

***SANTA YNEZ COMMUNITY SERVICES DISTRICT***

**MEMORANDUM**

**TO:** Board of Directors  
**FROM:** Jose Acosta, General Manager  
**DATE:** June 2, 2021  
**SUBJECT:** Discussion and Action on Awarding Contract for Construction Management and Inspection Services for Horizon Drive Mainline Extension Project

**Recommendation**

Review, discuss, and approve proposal for construction management and inspection services for the Horizon Drive mainline extension project.

**Policy Implications**

District staff solicited proposals for construction management and inspection services for the Horizon Drive project.

**Fiscal Implications**

The proposals received range from \$55,510-\$60,000.

**Alternatives Considered**

The alternative the Board could consider would be to reject all proposals if the project were to not be pursued.

**Discussion**

The Horizon Drive mainline extension project will be a vital project for the District and will require construction management and inspection services. Throughout the project it will be imperative for the District to provide inspections and communication with the selected contractor.

The responsibilities of the construction manager are outlined in the bid documents. A few of the responsibilities are listed below:

- Overseeing and directing the construction project from contract start date to completion.
- Reviewing the project in-depth to manage change orders and requests for deviations.
- Overseeing all onsite and offsite construction to monitor compliance with building and safety regulations.
- Review the work progress on a daily basis in person, remotely or via phone.
- Prepare internal and external reports pertaining to job status and communicate to District staff.
- Plan to prevent problems and resolve any emerging ones.

Staff sent out requests for proposals to eight firms, with only three firms providing their proposals. Responses included workload too heavy at this time to take on this project, no response at all and the three firms who provided their proposals. The three proposal costs submitted are as follows:

- Cannon Engineering- \$58,368
- Wallace Group- \$55,510
- Kerr Construction Management- \$60,000

All three proposals are attached for Board review. Staff is requesting the Board to approve one of the proposals for these construction management and inspection services. Also, staff is requesting the Board to approve staff and legal counsel to review and approve terms and condition of selected proposal.

**Attachments:**

- Construction Management proposals for Horizon Drive project



**Cannon**

April 20, 2021

Jose Acosta - General Manager  
Santa Ynez CSD  
1070 Faraday St.  
PO Box 667  
Santa Ynez, CA 93460

**PROJECT: SANTA YNEZ COMMUNITY SERVICES DISTRICT HORIZON DRIVE  
SEWER MAINLINE EXTENSION - SYCSD PROJECT No. 2021-01**

Dear Mr. Acosta:

Following is our revised proposal to provide part time construction management and inspection services during construction of your Horizon Drive Mainline Extension Project.

We have included time to assist the district with reviewing submittals, responding to RFI's, performing part time construction observations and inspections, project management, tracking of any field changes, during construction of the new sewer mains and service laterals. As construction progresses, we can tailor our on-site inspection and observation efforts based on the performance of the contractor and the involvement of CSD staff. We have assumed any required soils testing will be coordinated and performed by others.

Our team members share a long history of working together on similar wastewater projects and take great pride in the work that we perform. We believe our past design work experience with District Staff, both in the office and in the field, adds a level of understanding by our team that will greatly benefit the project, from our preliminary design work through construction and project closeout. We look forward for the opportunity to continue servicing the Santa Ynez CSD and its customers.

If you should have any questions on our proposed scope of work, please do not hesitate to call me directly.

Sincerely,



Patrick R. Riddell, PE  
Resident Engineer  
C 72034



## **PROJECT UNDERSTANDING AND APPROACH**

In general, the Horizon Drive Sewer Project includes preliminary work such as video documentation, and existing utility potholing, site demolition, and new improvements such as installation of new 48" manholes, installation of new 8" SDR35 PVC mains (both deep and shallow), sewer wye's, laterals, and various appurtenances, final pipeline cleaning, testing, and CCTV inspections, pavement restoration and site landscape restorations. The new sewer main work will be within Horizon Drive, through existing easements, with final connection to existing sewer main at Highway 246.

The district intends on awarding construction for the project at the May 19<sup>th</sup>, 2021 District Board Meeting and anticipates construction to commence by beginning of June 2021. As stated in the contract documents, work shall be completed within 150 consecutive calendar days.

The District intends to hire a firm to provide part time construction management services to assist in the implementation of the project. The selected firm will demonstrate experience on similar types of construction projects; provide qualified leadership through a proven resident engineer and supporting team staff; understand the construction documentation and monitoring requirements; and be able to provide and substantiate its success on previous projects and have the references to back it up.

We have thoroughly reviewed the project plans, specifications, and special provisions, and have developed a detailed understanding of the overall goals and timing of the project. Based on this research, we have identified what we consider are key elements to successful construction management of the project as detailed in the following work plan.

## **WORK PLAN**

Our Work Program for pre-construction, construction and project close-out activities is detailed below.

### ***Phase 1 - Pre-Construction***

#### ***Task 1.1 Contract Document Review***

Our construction management team will thoroughly review plans, specifications, related reports and documents pertinent to administering the construction of the project. In addition to facilitating our understanding of scope and sequencing of the project, it will allow us to determine areas that may present challenges during construction.

#### ***Task 1.2 Pre-Construction Meeting***

We will attend the Pre-Construction Meeting coordinated by the district.

#### ***Task 1.3 On-Site Construction Management and Inspection***

Mr. Riddell will assist the district with construction management operations. His team will consist of Construction Inspector, who will be on-site part time to monitor select construction operations of the sewer main installations.



**Phase 2 - Construction**

**Task 2.1 Construction Inspection**

During observation of the construction work, we will:

- Maintain a project report for any observations and construction activities when inspector is on site. Reports shall contain a record of weather, work on-site, number of workers, work accomplished, problems encountered, solutions agreed upon, and other similar relevant data as the District may require. We anticipate approximately two days per week on average based on the district's request for part time inspection.
- We will maintain photo and video record of construction progress.
- Monitor construction activity's part time to assist the district with verification that elements of the project are furnished, installed, and constructed per contract documents. Prepare notices of non-conformance if we find construction installation process, or quality of work does not meet the requirements of the contract. Notices will be issued to the Contractor stating the nature of the deviation and requiring the Contractor to perform corrective action. All non-compliance issues shall be documented with photographs and in writing.
- Perform part time inspections for project.
- Review storm water BMP's for compliance with district approved SWPPP/WPCP/SWMP.

**Task 2.2 Scheduling and Progress Meetings**

We will review and approve the Contractor's proposed schedule for the completion of the project. We will also review the Contractor's baseline schedule and update submittals for conformance with the master schedule and contract documents.

**Task 2.3 Change Order Management (optional)**

As an additional service we can assist the district with the coordination and implementation of contract change orders during the construction process. If approved, we will assist district staff with compiling change order supporting documentation, such as inspection reports, test reports, drawings, sketches, photographs, and other materials as required. We will review and evaluate the appropriateness of proposed change orders; advise the District as to their effect on the contract time and cost; and perform independent estimates of the proposed change order work if necessary, as well as recommend approval or denial with final approval by the District.

**Task 2.4 Requests for Information (RFIs)**

We will provide timely RFI review, which will include coordination with the design engineer, and written response to contractor. We will maintain the RFI log and records.

**Task 2.5 Submittal Management**

We will provide timely submittal review and acceptance including review of material and equipment submittals for compliance with contract documents. We will maintain the submittal log and records.

**Task 2.6 Progress Pay Estimates**

We will evaluate the Contractor's pay applications. We will verify that the quantities claimed are true and accurate using field measurements, materials tickets, extra work reports, and visual confirmation.



*Task 2.7 Project Records*

We will establish and implement procedures for review and processing of project documentation. To assure that records are organized, complete and will allow for ease of document retrieval, we will set up project binders and electronic files following procedures outlined in Chapter 5 of the Caltrans Construction Manual.

We will implement procedures for timely delivery of project documentation; expediting RFIs, Submittals and Change Orders; and submittal, review, and approval of Progress Pay Applications. Monitoring logs will be created to track Survey Records, RFIs, Submittals, Materials incorporated into Project, Materials Testing (by others), Change Orders, Extra Work Reports, Pay Estimates and Potential Claims.

*Task 2.8 Survey*

We understand that the Contractor will be responsible for the setting of construction stakes for the project. We will verify that either the project surveyor or the Contractor's licensed surveyor has properly tied out all known survey monuments prior to demolition/removal/disturbance. We understand that existing survey monuments are to be protected and are to remain undisturbed during roadway construction operations unless otherwise stated on the plans. Cannon's survey department can provide additional as-needed survey services if the need arises.

**Phase 3 - Project Close-out**

*Task 3.1 Final Inspection and Punch List*

We will compile detailed "punch lists" with the engineer, owner, and project manager. We will assist the district with overseeing the complete performance of all punch list items and final clean-up before the Contractor moves off-site.

*Task 3.2 Coordinate Close-Out and Submittal of Final Documents*

We will monitor the Contractor's, subcontractor's, and designer's progress to finalize and submit all project records and documents. We will obtain all record drawings prepared by the contractor, contract required documents, lien releases, written warranties, record drawings, and O&M manuals (if applicable), and forward to the District for inclusion in the project files.

*Task 3.3 Final Payment*

We will evaluate Contractor's final payment application, resolve any outstanding matters and provide approval and recommendation for final payment.

**FEES**

Fees are based on the rates per the enclosed fee schedule and do not include Agency checking or recording fees, or title company fees. It is our understanding that this project qualifies for California Prevailing Wages.

