



**ENGINEERING & OPERATIONS
BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
September 14, 2015
8:30 AM
Approximate Meeting Time: 2 Hours**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE AUGUST 17, 2015 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING

3. PUBLIC COMMENTS

Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

PRESENTATION ITEMS

4. San Juan Basin Authority Update
5. Asset Management Plan Update

DISCUSSION ITEMS

6. Professional Services Agreement for Operations Center Consolidation and Improvement Project
7. Gallup Circle Sewer Construction Contract Award
8. Mathis-Oso Bypass Construction Contingency Adjustment

INFORMATION ITEMS

9. Water Usage Update

10. Future Agenda Items (Any items added under this section are for discussion at future meetings only)
11. Late Items (Appropriate Findings to be Made)
 - a. Need to take immediate action; and
 - b. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

ADJOURNMENT

The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 831-2500 at least forty-eight (48) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least forty-eight (48) hours prior to the scheduled meeting.

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than seventy-two (72) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room and on the District website at www.mnwd.com.



DRAFT
MINUTES OF THE REGULAR MEETING OF THE
ENGINEERING & OPERATIONS BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT

August 17, 2015

A Regular Meeting of the Engineering & Operations Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 8:30 AM on August 17, 2015. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Vice President/Chair
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director (via teleconference)
Larry Lizotte	Director
Brian Probolsky	Vice President (arrived 8:44 a.m.)

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Gina Hillary	Director of Human Resources
Pat Giannone	Bowie, Arneson, Wiles & Giannone
Paige Gulck	Board Secretary
Eva Plajzer	Assistant Director of Engineering
Todd Novacek	Assistant Director of Operations
Drew Atwater	MNWD
Tim Bonita	MNWD
Johnathan Cruz	MNWD
Brad Daley	MNWD
Ray McDowell	MNWD
Steve Merk	MNWD
Rod Woods	MNWD
Megan Schneider	MNWD
Daryle Bailey	Simplus Management

#2.

1. CALL MEETING TO ORDER

The meeting was called to order by Scott Colton at 8:30 a.m.

2. APPROVE THE MINUTES OF THE JULY 13, 2015 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY DONALD FROELICH, AND SECONDED BY DUANE CAVE, MINUTES OF THE JULY 13, 2015 ENGINEERING AND OPERATIONS BOARD OF DIRECTORS MEETING WERE APPROVED AS PRESENTED. THE ROLL CALL VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ AND LARRY LIZOTTE, ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.

3. PUBLIC COMMENTS

None.

DISCUSSION ITEMS

4. Wireless Network Implementation Project Initial Study

Eva Plajzer provided background on the project. Staff recommends approval of the resolution entitled, "Approving the Mitigated Negative Declaration and the Mitigation, Monitoring, and Reporting Program for the Wireless Network Implementation Project 2006.038." Dialogue ensued regarding discussions with cities and residents, and locations of the towers.

Brian Probolsky arrived at 8:44 a.m.

5. Recycled Water Master Plan Agreement Award

Eva Plajzer provided details on the agreement. Staff recommends approval of the Engineering Services Agreement with AKM Consulting Engineers in the amount of \$527,126; authorizing the General Manager to execute the agreement; and authorizing the General Manager or designee to approve amendments up to 10% of the contract value. Major topics discussed were conversion costs, necessity of the plan, and scope of the agreement.

6. SWRCB Water Recycling Facilities Planning Grant

Joone Lopez provided a brief background on the grant. Staff recommends approval of the resolution entitled, "Authorizing Water Recycling Facilities Planning Grant Application to State Water Resources Control Board and Authorizing the General Manager to Develop a Grant Agreement for the Moulton Niguel Water District Recycled Water Master Plan."

7. Mathis Recycled Water Reservoir Re-Coating Contract Award

Marc Serna provided background on the contract. Staff recommends the Board of Directors award the construction services contract for the Mathis Recycled Water Reservoir Re-coating and Safety Improvements Project No. 2013.002 to J. Colon Coatings, Inc. in the amount of \$842,550; authorize the General Manager to execute the contract; and authorize the General Manager or designee to approve change orders up to 10% of the contract value. Discussion ensued regarding terms of the contract.

8. Inspection Services for Mathis Recycled Water Reservoir

Marc Serna provided background on the agreement. Staff recommends the Board of Directors award the engineering services agreement with Harper and Associates Engineering, Inc. in the amount of \$91,610 and authorize the General Manager to execute the agreement. The inspection and re-coating processes of the reservoir were discussed in detail.

9. FY 2014-15 Valve Replacement Construction Contingency Adjustment

Joone Lopez provided a brief background on the item. Staff recommends that the Board of Directors increase the construction contract contingency for the FY 2014-15 Valve Replacements Project, project No. 2014.008, with Paulus Engineering, Inc. by \$55,000 for a total not-to-exceed \$108,185 and authorize the General Manager or designee to approve change orders up to \$108,185.

INFORMATION ITEMS

10. Water Usage Update

Drew Atwater provided the monthly water usage update. The District's usage for July was reduced by 27% compared to July 2013 usage, which exceeded the State Water Resources Control Board 20% reduction mandate for the District.

11. Quarterly Capital Improvement Program Report

Eva Plajzer presented the Quarterly Capital Improvement Program Report.

12. Joint Powers Authority Quarterly Update

Matt Collings presented the Joint Powers Authority Quarterly Update.

13. Future Agenda Items (Any items added under this section are for discussion at future meetings only)

Richard Fiore requested a presentation on our emergency response system at the District and an update on the local desalination projects.

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14. Late Items (Appropriate Findings to be Made)

Staff has none.

ADJOURNMENT

The meeting was adjourned at 10:14 a.m.

Respectfully submitted,

Paige Gulck
Board Secretary

DRAFT



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** September 14, 2015

FROM: Matt Collings, Assistant General Manager

SUBJECT: Professional Services Agreement for Operations Center Consolidation and Improvement Project

DIVISION: District-Wide

SUMMARY:

Issue: Proposals were requested and received to provide project management services for the Operations Center Consolidation and Improvement Project.

Recommendation: It is recommended that the Board of Directors approve the Professional Services Agreement with Newport Real Estate Services, Inc. for an amount not-to-exceed \$220,000; authorize the General Manager to approve change orders up to 15% of the total contract value; and authorize the General Manager to execute the agreement.

Fiscal Impact: Sufficient funds are included in the Capital Improvement Program project budget for the Operations Center Consolidation and Improvement Project adopted by the Board of Directors.

BACKGROUND:

The District has operated from the Main Office and Plant 2A sites for more than 40 years with intermittent upgrades and improvements to both facilities to support growth or infrastructure needs. In assessing capital improvements needed for the facilities, staff recommended that a comprehensive review of long-term needs be completed prior to performing any significant rehabilitation or refurbishment of the existing facilities. The District initiated the Operations Center Consolidation and Improvement Project in 2013 with the development of a Needs Assessment evaluating current spacing needs, future growth potential, and long-term space requirements. After completion of the Needs Assessment and a review of potential site alternatives to construct the necessary Operations Center, the District concluded that remaining at the Plant 2A site and consolidating all of the District personnel and operations into a single site was the best course of action.

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Professional Services Agreement for Operations Center Consolidation and Improvement Project
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Currently, staff is working with two consultants, Starpointe Ventures and Ware Malcomb, to assist with the planning, permitting, and environmental review aspects of the project. These efforts need to be developed in concert with the overall needs of the District and lead into the final design of the project. Due to the need and complexity of the project, staff is recommending to contract with a firm to provide project management through the construction of the proposed project.

