeditiously as is consistent with the orderly progress of the Project, the applicable standard of care, the timelines of the Projects and Agreement, and all applicable law.

2. Staffing. Construction Manager shall provide sufficient staffing to timely perform its duties and responsibilities under this Agreement, including coordination of the work to optimize efficiency and minimize conflict and interference between the various Contractors on-site, and, if applicable, TCSIG’s own forces. Construction Manager shall provide a minimum of ___ (__) full-time on-site employees before construction commences, and ___ (__) full-time on-site employees after construction commences, to perform its duties and responsibilities under this Agreement. All of Construction Manager’s personnel shall be qualified to perform the services they provide for the Project. Construction Manager shall obtain TCSIG’s written approval of each employee of Construction Manager who provides services under this Agreement, and written approval for each change of employees who provides such services. TCSIG may, upon fifteen (15) days written notice, cause Construction Manager to remove a person from the Project if he/she has failed to perform to TCSIG’s satisfaction. Construction Manager shall provide a full-time Project manager during the construction phase with authority to commit resources of Construction Manager to monitor, manage and administer all aspects of this Agreement to help achieve the completion of all construction. Should additional employees be required to timely and fully perform all of the services required under this Agreement and/or to avoid delay occurring, Construction Manager shall provide them immediately.

3. Disclosure. Construction Manager shall disclose to TCSIG all of Construction Manager’s subconsultants that are performing services related to the Projects. Construction Manager shall also disclose to TCSIG any compensation related to the Projects that

Construction Manager receives from parties other than TCSIG so that TCSIG may determine if there are any conflicts of interest.

4. Additional Services. If TCSIG directs Construction Manager to perform services related to the Projects that are not within the scope of this Agreement, Construction Manager shall perform them and invoice TCSIG for such services pursuant to Section 2.F.

5. Obligation to Perform. Construction Manager shall provide all construction management duties and functions as specifically directed by TCSIG, even if not specifically identified in this Agreement. Construction Manager shall perform all tasks as directed by TCSIG to complete the Projects and Construction Manager's services. Construction Manager may not cease performance of its services under this Agreement for any reason, including disputes with TCSIG or an alleged breach of contract by TCSIG. Construction Manager acknowledges that its priority is to ensure completion of the Projects on time and on, or under, TCSIG's budget. If Construction Manager believes that TCSIG owes it additional compensation under this Agreement, Construction Manager may submit a request for additional compensation, but Construction Manager may not cease or reduce performance of its services for that reason.

B. Preconstruction, Design Review, and Bidding Phase.

The services to be provided during the Preconstruction, Design Review and Bidding Phases for the Projects generally include, but are not limited to: providing recommendations for, and responsible reporting, documentation, and supervision of, pre-construction master scheduling; review and recommendations during design development; preparation of conceptual and periodic estimates; budget assessment and cost containment advice; value engineering studies and recommendations; and Construction Manager reviews, including reviews of

1. Construction Management Plan. Construction Manager shall prepare a construction management plan for the Projects. The construction management plan shall (1) provide a preliminary evaluation of TCSIG's schedule, cost and design requirements for the Projects; (2) develop an anticipated construction schedule; (3) develop a preliminary cost estimate for each type of work contemplated by the Projects; (4) clarify and delineate the Architect's duties, the Contractors' responsibilities, TCSIG's responsibilities, Construction Manager's responsibilities; and (5) set forth a plan for the administration and coordination of all work on the Projects. The plan shall provide for Architect and TCSIG review and acceptance.

2. Preliminary Master Schedule. Construction Manager shall prepare a preliminary master critical path schedule for the Projects using software showing construction activities, procurement, and submittal activities, any other critical path activities, and sequencing and duration of the Contractors' work on the Projects. The preliminary master schedule shall specify the proposed starting and finishing dates for each contract and the dates by which certain construction activities and milestones must be complete. Construction Manager shall submit the preliminary master schedule to TCSIG for review and approval. The preliminary master

schedule will be included in all bid packages and will be the initial basis for the master schedule during construction.

3. Project Construction Cost and TCSIG's Budget. Construction Manager shall assist the Architect in preparing the Architect's initial and revised Project Construction Cost, which shall be estimates of the total construction costs to be paid by the TCSIG to the Contractors. All Project Construction Costs shall include a contingency for additional construction costs that may arise through higher bids than expected, future increases in construction costs, and change orders. The Project Construction Cost shall also provide cost breakdowns based on anticipated bid packages. Construction Manager shall also approve in writing any Project Construction Cost the Architect submits. During the Architect's design phases, Construction Manager shall assist Architect in ensuring that the Project Construction Cost remains equal to, or less than, TCSIG's budget. Construction Manager shall consult with the Architect and TCSIG to suggest reasonable adjustments in the Projects' scope, if any, and to suggest possible add/delete bid alternatives in the Contract Documents, to adjust the Project Construction Cost to conform to TCSIG's budget.

4. Bid Packages. Construction Manager shall, with assistance from the Architect, separate the plans into separate scopes of work, or "bid packages" and evaluate the separate bid packages to ensure that the work is coordinated, that all Project requirements (including general conditions) have been assigned to one of the separate bid packages, that no Project requirements have been assigned to more than one bid package, and that the separate bid packages will allow for proper phasing and coordination of the work. Construction Manager shall assist the Architect in developing the plans and bid documents for bids on a trade or work category basis for individual prime construction contracts. Construction Manager will be responsible for sequencing, assembly, and preparation of bid packages, and for preparation of all cover information for individual bid packages, to assure that all items listed on the covers are included in the bid documents. In the event a particular scope of work is not competitively bid and is awarded in another manner, the obligations of the Construction Manager set forth above still apply.