Total Estimated Cost of CM Services: \$58,368.00



CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR:  
 SANTA YNEZ CSD HORIZON DRIVE SEWER MAIN EXTENSION  
 SYCSD PROJECT No. 2021-01

Santa Ynez Community Services District  
 Part Time Construction Management, Inspection, and Materials Testing Services for  
 Horizon Drive Mainline Extension - Project No. 2021-01

April 20, 2021

Phase	Role	Name	Rate	2021						Total Est. Hours	Estimated Cost
				May	Jun	Jul	Aug	Sep	Oct		
<b>Pre-Construction</b>											
	Senior Resident Engineer	Patrick Riddell, PE	\$172.00	16						16	\$ 2,752
	Constr. Inspector	Matt Natividad, CPII	\$140.00	8						8	\$ 1,120
	Office Engineer	Ester Lopez	\$98.00	16						16	\$ 1,568
<b>Construction</b>											
	Senior Resident Engineer	Patrick Riddell, PE	\$172.00		24	12	24	12	12	84	\$ 14,448
	Constr. Inspector	Matt Natividad, CPII	\$140.00		40	40	40	40	40	200	\$ 28,000
	Office Engineer	Ester Lopez	\$98.00		8	8	8	8	8	40	\$ 3,920
<b>Post-Construction</b>											
	Senior Resident Engineer	Patrick Riddell, PE	\$172.00						16	16	\$ 2,752
	Constr. Inspector	Matt Natividad, CPII	\$140.00						16	16	\$ 2,240
	Office Engineer	Ester Lopez	\$98.00						16	16	\$ 1,568
<b>Total Estimated Hours</b>				40	72	60	72	60	108	412	
										<b>Total Estimated Cost of Labor</b> \$ 58,368	
										<b>Total Estimated Cost of Inspection</b> \$ 58,368	

**Notes and Assumptions:**  
 Staffing based on 150 consecutive calendar days to complete construction.  
 NTP for Construction to be issued June, 2021  
 Work schedule = part time inspector one to two days per week  
 Materials Sampling and Testing to be provided and coordinated by others

**CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR:  
SANTA YNEZ CSD HORIZON DRIVE SEWER MAIN EXTENSION  
SYCSD PROJECT No. 2021-01**

**2020 Fee Schedule**  
Bill Rate Ranges  
Subject to change

Accounting Specialist/Admin Assistant	\$ 45 - \$ 65
Business Services Administrator I - III	\$ 62 - \$ 72
Business Services Coordinator I - II	\$ 52 - \$ 57
Assistant Resident Engineer	\$ 135 - \$ 145
Associate Construction Engineer	\$ 110 - \$ 120
Associate Engineer	\$ 140 - \$ 175
Associate Landscape Architect	\$ 145 - \$ 155
Associate Planner	\$ 140 - \$ 150
Automation Design/Project Engineer	\$ 115 - \$ 135
Automation Specialist	\$ 135 - \$ 145
Automation Technician	\$ 95 - \$ 105
CAD Tech	\$ 85 - \$ 95
CAD Manager	\$ 100 - \$ 110
Clerical Assistant I - II	\$ 60 - \$ 65
Construction Inspector I - III	\$ 110 - \$ 130
Construction Manager	\$ 155 - \$ 165
Controller	\$ 70 - \$ 110
Design Engineer	\$ 110 - \$ 130
Director	\$ 180 - \$ 220
Engineer Tech	\$ 98 - \$ 108
Engineering Assistant I - II	\$ 80 - \$ 95
Engineering Manager	\$ 210 - \$ 230
Grant Funding Manager I - II	\$ 130 - \$ 145
I&E Construction Coordinator I - II	\$ 93 - \$ 114
I&E Services Coordinator	\$ 80 - \$ 90
Information Systems Admin/Manager	\$ 75 - \$ 115
Land Surveyor I - V	\$ 150 - \$ 195
Landscape Architect	\$ 105 - \$ 115
Landscape Designer I - II	\$ 80 - \$ 104
Lead Automation Specialist	\$ 147 - \$ 157
Lead Automation Technician	\$ 105 - \$ 115
Lead Designer	\$ 100 - \$ 122
Marketing Manager / Director	\$ 125 - \$ 150
Office Engineer / Construction I - III	\$ 98 - \$ 120
Plan Check Engineer I - III	\$ 120 - \$ 165
Planner I - III	\$ 83 - \$ 104
Planning Assistant I	\$ 55 - \$ 70
Principal Construction Engineer	\$ 185 - \$ 195
Principal Designer	\$ 110 - \$ 134
Principal Engineer	\$ 170 - \$ 202
Project Coordinator I - II	\$ 88 - \$ 104

Project Designer	\$ 83 - \$ 120
Project Engineer	\$ 120 - \$ 145
Project Manager / Sr. Principal	\$ 195 - \$ 220
Resident Engineer	\$ 155 - \$ 165
Sr. Associate Engineer	\$ 150 - \$ 180
Sr. Automation Specialist	\$ 163 - \$ 170
Sr. Automation Technician	\$ 126 - \$ 136
Sr. CAD Tech	\$ 90 - \$ 110
Sr. Construction Engineer	\$ 175 - \$ 195
Sr. Construction Manager	\$ 180 - \$ 200
Sr. Consultant / Principal-in-Charge	\$ 185 - \$ 260
Sr. Land Surveyor	\$ 191 - \$ 221
Sr. Landscape Architect	\$ 153 - \$ 163
Sr. Planner	\$ 153 - \$ 163
Sr. Principal Designer	\$ 110 - \$ 150
Sr. Principal Engineer	\$ 180 - \$ 230
Sr. Project Designer	\$ 105 - \$ 130
Sr. Project Engineer	\$ 130 - \$ 155
Sr. Project Manager	\$ 190 - \$ 213
Sr. Resident Engineer	\$ 172 - \$ 185
Structures Representative	\$ 172 - \$ 182
Survey Manager	\$ 195 - \$ 225
Survey Technician I - VI	\$ 105 - \$ 165
Technical Writer I - IV	\$ 90 - \$ 125

**Survey Crew Rates - Regular**

One-Man Field	\$ 166
Two-Man Field	\$ 245
Three-Man Field	\$ 325
Two-Man - HDS	\$ 295

**Survey Crew Rates - Prevailing Wage**

One-Man Field	\$ 220
Two-Man Field	\$ 295
Three-Man Field	\$ 425

**Electrical - Prevailing Wage**

Electrician	\$ 110 - \$ 158
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**CM - Prevailing Wage**

BCI Construction Inspector	\$ 140
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*Forensics Engineering / Expert Testimony Fee Schedule Available Upon Request*

**Other Direct Charges**

Black Line Plots	\$2.00 per page
Outside Reproduction	Cost + 15%
Automation & Electrical Materials	Cost + 25% (+tax)
Subconsultant Fees	Cost + 10%

Color Plots	\$5.00 per page
Travel and Related Subsistence	Cost + 15%
Standard Mileage Rate	IRS Rate per mile
Airplane Mileage Rate	GSA Rate per mile

*All of the above hourly rates include all direct labor costs and labor overhead, general and administrative expenses and profit. All direct expenses, such as special equipment, shipping costs, travel other than by automobile, parking expenses, and permit fees will be billed at the actual cost plus 15%. If the client requests, or the client's schedule requires work to be done on an overtime basis, a multiplier of 1.5 will be applied to the stated rates for weekdays for daily hours in excess of 8 as well as weekends and a multiplier of 2.0 for daily hours in excess of 12 and holidays. If the client requests field services to be provided outside of normal working hours (between 6:00 p.m. and 6:00 a.m.), a multiplier of 1.5 will be applied to the stated rates. For prevailing wage projects, if the client requests field services to be provided on any given Sunday, a multiplier of 2.0 will be applied to the stated rates and on or around an observed holiday, other rates may be applied. Survey Crews and Automation Field staff are billed portal to portal, and mileage charges are included in the hourly rate. A minimum charge of 4 hours will be charged for any Automation Field Service calls outside of normal working hours (between 6:00 p.m. and 6:00 a.m.). The stated rates are subject to change, typically on an annual basis.*





**ACCEPTANCE OF PROPOSAL**

Proposal Date: April 20, 2021

Client: Santa Ynez Community Services District  
SYCSD District Office  
1070 Faraday Street  
P.O. Box 667  
Santa Ynez, CA 93460

Project: Horizon Sewer Project  
SYCSD Project NO. 2021-01

Scope of Work: Construction Management, Inspection, and Materials  
Testing Services

T&M Not to Exceed: \$58,368.00

Appendix A details the terms for work. Cannon bills monthly for work in progress and payment is due within 10 calendar days of invoice date. Overdue amounts will be surcharged at 18 percent per annum or 1.5 percent monthly. Materials are charged at cost plus 25% (+ tax). The fees are based upon current California Prevailing Wages; please provide us with the DIR Project ID if the client requests, or the client's schedule requires work to be done on an overtime basis, a multiplier of 1.5 will be applied to the above rates for weekdays for daily hours in excess of 8 as well as weekends and a multiplier of 2.0 for daily hours in excess of 12 and holidays.

Please indicate your acceptance of this proposal by signing below.

In witness whereof, the parties hereto have caused this agreement consisting of proposal letter, Appendix A and any other necessary and applicable documents to be executed of the date and year first above written. In Appendix A, Cannon Corporation hereinafter referred to as Cannon. The Client, as noted below, hereinafter referred to as Client.

Client: Santa Ynez CSD Cannon

x Jose Acosta Patrick Riddell, PE  
General Manager Director of Construction Management

Date: \_\_\_\_\_ Date: \_\_\_\_\_



**APPENDIX A: TERMS FOR CANNON SERVICES**

Section 1: The Agreement

- 1.1 The agreement between the above noted parties consists of the following terms, the attached proposal and any exhibits or attachments noted in the proposal. Together these elements will constitute the entire agreement superseding any and all prior negotiations, correspondence, or agreements either written or oral. Any changes to this agreement must be mutually agreed to in writing.

Section 2: Standard of Care

- 2.1 Data, interpretations, and recommendations by Cannon will be based solely on information provided to Cannon. Cannon is responsible for those data, interpretations, and recommendations, but will not be responsible for other parties' interpretations or use of the information developed.
- 2.2 Services performed by Cannon under this agreement are expected by the Client to be conducted in a manner consistent with the level of care and skill ordinarily exercised by members of this profession practicing contemporaneously under similar conditions in the locality of the project. No other warranty, expressed or implied, is made.
- 2.3 The Client agrees that Cannon may use and publish the Client's name and a general description of Cannon's services with respect to the project in describing Cannon's experience and qualifications to other Clients and prospective Clients. The Client also agrees that any patentable or copyrightable concepts developed by Cannon as a consequence of service hereunder are the sole and exclusive property of Cannon.
- 2.4 The Client recognizes that it is neither practical nor customary for Cannon to include all construction details in plans and specifications, creating a need for interpretation by Cannon or an individual who is under Cannon's supervision. The Client also recognizes that construction review permits Cannon to identify and correct quickly and at comparatively low cost professional errors or omissions that are revealed through construction, or errors or omissions committed by others due to misinterpretation of design documents, or due to other causes. For the foregoing reasons construction review is generally considered an essential element of a complete design professional service. Accordingly, if the Client directs Cannon not to provide construction monitoring, Cannon shall be held harmless for any and all acts, errors or omissions, except for those consequences which it reasonably could be concluded that Cannon's review services would not have prevented or mitigated.
- 2.5 Client acknowledges that Cannon is not responsible for the performance of work by third parties including, but not limited to, engineers, architects, contractors, subcontractors, or suppliers of Client.