DISCUSSION:

The proposed scope of work for project management services would begin immediately, supporting the current consultants on the planning and permitting efforts and managing the overall project design and construction. Specific tasks within the scope include:

1. Developing and updating a detailed project schedule and budget throughout the duration of the project.
2. Oversight of the final design and development of the construction documents. Work closely with appropriate District personnel on plan review.
3. Development and facilitation of a pre-qualification process for contractors to bid the project.
4. Oversight of the bidding process, including responding to any requests for information and oversight of any necessary addendums to the project.
5. Oversight of construction progress, including weekly job meetings, reporting, and review of change orders.
6. Contract close out.

The District met with three qualified firms to discuss the proposed project, the desired scope of work, and their past project experience. The three firms were Lutzky Associates Development, MPA Inc., and Newport Real Estate Services Inc. Each of the three firms was well-qualified to provide the desired services. The District requested written proposals from each of the firms based on their understanding of the District's needs to support the project. Staff reviewed each of the proposals, and based on the proposal and the meetings with each of the firms, staff recommends awarding the contract to Newport Real Estate Services, Inc. A copy of the proposal provided by Newport Real Estate Services is included with the staff report. The scope of work and proposed fee structure is separated into three phases each with a different rate and expected duration. The table below provides a breakdown:

Description	Duration	Monthly Retainer	Total
Entitlement/Planning	6 months	\$2,500 per month	\$15,000
Design	5 months	\$5,000 per month	\$25,000
Permit/Bidding/Construction	15 months	\$12,000 per month	\$180,000
Other Direct Costs	NA	NA	\$20,000
TOTAL	26 months		\$240,000

Professional Services Agreement for Operations Center Consolidation and Improvement Project
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Staff and the OCCI Project Ad-Hoc would work closely with the project manager(s) provided by Newport Real Estate Services to ensure appropriate project oversight and reporting, timely delivery of all aspects of the project, all while working within the project budget approved by the Board of Directors.

SUMMARY OF PROJECT BUDGET:

Project Items	Project Budget	Expended to Date
Design ⁽¹⁾	\$750,000	\$76,155
Planning/CEQA	\$350,000	\$84,550
Project Management	\$250,000	\$0
Soft Cost Contingency	\$200,000	\$0
Construction	\$20,350,000	\$0
Construction Contingency	\$950,000	\$0
Legal, Permits, Misc.	\$150,000	\$133,025
Totals	\$23,000,000	\$293,730

Currently Proposed Amount

Footnotes:

(1) Design services included a Needs Assessment prepared by GPA, Inc. and preliminary architectural services prepared by Ware Malcomb.

Attachments:

1. Newport Real Estate Services Proposal
2. Draft Professional Services Agreement



*CONSTRUCTION PROJECT MANAGEMENT
SERVICES PROPOSAL*

August 5, 2015

PREPARED FOR:

Matt Collings, P.E.
Assistant General Manager
Moulton Niguel Water District
27500 La Paz Rd,
Laguna Niguel, CA 92677

Timothy L. Strader, Jr.
President
Starpointe Ventures
19700 Fairchild Rd #240,
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PREPARED BY:

NEWPORT
Real Estate Services, Inc.®
3184H Airway Avenue
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#6.



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I. EXECUTIVE SUMMARY

Newport Real Estate Services, Inc. (“NRES”) is a full-service real estate firm that provides a wide variety of real estate related services to agency, developer, institutional, not-for-profit and corporate clients. These services include:

- Project Management
- Construction Management
- Real Estate Development
- Corporate Real Estate Services
- Property/Facilities Management

Unlike the typical construction management or design/build firm that has a single discipline, our significant experience in real estate development along with our strong construction management background, uniquely qualifies NRES for this type of assignment.

NRES is pleased to present our formal proposal for comprehensive Project Management Services. As a mid-sized firm specializing in Owner’s representative construction and development project management services, NRES is large enough to provide a broad, multi-disciplined project management team while small enough to insure principal level involvement in each of its projects. All of our managers have significant experience as construction managers and owner’s representatives in the real estate construction and development industry.

This fee proposal includes three primary areas of focus:

- Entitlement Phase - preconstruction consulting (i.e. preliminary budgeting, design process oversight) during the entitlement process
- Construction Documentation - retention and oversight of the project architect and design consultant team, conceptual estimating, construction documentation oversight, overall project management
- Project Bidding, Plancheck Oversight and Construction Oversight - full charge project management commencing upon completion of the construction documents by the architect, plancheck oversight, general contractor competitive bidding oversight, on-going construction project management through project completion

In our role as comprehensive Construction Project Manager, we see our responsibilities evolving to three primary categories:

1. **Schedule Management** – Achieving safe, defect free, project completion as soon as reasonably possible and in accordance with previously developed schedules.
2. **Cost Management** – Insuring that the project is completed at the lowest possible cost, and in conformance with previously approved budgets.
3. **Use Compatibility** – Insuring that the project achieves the intended use objectives

#6.



NRES is proposing a stepped flat monthly fee for the Project. This structure eliminates any incentive to increase project cost to increase the Project Manager's compensation.

NRES acts solely as an owner's representative for its projects, representing the owner's interest in its relationship with the general contractor, project architect, government agencies and all project consultants.

Most importantly, NRES recognizes the significant importance of this addition to your campus. We are pleased to have this opportunity to participate in this important endeavor.

II. EXPERIENCE

Type of Firm

NRES provides a comprehensive range of real estate services to developer, institutional investor, not-for-profit and corporate clients. These services include:

- Comprehensive Project Management
- Construction Management
- Real Estate Development
- Outsourced Corporate Real Estate Services
- Entitlement Processing
- Financial Analysis
- Brokerage and Transaction Management
- Property/Facilities Management

In order to meet the varied needs of a particular project, some or all of these services may be necessary. NRES is unique in its ability to provide transaction oversight, real estate development, and construction project management with equal skill.

NRES is most effective in a strategic relationship with its client/strategic partners where the firm can provide a high level of service on multiple assignments. In this manner, the firm can devote the time and effort necessary to get a full appreciation of the client's/strategic partner's overall objectives. Typical clients where this approach has been utilized and NRES has completed multiple assignments include:

- Irvine Ranch Water District
- U.S. Federal Government, Department of Homeland Security, General Services Administration
- Menlo Equities
- Rockwood Capital
- Kellogg Company
- The Irvine Company
- The Boeing Corporation

Real Estate Development/Project Management

The NRES project team has extensive experience with a wide range of real estate development projects including:

- Mid-Rise Class "A" Office
- Suburban Low Rise Office
- Hospitality
- Warehouse/Distribution
- Industrial/Flex-Tech Space
- Land Development
- Retail/Entertainment/Hospitality

- Owner Land Development

Glen Allen, the firm's principal, has been directly responsible for the development, construction and management of over 35 million square feet since the firm's inception over 13 years ago.

The firm's real estate development experience includes:

- Opportunity Analysis and Selection
- Project Feasibility Analysis
- Debt/Equity Financing
- Complex Entitlement Processing
- Comprehensive Project Management
- Landlord/Tenant Lease Negotiations
- Seller's Transaction Management

Construction Management

As an integral part of its overall real estate development services, NRES can provide in-depth construction/project management as either part of its overall real estate development services or as a stand-alone service offered to those clients seeking pure construction management.