5. Pre-Bid Conferences. If TCSIG elects to competitively bid any the Project work, Construction Manager shall, with the assistance of the Architect and TCSIG, disseminate the bid package(s) and conduct pre-bid conferences, to familiarize bidders with the bid documents and management techniques. Construction Manager shall also assist the Architect with responding to questions from prospective bidders, and with the issuance of addenda. If requested by TCSIG, Construction Manager shall assist TCSIG in pre-qualifying contractors for the bid package(s).

6. Project Meetings. Construction Manager shall conduct Project meetings as needed, but on at least a weekly basis. TCSIG may request more frequent meetings. TCSIG, Architect and others shall attend these meetings. The meetings shall serve as a forum for the exchange of information concerning the Project and the review of design progress. Construction Manager shall prepare and distribute minutes of these meetings to TCSIG, Architect, and others in attendance.

7. Review of Contract Documents. Before the Architect submits the Contract Documents to the Division of the State Architect (“DSA”), if applicable, Construction Manager shall thoroughly and adequately review the Architect’s proposed Contract Documents and make detailed written recommendations to TCSIG and the Architect regarding: constructability; likelihood of resulting in accurate and complete bids; general completeness, clarity, consistency, coordination, and cost-effectiveness; and suitability for separation of the Project design, plans and specifications into bid packages for various categories and/or portions of the work. Construction Manager shall also make recommendations regarding value engineering, possible add/delete bid alternatives, timelines for construction and scheduling. Construction Manager shall provide all of the above recommendations to TCSIG and the Architect in writing or as notations on the proposed Contract Documents and Contract Documents. The constructability review shall also ascertain whether the prime Contractor(s) can construct the Project as depicted in the proposed Contract Documents, and can do so without delays, disruptions, or additional costs. The constructability review shall include written confirmation that: (a) Construction Manager’s senior estimator has directly and thoroughly reviewed and approved all proposed Contract Documents. Construction Manager shall provide TCSIG with evidence of that review; (b) proposed Contract Documents requirements are consistent with, and conform to, TCSIG’s Project requirements; and (c) the various components of the proposed Contract Documents prepared by Architect and its design consultants are coordinated and consistent with each other so as to minimize conflicts within, or between, the components. In performing the reviews and making the recommendations, Construction Manager shall not be assuming responsibility or liability, in whole or in part, for any aspect of the Project design, design requirements, design criteria or the substance or contents of the proposed Contract Documents. Construction Manager may use building information modeling technology during the constructability review if TCSIG and Construction Manager believe it is advisable for the Project.

TCSIG shall have the sole and exclusive discretion to accept some, all, or none of the constructability review comments. If TCSIG accepts any of the constructability review comments and directs Architect to revise the design accordingly, then Construction Manager shall review the Architect’s revised proposed Contract Documents to confirm that the accepted comments have been addressed in the proposed Contract Documents.

Construction Manager shall review the Architect’s Storm Water Pollution Prevention Plan, if any, and provide written recommendations to TCSIG and Architect as to its adequacy.

8. Project Funding. Construction Manager shall assist TCSIG in preparing documents concerning TCSIG’s budget for use in obtaining or reporting on Project funding. The documents shall be prepared in a format approved by TCSIG. Construction Manager shall make recommendations to TCSIG concerning revisions to the Project and Project Construction Cost that may result from design changes.

9. Schedule Reports. Construction Manager shall prepare and distribute biweekly reports that compare actual progress with scheduled progress for the design phases of the Project.

10. Project Cost Reports. Construction Manager shall prepare and distribute Project cost reports that shall indicate actual or estimated costs compared to TCSIG's budget.

11. Bidding, Bid Opening, and Evaluation. All construction work, including "general conditions" work, for the Projects shall be awarded consistent with the requirements of the public bidding laws.

11.1 Construction Manager shall develop and expedite bidding procedures for bid document issuance, bid tracking, and receipt of bids for each bid package. Construction Manager shall develop bidders' interest in the Projects and shall maintain contact with potential bidders for the bid packages on a regular basis throughout the bid period. Construction Manager shall conduct a telephone campaign to encourage and maintain interest in bidding on the bid packages.

11.2 If the Projects are funded with any State funds, Construction Manager shall comply with all applicable State Allocation Board ("SAB") requirements.

11.3 Construction Manager shall coordinate the preparation and placement of the notices and advertisements to solicit bids for the bid packages as required by law and in cooperation with TCSIG and Architect. Architect may, with TCSIG's written approval, delegate to Construction Manager: publication of the invitation to bid in the appropriate regional trade papers and publications devoted to Disabled Veteran Business Enterprises; and the preparation, and submission to OPSC, if applicable, of the appropriate documentation of that publication.

11.4 Construction Manager shall coordinate and expedite the preparation, assembly and delivery of bid documents and any addenda for the bid packages to the prospective bidders. This shall include the following, as applicable: establish bid schedule by trade; prepare summaries of work for each bid package; arrange for printing, binding, wrapping and delivery of bid packages; and make follow-up calls to the prospective bidders. Construction Manager shall administer the addenda process and shall provide a review of each addendum during the bid phase for time, cost, and constructability impact, and make appropriate comments or recommendations.

11.5 Construction Manager shall include the following requirements in all proposed bid package documents: performance and payment bonds at 100% of the contract amount; all bond sureties must be admitted California surety insurers; and insurance in amounts and coverage as directed by TCSIG.