Section 3: Billing and Payment

- 3.1 Client will pay Cannon on a monthly basis to be billed by Cannon. Prior to the start of the project, a retainer as specified in the proposal, is required. Invoices for the balance will be submitted to Client by Cannon and will be due and payable within 10 days of invoice date. If Client objects to all or any portion of any invoice, Client will so notify Cannon in writing within fourteen (14) days of the invoice date, identify the cause of the disagreement, and pay when due that portion of the invoice not in dispute. The parties will immediately make every effort to settle the disputed portion of the invoice. In the absence of written notification described above, the balance as stated on the invoice will be paid.
- 3.2 Invoices are delinquent if payment has not been received within thirty (30) days from date of invoice. Client will pay an additional charge of 1-1/2 (1.5) percent per month or 18% per year of any delinquent amount, excepting any portion of the invoiced amount in dispute and resolved in favor of Client. All time spent and expenses incurred (including any attorney's fees) in connection with collection of any delinquent amount will be paid by Client to Cannon per Cannon's current fee schedule. In the event Client fails to pay Cannon within sixty (60) days after invoices are rendered, Client agrees that Cannon will have the right to consider the failure to pay Cannon's invoice as a breach of this agreement.
- 3.3 Client agrees that if Client requests services not specified herein, Client agrees to timely pay for all such services as extra work. Cannon will notify the Client prior to performance of services which are not specified in this agreement.
- 3.4 Client agrees that payment to Cannon is in no way contingent on the results of work by Cannon or on the outcome of any litigation.
- 3.5 Preparation for and/or travel time to client requested meetings will be charged at the hourly rate.
- 3.6 Billing rates are subject to change, typically on an annual basis.

#### Section 4: Additional Services

- 4.1 Additional services include making revisions in drawings, specifications, or other documents when such revisions are:  
Inconsistent with approvals or instructions previously given by the Client, including revisions made necessary by adjustments in the Client's program or project budget.  
Required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents.
- 4.2 Additional services include providing services required because of significant changes in the project including, but not limited to, size, quality, complexity, the Client's schedule, or the method of bidding or negotiating and contracting for construction.
- 4.3 Where unexpected developments increase the scope of work as defined herein and/or prove the assumptions of this proposal invalid, Cannon will make a reasonable effort to contact the Client to discuss the effects and adjustment of cost.

#### Section 5: Site Access and Site Conditions

- 5.1 Client will grant or obtain free access to the site for all equipment and personnel necessary for Cannon to perform the work set forth in this agreement. Client will notify any and all possessors of the project site that Client has granted Cannon free access to the site. Cannon will take reasonable precautions to minimize damage to the site, but it is understood by Client that, in the normal course of work, some damage may occur and the correction of such damage is not part of this agreement unless so specified in the proposal.

#### Section 6: Ownership of Documents

- 6.1 All reports, maps, plans, field data, field notes, estimates and other documents, whether in hard copy or machine readable form, which are prepared by Cannon as instruments of professional service, shall remain the property of Cannon. The Client may retain copies, including copies stored on magnetic tape or disk, for information and for reference in connection with the occupancy and use of the project.
- 6.2 Because of the possibility that information and data delivered in machine readable form may be altered, whether inadvertently or otherwise, Cannon reserves the right to retain the original tapes/disks and to remove from copies provided to the Client all identification reflecting the involvement of Cannon in their preparation. Cannon also reserves the right to retain hard copy originals of all project documentation delivered to the Client in machine readable form, which originals shall be referred to and shall govern in the event of any inconsistency between the two.
- 6.3 The Client recognizes that changes or modifications to Cannon's instruments of professional service introduced by anyone other than Cannon may result in adverse consequences which Cannon can neither predict nor control. Therefore, and in consideration of Cannon's agreement to deliver its instruments of professional service in machine readable form, the Client agrees, to the fullest extent permitted by law, to hold harmless and indemnify Cannon from and against all claims, liabilities, losses, damages, and costs, including but not limited to attorney's fees, arising out of or in any way connected with the modification, misinterpretation, misuse or reuse by others of the machine readable information and data provided by Cannon under this Agreement. The foregoing indemnification applies, without limitation, to any use of the project documents on other projects, for additions to this project, or for completion of this project by others, excepting only such use as may be authorized, in writing, by Cannon.
- 6.4 Client agrees that all reports and other work furnished to Client or his agents, which is not paid for, will be returned upon demand and will not be used by Client or others for any purpose whatsoever.

#### Section 7: Client Responsibilities

- 7.1 The Client shall provide full information including a program setting forth the Client's design objectives, constraints, and construction budget criteria.
- 7.2 The Client shall furnish a legal description, a certified land survey, and the services of a soil, structural, mechanical, electrical or other engineer or consultant services, and laboratory tests, inspections, or reports as required by law or as requested by Cannon to perform the functions and services required of this agreement. The information shall be furnished at the Client's expense and Cannon shall be entitled to rely upon the accuracy and completeness thereof.
- 7.3 The Client shall furnish all legal, accounting and insurance counseling services as may be necessary at any time for the project, including auditing services the Client may require to verify the Contractor's Applications for Payment or to ascertain how or for what purposes the Contractor uses the moneys paid by the Client. The information above shall be furnished at the Client's expense, and Cannon shall be entitled to rely upon the accuracy and completeness thereof.
- 7.4 If the Client observes or otherwise becomes aware of any fault or defect in the project or nonconformance with the Contract Documents, prompt written notice shall be given by the Client to Cannon.

- 7.5 The Client shall furnish information and shall review Cannon's work and provide decisions as expeditiously as necessary for the orderly progress of the project and of Cannon's services.

Section 8: Insurance

- 8.1 Cannon represents and warrants that it and its agents, staff and consultants employed by it, is and are protected by worker's compensation insurance and that Cannon has such coverage under public liability and property damage insurance policies which Cannon deems to be adequate. Certificates for all such policies of insurance shall be provided to Client upon request in writing. Within the limits and conditions of such insurance, Cannon agrees to indemnify and save Client harmless from and against any loss, damage or liability arising from any negligent acts by Cannon, its agents, staff, and consultants employed by it. Cannon shall not be responsible for any loss, damage or liability beyond the amounts, limits, and conditions of such insurance. Cannon shall not be responsible for any loss, damage, or liability arising from any acts by Client, its agents, staff, and other consultants employed by Client.

Section 9: Termination

- 9.1 This agreement may be terminated by either party seven (7) days after written notice in the event of any breach of any provision of this agreement or in the event of substantial failure of performance by the other party, or if Client suspends the work for more than three (3) months. In the event of termination, Cannon will be paid for services performed prior to the date of termination plus reasonable termination expenses including the cost of completing analyses, records and reports necessary to document job status at the time of termination.
- 9.2 Failure of the Client to make payments to Cannon when due in accordance with this agreement shall be considered substantial nonperformance and cause for termination. If the Client fails to make payment when due to Cannon for services and expenses, Cannon may, upon seven (7) days written notice to the Client, suspend performance of services under this agreement. Unless payment in full is received by Cannon within seven (7) days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of services, Cannon shall have no liability to the Client for delay, damage, loss of agency approvals, loss of financing, interest expenses, etc. caused to(?)the Client because of such suspension of service.

Section 10: Disputes Resolution

- 10.1 All claims, disputes, and other matters in controversy between Cannon and Client arising out of or related to this agreement will be submitted to "alternative dispute resolution" (adr) such as mediation and/or arbitration, before and as a condition precedent to other remedies provided by law. If and to the extent Client and Cannon have agreed on methods for resolving such disputes, then such methods will be set forth in the "alternative dispute resolution agreement" which, if attached, is incorporated and made a part of this agreement.
- 10.2 If a dispute at law related to the services provided under this agreement and that dispute requires litigation instead of adr as provided upon, then:
- (1) The claim will be brought and tried in judicial jurisdiction of the court of the county where Cannon's principal place of business is located and Client waives the right to remove the action to any other county or judicial jurisdiction, and
  - (2) The prevailing party will be entitled to recovery of all reasonable costs incurred, including staff time, court costs, attorney's fees, and other claim related expenses.

Section 11: Assigns

- 11.1 Cannon shall not assign this agreement in whole or in part nor shall it subcontract any portion of the work to be performed hereunder; except that Cannon may use the services of persons or(?) entities not in our employ when it is appropriate and customary to do so. Such persons and entities include, but are not necessarily limited to, specialized consultants and testing laboratories. Cannon's use of others for additional services shall not be unreasonably restricted by the Client provided Cannon notifies the Client in advance.

Section 12: Governing Law and Survival

- 12.1 The law of the State of California will govern the validity of these terms, their interpretation and performance.
- 12.2 If any of the provisions contained in this agreement are held illegal, invalid or unenforceable, the enforceability of the remaining provisions will not be impaired. Limitations of liability and indemnities will survive termination of this agreement for any cause.

Section 13: Limitation of Liability

- 13.1 To the fullest extent permitted by law, the total liability, in the aggregate, of Cannon and Cannon's officers, directors, employees, agents and independent professional associates and consultants, and any of them, to Client and anyone claiming by, through or under Client, for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to Cannon's services, the project or this agreement from any cause or causes whatsoever, including but not limited to the negligence, errors, omissions, strict liability or breach of contract of Cannon or Cannon's officers, directors, employees, agents and independent professional associates and consultants, or any of them, shall not exceed the total compensation received by Cannon under this agreement, or the total amount of \$50,000.00, whichever is greater.