NRES provides complete construction/project management services including:

- Consultant and Contractor Contract Administration
- On and Off Site Construction Supervision
- General Contractor RFP/Bidding Oversight
- Architectural and Engineering Consultant Retention and Supervision
- Construction Loan Administration
- Tenant Improvement Construction Management
- Build-To-Suit Project Oversight
- Conceptual Construction Cost Estimating
- Automated CPM Schedule Preparation and Monitoring
- Full Job Cost Accounting
- Payment and Lien Release Processing
- Certified payroll administration, prevailing wage compliance

Mr. Allen holds a California State General Building Contractor's License. The construction project management effort is supported by Steve Garis, Jenny Shih, and Anthony Vaccaro, serving as Senior Vice President/Vice Presidents with the firm. Each of these individuals has in excess of 20 years experience in direct construction project management.

Corporate and Institutional Real Estate Services

The unique collaboration of disciplines at NRES gives us the capability of overseeing a client's overall corporate real estate strategy, whether they are investors in or users of real estate assets. Central to this role is our dedication to understanding the core business of each client. In this way, our skills stay tuned to the Client's business goals and insure its real estate assets support these goals. NRES not only leverages its in-house capabilities to provide its clients financial analysis, development/construction management, and property management, but will coordinate services provided in-house with other key real estate functions, including planning and design and legal services.

NRES provides the following real estate services for our corporate clients which are complementary to our project management and asset management functions:

- Leasing Market Analysis and Selection
- Transaction Management and Brokerage
- Consultant Coordination
 - Planning and Architectural
 - Construction Supervision
 - Legal
 - Facility Management
 - Real Estate Due Diligence
- Relocation Coordination
- Lease Administration
- Tenant Lease Audits (for landlord compliance)
- Lease vs. Buy Analysis and Sale/Lease Back Transaction Management
- Facilities and Property Management

NRES' experience in providing comprehensive, outsourced corporate real estate services gives it a unique perspective and understanding of the needs of the corporate client. NRES has provided comprehensive, outsourced corporate real estate services to such firms as Kellogg Company, Keebler Company, Allianz Global Risks and Mag Instrument, Inc. Each of these assignments assists NRES in a clear understanding of the corporate user's needs.

Not-for-Profit and Religious Organizations

NRES has a clear understanding of the unique challenges faced by religious not-for-profit organizations and their building programs. Often limited by absolute budget caps and strict schedule constraints, the not-for-profit and religious organization demands of its project manager an ability to understand and firmly control both budget and schedule constraints in a manner that allows its congregation, members or other constituents to achieve their project objectives without exceeding defined limits.

Property/Facilities Management and Accounting Services

Traditionally picking up where Development and Construction Management services leave off, NRES Property and Facilities Management services focus on the objective of maintaining, enhancing and preserving the tangible and market value of commercial properties, whether they are office, retail or industrial and providing ongoing day-to-day facilities operations and maintenance. These are the practices that enable us to reach our objective:

- Accurate accounting of all financial activity and timely reporting to ownership
- Diligent and fair administration of all leases
- Oversight and management of day-to-day operations and maintenance
- Responsiveness to tenant needs and a high degree of tenant satisfaction aimed at retaining and expanding existing tenants relationships
- Intelligent planning for the future needs of the investment utilizing our collective expertise in property management practices and knowledge of market dynamics.

Timely and accurate lease administration is the foundation of our activities as property/facility managers. NRES utilizes both Kardin® Budget, Yardi Genesis™, Yardi Voyager™ and MRI® property management software systems.

With continuous property and facilities management experience ranging over more than 20 years, the NRES management team will use its expertise in building operations to define proper preventative maintenance programs for the building and site and will engage the most qualified vendors.

III. QUALIFICATIONS

Key Project Team Resumes

NRES proposes to assign this important project to a team comprised of Glen Allen and Anthony Vaccaro. Both are experienced construction professionals having served both with general contractors and with owners in the past.

Both Glen and Tony have significant corporate office construction experience. NRES has been responsible for numerous ground-up office projects as well as major office upgrades.

Please find below, a more detailed resume of each of our project management individuals.

Anthony Vaccaro, Senior Vice President

Mr. Vaccaro has over 27 years of experience in the construction industry. Working as Superintendent and Project Estimator for several general contractors, he has successfully completed commercial, office, industrial and retail projects totaling more than 3 million square feet. He is proficient in all phases of development and construction management including design and pre-construction, conceptual estimating, entitlements, cost control, construction accounting, cost reporting, and field supervision. He has provided excellent customer service for such clients as Trammell Crow, The Irvine Company, Konica Business Technologies, Best Buy, Office Max, Investment Development Services, Westec Securities and Catellus Development Corporation. His vast experience in the field enables him to identify the problems before they become a major cost impact. His excellent rapport with clients, city officials and architects has made him an asset to the projects he manages.

Glen Allen, President

Mr. Allen is a senior real estate professional with an extensive 30-year development and construction management services background, not only in the Southern California market, but also throughout the United States. He is a licensed General Contractor (B-1) and Real Estate Salesperson in the State of California, and oversees Newport Real Estate Services, Inc.

Mr. Allen's expertise lies in the marketing, development and construction arenas. The types of projects developed by Mr. Allen include industrial, research and development, multi-tenant business parks, finished lots, office and retail. Mr. Allen is well-versed in land acquisition and due diligence, project financing, financial analysis, joint venture structures, identification and analysis of development opportunities and recruitment, supervision and training of project management staff.

Mr. Allen previously served as Vice President/Division Manager, National Construction Services, for Catellus Development Corporation, where he was an Operating Officer and had direct P&L and management responsibility for over 3.8 million square feet of space, totaling \$100+ million annually. His involvement included contract negotiations and administration, staffing, oversight of entitlement, design, construction management and retention of project consultants on a national basis.

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Mr. Allen began his career with The Koll Company/Koll Construction Company, where he oversaw a construction management project team and ultimately served as Vice President, Development in charge of multiple industrial, retail and office development projects throughout Southern California. He then joined Arvida/JMB Realty Corporation, and was responsible for the overall development, project management and disposition of Arvida's 3,500-acre Talega Project. He also served on the company's senior strategic management team.

Mr. Allen received a Bachelor of Science in Business Administration from the University of Phoenix and his MBA, with an emphasis in Organizational Development, from Pepperdine University. He resides with his family in Newport Beach, California. Mr. Allen serves on the Board of Directors of WRG, Inc., a diversity-based provider of real estate related services to government agencies. Mr. Allen is also President and Chairman of the Board of COA de Mexico., S.A. de CV, a Mexican-American relief organization (NGO), and has served on the Board of Directors of Mariners Christian School, a private Christian school in Costa Mesa. Mr. Allen holds both his U.S. Federal Protective Services and FBI Vendor Security Clearances.