11.6 Construction Manager shall open and evaluate all bids received, and make recommendations to TCSIG for award of each contract or rejection of all bids. Construction Manager shall assist TCSIG in determining bidders' responsibility, by among other things, analyzing any questionnaires, interviewing, investigating and researching, and shall submit a written report to TCSIG and Architect with information and recommendations. Construction Manager shall also submit a bid package summary that shows the estimated cost of each bid package as part of the Project Construction Cost, the name of the low bidder, and the low bid amount. If applicable, the summary of bids shall classify all bids according to SAB cost allowance categories; and when a bid includes work in more than one cost category, the summary shall assign an appropriate amount to each.

11.7 If TCSIG authorizes re-bidding of a bid package, Construction Manager shall assist the Architect in revising the scope and the quality of work as may be required to reduce the construction costs for such bid packages. Construction Manager, without additional compensation, shall cooperate with TCSIG and Architect as necessary to bring construction costs within TCSIG's budget.

11.8 Construction Manager shall certify in writing that all of the work in the plans and specifications for the Projects are included in the bid packages. If the bid packages do not include 100% of the work in the plans and specifications, the cost of the additional necessary work shall offset Construction Manager's fees.

11.9 Construction Manager shall not be a bidder or perform work for any bidder on a bid package.

12. Proposal Evaluation and Solicitation. For work which need not be competitively bid, Construction Manager shall, at the request of TCSIG, solicit requests for proposals, evaluate all proposals received, and make recommendations to TCSIG regarding Contractors to be selected for such work.

13. Pre-Construction Conferences. With the Architect's assistance, Construction Manager shall conduct pre-construction conferences with the successful bidders on the bid packages, which shall include providing the Contractors to the various reporting procedures and site rules prior to the commencement of actual construction. Construction Manager shall obtain the certificates of insurance and bonds from the Contractors, review and, if acceptable, approve them, and then forward them to TCSIG.

14. Equipment Procurement. Construction Manager shall recommend a schedule for TCSIG's purchase, procurement and/or rental of owner-furnished materials and equipment required for the Projects.

15. Communications. Construction Manager shall develop a communication system to ensure clear communication between TCSIG, Construction Manager, the Architect, Contractors and other parties involved with the Project. In developing this communication system, Construction Manager shall meet with TCSIG, the Architect and others

to determine the type of information to be reported, the reporting format and the desired frequency for distribution of the various reports.

C. Construction Phase.

1. Construction and Contract Administration. Construction Manager shall provide administrative, management, and related services as required to coordinate work of the Contractors with each other and with the activities and responsibilities of Construction Manager, TCSIG, and the Architect to complete the Projects in accordance with the Contract Documents and this Agreement, within TCSIG's budget, as well as within TCSIG's cost, time, and quality objectives. As TCSIG's representative on the construction site, Construction Manager shall be the party to whom Contractors submit all documents and information, including requests for information, submittals, shop drawings and proposed change orders. Construction Manager shall be responsible for administration of the Contracts as set forth herein, and for managing the Contractors and coordination of their work to optimize efficiency and minimize conflict and interference between Contractors. ("Contract(s)" means a contract(s) between TCSIG and a Contractor(s) for the Projects, as reflected in the Contract Documents.) Construction Manager shall prepare and provide written monthly progress reports, including information on progress, problems, potential solutions, schedules, and fiscal conditions. Construction Manager shall meet with TCSIG on an as-needed basis and at TCSIG's request.

2. Project Site Meetings. Construction Manager shall schedule and conduct preconstruction, construction and progress meetings to discuss all matters relevant to construction of the Projects, including but not limited to procedures, progress, inspections, necessary corrective work, problems, requests for information, proposed change orders, and scheduling. During construction, the meetings shall occur at least weekly. Construction Manager shall prepare and distribute detailed minutes to all attendees, TCSIG and the Architect.

3. Budget Management and Cost Control. If a lowest responsible and responsive bid for one of the bid packages exceeds that bid package's portion of the Project Construction Cost, TCSIG may consent to increasing the Project Construction Cost and/or TCSIG's budget, or may authorize negotiations (if permissible), direct re-bidding of the bid package, or abandon the bid package or the Project, and Construction Manager shall assist in these activities. If bids on the early bid packages exceed the Project Construction Cost or TCSIG's budget amounts for them, then Construction Manager shall recommend changes to the later bid packages, if possible, to keep the Project Construction Cost within TCSIG's budget. Construction Manager shall prepare and distribute monthly Project cost reports that shall indicate actual or estimated costs compared to the Project Construction Cost and TCSIG's budget, including a summary of the progress payments and the amounts of potential, proposed and actual change orders. Construction Manager shall revise and refine the Project Construction Cost, incorporating changes as they occur and identifying variances between actual and budgeted or estimated costs. Construction Manager shall also make recommendations for eliminating future costs so the predicted Project Construction Cost to be incurred will be within TCSIG's budget.

4. Master Schedule. Construction Manager shall ensure that the bid packages require each Contractor to submit to Construction Manager a detailed critical path

schedule before the Contractor's commencement of work on the Project site or within two (2) weeks of award of the Contract, whichever is earlier. Construction Manager shall prepare a Master Schedule to incorporate these Contractors' schedules, and Construction Manager shall obtain every Contractor's approval of the Master Schedule. Construction Manager shall provide the original Master Schedule to TCSIG and Architect within one month of receiving the first critical path schedule from a Contractor.

During construction, Construction Manager shall collect monthly updated schedules and daily logs from the Contractors as required under the Contracts. Construction Manager shall prepare an updated Master Schedule based on the Contractors' updates, and obtain the Contractors' approvals of the Master Schedule. On a monthly basis, or more frequently if requested by TCSIG, Construction Manager shall provide this updated Master Schedule to TCSIG. The updated Master Schedule shall include an accurate as-built schedule and the current as-planned schedule, and shall otherwise meet the requirements of this Agreement. Construction Manager shall submit the Contractors' daily logs for the month, and Construction Manager's daily logs for the month, to TCSIG when it submits the updated Master Schedule.