Section 14: Hiring Cannon's Employees

- 14.1 From time to time, Clients who have come to know and work with our employees in the course of a project wish to hire them to work as the Client's own in-house employees. We pride ourselves on recruiting, hiring, and training the very best employees possible, and in assigning to projects our employees who best meet our Clients' individual needs. Our goal is to have our Clients view Cannon and its individual employees as indispensable.
- 14.2 Client agrees to pay Cannon a finder's fees equal to 12 months of the employee's current salary or wage for each of our employees whom the client(?) choose to hire, either directly or indirectly. Client acknowledges and agrees that the finder's fee is both fair and reasonable, and is equivalent to a recruiting or "headhunter's fee" that Client would expect to pay to a third party for locating and recruiting an employee of the caliber of the hired Cannon employee.
- 14.3 This Section 14 shall be limited to those of Cannon's employees with whom Client works or is introduced by Cannon during the course of this engagement, and shall be applicable to such employees both during his/her employment with Cannon and for a period of six (6) months thereafter. This Section 14 shall survive the cancellation or expiration of this Agreement.

Section 15: Prevailing Wage

- 15.1 Cannon acknowledges the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. To the extent required by the California Labor Code, Cannon shall fully comply with and require its subconsultants to fully comply with such Prevailing Wage Laws.
- 15.2 Pursuant to Labor Code Sections 1725.5 and 1771.1, Cannon and all its subconsultants performing work subject to prevailing wage must be registered with the Department of Industrial Relations and submit their certified payroll records directly to the DIR. In order to do so, the awarding body needs to complete the PWC-100 (Public Works Project Registration) within five days of awarding the contract; and provide Cannon with the DIR Project ID prior to the start of Cannon's work.











**KERR  
CONSTRUCTION  
MANAGEMENT**

1595 US Highway 101  
Goleta, CA 93117  
Phone: 805-886-3397 Email: david@kerrcm.com

April 19, 2021

Mr. Jose Acosta, General Manager  
Santa Ynez Community Services District  
1070 Faraday Street  
Santa Ynez, CA 93460

Re: Horizon Drive Mainline Extension (SYCSD Project No. 2021-01)

Jose,

I have reviewed the project documents that you made available and made a brief visit to the site (I stayed on the public roads and did not venture into the easement areas on private property). Based on that review we are pleased to present our proposal as follows:

**Hourly rate for employees who will be involved with the project.**

- David E. Kerr - \$150.00 per hour

**Total estimated cost for the services.**

- Preconstruction	\$4,900.00
- Construction	\$49,000.00
- Close-out	<u>\$4,900.00</u>
- Subtotal – Personnel cost	\$58,800.00
- Allowance NTE reimbursable expense (Reference below 'other costs')	<u>\$1,200.00</u>
- Total	\$60,000.00

**Estimated time required to provide services.**

- Preconstruction	0.5 Month
- Construction	5.0 Months
- Close-out	<u>0.5 Month</u>
- Total	6.0 Months

**Experience and qualifications.**

- Resume for David E. Kerr is attached

**Other costs associated with services.**

- Recommend an allowance (Not to Exceed) of \$1,200.00 for approved reimbursable expenses such as document copies and other expenses that may be required for which costs are approved in advance by SYCSD.

This proposal includes the responsibilities of the Construction Manager as outlined in the bid documents. This specifically includes, but is not limited to, the responsibilities listed below:

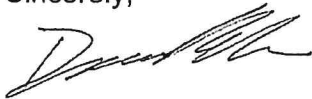
- Overseeing and directing the construction project from contract start date to completion.
- Reviewing the project in-depth to manage change orders and requests for deviations.
- Overseeing all onsite and offsite construction to monitor compliance with building and safety regulations.
- Review the work progress on daily basis in person, remotely or via phone.
- Prepare internal and external reports pertaining to job status and communicate to District Staff.
- Endeavor to prevent problems and resolve any emerging ones.

The proposal is based on the bid documents provided and listed below:

- Invite to bid 03-17-21
- Final Bid documents – Horizon Drive Sewer Project 3-17-21 signed
- Horizon Drive Sewer Plans 3-17-21 Final signed
- Horizon and Stadium Sewer Opinion of Cost March 2021
- Horizon Sewer SRF Project Tech Report Oct 2020
- Horizon Drive Mainline Project Task List

Thank you for the opportunity to present our proposal.

Sincerely,



David E. Kerr  
Owner/Project Executive

## **David E. Kerr**

1595 US Highway 101, Goleta, CA 93117

Cell: 805-886-3397

Email: [david@kerr.cm.com](mailto:david@kerr.cm.com)

### **SUMMARY**

Construction Management professional with a strong record of simultaneously delivering multiple projects within time and budget constraints in very difficult market and operating conditions. Experience spans a wide range of major medical, hospitality and commercial projects. Successful business owner of a construction management firm serving large corporate clients including: Lanai Resorts, Shriners Hospital and The Queen's Medical Center.

### **EXPERIENCE**

**Kerr Construction Management – Santa Barbara, CA  
(Formerly Construction Management Group)  
Principal/Project Executive**

**Feb 2021 to Present**

Provide consulting services in Real Estate Development, Program Management and Construction Management in the following capacities: Owner Representation, Construction Management, Development Management, Construction Cost Estimating as well as Project Scheduling

**Sundt Construction – Irvine, CA  
Senior Project Manager**

**May 2018 to Feb 2021**

Directed all activities on the Henley Hall Institute for energy Efficiency project at University of California Santa Barbara. The project is a new \$50 million, 3 story, 60,000 s.f. engineering laboratory building.

**C. W. Driver – San Jose, CA  
Senior Project Manager**

**Jan 2014 to May 2018**

Last assignment was the Hillsdale Shopping Center North Block Reconfiguration, a 300,000 s.f. addition. Previous Projects managed include a new Bloomingdales store at Stanford Mall, Student Recreation & Wellness Center at San Francisco State University and close out for 605 Castro Street Mixed Use in Mountain View.

**Construction Management Group – Santa Barbara, CA  
Principal/Project Executive**

**2010 - 2014**

Provided consulting services in Real Estate Development, Program Management and Construction Management in the following capacities: Owner Representation, Construction Management, Development and Construction Cost Estimating as well as Project Scheduling

Clients included leading companies in the Hospitality, Medical, Office/Commercial and Residential Condominium/Timeshare industries including: The Queen's Medical Center, Alexander & Baldwin, The Castle Medical Center, Lanai Resorts, The Turtle Bay Resorts and Cumming Construction Management.

**Client:** Cumming Construction Management – London, England (2012 - 2013)  
**Role:** Project Development Manager  
**Project:** Re-development of the old Berners Hotel into the new London EDITION Hotel jointly developed by Marriott and Ian Schrager Company. Project included 173 guestrooms in a completely renovated Listed Historic Structure. The grand opening was 12 September 2013 with full project completion and close-out in December 2013.

**Client:** Walden Structures, Inc. – CA & MO (2011 – 2012)  
**Role:** Project Executive and Design-Build Program Manager  
**Project:** St. John's Interim Hospital in Joplin, MO, a 150,000 sq ft modular acute care hospital was designed, manufactured and site installed in 8 months. This first-of-a-kind, fully cod-compliant modular hospital was factory constructed in CA and transported to MO for installation. The design started on July 15, 2011 and was opened on April 15, 2012.

**Ledcor Construction Inc. U. S. Building Division – CA** **2006 to 2010**  
**Vice President/Project Executive**

Project summaries:

- Project Executive for startup of Federal Construction Program and Orange County Regional office
- Assisted in the project set up for the Honua Kai Condominium in Lahaina, Maui, HI. The first phase of this project included a \$200,000,000, 300-unit condominium on beachfront property.
- Provided on site consulting to the project team for the \$42,000,000 Luau at Sandestin Condominium in Sandestin Resort, Destin, FL. This was a troubled project and I was assigned by the Ledcor Board of Directors to visit the site monthly.
- Provided on site consulting to the project team for the \$75,000,000 Bluegreen Timeshares Resort in Las Vegas, Nevada.
- Provided on site consulting to the project team for the \$55,000,000 Westin Verasa Resort, Napa, CA. I was assigned to this project to insure that the project was set up and running well.
- Provided estimating and pre-construction for the \$80,000,000 Wilshire Barrington condominium in Santa Monica, CA. The project was shelved in early 2008 due to lack of financing.
- Provided on site consulting to the project team for the \$50,000,000 Riverfront Mixed Use Condominium/Retail/Office, Napa CA
- Assigned as the on-site project executive for the \$85,000,000 Ritz Carlton Renovation in Rancho Mirage, CA. This project included the complete renovation and expansion of a 244 room five-star resort (Project stopped at 90% complete due to Lehman Brothers bankruptcy).
- Assisted in the formation and organization of the Ledcor Federal Group. This group pursued work through all the Ledcor Regional Offices from HI to North Carolina.
- Assisted in the start-up and organization of the Ledcor Orange County office. This office was opened to pursue work in the LA basin.

**Construction Management Group – Hawaii** **1996 - 2006**  
**Principal/Project Executive**

Following is a list of projects completed during this time by building type:

Office buildings | Medical Facilities | Warehouses

1998 Ambulatory Care Center, The Queen's Medical, Honolulu  
1999 New Emergency Room - The Queen's Medical Center, Honolulu  
1999 New Same Day Surgery Center – The Queen's Medical Center, Honolulu  
2001 Weinberg Medical Office Plaza – Castle Medical Center, Kailua  
2002 40-Bed Cardiac Comprehensive Care Unit, The Queen's Medical, Honolulu  
2002 40-Bed Neurology Unit, The Queen's Medical, Honolulu  
2003 32-Med/Surge Bed Renovation, The Queen's Medical Center, Honolulu

- 2003 30-Bed Long Term Acute Care Hospital, The Queen's Medical Center, Honolulu
- 2004 Alexander & Baldwin Building (Historic Resister) Re-roofing, Honolulu
- 2004 Pacific Guardian Tower, Granite Restoration, Honolulu
- 2004 Minimally Invasive Surgery Suite Renovation, The Queen's Medical Center, Honolulu
- 2005 New Wing Addition & Interior Renovations, The Castle Medical Center, Kailua, Hawaii
- 2005 Shriners Replacement Hospital (Pre-construction Services), Honolulu
- 2006 The Queen's Medical Center New Tower & Parking Structure (Pre-construction), Honolulu

#### **Hotels | Condominiums | Apartment Buildings**

- 2004 Turtle Bay Resort Ocean Villas Condominium, Kahuku, Hawaii
- 2004 Turtle Bay Resort Hotel Room Renovations, Kahuku, Hawaii
- 2005 Manele Bay Hotel Renovations (To Four Seasons), Lanai, Hawaii