Representative Projects

- **St. Andrews Presbyterian Church** – NRES provided comprehensive project and construction management for this \$22 million project. The St. Andrews Presbyterian Church project includes a new community and fellowship center, extensive site work improvements and new electrical and mechanical service for the entire campus. Notably, this multi-building project included subterranean basements, new construction and major rehab all required while the facility remained in full operation.
- **Sand Canyon Medical** – NRES provided comprehensive project and construction management for this \$6 million, 19,500 sf single story tilt-up with 13,000 square feet of tenant improvements for Coast Fertility Group.
- **Waterworks Business Park** – NRES provided comprehensive construction and project management for this \$12 million, 39,000 sf two story tilt-up office and industrial facility.
- **Irvine Technology Center** – NRES provided project and construction management for this \$4 million, 40,000 sf two story class “A” office building project.
- **Sycamore Canyon Apartments** – Unit-by-unit comprehensive rehab of 400+ units, exterior repairs and construction of a new Type V clubhouse and amenity facility.
- **Mission Viejo Country Club** – NRES served as project manager for this \$20 million ground-up clubhouse project. This project included construction of a \$14 million Type V clubhouse with subterranean cart barn and a \$6 million golf course upgrade.
- **Canyon Hills Friend Church** – On this unique project, NRES not only provided project and construction management services but was also responsible for overseeing land acquisition, debt and equity financing for this new Type V church and campus project. During this assignment, we worked closely with the senior pastor, church elders and the regional denomination office.
- **Best Buy Center, Orange** – Comprehensive Project Management for a Best Buy anchored retail center.
- **Mag Instrument, Inc., Ontario, California** – NRES provided comprehensive project and construction management for this highly sophisticated 900,000 sf manufacturing and World Corporate Headquarters facility, valued in excess of \$75 million. Phase I included a 50,000 sf high-end World Corporate Headquarters office component. NRES was brought in to expedite all aspects of this project and oversee the project on a fast-track basis to meet lease termination needs of the client.
- **Kellogg Corporate Real Estate** – For over 10 years, NRES has provided comprehensive outsourced corporate real estate services for Kellogg’s 12 million sf+ North American office and distribution network. This assignment included transaction management as well as program, project and construction management. NRES has overseen more than 100 transactions throughout North America under this strategic partnership.

- **Allianz Global Risks (“AGR”) US Headquarters, Burbank, California** – NRES was simultaneously retained by the institutional developer of the shell building as shell project manager, and by the tenant to oversee its extensive corporate headquarters office tenant improvements. *NRES was the third project manager retained by AGR, after the first two firms we unable to the meet the needs of the tenant.* NRES has since been retained to provide comprehensive transaction and project management services for AGR’s Chicago office.
- **Broadcom Corporation, World Corporate Headquarters** – NRES completed comprehensive development and project management services for the 680,000 sf, 8-building mid-rise corporate Class A office campus. Retained by the landlord, The Irvine Company, NRES provided comprehensive overall project management. This assignment included the direct, primary interface with Broadcom Corporation, The Irvine Company’s largest tenant. This project was valued in excess of \$200 million.
- **Boeing Francisco Business Center, Los Angeles, California** – Construction manager on this project, consisting of a 550,000 sf multi-building warehouse/distribution complex for Boeing Realty Corporation. The project was owner financed and had a project cost of \$10,960,000.
- **HGN Gillette Buildings, Irvine, California** – Brokerage, development management, construction management, and acquisitions analysis for a 150,000 sf, 2-building office complex and parking structure in Irvine, California. Mr. Allen served as the Development Project Manager and is a partner on this project comprised of a 100,000 sf office building, a 50,000 sf college campus, and a new parking structure. The Project is valued at over \$35 million.
- **FCB Worldwide, Irvine, California** – Construction Management for this 100,000 sf innovative, high-end office development valued at over \$6 million. This building was completed for Foote, Cone & Belding, Worldwide, a division of Interpublic, the world’s largest advertising agency.
- **Wilshire Technology Center** – Construction Management for a 400,000 sf state-of-the-art telecommunications conversion in Los Angeles. Consisting of major structural modifications to three buildings, extensive upgrades to the HVAC and electrical systems allowing for the maximum telecommunications build out potential.

IV. SCOPE OF SERVICES

PRECONSTRUCTION

Fact Finding. NRES will gather the required documents from the Owner in order to begin the review process of the existing condition of the Project. The documents will be reviewed in detail and an action item list will be developed defining the order in which all issues will be addressed.

Budget. Prepare a preliminary project budget and confirm and document the proforma assumptions in the project. In addition to construction, this budget will include all soft costs, Government permit and impact fees, testing/inspections, project consultants and NRES fees, etc. If requested by the Owner, review the internal proforma for the Project.

Schedule. Prepare a summary Project Schedule, outlining all of the key milestones utilizing an automated scheduling program (i.e., Microsoft Project). As part of the general contractor management process, oversee the preparation of a detailed trade-by-trade, item-by-item construction schedule in an automated format and insure the general contractor's compliance therewith through the entire course of the Project.

Project Consultants. Where not yet complete, solicit and confirm proposals from various project team consultants necessary to complete the Project. Finalize any outstanding contracts.

Governmental Processing. Work in conjunction with the project architect, coordinate submittal of the preliminary design plans, engineering plans, and final working drawings to the City Planning Department, Building Department and Engineering Department for all required governmental reviews and approvals.

Easements/Encroachment Permits. Oversee the successful application and processing for all required adjacent property easements, public right-of-way encroachments, and other such documentation necessary to permit and construct the project.

PROJECT MANAGEMENT

Design Development. Confirm final approval of the design development documents with Owner and architect. Insure that design development changes have been reviewed and approved in writing by the appropriate parties and communicated to the project architect for inclusion in the construction documents.

Construction Documentation. Oversee the preparation of the architectural and other design team agreements. Oversee preparation of the construction documents (plans and specifications).

Owner Internal Approval. Prepare, or assist in the preparation of all internal capital authority expenditures necessary for the Project. Meet with internal Owner groups as directed, to explain the Project and obtain the necessary approvals.

#6.



Budgeting. Update the Project Budget monthly to insure its accuracy and compliance with overall project objectives and the progress and construction documentation.

Schedule. Update the Project Schedule monthly.

Value Engineering. Propose and evaluate various value engineering alternatives to insure that the highest possible value, given the Project's long-term ownership objectives, is being met, life cycle cost/benefit analysis and architectural appearance.

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Reporting. Manage and track project budget and provide monthly updates which shall include all pending and approved change orders.

Owner Requested Changes. Coordinate the pricing, review, approval and payment of all Owner requested changes.

Field Construction Oversight. Provide regular field supervision of the general contractor as necessary to insure schedule compliance, budget compliance, change order management, and other aspects of the work.

Quality Control. Oversee the quality control, testing and inspection protocol. Insure that the necessary reports, tests and inspections required under the protocol will be provided by the various independent inspectors and laboratories and shall be compiled in triplicate.

Utility Coordination. Coordination of the construction of on-site utilities (i.e. telephone, electrical, and gas) and the contract administration with the various utility providers that will be critical to the timely completion of the Project.

Weekly Job Meeting. Coordinate and oversee the weekly Project meeting.

Owner's Change Orders. Critically evaluate Owner's change orders and recommend approval or disapproval.

Monthly Project Status Report. On a monthly basis, prepare a detailed Project Status Report that will detail the current status of the Project, copies of all applicable meeting minutes, an updated project schedule, and photographs of the Project progress.

Coordination. Coordinate with the Owner's other on and offsite consultants and contractors as necessary.

Insurance. Insure that evidence of insurance is provided by all consultants, contractors, and subcontractors under the supervision of NRES. Owner shall be named as Additional Insured on all CGL Certificates for the general contractor and all consultants directly retained by the Owner, provided such contracts so require.