If a Contractor does not submit original or updated schedules as required under its Contract Documents, then Construction Manager shall immediately notify TCSIG and recommend action to bring the Contractor into compliance.

At a minimum, the Master Schedule and all updates to it shall conform to the standards of the industry for critical path scheduling so that it can be used to effectively evaluate: (a) any and all Contractor claims for additional compensation or time extensions for the Project; and (b) liquidated damages and other potential claims by TCSIG against Contractors.

The Master Schedule and all updates shall not exceed time limits (including milestone deadlines) under the Contract Documents, shall comply with all of the scheduling requirements under the Contract Documents and with any scheduling requirements TCSIG provided to Contractors at the beginning of the Project. The original Master Schedule and all updates shall accurately reflect work performed on the Project to date, all construction tasks (including procurement), the critical path schedule for completion of the remainder of the Project, and the percentage of work completed (by total and each Contractor). The original schedule and all updates shall include days for delay that may be caused by weather that is not unusually severe and thus would not justify a time extension for the Contractors.

The Master Schedule and all updates shall be in the form of a tabulation, chart, or graph and shall be in sufficient detail to show the chronological relationship of all activities of the Project including, but not limited to, estimated starting and completion dates of various activities, (including early and late dates and reasonable float for each activity), procurement of materials, and scheduling of equipment. Float suppression techniques such as preferential sequencing, special lead/lag logic restraints, extended activity durations, or imposed dates shall be apportioned according to the benefit of the Project. Whenever Construction Manager is required to provide the Master Schedule and/or an updated Master Schedule to TCSIG, it shall be provided in electronic format as well as hard copy.

The Master Schedule and all updates shall reflect float being used by the Contractors and TCSIG on a first-come/first-served basis. The float is not for the exclusive use or benefit of either TCSIG or Contractor, but it is a jointly owned expiring Project resource

available to both parties as needed to meet schedule milestones. The Master Schedule and all updates shall be in critical path network format with critical paths clearly indicated; shall be prepared with MS Project or Primavera, or an equal or better program; shall include reports sorting and listing the activities in order of increasing float, by early start date, and by late start dates; and shall endeavor to label ten to thirty percent (10-30%) of the tasks as critical, but shall not label more than 50% or less than 5% as critical; and shall be based on calendar days.

If any change in a Contractor's method of operations will affect, or necessitate a change in, the construction schedule, Construction Manager shall submit to TCSIG a revised Master Schedule within seven (7) days of the change.

The Master Schedule and all updates shall also conform to the deadlines in the preliminary Master Schedule. If the Master Schedule or an update is not in conformance with those deadlines, Construction Manager shall provide TCSIG with a written report indicating why it does not conform, what recovery plans are necessary to restore the Master Schedule to conformance with the preliminary Master Schedule, and what costs may result by enforcing the recovery plans.

If, in the opinion of TCSIG or Construction Manager, a Contractor's work is not progressing at a sufficient rate to meet the Master Schedule, a contractual milestone deadline, or the contractual completion deadline, or if a Contractor's actual progress falls behind the Master Schedule or will not meet a contractual milestone or completion deadline, then Construction Manager shall immediately demand a recovery plan from that Contractor. Construction Manager shall review the Contractor's recovery plan for compliance with the requirements in the Contractor's Contract Documents, and if Construction Manager determines that the plan is insufficient, Construction Manager shall demand immediate correction and revision by the Contractor.

Construction Manager shall immediately provide all Contractor recovery plans, along with Construction Manager's written recommendations, to TCSIG for its consideration.

5. Trivial Variations in the Work. Construction Manager may authorize trivial variations in the work from the requirements of the Contract Documents that (a) do not involve an adjustment in the Contract price or the Contract time, and (b) are consistent with the overall intent of the Contract Documents. Construction Manager shall immediately provide to the Architect and TCSIG copies of such authorizations.

6. Quality Review and Inspections. Construction Manager shall establish and implement a comprehensive program to monitor the quality of the construction, as part of Construction Manager's supervision of all Contractors and their work. The purpose of the program shall be to assist in guarding TCSIG against work by a Contractor that does not conform to the requirements of the Contract Documents. Construction Manager shall supervise the Inspector of Record to ensure that he/she is performing all necessary inspections, and shall incorporate the results of the Inspector of Record's inspections into Construction Manager's inspection and quality program.

When it is the opinion of Construction Manager, Inspector of Record, TCSIG, or the Architect that a Contractor's means, methods, techniques, sequences or procedures of construction will likely lead to a portion of the Contractor's work not conforming

to the Contract Documents, then Construction Manager shall immediately so notify the Contractor in writing. The notice shall also state that TCSIG will reserve all rights to demand correction of any resulting non-conforming work or to pursue other relief; however, the notice shall not direct Contractor as to what means, methods, techniques, sequences or procedures Contractor should use to meet the requirements of the Contract Documents, nor shall Construction Manager ever provide such direction to a Contractor during the Project. Except for trivial variations in the work from the requirements of the Contract Documents that do not involve an adjustment in the Contract price or the Contract time and which are consistent with the overall intent of the Contract Documents, Construction Manager is not authorized to, and shall not, change, revoke, alter, enlarge, relax or release any requirements of the Contract Documents or approve or accept any portion of the work not conforming to the requirements of the Contract Documents. Communication between Construction Manager and Contractors with regard to quality review shall not in any way be construed as binding Construction Manager, the Architect, or TCSIG to the Contractors, or be construed as releasing the Contractors from performing the work in accordance with the Contract Documents. Construction Manager will not be responsible for the means, methods, techniques, sequences and procedures of construction a Contractor uses for the Project unless, contrary to the terms of this Agreement, it directs a Contractor to use certain means, methods, techniques, sequences or procedures to meet the requirements of the Contract Documents. Construction Manager shall not be responsible for the failure of the Contractors to complete work in accordance with the Contract Documents so long as Construction Manager has used all available means and undertaken good-faith efforts to secure the performance of the Contractors in accordance with the Contract Documents.