#### **Commercial: Shops, Restaurants, Parking Structures**

- 2000 Miller Street Parking Facility, (453 cars), Honolulu, Hawaii
- 2004 New Porte Cochere & Lobby Renovation, The Queen's Medical Center, Honolulu, Hawaii
- 2005 Waikiki Galleria Parking Deck Repairs, Waikiki, Honolulu, Hawaii

### **EDUCATION**

- **Bachelor of Science in Civil Engineering**, University of California, Berkeley
- Japanese Management Program, Japan America Institute of Management Science

### **CERTIFICATIONS:**

- OSHA 30-hour Occupational Safety & Health Training
- American Red Cross - Standard First Aid
- American Red Cross – Adult CPR/AED

### **ASSOCIATIONS/ MEMBERSHIPS:**

- Chi Epsilon International Civil Engineering Honor Society



TRANSMITTAL

Date: April 7, 2021

Project Number: PP21-7221-0915

To: Jose Acosta  
Santa Ynez CSD  
1070 Faraday Street  
Santa Ynez, California 93460

VIA Email

Phone: 805-688-3008  
Fax:  
Email: [jose@syicsd.com](mailto:jose@syicsd.com)

From: Michael Brennan  
Director of Construction  
Management  
**WALLACE GROUP**  
612 Clarion Court  
San Luis Obispo, CA 93401

Phone: 805 544-4011  
Fax: 805 544-4294  
Email: [michaelb@wallacegroup.us](mailto:michaelb@wallacegroup.us)

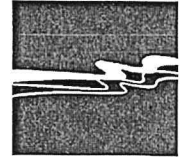
Subject: Proposal for Santa Ynez CSD Horizon Drive

Please find attached our proposal for the above referenced project. If this proposal meets with your approval, please sign where indicated and return to our office, **to the attention of Kylie Castle** ([kyliec@wallacegroup.us](mailto:kyliec@wallacegroup.us)), Marketing Coordinator, which will serve as our notice-to-proceed on your project.

Please call me if you have any questions at 805 544-4011.

Thank you.

ATTACHMENT  
PP21-7221  
Exhibit A  
Exhibit B  
Exhibit C



WALLACE GROUP<sup>®</sup>

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WATER RESOURCES

WALLACE GROUP  
A California Corporation

612 CLARION CT  
SAN LUIS OBISPO  
CALIFORNIA 93401

T 805 544-4011  
F 805 544-4294

[www.wallacegroup.us](http://www.wallacegroup.us)

April 7, 2021

Jose Acosta  
Santa Ynez CSD  
1070 Faraday Street  
Santa Ynez, California 93460

Subject: Santa Ynez CSD Horizon Drive

Dear Mr. Acosta:

Wallace Group appreciates the opportunity to provide you with our proposal for Construction Management services for the above referenced project. Based on our discussion, the following Scope of Services has been prepared for your consideration:

#### PROJECT UNDERSTANDING

This project includes the construction of approximately 1900 feet of gravity sewer and associated manholes. The sewer runs along Horizon Drive and connects through easements to the existing sewer main in Highway 246.

The two most important elements of this project will be public outreach and traffic control. The portion on sewer on Horizon Drive is aligned in about the middle of the road. Horizon Drive is a dead-end street with approximately 18 homes. Maintaining access for residents and services throughout the project will be important. The second portion of the sewer line will be located in an easement along several property lines. This work will be disruptive to property owners. Careful communication and coordination with property owners will be essential. The final connection to the sewer main in Highway 246 will most likely require traffic control and careful coordination to ensure worker and vehicle safety.

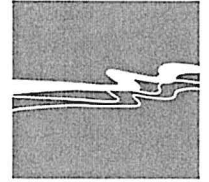
#### PROJECT MANAGEMENT

Leadership, communication and problem solving are very important aspects of effective project management. Our team takes pride in leveraging our skills and tools in these areas to deliver a successful project.

**Leadership** - Managing this project requires the ability to lead with a high degree of emotional intelligence. Maintaining relationships and communication is the key to success on this project. Our staff will manage all aspects of this project. We will be the main point of contact and control point between the contractor, MCWD, local agencies and residents.

**Communication** - The Wallace Group team takes pride in the quality and efficiency of our work. Effective communication is key to successful projects. One of our primary tools is Procore construction management software. This tool acts as a management multiplier that increases our efficiency and workflow management. We will be using Procore to manage all documentation for this project. Procore allows for the effective communication and management of all aspects of the project, available in real time to the entire team.

**Problem Solving** - Our Project Management team prides itself on the ability to identify and eliminate variables and unknowns. We then assess the problem, develop a solution, inform the client, and administer the solution in the shortest amount of time. We understand the importance of schedule, budget and quality on this project. At the same time this project requires a high degree of technical oversight and quality assurance to execute.



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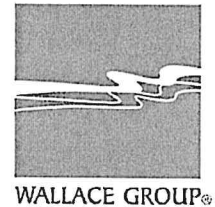
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F 805 544-4294

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## KEY PERSONEL

**Project Manager - Michael Brennan** will act as Project Manager for this project. Michael has 18 years of experience in management of engineering and construction projects. This includes 8 years as a Project Manager and Associate Director in Facilities Planning & Capital Projects at Cal Poly and 2 years as the Director of Design & Construction at SUNY New Paltz. He has extensive experience administering public construction contracts and managing construction in the public sector. He believes the key to a successful project is teamwork, cooperation and communication.

**Senior Construction Inspector - Rich Pavlich** will oversee Inspection. Rich earned his bachelor's in Environmental Biology from the University of La Verne and has over 30 years of professional experience. Throughout his career he has had the unique opportunity to work for both General Engineering Contractors as well as Design Engineers. This diverse background has enabled him to acquire an acute knowledge and thorough understanding of the construction business.

**ARE / Construction Inspector - Anthony Lehman**, recently joined Wallace Group as an Assistant RE in the Construction Management department. Anthony's background includes inspections, construction management and design work in the field during construction. His experience includes inspecting public works transportation projects, including but not limited to roadways, water resources, retaining walls and structures. Anthony was involved with the Montecito Mudslide Disaster while working at the County of Santa Barbara, helping with cleanup efforts and restoring infrastructure.

## PROJECT EXPERIENCE

### **Urban Stormwater Diversion and CIPs, Pacific Grove, CA**

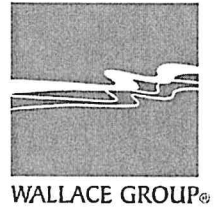
Wallace Group is currently providing complete CMI&T services for two projects for the City of Pacific Grove. These projects include sewer main upsizing, manhole rehabilitation, and manhole replacements, sidewalk upgrades, ADA improvements, and road repairs throughout the project. These projects include open cut and pipe bursting operations for the replacement of over 7000' of gravity and forced main sewer lines, as well as over 1000' of storm drains. Additionally, the project includes rehabilitation or replacement of 41 manholes and all associated lift stations, sidewalks, curb gutter and pavement repairs. These projects are extremely challenging because all the work takes place in downtown and residential neighborhoods. Careful coordination with residents, businesses, city staff and essential services must be constantly managed. All project work and excavations take place in environmental and culturally sensitive areas. This requires careful coordination of contractor schedules as well as environmental and tribal monitor teams.

### **Oak Shores Sanitary Sewer Force Main and Lift Stations, Bradley, CA**

This project is part of a land development effort for a private landowner. The project included planning, design, and construction management. Wallace Group designed the expansion of the wastewater treatment plant, two lift stations, additional spray field and over 7000' of SSFM. Construction Management included bid support, contract negotiations, project management, and inspections.

### **Union Road Rehabilitation, Paso Robles, CA**

Wallace Group provided Project Management, Contract Administration, and Inspections Services for the rehabilitation, widening, and ADA improvements of Union Road in Paso Robles. Improvements include remediation of existing ADA facilities, installation of new sidewalk, curb and gutter, utility extensions for fiber optic, sewer, water and recycled water lines, as well as adjustments to surface drainage facilities. The roadway was widened within



existing Right of Way and special consideration has been required to limit impacts within the existing Right of Way widths. Pavement work included full reconstruction as well as overlay of existing sections.

## SCOPE OF SERVICES

### Task 1: PRE-CONSTRUCTION PHASE SERVICES

#### Kickoff Meeting

- Prepare meeting agenda
- Establish role and responsibilities for Project Management Team (PMT)
- Record and distribute meeting minutes in Procore

#### Pre-planning & Phasing

- Thoroughly review plans and specifications
- Review existing conditions and site constraints
- Developing phasing and sequencing plan to minimize community impact
- Work with Santa Ynez Community Service District staff to determine optimized project approach

#### Review Contract Documents

- Review all contract documents
- Identify any discrepancies within the documents
- Ensure compliance with SYCSD needs and expectations

#### Contract Administration

- Establish contract administration system
- Meet with Santa Ynez Community Service District staff to coordinate project documentation to ensure compliance with district requirements

#### Submittal Processing

- Meet with Design Engineer to establish list of required submittals
- Establish electronic workflow and tracking requirements within Procore
- Track and ensure timely submittal review and approval

#### Preconstruction Conference

- Develop and submit agenda to Santa Ynez Community Service District five days prior to conference
- Record and distribute meeting minutes

### Task 2: CONSTRUCTION PHASE

#### Coordination of Contract Execution

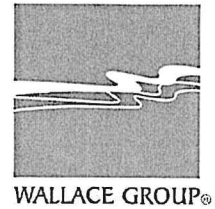
- Determine mobilization schedule in conjunction with project start date
- Finalize Procore systems record keeping documentation and contract administration developed in preconstruction phase

#### Project Communication and Coordination

- Facilitate project communication and coordination with Santa Ynez Community Service District, the design engineer, emergency services, utilities, local business, property owners and residents and contractor
- Coordinate and schedule material testing technicians
- Conduct Weekly Progress meetings with contractor, Santa Ynez Community Service District staff and other involved entities
- Record and distribute meeting minutes
- Communicate with property owners and residents regarding schedule and concerns

#### Project Schedule

- Monitor project schedule
- Coordinate with contractor and SYCSD staff on any schedule changes and adjustments throughout the project



- Keep stakeholders informed of construction schedule
- Work with contractor to establish and maintain 3 week look ahead schedule

#### Submittal and Request for Information (RFI) Management

- Utilize Procore to track status of and distribute:
  - Shop drawings
  - Product samples
  - Submittals
  - RFIs
  - TCP
- Ensure all submittals are processed in a timely manner and available to all necessary project stakeholders
- Maintain electronic copies within Procore and hard copied as needed