Contractor/Vendor Payment. Oversee the payment process to all consultants and contractors, consolidating the various draw requests from all consultants and contractors (together with such back-up documentation as the Owner may reasonably require evidencing the materials provided or work performed by such consultants and contractors). Complete the Owner's payment voucher or accounts payable apron for processing and payment by the Owner's bank loan, if applicable.

Lien Releases. Obtain appropriate conditional lien releases from consultants for any partial payments made by the Owner. Obtain unconditional lien releases from all consultants and contractors for all previous payments, provided the Owner has complied with its payment obligations. Monitor and oversee the California Preliminary Lien Notice process to insure a lien free project.

Close Out Documents. Prepare a "closing binder" which includes all relevant documentation, permits, closure statements and like materials for the Owner's files.

General. Perform all other functions of a general and administrative nature required to protect the Owner interest(s) in the Project and/or as reasonably specified by the Owner from time to time in connection with the Project.



V. PROJECT MANAGEMENT FEE PROPOSAL

Fee Proposal

NRES proposes to provide Comprehensive Construction Project Management Services for this project. These services will include, but not necessarily be limited to, those items set forth herein.

1. Entitlement Phase	\$ 2,500 per month
Design Phase	\$ 5,000 per month
Permit/Bidding/Construction	\$ 12,000 per month

Based on an anticipated 6 month entitlement process, 5 months design duration, and a 15 month permit/bidding/construction duration and an approximately \$20 million project cost, our fee would equate to about 1.1% of total project cost.

- | | |
|---|--------------------------------------|
| 2. For funds advanced on behalf of the Client (i.e., blueprinting, plan check fees). | Actual Cost Plus 5% |
| 3. Oversight of design, specification, competitive bidding, installation and connection of personal property (i.e., furniture, appliances, electronic equipment, telephone system, if requested by Client). | 4% of the value of any such material |

This fee is all inclusive and includes wages, overhead, office services, delivery, telephones, etc. In other words, there will be no additional reimbursements to NRES except for true third party out-of-pockets expenses paid by NRES in furtherance of the Project (i.e., City submittal fees). The Fee and our services will commence immediately upon execution of this letter, and continue through 45 days after issuance of the Certificate of Occupancy to allow for project closeout. Our fee shall be prorated for any partial month of service.

Payment Terms

NRES shall invoice the Client on or about the first of each month for work during the prior month. Payment is due not more than 30 days thereafter.

State of California Required Contractor's License Disclosure Information

NRES is a duly licensed contractor and construction manager under the laws of the State of California. NRES' State of California Contractors License Number is 812561. Contractors are required by law to be licensed and regulated by the California Contractor's State License Board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, and P. O. Box 26000, Sacramento, California 95826.

**AGREEMENT FOR CONSULTING SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
NEWPORT REAL ESTATE SERVICES, INC. FOR
CONSTRUCTION PROJECT MANAGEMENT SERVICES
AGREEMENT NO. OM15-16.034**

THIS AGREEMENT (the "Agreement") is dated as of _____, 2015 (the "Effective Date"), by and between Newport Real Estate Services, Inc. , hereinafter referred to as the "CONSULTANT" and Moulton Niguel Water District hereinafter referred to as "MNWD," and provides for the furnishing of consulting services to MNWD by CONSULTANT. MNWD and CONSULTANT may sometimes be referred to in this Agreement individually as "party" and together as "parties."

RECITALS

CONSULTANT proposes to provide construction project management services (the "Services") to MNWD. The scope of work to be performed by CONSULTANT under this Agreement is described in **Exhibit A** hereto, which is incorporated herein (the "Scope of Work").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

AGREEMENT

SECTION I - CONSULTING SERVICES

Section 1.1 CONSULTANT shall provide the Services to MNWD as further defined in **Exhibit A**. This Agreement, including all attached Exhibits form the Agreement between the parties.

SECTION II – SCOPE OF SERVICES AND PERFORMANCE

Section 2.1 CONSULTANT shall perform the Services in accordance with **Exhibit A**, the terms of this Agreement, and as directed by MNWD. MNWD reserves the right to develop additional Services and related requirements as it deems appropriate to meet the needs and objectives of MNWD and this Agreement.

Section 2.2 CONSULTANT acknowledges and agrees that MNWD does not guarantee any minimum or maximum amount of Services and MNWD may use other Consultants for the Services in its sole discretion.

Section 2.3 CONSULTANT shall provide all labor, materials, tools, equipment, supplies, utilities and transportation required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional manner in accordance with generally accepted industry practices and principles, and to the satisfaction of MNWD. CONSULTANT shall have the sole and absolute discretion in determining the methods, details and means of performing the Services, and MNWD shall not have any right to direct the methods, details and means of the Services, provided that CONSULTANT must receive prior written approval from MNWD before using any subconsultants for the provision of Services under this Agreement. In performing the Services under this Agreement, CONSULTANT shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or agency including but not limited to MNWD.

#6.

Section 2.4 MNWD may request or CONSULTANT may recommend, that CONSULTANT perform work in addition to or different from that delineated in the original Scope of Services, or delete services from the Scope of Services. Upon MNWD's request for additional or changed Services, CONSULTANT shall provide a cost estimate and written description of the additional or changed work. Prior to any such addition, changes, or deletion to the Scope of Services, MNWD and CONSULTANT shall negotiate an adjustment of the compensation and completion date and shall execute a written addendum. Upon execution of each addendum, (i) the Scope of Services shall thereafter be as described in the Agreement, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the Services shall be as set forth in the addendum. Following execution of any amendment, all terms and provisions of the Agreement, except as expressly modified by such amendment, shall remain in full force and effect. MNWD will not be required to pay for any additional or changed work rendered in advance of the execution of an amendment covering the additional or changed work.

Section 2.5 CONSULTANT agrees to coordinate the work to ensure its timely completion and shall promptly notify MNWD of any anticipated delays or causes or casualties beyond CONSULTANT'S control which may affect the work schedule. CONSULTANT shall not begin work on any Services pursuant to this Agreement until receipt of MNWD'S written direction to proceed. Upon receipt of such notice, CONSULTANT shall immediately commence the work described in **Exhibit A**. The Services shall be completed in an expeditious manner and in any event no later than the completion date listed on the Scope of Services. Time is of the essence in this Agreement.

Section 2.6 CONSULTANT's manager in charge of the Services is Glen Allen.

Section 2.7 Without prior written approval of MNWD, CONSULTANT will not make any changes in CONSULTANT'S manager in charge, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Services. CONSULTANT is responsible to MNWD for the acts and omissions of its subcontractors as it is for persons directly employed by CONSULTANT. Nothing contained in this Agreement creates any contractual relationship between any subcontractor and MNWD. CONSULTANT shall not allow any subcontractor to commence work or services under any subcontract until all insurance required of CONSULTANT has been obtained for the subcontractor.

Section 2.8 MNWD shall make available to CONSULTANT, at no cost, all information reasonably required by CONSULTANT and relating to the work to be performed under this Agreement.

Section 2.9 All documents and information generated by CONSULTANT and any of CONSULTANT'S subcontractors pursuant to this Agreement shall remain confidential and shall not be copied, distributed, or otherwise provided or referenced by CONSULTANT or CONSULTANT'S subcontractors to any third parties other than with MNWD's prior written approval, or as compelled by order of court.

Section 2.10 CONSULTANT understands that all documents, records, reports, data or other materials (collectively "Materials") provided by MNWD to CONSULTANT pursuant to this Agreement are to be considered confidential for all purposes.