7. DSA Construction Oversight Process. To the extent required as determined by TCSIG, Construction Manager has the primary responsibility for the Project to supervise, coordinate and manage the compliance of all parties, including TCSIG's Inspector of Record/Project Inspector ("IOR"), Contractor, Architect, laboratories, TCSIG and Construction Manager itself, with the DSA Construction Oversight Process.

Construction Manager must communicate and coordinate with the Owner, Contractor, Architect, laboratories, and the IOR to meet the DSA Construction Oversight Process requirements without delay or added costs to the Project.

Construction Manager shall be responsible for any additional DSA fees and delay damages related to review of proposed changes to the DSA-approved Contract Documents, to the extent Construction Manager's performance of, or failure to perform, any duties under this Agreement or law caused the additional DSA fees, and delay damages.

8. Change Orders and Claims. Construction Manager shall recommend necessary or desirable changes to the Architect and TCSIG, review proposed change orders, assist in negotiating Contractors' proposed change orders, submit recommendations to the Architect and TCSIG regarding the proposed change orders, and, if they are accepted, prepare change orders for the Architect's review and with the understanding that TCSIG's governing body must approve all change orders. Construction Manager shall review the contents of all proposed change orders from the Contractors regarding the Contract time or price, endeavor to determine the cause of the proposed change order, assemble information concerning

the proposed change order, and evaluate the merits of the proposed change order. Construction Manager shall ensure that all supporting documentation is submitted with any proposed change order, and shall request additional supporting documentation if necessary. Construction Manager shall provide to the Architect a copy of each proposed change order, and Construction Manager shall, in its evaluation of the Contractors' proposed change orders, consider the Architect's comments regarding the proposed changes. Construction Manager shall make a final written recommendation to TCSIG and Architect regarding each proposed change order and shall conduct negotiations with Contractors if necessary. No change orders will be paid by TCSIG without prior approval of TCSIG. Construction Manager shall prepare and distribute change order reports on a weekly basis for TCSIG. The report shall list all TCSIG-approved change orders by number, a brief description of the change order work, the cost, and percent of completion of the change order work. The report shall also include similar information for proposed change orders and potential change orders of which Construction Manager may be aware. To the extent that a Contractor performs work that is the subject of a proposed change order, Construction Manager shall monitor the work and include in the daily report all information necessary to calculate the Contractor's costs in performing the work.

If a Contractor submits a claim to TCSIG under its Contract, including one based on the denial of a proposed change order, Construction Manager shall process and evaluate the claim, and make reasonable efforts to resolve the claim, under the procedures outlined in the Contract Documents.

9. Progress Payments and Retention Release. Progress payments shall be made as required by the Contract Documents and by law (including but not limited to Public Contract Code section 20104.50), and Construction Manager shall process all such payments and notify TCSIG when payments are required. Construction Manager shall develop and implement procedures for the review and processing of monthly applications by Contractors for progress payments and final payments. At or before submission of a Contractor's first progress payment application, Construction Manager shall collect from the Contractor a reasonable schedule of values that accurately allocates the Contract price to the Contract work items. Construction Manager shall receive, review, revise and give initial approval to the progress payment applications. After Construction Manager gives initial approval to the progress payment applications, it shall distribute them to Architect, and then to TCSIG, for approval. The applications shall state the total Contract price, total payment to date, total retention to date, current payment requested based on percentages of work items completed to date (per the schedule of values), revised total payment, and revised retention. A portion of this application shall be a recommendation for payment that Construction Manager shall sign, and deliver to, TCSIG for TCSIG's use in making payments to the Contractors.

Retention shall be released as required by the Contract Documents and by law (including but not limited to Public Contract Code section 7107), and Construction Manager shall process all such releases and notify TCSIG of when such releases are required.

Construction Manager shall monitor TCSIG's grounds for withholding some or all of the progress payments and/or retention releases from the Contractors (including past and future liquidated damages, and cost of corrective work), and shall advise TCSIG of such

grounds before any progress payment or retention release. Construction Manager shall withhold from progress payments and/or retention releases for all such grounds unless TCSIG instructs Construction Manager to not withhold. Construction Manager shall not waive any rights, claims or damages that TCSIG may have against the Contractors without written authority from TCSIG to do so. Construction Manager shall take all action necessary to protect, document and preserve TCSIG's rights, claims and damages against the Contractors, including but not limited to notification of the accrual or assessment of liquidated damages.

Construction Manager, in conjunction with TCSIG, shall establish and administer an appropriate Project accounting system and shall maintain cost accounting records on authorized work performed under unit costs, additional work performed on the basis of actual costs of labor and materials, or other work requiring accounting records. Construction Manager shall provide monthly accounting updates.

10. Contractor Safety Programs. Construction Manager shall review the safety programs the Contractors develop under the Contract Documents and shall coordinate all safety programs for the Projects.

11. Permits and Approvals. Construction Manager shall assist TCSIG in obtaining approval and permits from all authorities having jurisdiction over the Projects. Construction Manager shall also verify that all required permits, bonds, and insurance have been obtained from the Contractors.