#### Change Order Management

- Review and qualify any contractor requested change orders
- Investigate proposed change orders, ensure Santa Ynez Community Service District approval prior to work taking place
- Establish and maintain files and documentation for use in change negotiations or potential claims

#### Quantity Calculations and Progress Estimates

- Maintain quantity calculations throughout the project
- Review and qualify contractor's monthly quantity estimates for payment
- Coordinate daily reports and quantities with Contractor's foreman, identify and record potential disputes for future reference
- Review monthly Request for Payment, sign and recommend approval for payment to Santa Ynez Community Service District
- Collect daily truck and materials tickets as needed

#### Construction Observation/Inspection

- Provide daily on sight inspections and oversight
- Inspections and oversight include:
  - Material install and assemblies
  - Traffic control plans and implementation
  - Construction staging
  - Pedestrian and bicycle access
  - Drainage
  - Lane closure
  - Pavement delineation
  - Stormwater compliance
- Ensure compliance with design documents
- Record and report design modifications as needed

#### Site Documentation

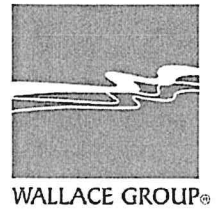
- Take pre-construction photos and documentation
- Maintain photos and documentation throughout the project
- All photos and documentation will be maintained in Procore and available to the entire team at all times

#### SWPPP and Permits

- Monitor SWPPP measures throughout the project
- Coordinate with permitting agencies to ensure all work is performed in accordance with permit requirements

#### Safety

- Contractor has sole responsibility for compliance with safety requirements
- Monitor contractor's safety practices for compliance with safety program
- Work with contractor to maintain and resolve any safety concerns on site



- Advise SYCSD of any observed or unresolved deficiencies
- Construction Progress Meetings
- Schedule and conduct project progress meetings
  - Meeting will include
    - Project status
    - Schedule - 3 week look ahead
    - Submittals, RFIs
    - Stakeholder coordination
    - Safety
    - Testing and Inspections
    - Budget, Changes, Payment applications
    - Outstanding documentation or submittals
  - Additional special meetings may be required to address special issues and conditions

### Task 3.0: POST-CONSTRUCTION PHASE SERVICES

#### Final Inspection and Punch List

- Inspect complete and near complete work for deficiencies
- Establish and maintain punch list and track items to resolution
- Provide completed punch list documentation and report to SYCSD upon completion
- Schedule final walk thru with SYCSD
- Recommend and approve final payment to contractor
- Assist with the preparation and signing of the Acknowledgement of Construction Closeout and Release of Claims form

#### As-Built Drawings

- Review and maintain as-built drawings with contractor throughout the project
- Assist City and Design Engineer in review and completion of certified record drawings

#### Project Closeout

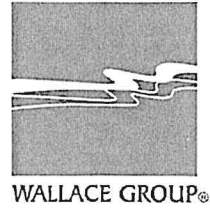
- Prepare and submit final payment package to the contractor
- Assemble and deliver all records, reports, certificates, pictures upon project completion.
- Closeout documentation can will be delivered in both digital and hard copy format

### SCHEDULE

The contract states 150 calendar days for a duration of this project. Based on our review of the plans and specification we have estimated approximately 4-6 weeks for Pre-Construction, 8-10 weeks for Construction, and 4-6 weeks for Post-Construction. We have estimated that part time inspection will be needed for this project. This may include some days with no inspections and other day with full time inspection services. We will adjust our schedule based on project needs.

### TO BE PROVIDED BY THE CLIENT

- Client shall provide the DIR Project Number for this project. To do so, the Client will need to complete the PWC-100 form and submit to the DIR prior to the commencement of the field survey. This is required to be in compliance with State of California Prevailing Wage laws.



#### ITEMS NOT INCLUDED IN SCOPE OF SERVICES

The following services are not included in this Scope of Services or estimate of fees:

- Design Services
- Any other items not explicitly listed within our scope or deliverables

#### PROJECT FEES

Wallace Group will perform the services denoted in the proposed Scope of Services on a time and materials basis in accordance with the attached Standard Billing Rates (Exhibit A). These services will be invoiced monthly on an accrued cost basis, and our total fees, including reimbursables will not exceed our estimated fee of \$55,510 without receiving written authorization from the Client.

Exhibit B shows a breakdown of budgets by task but it is to be understood that we will manage services within the total authorized budget and not constrained to individual task budgets.

At your request, additional services to the Scope of Services will be performed by Wallace Group following the approval of a mutually agreeable Contract Amendment or the initiation of a new contract.

#### TERMS AND CONDITIONS

In order to convey a clear understanding of the matters related to our mutual responsibilities regarding this proposal, the attached Standard Terms and Conditions (Exhibit C) are considered a part of our proposal agreement. If this proposal meets with your approval, please sign where indicated and return to our office, which will serve as our notice-to-proceed.

We want to thank you for this opportunity to present our proposal for Construction Management services. If you would like to discuss this proposal in greater detail, please feel free to contact me.

Sincerely,

WALLACE GROUP, a California Corporation

TERMS AND CONDITIONS ACCEPTED:

  
Michael Brennan  
Director of Construction Management  
612 Clarion Court  
San Luis Obispo  
California 93401  
T 805 544-4011  
F 805 544-4294  
www.wallacegroup.us

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

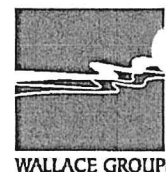
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Attachments  
GGM: PP21-7221, 2019, std  
Exhibit A  
Exhibit B  
Exhibit C

THIS PROPOSAL IS VALID FOR 60 DAYS FROM THE DATE OF THIS DOCUMENT.

Exhibit A  
Standard Billing Rates



Construction Management / Field Inspection Services:	Prevailing Wage*
Construction Office Tech I-III .....	\$ 95 - \$115
Construction Inspector I - II .....	\$120 - \$135 .....
Senior Construction Inspector .....	\$145 .....
Assistant Resident Engineer I - II .....	\$140 - \$145
Resident Engineer I - III .....	\$150 - \$160
Senior Resident Engineer .....	\$170
Director .....	\$180

**Support Services:**

Office Assistant .....	\$ 85
Project Assistant I - III .....	\$ 90 - \$100

**Additional Professional Services:**

Fees for expert witness preparation, testimony, court appearances, or depositions will be billed at the rate of \$300 an hour. As authorized in advance by the Client, overtime on a project will be billed at 1.5 times the employee's typical hourly rate.

**Direct Expenses:**

Direct expenses will be invoiced to the client and a handling charge of 15% may be added. Sample direct expenses include, but are not limited to the following:

- travel expenses
- delivery/copy services
- sub-consultant services
- mileage (per IRS rates)
- agency fees
- other direct expenses

**Invoicing and Interest Charges:**

Invoices are submitted monthly on an accrued cost basis in accordance with this Fee Schedule. A finance charge of 1.5% per month may be assessed on all balances that are thirty days past due.

**Right to Revisions:**

Wallace Group reserves the right to revise this Schedule of Fees on an annual basis, personnel classifications may be added as necessary.

**\*Prevailing Wage:**

State established prevailing wage rates may apply to some services and those rates are subject to change.

**Wallace Group Team Resource Estimate for the  
HORIZON DRIVE SEWER - CONSTRUCTION MANAGEMENT**

PHASE/TASK	TASK DESCRIPTION	PROJECT MANAGER /		CONSTRUCTION INSPECTOR / ARE		CONSTRUCTION INSPECTOR (Prevailing Wage)		Misc. Direct Costs	TOTAL LABOR HOURS	LABOR \$	TOTAL COST \$
		HRS	RATE	HRS	RATE	HRS	RATE				
1	Pre-Construction	8	\$185	20	\$145	20	\$165		28	\$4,380	\$4,380
2	Construction	20		40		200		\$1,400	260	\$42,500	\$43,900
3	Post-Construction	8		20		16			44	\$7,020	\$7,020
	<b>SUB-TOTALS</b>	36		80		216		\$1,400	332		
	<b>WALLACE GROUP LABOR COSTS</b>	\$6,660		\$11,600		\$35,640					\$53,900
	<b>WALLACE GROUP DIRECT COSTS</b>										\$1,400
	<b>SUBCONSULTANT DIRECT COSTS</b>										
	<b>DIRECT COSTS OVERHEAD @</b>									15%	\$210.00
	<b>TOTAL</b>										\$55,510

Task Budgets may fluctuate within Overall Budget

Exhibit C  
Standard Terms and Conditions  
Wallace Group Proposal No. PP21-7221  
Contract Agreement Date: April 7, 2021

**CLIENT:** SANTA YNEZ COMMUNITY SERVICE DISTRICT  
1070 Faraday Street, Santa Ynez, California 93460

**CONSULTANT:** WALLACE GROUP, A CALIFORNIA CORPORATION  
612 Clarion Court, San Luis Obispo, California 93401

CLIENT and CONSULTANT agree that these Standard Terms and Conditions, comprised of pages 1 through 6, and the associated written Scope of Services and budget constitute the entire Agreement between the CLIENT and the CONSULTANT. It supersedes all prior communications, understandings and agreements, whether oral or written. Amendments to this Agreement must be in writing and signed by both the CLIENT and the CONSULTANT.

## ARTICLE 1. GENERAL PROVISIONS

### 1.1 Preamble

This Agreement is based upon a mutual obligation of good faith and fair dealing between the parties in its performance and enforcement. Accordingly, the CLIENT and the CONSULTANT, with a positive commitment to honesty and integrity, agree to the following:

That each will function within the laws and statutes that apply to its duties and responsibilities; that each will assist in the other's performance; that each will avoid hindering the other's performance; that each will work diligently to fulfill its obligations; and each will cooperate in the common endeavor of the contract.

### 1.2 Governing Law and Jurisdiction

The CLIENT and the CONSULTANT agree that this Agreement and any legal actions concerning its validity, interpretation and performance shall be governed by the laws of the State of California. It is further agreed that any legal action between the CLIENT and the CONSULTANT arising out of this Agreement or the performance of the services shall be brought in a court of competent jurisdiction in San Luis Obispo, California.

### 1.3 Precedence of Conditions

Should any conflict exist between the terms herein and the form of any purchase order or confirmation issued, the Terms and Conditions herein shall prevail in the absence of CONSULTANT'S express written consent of others conditions.