Section 2.11 All original drawings, artwork, media, final deliverables and other documents, developed pursuant to this Agreement shall, upon payment in full for the services described in

this Agreement or as otherwise provided in SECTION IV herein, be furnished to and become the property of MNWD.

SECTION III – TERM

Section 3.1 This Agreement shall commence as of the Effective Date and continue in effect through **December 31, 2016** unless otherwise terminated by either party pursuant to Section VII herein.

SECTION IV – FEES AND PAYMENT TERMS

Section 4.1 In consideration for providing the Services, MNWD agrees to compensate CONSULTANT on a monthly flat fee basis in accordance with the following phased schedule:

PHASE	AMOUNT	ANTICIPATED DURATION
Entitlement Phase	\$2,500/month	6 months
Design Phase	\$5,000/month	5 months
Permit/Bidding/Construction Phase	\$12,000/month	15 months

Payments made under this Agreement may not exceed a maximum amount of **Two Hundred Twenty Thousand Dollars (\$220,000.00)**, which is inclusive of all labor and direct costs as further detailed on **Exhibit B**, which is attached hereto and incorporated herein,

Section 4.2 Payments will be made based on monthly submittal of invoices by CONSULTANT. Invoices will include a detailed description of work completed, the number of hours worked, the hourly billing rate per individual, and the total amount due. Only one bill per month shall be submitted by CONSULTANT. Incomplete invoices will be returned unpaid to CONSULTANT.

SECTION V - INSURANCE AND INDEMNIFICATION

Section 5.1 Professional Liability Insurance. CONSULTANT and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a professional liability (errors and omissions) policy of insurance having coverage of not less than One Million Dollars (\$1,000,000) for each claim and in annual aggregate. The following provisions shall apply if the professional liability coverage is written on a claims-made basis:

- (a) The retroactive date of the policy must be shown and must be dated before the date of this Agreement.
- (b) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of this Agreement or the services hereunder.
- (c) If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of five (5) years after completion of the services. MNWD shall have the right to exercise at the CONSULTANT’S cost any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage.
- (d) A copy of the claims reporting requirements must be submitted to MNWD prior to the commencement of any work under this Agreement.

#6.

Section 5.2 General/Automobile Liability Insurance. CONSULTANT and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a general liability policy of insurance for bodily injury and/or death, personal injury and property damage claims which may arise from or in connection with the performance of the work under this Agreement by CONSULTANT and its sub-consultants/subcontractors, and each of their agents, representatives, or employees. Such public liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hired) shall be comprehensive in form and shall be on a "per occurrence" basis in a minimum amount of One Million Dollars (\$1,000,000) per occurrence and an annual aggregate limit in a minimum amount at least twice the per occurrence limit specified in this Section.

All insurance provided under this Section 5.2 shall name MNWD and its' directors, officers, employees and representatives as additional insureds under each such policy ("additional insureds") and an additional insured endorsement shall be provided in form acceptable to MNWD.

Section 5.3 Worker's Compensation. By its signature hereunder, CONSULTANT certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that CONSULTANT will comply with such provisions before commencing the performance of work under this Agreement. CONSULTANT and subcontractors shall maintain throughout the term of this Agreement workers' compensation insurance with limits no less than the statutory limits, and Employer's Liability insurance with limits no less than One Million Dollars (\$1,000,000) per accident and per disease for their employees and shall file with the MNWD the certificate required by Labor Code Section 3700. The workers compensation/Employer's Liability insurance shall be endorsed with a waiver of subrogation in favor of MNWD and its' directors, officers, employees and representatives.

Section 5.4 Requirements of All Policies. All policies of insurance required under this SECTION V shall be from insurance providers who are either admitted or licensed to do business in California, or are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class VII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. CONSULTANT shall provide original certificates and endorsements for all such insurance on forms approved by MNWD in conformity with all requirements of this Agreement prior to commencement of any work or professional services. The policies required hereunder shall be endorsed to include contractual liability.

In the case of additional insured provisions, any insurance afforded the additional insureds by this Agreement is primary insurance as to the additional insureds. Any insurance or self-insurance maintained by the additional insureds shall be excess of the CONSULTANT'S (and its subcontractor's) insurance, and shall not contribute to such insurance.

Any deductibles or self-insured retentions must be declared in writing and approved by MNWD. At the option of MNWD, either: the insurance provider(s) shall reduce or eliminate such deductibles or self-insured retentions as respects the MNWD and its' directors, officers, employees and representatives; or the CONSULTANT shall provide a financial guarantee satisfactory to MNWD guaranteeing payment of losses and related investigations, claim administration and defense expenses. Maintenance of insurance coverage as specified in this

Agreement is a material term of this Agreement, and any failure to maintain or renew coverage, or to provide evidence thereof, as required by the terms is a material breach of this Agreement.

Section 5.5 Indemnity.

CONSULTANT agrees to indemnify, defend and hold harmless MNWD and its officers, directors, officials, and employees from and against all claims, damages, losses and expenses including attorneys' fees arising out of the performance of the work described herein caused by any negligence, recklessness, or willful misconduct of the CONSULTANT, its subconsultants or anyone for whose acts any of them may be liable. This section will survive the expiration or early termination of this Agreement. CONSULTANT is not responsible for errors or omissions in the data provided by District to the CONSULTANT.

CONSULTANT's obligations pursuant to this Section shall survive the expiration or termination of this Agreement and/or the performance or completion of any or all Services and work provided under this Agreement. This indemnity obligation shall apply to all liability regardless of whether any insurance is applicable, and the policy limits of any insurance shall not act as a limitation upon the indemnification, and amounts related thereto, to be provided by CONSULTANT hereunder.

SECTION VI - NO SUBCONTRACTING No obligations under this Agreement shall be sub-contracted without prior written approval by MNWD, which approval shall not be unreasonably withheld or delayed.

SECTION VII - TERMINATION OR ABANDONMENT

Section 7.1 This Agreement may be terminated in whole or in part in writing by either party provided that no such termination may be effected unless the other party is given not less than thirty (30) calendar days' written notice (deliver by certified mail, return receipt requested) of intent to terminate. Additionally, MNWD may suspend performance by CONSULTANT of any or all services listed in the Scope of Services under this Agreement by providing written notice to CONSULTANT at least five (5) working days prior to the date on which MNWD wishes to suspend; provided, upon receipt of such notice, CONSULTANT shall immediately suspend any work or services hereunder, unless otherwise instructed by MNWD in such notice.

Section 7.2 CONSULTANT shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from MNWD to resume performance. MNWD and CONSULTANT agree that in the event MNWD suspends or terminates performance by CONSULTANT for any cause other than the intentional or negligent error or omission of CONSULTANT, CONSULTANT shall be entitled to payment of compensation incurred prior to the effective date of the suspension or termination, as determined under Section IV of this Agreement.

Section 7.3 In the event of any suspension or termination herein, MNWD shall have the right to take possession and shall immediately own all original drawings and other documents developed for that portion of the work completed and/or being suspended or abandoned.

SECTION VIII - GENERAL

Section 8.1 CONSULTANT represents that it is aware of no facts or circumstances which would impair its ability to provide fair and unbiased advice to MNWD in the course of performing the consulting services hereunder, or which would impact its objectivity in performing such services hereunder.

#6.