12. Coordination of Technical Inspection and Testing. Construction Manager shall assist TCSIG in selecting and retaining the professional services of special consultants and testing laboratories and coordinate their services. Construction Manager shall receive a copy of all inspection and testing reports and shall provide a copy of such reports to the Architect. Construction Manager shall coordinate with TCSIG's testing consultants all testing required by the Architect, TCSIG, or third parties.

13. Interpretation of Contract Documents. Construction Manager shall consult with the Architect and TCSIG if a Contractor submits a request for information or other requests for interpretation of the meaning or intent of the Contract Documents ("RFI"), and shall assist in the resolution of questions which may arise; however, the Architect shall have primary responsibility for the interpretation of Project plans and specifications. Within two (2) business days of receipt of an RFI, Construction Manager shall either: 1) forward the RFI to the Architect and TCSIG; or 2) for an RFI not related to the plans and specifications, review or reject it. However, if the issue in the RFI is directly impacting the critical path at that time, Construction Manager shall forward, review or reject the RFI immediately upon receipt. Responses received from the Architect shall be immediately forwarded to the submitting Contractor. Construction Manager shall keep Architect informed of any rejected RFI's.

14. Document and Submittal Review Procedures. Construction Manager shall review all shop drawings, schedule updates, product data, samples, and other submittals provided by a Contractor and coordinate submittals with the information contained in the plans and specifications. Construction Manager shall transmit all such materials to the

Architect for approval within two business days of receipt, unless the submittal is directly impacting the critical path at that time, in which case Construction Manager shall forward the submittal immediately upon receipt. Construction Manager shall maintain logs, files and other necessary documentation. Responses received from the Architect shall be immediately forwarded to the Contractor that provided the submittal.

15. Daily Log. Construction Manager shall record the progress of the Project by a daily log. Construction Manager shall submit written reports to TCSIG and the Architect on a regular basis, as established by TCSIG. The daily log will include, but not be limited to, information about the weather, Contractors and subcontractors at work and their equipment and staffing, work accomplished, problems encountered, rejection of material or work, the current critical path of the Project, issues that are known to be in dispute and/or may be the subject of proposed change orders or claims, and other similar relevant data as TCSIG may require. Construction Manager shall document the Project by use of video, photographs, and audio, with particular attention to known disputes and/or issues that could lead to proposed change orders or claims.

16. Project Site Records. Construction Manager shall maintain at the Project site, on a current basis the following documents: A record copy of all Contracts, drawings, specifications, addenda, change orders, and other modifications, in good order and marked to record all changes made during construction; pre-construction activities documents, including but not limited to constructability review documents (see Section 2.B., above); shop drawings, product data, samples, and submittals; records regarding purchases, materials and equipment; applicable handbooks, schedules, schedule updates and daily logs; records regarding progress payments, retention, proposed change orders, claims and change orders; maintenance and operating manuals and instructions; and other related documents and revisions which arise out of the Contract or work. Construction Manager shall make all records available to TCSIG and Architect and deliver them to TCSIG at Project completion or termination of this Agreement.

17. Security. Construction Manager shall arrange for storage, protection, and security of TCSIG-furnished materials, systems, and equipment until such items are incorporated into the Projects. Upon TCSIG's request, Construction Manager shall comply with any fingerprinting or related requirement.

18. Start-Up Operations. Construction Manager shall review the Contractors' checkout of the readiness of utilities, operational systems, and equipment and shall assist the Contractors in their initial start-up, testing, balancing, adjusting, training of TCSIG employees and preparation of operations and maintenance manuals. Construction Manager shall coordinate and assist TCSIG in the move-in for the Projects.

19. Punchlist. Upon notice from a Contractor that the Contractor believes its work is complete, Construction Manager, in consultation with the Architect and the Inspector of Record, shall prepare a list of incomplete work or work which must be corrected due to failure to conform to the requirements of the Contract Documents (the "Punchlist"). Construction Manager shall diligently pursue the Contractors to complete their Punchlist work as

quickly as possible, using all available TCSIG powers and rights under the Contract Documents. If a Contractor's Punchlist is not completed within forty-five (45) days of issuance, Construction Manager shall provide a written recommendation to TCSIG as to how to best proceed to secure completion of the Punchlist as quickly as possible.

20. Final Completion and Final Payment. Construction Manager shall consult with the Architect and TCSIG and shall determine when a Contractor's work is fully complete as required by the Contract Documents. When a Contractor's work is complete, Construction Manager shall notify TCSIG in writing and shall recommend that TCSIG accept the Contract work as fully complete. Construction Manager shall draft the resolution of acceptance for TCSIG's Board to approve, and shall also, if required for TCSIG or if TCSIG requests it, draft a Notice of Completion to be recorded with the County within fifteen (15) days after the Board's acceptance. Construction Manager shall continue to process progress payment applications, releases of retention, proposed change orders and claims as required by the Contract Documents and the law beyond the completion and acceptance of the work.

21. Final Documents. During the Project, Construction Manager shall secure from the Contractors and transmit to TCSIG all documents and items required by the Contract Documents, including guarantees, affidavits, releases, bonds, keys, schedule updates, manuals, record drawings, and daily logs. Upon completion of the Project, Construction Manager shall also forward all of its documents and plans to TCSIG and ensure all such plans and documents are well organized for any appropriate audit or review of the Project. Construction Manager shall collect as-built drawings from the Contractors and review them for accuracy and completeness, and then forward them to Architect for preparation of a final complete set of as-built drawings for the Project in its entirety. Construction Manager, in cooperation with TCSIG and Architect, shall assist with the coordination and processing of all necessary paperwork and closeout documents with the Office of Public School Construction ("OPSC"), DSA, and any other applicable public agencies.