### 1.4 Standard of Care

In providing services under this Agreement, the CONSULTANT will endeavor to perform said services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

### 1.5 Corporate Protection

It is intended by the parties to this Agreement that the CONSULTANT'S services in connection with the Project shall not subject the CONSULTANT'S individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, the CLIENT agrees that as the CLIENT'S sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against the CONSULTANT, a California corporation, and not against any of the CONSULTANT'S individual employees, officers or directors.

### 1.6 Confidentiality

The CONSULTANT agrees to keep confidential and not to disclose to any person or entity, other than the CONSULTANT'S employees, Subconsultants and the general Contractor and Subcontractors, if appropriate, any data or information not previously known to and generated by the CONSULTANT or furnished to the CONSULTANT and marked CONFIDENTIAL by the CLIENT. These provisions shall not apply to information in whatever form that is in the public domain, nor shall it restrict the CONSULTANT from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency or other legitimate authority, or if disclosure is reasonably necessary for the CONSULTANT to defend itself from any legal action or claim.

### 1.7 Third-Party Beneficiaries

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or the CONSULTANT. The CONSULTANT'S services under this Agreement are being performed solely for the CLIENT'S benefit, and no other party or entity shall have any claim against the CONSULTANT because of this Agreement or the performance or nonperformance of services hereunder. The CLIENT and CONSULTANT agree to require a similar provision in all contracts with Contractors, Subcontractors, Subconsultants, vendors and other entities involved in this Project to carry out the intent of this provision.

### 1.8 Timeliness of Performance



The CLIENT and CONSULTANT are aware that many factors outside the CONSULTANT'S control may affect the CONSULTANT'S ability to complete the services to be provided under this Agreement. The CONSULTANT will perform these services with reasonable diligence and expediency consistent with sound professional practices.

#### **1.9 Severability**

Any term or provision of this Agreement found to be invalid under any applicable statute or rule of law shall be deemed omitted and the remainder of this Agreement shall remain in full force and effect.

#### **1.10 Survival**

Notwithstanding completion or termination of this Agreement for any reason, all rights, duties and obligations of the parties to this Agreement shall survive such completion or termination and remain in full force and effect until fulfilled.

#### **1.11 Statutes of Repose and Limitation**

All legal causes of action between the parties to this Agreement shall accrue and any applicable statutes of repose or limitation shall begin to run not later than the date of Substantial Completion. If the act or failure to act complained of occurs after the date of Substantial Completion, then the date of final completion shall be used, but in no event shall any statute of repose or limitation begin to run any later than the date the CONSULTANT'S services are completed or terminated.

#### **1.12 Defects in Service**

The CLIENT shall promptly report to the CONSULTANT any defects or suspected defects in the CONSULTANT'S services of which the CLIENT becomes aware, so that the CONSULTANT may take measures to minimize the consequences of such a defect. The CLIENT further agrees to impose a similar notification requirement on all Contractors in its CLIENT/Contractor contract and shall require all subcontracts at any level to contain a like requirement. Failure by the CLIENT and the CLIENT'S Contractors or Subcontractors to notify the CONSULTANT shall relieve the CONSULTANT of the costs or remedying the defects above the sum such remedy would have cost had prompt notification been given when such defects were first discovered.

#### **1.13 Jobsite Safety**

Neither the professional activities of the CONSULTANT, nor the presence of the CONSULTANT or its employees or Subconsultants at a construction/project site, shall relieve the General Contractor of its obligations, duties and responsibilities including, but not limited to, constructions means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the Work in accordance with contract documents and any health or safety precautions required by any regulatory agencies. The CONSULTANT and its personnel have no authority to exercise any control over any construction Contractor or its employees in connection with their work or any health or safety programs or procedures. The CLIENT agrees that the General Contractor shall be solely responsible for jobsite safety, and warrants that this intent shall be carried out in the CLIENT'S contract with the General Contractor. The CLIENT also agrees that the CLIENT, the CONSULTANT and the CONSULTANT'S Subconsultants shall be indemnified by the General Contractor and shall be made additional insured under the General Contractor's policies of general liability insurance.

#### **1.14 Assignment: Subcontracting**

Neither CLIENT nor CONSULTANT shall assign its interest in this agreement without the written consent of the other. CONSULTANT may not subcontract any portion of the work to be performed hereunder without such consent.

#### **1.15 Force Majeure**

Any delay or default in the performance of any obligation of CONSULTANT under this agreement resulting from any cause(s) beyond CONSULTANT'S reasonable control shall not be deemed a breach of this agreement. The occurrence of any such event shall suspend the obligations of CONSULTANT as long as performance is delayed or prevented thereby, and the fees due hereunder shall be equitably adjusted.

#### **1.16 Disputes**

(a) Notwithstanding any other provision of this Agreement and except for the provisions of (b) and (c), if a dispute arises regarding CONSULTANT'S fees pursuant to this contract, and if the fee dispute cannot be settled by discussions between CLIENT and CONSULTANT, both the CLIENT and CONSULTANT agree to attempt to settle the fee dispute by mediation through the American Arbitration Association (or other mediation service) before recourse to arbitration. If mediation does not resolve the fee dispute, such dispute shall be settled by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

(b) Subdivision (a) does not preclude or limit CONSULTANT'S right to elect to file an action for collection of fees if the amount in dispute is within the jurisdiction of the small claims court.

(c) Subdivision (a) does not preclude or limit CONSULTANT'S right to elect to perfect or enforce applicable mechanics lien remedies.

#### **1.17 Attorneys' Fees**

In the event of any litigation arising from or related to this Agreement or the services provided under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred, including staff time, court costs, attorneys' fees and all other related expenses in such litigation.

### **1.18 Services by CLIENT**

CLIENT shall pay all other charges not specifically covered by the terms of this agreement, unless specifically included in the Scope of Services. The CLIENT shall furnish, at the CLIENT'S expense, all information required by this Agreement. The CONSULTANT may use such information, requirements, reports, data, surveys and instructions in performing its services and is entitled to rely upon the accuracy and completeness thereof.

### **1.19 Retention**

If any portion of CONSULTANT'S fee is held in retention, such amount shall be released within thirty days after invoicing for completion of corresponding services. Interest shall be paid at the rate of 1.5% per month on any retention amounts not paid within this thirty-day period.

## **ARTICLE 2. DEFINITIONS**

### **2.1 Burdened Labor Costs**

Burdened labor costs shown on the Standard Billing Rates include payroll taxes, worker's compensation insurance, and other overhead costs applicable to the typical standard of care.

### **2.2 Direct Expenses**

Expenditures made by the CONSULTANT, its employees or its Subconsultants in the interest of the Project. Applicable reimbursable direct expenses are defined on the Standard Billing Rates.

## **ARTICLE 3. COMPENSATION**

### **3.1 Payment Due**

Invoices shall be submitted by the CONSULTANT monthly, are due upon presentation and shall be considered past due if not paid in full within thirty (30) days of the invoice date.

### **3.2 Interest**

If payment in full is not received by the CONSULTANT within thirty (30) calendar days of the invoice date, the invoices shall bear interest at one-and-one-half (1.5) percent (or the maximum rate allowable by law, whichever is less) of the past due amount per month, which shall be calculated from the invoice due date. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal.

### **3.3 Collection Costs**

If the CLIENT fails to make payments when due and the CONSULTANT incurs any costs in order to collect overdue sums from the CLIENT, the CLIENT agrees that all such collection costs incurred shall immediately become due and payable to the CONSULTANT. Collection costs shall include, without limitation, legal fees, collection agency fees and expenses, court costs, collection bonds and reasonable CONSULTANT staff costs at Standard Billing Rates for the CONSULTANT'S time spent in efforts to collect. This obligation of the CLIENT to pay the CONSULTANT'S collection costs shall survive the term of this Agreement or any earlier termination by either party.

### **3.4 Termination or Suspension of Services**

This agreement may be terminated or suspended by either party effective seven (7) days from the date of written notice, or if the CLIENT suspends the work for three (3) months. Upon receipt of a notice of termination or suspension, CONSULTANT will stop or suspend its work and provide same direction for the work of all its Subcontractors and suppliers. Failure of CLIENT to make payments when due shall be cause for suspension of services or ultimately, termination, unless and until CONSULTANT has been paid in full all amounts due for services, expenses and other approved related charges. CONSULTANT shall have no liability whatsoever to the CLIENT for any costs or damages as a result of such suspension or termination caused by any breach of this Agreement by the CLIENT. Upon payment-in-full by the CLIENT, CONSULTANT shall resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension plus any reasonable time and expense necessary for the CONSULTANT to resume performance.

### **3.5 Retention Discounts**

Payment of invoices shall not be subject to any discounts or retention by the CLIENT, unless agreed to in writing by the CONSULTANT. Payment to the CONSULTANT for services rendered and expenses incurred shall be due and payable regardless of any subsequent suspension or termination of this Agreement by either party.

### **3.6 Satisfaction with Services**

Payment of any invoice by the CLIENT to the CONSULTANT shall be taken to mean that the CLIENT is satisfied with the CONSULTANT'S services to the date of payment and is not aware of any deficiencies in those services.

### **3.7 Disputed Invoices**

If the CLIENT objects to any portion of any invoice, the CLIENT shall so notify the CONSULTANT in writing within ten (10) days of receipt of the invoice. The CLIENT shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with the other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within thirty (30) calendar days after presentation of invoice by direct negotiation between the parties shall be resolved within forty-five (45) calendar days in accordance with the Dispute Resolution provision of this Agreement. Interest as stated above shall be paid by the CLIENT on

all disputed invoice amounts that are subsequently resolved in the CONSULTANT'S favor and shall be calculated on the unpaid balance from the invoice date.

### **3.8 Payments to the CONSULTANT**

Payments to the CONSULTANT shall not be withheld, postponed or made contingent on the construction, completion or success of the project or upon receipt by the CLIENT of offsetting reimbursement or credit from other parties who may have caused additional services or expenses. No withholdings, deductions or offsets shall be made from the CONSULTANT'S compensation for any reason unless the CONSULTANT has been found to be legally liable for such amounts.