Section 8.2 This Agreement represents the entire understanding of MNWD and CONSULTANT as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be amended, modified or altered except in writing, signed by the parties. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared it. In the event of any inconsistency between this Agreement and any other agreement or document between the parties, either written or verbal, including any CONSULTANT proposal document, this Agreement shall control unless such other agreement provides explicitly to the contrary.

Section 8.3 Any notice required or permitted to be given hereunder if not otherwise specified herein may be given or delivered by depositing the same in the United States Post Office, registered or certified, postage prepaid, or by personal service a hand delivery, and addressed to:

To MNWD - Attn: Matt Collings, Assistant General Manager
Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677

To CONSULTANT - Attn: Glen Allen, President
Newport Real Estate Services, Inc.
3184 H Airway Avenue
Costa Mesa, California 92626

Section 8.4 California law shall govern the interpretation of this Agreement. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure 394.

Section 8.5 In the event an action is commenced by either party to enforce its rights or obligations arising from this Agreement, the prevailing party in such action, in addition to any other relief and recovery awarded by the court, shall be entitled to recover all costs and expenses, including court costs, plus a reasonable amount for attorney's fees.

Section 8.6 If any section of this Agreement or provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

Section 8.7 It is expressly understood and agreed that CONSULTANT is retained as an independent contractor for the sole purpose of rendering the professional and/or special services, and is not an employee or agent of MNWD. CONSULTANT warrants that it will not represent, at any time or in any manner, that CONSULTANT is an employee or agent of MNWD. CONSULTANT shall have no authority to, and shall not, incur any debt, obligation or liability on behalf of MNWD. CONSULTANT shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance CONSULTANT, as an independent contractor, is responsible for paying under federal, state or local law. CONSULTANT is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS.

Section 8.8 The person signing this Agreement on behalf of each party hereto represents he/she has authority to sign on behalf of, respectively, MNWD or CONSULTANT.

Section 8.9 This is a non-exclusive Agreement for the services contemplated herein.

Section 8.10 This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement or any interest herein shall be made by CONSULTANT without prior written consent of MNWD.

Section 8.11 This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Moulton Niguel Water District

By: _____
Joone Lopez
General Manager

Newport Real Estate Services, Inc.

By: _____
Title: _____

#6.

**EXHIBIT A
SCOPE OF WORK**

IV. SCOPE OF SERVICES

PRECONSTRUCTION

Fact Finding. NRES will gather the required documents from the Owner in order to begin the review process of the existing condition of the Project. The documents will be reviewed in detail and an action item list will be developed defining the order in which all issues will be addressed.

Budget. Prepare a preliminary project budget and confirm and document the proforma assumptions in the project. In addition to construction, this budget will include all soft costs, Government permit and impact fees, testing/inspections, project consultants and NRES fees, etc. If requested by the Owner, review the internal proforma for the Project.

Schedule. Prepare a summary Project Schedule, outlining all of the key milestones utilizing an automated scheduling program (i.e., Microsoft Project). As part of the general contractor management process, oversee the preparation of a detailed trade-by-trade, item-by-item construction schedule in an automated format and insure the general contractor's compliance therewith through the entire course of the Project.

Project Consultants. Where not yet complete, solicit and confirm proposals from various project team consultants necessary to complete the Project. Finalize any outstanding contracts.

Governmental Processing. Work in conjunction with the project architect, coordinate submittal of the preliminary design plans, engineering plans, and final working drawings to the City Planning Department, Building Department and Engineering Department for all required governmental reviews and approvals.

Easements/Encroachment Permits. Oversee the successful application and processing for all required adjacent property easements, public right-of-way encroachments, and other such documentation necessary to permit and construct the project.

PROJECT MANAGEMENT

Design Development. Confirm final approval of the design development documents with Owner and architect. Insure that design development changes have been reviewed and approved in writing by the appropriate parties and communicated to the project architect for inclusion in the construction documents.

Construction Documentation. Oversee the preparation of the architectural and other design team agreements. Oversee preparation of the construction documents (plans and specifications).

Owner Internal Approval. Prepare, or assist in the preparation of all internal capital authority expenditures necessary for the Project. Meet with internal Owner groups as directed, to explain the Project and obtain the necessary approvals.

#6.



Budgeting. Update the Project Budget monthly to insure its accuracy and compliance with overall project objectives and the progress and construction documentation.

Schedule. Update the Project Schedule monthly.

Value Engineering. Propose and evaluate various value engineering alternatives to insure that the highest possible value, given the Project's long-term ownership objectives, is being met, life cycle cost/benefit analysis and architectural appearance.

Architectural Design. Serve as the regular interface between the project architect and internal design review groups at the Owner to insure that all necessary information is being provided to Owner for timely review and approval of building architecture.

General Contractor. Administer all aspects of the general contractor qualification, bidding, selection, award, contract administration, and payment review process, using generally accepted AIA construction documents (NRES is a licensed AIA affiliate).

Reporting. Manage and track project budget and provide monthly updates which shall include all pending and approved change orders.

Owner Requested Changes. Coordinate the pricing, review, approval and payment of all Owner requested changes.

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Utility Coordination. Coordination of the construction of on-site utilities (i.e. telephone, electrical, and gas) and the contract administration with the various utility providers that will be critical to the timely completion of the Project.

Weekly Job Meeting. Coordinate and oversee the weekly Project meeting.

Owner's Change Orders. Critically evaluate Owner's change orders and recommend approval or disapproval.

Monthly Project Status Report. On a monthly basis, prepare a detailed Project Status Report that will detail the current status of the Project, copies of all applicable meeting minutes, an updated project schedule, and photographs of the Project progress.

Coordination. Coordinate with the Owner's other on and offsite consultants and contractors as necessary.

Insurance. Insure that evidence of insurance is provided by all consultants, contractors, and subcontractors under the supervision of NRES. Owner shall be named as Additional Insured on all CGL Certificates for the general contractor and all consultants directly retained by the Owner, provided such contracts so require.

Contractor/Vendor Payment. Oversee the payment process to all consultants and contractors, consolidating the various draw requests from all consultants and contractors (together with such back-up documentation as the Owner may reasonably require evidencing the materials provided or work performed by such consultants and contractors). Complete the Owner's payment voucher or accounts payable apron for processing and payment by the Owner's bank loan, if applicable.

Lien Releases. Obtain appropriate conditional lien releases from consultants for any partial payments made by the Owner. Obtain unconditional lien releases from all consultants and contractors for all previous payments, provided the Owner has complied with its payment obligations. Monitor and oversee the California Preliminary Lien Notice process to insure a lien free project.

Close Out Documents. Prepare a "closing binder" which includes all relevant documentation, permits, closure statements and like materials for the Owner's files.

General. Perform all other functions of a general and administrative nature required to protect the Owner interest(s) in the Project and/or as reasonably specified by the Owner from time to time in connection with the Project.

#6.

**EXHIBIT B
FEE DETAIL**



V. PROJECT MANAGEMENT FEE PROPOSAL

Fee Proposal

NRES proposes to provide Comprehensive Construction Project Management Services for this project. These services will include, but not necessarily be limited to, those items set forth herein.

1. Entitlement Phase	\$ 2,500 per month
Design Phase	\$ 5,000 per month
Permit/Bidding/Construction	\$ 12,000 per month

Based on an anticipated 6 month entitlement process, 5 months design duration, and a 15 month permit/bidding/construction duration and an approximately \$20 million project cost, our fee would equate to about 1.1% of total project cost.