22. Warranty Inspections. Construction Manager shall perform warranty inspections 30 to 60 days prior to expiration of each warranty period applicable to the Contractors' work, and shall arrange for, and monitor, Contractor's work on site and inspect any resulting warranty work by the Contractors. Immediately after a warranty inspection, Construction Manager shall notify the Contractors in writing of all warranty items that require correction.

4. TCSIG DUTIES AND RESPONSIBILITIES. During the term of this Agreement, TCSIG shall:

A. Provide a budget for the Projects ("TCSIG's budget"), based on consultation with Construction Manager and the Architect;

B. Designate a representative authorized to act on TCSIG's behalf with respect to the Projects. TCSIG, or such authorized representative, shall examine documents submitted by Construction Manager and shall render decisions promptly to avoid unreasonable delay in the progress of the Projects;

C. Furnish structural, mechanical, electrical, and other laboratory tests, inspections and reports as required by law or by the Contract Documents;

D. Retain an architect to design the Projects;

E. Furnish a list of events for inclusion in the schedule(s) that may affect construction, such as quiet days, meetings, or holidays; and

F. Advise promptly of any fault or defect in the Projects, or nonconformance with the Contract Documents, that TCSIG observes.

5. TERMINATION.

A. TCSIG may terminate this Agreement for any reason, in its absolute discretion and convenience, by giving Construction Manager fourteen (14) days written notice of termination. TCSIG may also issue a written notice of termination of this Agreement for cause based on Construction Manager's breach of this Agreement if (i) TCSIG mails and faxes to Construction Manager a written notice of intent to terminate with explanation of the breaches and the cure necessary, and (ii) Construction Manager does not cure, or offer a reasonable plan to cure, the default within five (5) calendar days of issuance of the written notice of intent to terminate.

B. In the event of termination by TCSIG, Construction Manager shall be compensated pursuant to Section 2, above, for all services satisfactorily performed through the termination date.

6. HOLD HARMLESS/INDEMNIFICATION. Construction Manager shall indemnify, defend and hold harmless TCSIG, its Governing Board, representatives of the Governing Board, Member Agencies, officers, agents, and employees from any and all claims, damages, losses, liability, causes of action and demands, including reasonable attorney's fees and costs, incurred in connection with or in any manner arising out of Construction Manager's performance of, or failure to perform, any duties under this Agreement or the law, including but not limited to breaches of the applicable standard of care.

7. STATUS OF CONSTRUCTION MANAGER AND RELATIONSHIP TO TCSIG. Construction Manager shall be TCSIG's principal agent in providing the construction management services described in this Agreement. In providing the construction management services contemplated by this Agreement, Construction Manager shall, on behalf of TCSIG, maintain a professional working relationship with TCSIG, all Contractors, the Architect and all others. Construction Manager's primary obligation of loyalty is to TCSIG, not the Architect, a Contractor, a subconsultant, or another party. When performing its duties and responsibilities on the Projects, Construction Manager must act and make recommendations in accordance with TCSIG's best interests, and not Construction Manager's, Architect's, a Contractor's, or another party's best interests. This duty of loyalty to TCSIG requires Construction Manager to, among other things, notify TCSIG of any potential deficiencies in Architect's design of the Projects or

potential breaches by Architect of its obligations to TCSIG under law (including the standard of care) or the agreement between TCSIG and Architect. This duty of loyalty to TCSIG also requires Construction Manager to, among other things, notify TCSIG of any potential deficiencies in Contractor's work or potential breaches by Contractor of its obligations to TCSIG under law or under the agreement between TCSIG and Contractor.

As Construction Manager, Construction Manager is not an employee of TCSIG. Construction Manager is understood to be an independent contractor. Nothing in this Agreement shall preclude Construction Manager from performing similar services for other persons or entities.

Nothing contained in this Agreement shall be deemed to create any contractual relationship between Construction Manager and the Architect, a Contractor, or a material supplier for the Projects, nor shall anything contained in this Agreement be deemed to give any third party any claim or right of action against TCSIG, the Architect or Construction Manager which does not otherwise exist.

8. INSURANCE. Construction Manager shall purchase and maintain insurance that will protect Construction Manager from the claims set forth below that may arise out of or result from Construction Manager's performance of services or failure to perform services required by this Agreement:

A. Claims under Workers' Compensation, disability benefits and other similar employee benefits acts that are applicable to the work performed;

B. Claims for damages because of bodily injury, occupational sickness or disease or death of Construction Manager's employees, agents or invitees;

C. Claims for damages because of bodily injury or death of any person;

D. Claims for damages insured by usual personal injury liability coverage that are sustained (1) by any person as a result of an offense directly related to the employment of such person by Construction Manager or (2) by any other person;

E. Claims for damages, other than to the work itself, because of injury to or destruction of tangible property, including loss of use therefrom; or

F. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.

Construction Manager's comprehensive general and automobile liability insurance shall be written for not less than the following limits of liability:

Comprehensive General Liability

Personal Injury:

Property Damage:

\$_____ Each Occurrence

\$_____ Each Occurrence

\$_____ Aggregate

\$_____ Aggregate

Comprehensive Automobile Liability

Bodily Injury:

Property Damage:

\$_____ Each Person

\$_____ Each Occurrence

\$_____ Each Occurrence

Errors and Omissions Insurance – Prior to commencement of services under this Agreement, Construction Manager shall furnish to TCSIG satisfactory proof that Construction Manager has, for the period covered by this Agreement, errors and omissions insurance on an occurrence basis with limits of at least \$_____ and a deductible not more than \$10,000.

Each policy of insurance above shall operate as primary insurance. TCSIG, its Governing Board, members of its Governing Board, Member Agencies, employees, and agents shall be named as additional insureds under the policies. A copy of the policies shall be provided before any work is commenced under this Agreement. Policies shall not be canceled or reduced in coverage without 30 days prior written notice to TCSIG.

9. LICENSING REQUIREMENTS AND QUALIFICATIONS. Construction Manager represents and warrants that Construction Manager possesses the appropriate qualifications and licenses required by all applicable provisions of law, including Government Code sections 4525, et seq.; that Construction Manager is competent and qualified to perform the services required by this Agreement; that Construction Manager has substantial expertise and experience in all aspects of construction management for projects of this type, including but not limited to construction supervision, bid evaluation, master project scheduling, cost benefit analysis, claims review and negotiation, general management and administration of construction projects, furthering of TCSIG’s interests in the management and construction of the Projects; and that Construction Manager shall perform in an expeditious and economical manner consistent with the interests of TCSIG.

10. PAYROLL AND WORKER'S COMPENSATION RESPONSIBILITIES. Construction Manager will be liable and solely responsible for paying all required taxes and workers’ compensation and other obligations, including, but not limited to, federal and state income taxes and social security taxes. Construction Manager agrees to indemnify, defend and hold TCSIG harmless from any liability which Construction Manager may incur to the Federal or State governments as a consequence of this Agreement. All payments to Construction Manager shall be reported to the Internal Revenue Service.

11. SUCCESSORS AND ASSIGNS. TCSIG and Construction Manager, respectively, bind themselves, their successors, assigns, and representatives to the other party to

this Agreement, and to the partners, successors, assigns, and legal representatives of such other party with respect to all terms of this Agreement. Neither TCSIG nor Construction Manager shall assign or transfer any interest in this Agreement without the written consent of the other.

12. SEVERABILITY. If any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

13. AMENDMENTS. This Agreement cannot be changed or supplemented orally and may be modified or superseded only by written instrument executed by all parties.

14. EXECUTION BY FACSIMILE OR IN COUNTERPARTS; WARRANTY OF AUTHORITY. This Agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy, or an original, with all signatures appended together, shall be deemed a fully executed Agreement. By execution of this Agreement, each person signing on behalf of an entity warrants that this Agreement is executed on behalf of a valid legal entity; that such entity possesses the full right and authority to undertake any action this Agreement contemplates; that the execution of this Agreement by the signatory for a Party has been duly and properly authorized by such entity on whose behalf said Agreement is executed, in accordance with all applicable laws, regulations, agreements and procedures governing the authority of such person to execute this Agreement on behalf of such entity; and that the consent of all persons or entities whatsoever necessary to the Parties due execution of this Agreement has been obtained. This Agreement shall be binding on the Parties when all of the Parties have fully executed this Agreement (where each of the parties has signed at least one counterpart). The Parties agree that TCSIG will not have fully executed this Agreement until TCSIG's governing body has approved or ratified the Agreement and the designated TCSIG official has signed it.

15. INTERPRETATION. The language of all parts of this Agreement shall, in all cases, be construed as a whole, according to its fair meaning, and not strictly for or against either party.

16. NOTICES. All payments and any notices or communications under this Agreement shall be in writing and shall be deemed to be duly given if served personally on the party to whom it is directed or shall be deemed served forty-eight (48) hours after the same has been deposited in the United States Mail, certified or registered mail, return receipt requested, or overnight mail, postage prepaid, and addressed in the case of:

Construction Manager: _____
Name: _____
Title: _____
Address: _____

TCSIG: Tri-County Schools Insurance Group

Name: _____
Title: _____
Address: _____

17. GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of California, excluding its choice of law rules. Any action or proceeding seeking any relief under, or with respect to, this Agreement shall be brought solely in the Superior Court of the State of California for the County in which TCSIG maintains its principal office, subject to transfer of venue under applicable State law, provided that nothing in this Agreement shall constitute a waiver of immunity to suit by TCSIG.

18. WORK RECORDS. All documents, daily logs, and any other written work product generated by Construction Manager shall be deemed to the sole and exclusive property of TCSIG.

19. ENTIRE AGREEMENT. This Agreement constitutes the entire Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instruction signed by both TCSIG and Construction Manager.

20. ATTORNEYS' FEES AND LITIGATION EXPENSE. *[OPTIONAL: [NOTE TO OWNER: You should carefully consider the advantages and disadvantages of this attorneys' fees provision before deciding whether to include it. The most important effect of this provision is that the party that does not prevail in a legal action has to pay not only their own attorney's fees but also the other party's attorney's fees. This provision can encourage resolution of frivolous or dubious issues if a construction manager does not want to pay TCSIG's attorney's fees if the construction manager does not prevail. However, if a particular construction manager is convinced of the correctness of its position despite evidence that it is frivolous or dubious, a provision requiring TCSIG to pay the construction manager's attorneys' fees can serve to further encourage that construction manager's pursuit of a legal action. Finally, due to the vagaries of the court system, even an apparently meritorious TCSIG position may not succeed and TCSIG would have to pay the construction manager's attorneys' fees under this provision.]*

If a party to this Agreement commences a legal action against the other party to enforce a provision of this Agreement or seek damages related to the services provided under this Agreement, the prevailing party in the legal action will be entitled to recover all of its litigation expense, costs and fees from the other party, including reasonable attorneys' and experts' fees.

TCSIG

CONSTRUCTION MANAGER

By: _____
Its: _____

By: _____
Its: _____

DRAFT

EXHIBIT "A"

HOURLY RATE SCHEDULE

DRAFT