- | | |
|---|--------------------------------------|
| 2. For funds advanced on behalf of the Client (i.e., blueprinting, plan check fees). | Actual Cost Plus 5% |
| 3. Oversight of design, specification, competitive bidding, installation and connection of personal property (i.e., furniture, appliances, electronic equipment, telephone system, if requested by Client). | 4% of the value of any such material |

This fee is all inclusive and includes wages, overhead, office services, delivery, telephones, etc. In other words, there will be no additional reimbursements to NRES except for true third party out-of-pockets expenses paid by NRES in furtherance of the Project (i.e., City submittal fees). The Fee and our services will commence immediately upon execution of this letter, and continue through 45 days after issuance of the Certificate of Occupancy to allow for project closeout. Our fee shall be prorated for any partial month of service.

Payment Terms

NRES shall invoice the Client on or about the first of each month for work during the prior month. Payment is due not more than 30 days thereafter.



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** September 14, 2015

FROM: Marc Serna, Director of Engineering and Operations
Rod Woods, Principal Engineer

SUBJECT: Gallup Circle Sewer Construction Contract Award

DIVISION: 3

SUMMARY:

Issue: Staff issued the Notice Inviting Sealed Proposals (Bids) for the Gallup Circle Sewer Replacement, Project No. 2013.010.

Recommendation: It is recommended that the Board of Directors award the construction services contract for the Gallup Circle Sewer Replacement Project No. 2013.010 to Paulus Engineering, Inc. in the amount of \$219,670; authorize the General Manager to execute the contract; and authorize the General Manager or designee to approve change orders up to 10% of the contract value.

Fiscal Impact: Project No. 2013.010 is budgeted in Fund 7, Replacement and Refurbishment with a current project budget of \$340,000.

BACKGROUND:

The project is located in the City of Laguna Hills, within Gallup Circle just east of La Paz Road. The sewer line is an 8-inch diameter PVC pipe installed in 1980. During video inspection of this sewer line, significant sags and joint separations were noted in two reaches. Consequently, a small section of this sewer line was excavated. It was determined that the pipe bedding was in poor condition resulting in vertical misalignment of the sewer line. Staff determined that a portion of the sewer line needs to be replaced to prevent against future liabilities associated with the pipeline.

Construction documents for the Gallup Circle Sewer Replacement project were prepared by Lee & Ro, Inc. as part of their on-call agreement. The work generally includes: potholing, sewage bypass pumping, replacement of approximately 600 feet of PVC sewer pipe, replacement of center median hardscape and landscape, and paving.

#7.

Gallup Circle Sewer Construction Contract Award

September 14, 2015

Page 2 of 2

DISCUSSION:

A request for bids was issued to five qualified pipeline contractors. On August 20, 2015, the District received five sealed bids. The table below summarizes the bids received:

Firm	Bid
Paulus Engineering, Inc.	\$219,670
Kennedy Pipeline Construction	\$238,887
Ferreira Construction Co., Inc.	\$262,484
Shoffeitt Pipeline, Inc.	\$291,500
T.E. Roberts, Inc.	\$445,650
Engineer's Estimate	\$267,000

Staff has determined that the lowest responsible and responsive bidder is Paulus Engineering, Inc. Staff has completed its review of the contract documents and has determined that they are in order. Paulus Engineering, Inc. has performed quality work in the past for the District and is well-qualified to perform this type of work.

SUMMARY OF PROJECT BUDGET:

	Project Budget	Proposed / Approved Contract	Proposed / Authorized Contingency	Total Proposed / Authorized Amount
Project Items				
Engineering	\$53,000*	\$53,000	\$0	\$53,000
Geotechnical	\$20,000	\$20,000	\$0	\$20,000
Construction	\$260,000	\$219,670	\$21,967	\$241,637
Legal, Permits, District Labor	\$7,000	\$7,000	\$0	\$7,000
Totals	\$340,000	\$299,670	\$21,967	\$321,637

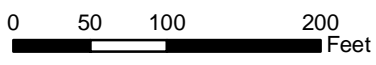
* \$35,336 has been expended to date.

 Currently Proposed Amount

Attachment: Exhibit A – Location Map



Path:\GIS\Projects\Projects_2015\CapitalImprovementProjects\GallupProject.mxd



Scale = 1:1,500

**Exhibit "A" Location Map
Gallup Circle Sewer Project
Contract No. 2013.010**



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** September 14, 2015

FROM: Marc Serna, Director of Engineering and Operations
Steve Merk, Inspection Supervisor

SUBJECT: Mathis-Oso Bypass Construction Contingency Adjustment

DIVISION: District - Wide

SUMMARY:

Issue: Board action is required to increase the contingency of the construction contract value as a result of additional contract change orders.

Recommendation: It is recommended that the Board of Directors increase the construction contract contingency for the Mathis-Oso Bypass Pressure Reducing Station Relocation Project No. 2010.018, with Paulus Engineering, Inc. by \$60,000 for a total not-to-exceed construction contingency amount of \$123,970.

Fiscal Impact: Project No. 2010.018 is budgeted in Fund 7, Replacement and Refurbishment, with a project budget of \$778,670. The proposed budget is \$838,670. \$60,000 will be transferred to the project budget from Fund 7, Unanticipated Projects.

BACKGROUND:

The Mathis-Oso Bypass Pressure Reducing Station (PRS) is a two-vault metering and pressure reducing facility located in the middle of travel lanes on Oso Parkway. The existing metering vault section of this facility was originally used to meter flows between two Improvement Districts within the same pressure zone. This metering vault is no longer needed and needs to be removed from the distribution system. The existing PRS vault section of this same facility between zones 650 and 450 needs to be relocated out of the through travel lanes and upgraded to current District standards.

A construction contract was awarded to Paulus Engineering in November 2015, in the amount of \$639,700. The current contract award includes a 10% contingency in

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FY 2014-15 Mathis-Oso By-pass Contingency Adjustment

September 14, 2015

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the amount of \$63,970. Construction work began in June 2015 and is currently 75% complete. To date, a total of \$ 23,391 in change orders have been approved.

DISCUSSION:

On Thursday, September 3, 2015, a water line leak was discovered on Pacific Park Drive east of Bridlewood Drive. The leak was discovered when the contractor excavated the site to complete the pipeline tie-in connection to the existing 30-inch diameter pipeline. The leak was located on the 30-inch steel potable mainline at a steel to concrete pipe transition joint. Staff plans to utilize Paulus Engineering, Inc. to perform the pipeline repair as the contractor is already on-site performing related construction work for the Mathis-Oso Bypass Project. In order to cover the additional expenses associated with the repair of adjoining infrastructure, additional funds will be required for the project. The contractor provided a quote of \$60,000 for the repair. Staff requests an increase in contract contingency to cover the costs of the repair and to ensure adequate contingency is available for the remainder of construction work.

SUMMARY OF PROJECT BUDGET:

	Project Budget	Proposed / Approved Contract	Proposed / Authorized Contingency	Total Proposed / Authorized Amount
Project Items				
Engineering	\$50,000	\$50,000	\$0	\$50,000
Geotechnical	\$15,000	\$15,000	\$0	\$15,000
Construction	\$639,700	\$639,700	\$63,970	\$703,670
Additional Contingency			\$60,000	
Legal, Permits, District Labor	\$10,000	\$10,000	\$0	\$10,000
Totals	\$714,700	\$714,700	\$123,970	\$838,670

Note: Expended to date \$403,980.