### **3.9 Advance Payment: Withholding Work Product**

CONSULTANT reserves the right to require payment in advance for work estimated to be done during a given billing period. CONSULTANT, without any liability to CLIENT, reserves the right to withhold any services and work products herein contemplated pending payment of CLIENT'S outstanding indebtedness or advance payment as required by CONSULTANT. Where work is performed on a reimbursable basis, budget may be increased by amendment to complete the Scope of Services. CONSULTANT is not obligated to provide services in excess of the authorized budget.

## **ARTICLE 4. SERVICES, ADDITIONAL SERVICES, AND AMENDMENTS**

### **4.1 Definitions**

Services and work products not expressly included with those specified in this agreement, as determined by CONSULTANT, are not covered by this agreement. Such services and work products will be provided only upon compliance with the procedures set forth in Article 4.5 of this Agreement.

### **4.2 Services During Construction**

Any construction inspection or testing provided by CONSULTANT is for the purpose of determining the Contractor's compliance with the functional provisions of the project specifications only. CONSULTANT in no way guarantees or insures Contractor's work nor assumes responsibility for methods or appliances used by the Contractor for job site safety or for Contractor's compliance with laws and regulations. CLIENT agrees that in accordance with generally accepted construction practices the construction Contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project including safety of all persons and property and that this responsibility shall be continuous and not be limited to normal working hours.

### **4.3 Soil Testing**

CONSULTANT makes no representations concerning soil conditions, and is not responsible for any liability that may arise out of the making or failure to make soil surveys, or sub-surface soil tests, or general soil testing. It is the CLIENT'S responsibility to obtain a soils report upon which report CONSULTANT can rely.

### **4.4 Opinion of Probable Construction Costs**

In providing opinions of probable construction cost, the CLIENT understands that the CONSULTANT has no control over cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the CONSULTANT'S opinions of probable construction costs are made on the basis of the CONSULTANT'S professional judgment and experience. CONSULTANT makes no warranty, express or implied, that bids or negotiated cost of the Work will not vary from the CONSULTANT'S opinion of probable construction cost.

### **4.5 Additional Services**

Additional services or work products requiring an adjustment of CONSULTANT'S original estimated budget or fixed fee will be provided at CLIENT'S request upon execution of a written amendment to this agreement expressly referring to the same and signed by both parties.

## **ARTICLE 5. TERMINATION OF AGREEMENT**

### **5.1 Due to Default**

This agreement may be terminated by either party upon seven (7) days written notice should the other party fail to substantially perform in accordance with this agreement through no fault of the party initiating the termination.

### **5.2 Without Cause**

This agreement may be terminated by CLIENT upon at least fourteen (14) days written notice to CONSULTANT in the event that the project is abandoned.

### **5.3 Termination Adjustment: Payment**

If this agreement is terminated through no fault of the CONSULTANT, CONSULTANT shall be paid for services performed and costs incurred to the termination notice date, including reimbursable expenses due, plus an additional amount not to exceed ten percent (10%) of charges incurred to the termination notice date to cover services to orderly close the work and prepare project files and documentation, plus any additional direct expenses incurred by CONSULTANT including but limited to cancellation fees or charges. CONSULTANT will use reasonable efforts to minimize such additional charges.

## **ARTICLE 6. LIMITATION OF LIABILITY: WAIVER: WARRANTY**

### 6.1 Limitation of Liability

In recognition of the relative risks and benefits of the project to both the CLIENT and the CONSULTANT, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of the CONSULTANT to the CLIENT for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert-witness fees and costs, so that the total aggregate liability of the CONSULTANT to the CLIENT shall not exceed \$50,000.00, or the CONSULTANT'S total fee for services rendered on this project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

### 6.2 Contractor and Subcontractor Claims

The CLIENT further agrees, to the fullest extent permitted by law, to limit the liability of the CONSULTANT and the CONSULTANT'S officers, directors, partners, employees and Subconsultants to all construction Contractors and Subcontractors on the Project for any and all claims, losses, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of the CONSULTANT and the CONSULTANT'S Subconsultants to all those named shall not exceed \$50,000.00, or the CONSULTANT'S total fee for services rendered on this Project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

### 6.3 Warranty

CONSULTANT makes no warranty, either express or implied, as to CONSULTANT'S findings, recommendations, specifications, or professional advice, except that the work was performed pursuant to generally accepted standards of practice in effect at the time of performance.

If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the CONSULTANT are revealed, to the extent that they affect the Scope of Services, compensation, schedule, allocation of risks or other material terms of this Agreement, the CONSULTANT may call for renegotiation of appropriate portions of this Agreement. The CONSULTANT shall notify the CLIENT of the changed conditions necessitating renegotiation, and the CONSULTANT and the CLIENT shall promptly and in good faith enter into renegotiations of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement, in accordance with the Termination Provision hereof.

If the Scope of Services pursuant to this agreement does not include on-site construction review, construction management, or other construction supervision for this project, or if subsequent to this agreement CLIENT retains other persons or entities to provide such services, CLIENT acknowledges that such services will be performed by others and CLIENT will defend, indemnify and hold CONSULTANT harmless from any and all claims arising from or resulting from the performance of such services by other persons or entities except claims caused by the sole negligence or willful misconduct of CONSULTANT; and from any and all claims arising from or resulting from clarifications, adjustments, modifications, discrepancies or other changes necessary to reflect changed field or other conditions, except claims caused by the sole negligence or willful misconduct of CONSULTANT.

### 6.4 Interpretation

Limitations on liability, waivers and indemnities in this Agreement are business understandings between the parties and shall apply to all legal theories of recovery, including breach of contract or warranty, breach of fiduciary responsibility, tort (including negligence), strict or statutory liability, or any other cause of action, provided that these limitations on liability, waivers and indemnities will not apply to any losses or damages that may be found by a trier of fact to have been caused by the CONSULTANT'S sole or gross negligence or the CONSULTANT'S willful misconduct. The parties also agree that the CLIENT will not seek damages in excess of the contractually agreed-upon limitations directly or indirectly through suites against other parties who may join the CONSULTANT as a third-party defendant. "Parties" means the CLIENT and the CONSULTANT, and their officers, directors, partners, employees, Subcontractors and Subconsultants.

### 6.5 Delays

The CLIENT agrees that the CONSULTANT is not responsible for damages arising directly or indirectly from any delays for causes beyond the CONSULTANT'S control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters; fires, riots, war or other emergencies or acts of God; failure of any government agency to act in a timely manner; failure of performance by the CLIENT of the CLIENT'S Contractors or CONSULTANT'S; or discovery of any hazardous substances or differing site conditions.

## ARTICLE 7. HAZARDOUS WASTE MATERIALS

### 7.1 Liability

CONSULTANT hereby states and CLIENT hereby acknowledges that CONSULTANT has no professional liability insurance for claims arising out of the performance of or failure to perform professional services, including, but not limited to the preparation of reports, designs, drawings and specifications, related to the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing substances including, but not limited to asbestos, toxic or hazardous waste, PCBs, combustible gases and materials, petroleum or radioactive materials (as each of these is defined in applicable federal statutes) or any other substances under any conditions and in such quantities as would pose a substantial danger to persons or property exposed to such substances at or near the Project site. Accordingly,

the CLIENT hereby agrees to bring no claim for negligence, breach of contract indemnity or otherwise against the CONSULTANT, its principals, employees, and agents if such claim, in any way, would involve the CONSULTANT'S services for the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing asbestos, asbestos cement pipe, and/or hazardous waste materials. CLIENT further agrees to defend, indemnify and hold harmless CONSULTANT, its officers, directors, principals, employees and agents from any asbestos and/or hazardous waste material related claims that may be brought by third parties as a result of the services provided by the CONSULTANT pursuant to this agreement except claims caused by the sole negligence or willful misconduct of the CONSULTANT.

## **ARTICLE 8. OWNERSHIP AND REUSE OF DOCUMENTS**

### **8.1 CONSULTANT Ownership**

All original papers, documents, drawings, electronic media and other work product of CONSULTANT, and copies thereof, produced by CONSULTANT pursuant to this agreement shall remain the property of CONSULTANT and may be used by CONSULTANT without the consent of CLIENT. Upon request and payment of the costs involved, CLIENT is entitled to a copy of all papers, documents and drawings provided CLIENT'S account is paid current.

### **8.2 Document Reuse**

In the event the CLIENT, the CLIENT'S Contractors or Subcontractors, or anyone for whom the CLIENT is legally liable makes or permits to be made any changes to any reports, plans specifications or other construction documents prepared by the CONSULTANT without obtaining the CONSULTANT'S prior written consent, the CLIENT shall assume full responsibility for the results of such changes. Therefore the CLIENT agrees to waive any claim against the CONSULTANT and to release the CONSULTANT from any liability arising directly or indirectly from such changes. In addition, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless the CONSULTANT from any damages, liabilities or costs, including reasonable attorneys' fees and costs of defense, arising from such changes. In addition, the CLIENT agrees to include in any contracts for construction appropriate language that prohibits the Contractor or any Subcontractors of any tier from making any changes or modifications to the CONSULTANT'S construction documents without the prior written approval of the CONSULTANT and further requires the Contractor to indemnify both the CONSULTANT and the CLIENT from any liability or cost arising from such changes made without proper authorization.

### **8.3 Electronic Media Alteration and Reuse**

Because CADD information stored in electronic form can be modified by other parties, intentionally or otherwise, without notice or indication of said modifications, CONSULTANT reserves the right to remove all indicia of its ownership and/or involvement in the material from each electronic medium not held in its possession. CLIENT shall retain copies of the work performed by CONSULTANT in CADD form only for information and use by CLIENT for the specific purpose for which CONSULTANT was engaged. Said materials shall not be used by CLIENT, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not strictly intended by CONSULTANT without CONSULTANT'S express written permission. Unauthorized modification or reuse of the materials shall be at CLIENT'S sole risk, and CLIENT agrees to defend, indemnify, and hold CONSULTANT harmless, from all claims, injuries, damages, losses, expenses, and attorney's fees arising out of the unauthorized modification or use of these materials.









TRANSMITTAL

Date: April 7, 2021

Project Number: PP21-7221-0915

To: Jose Acosta  
Santa Ynez CSD  
1070 Faraday Street  
Santa Ynez, California 93460

VIA Email

Phone: 805-688-3008  
Fax:  
Email: [jose@syicsd.com](mailto:jose@syicsd.com)

From: Michael Brennan  
Director of Construction  
Management  
**WALLACE GROUP**  
612 Clarion Court  
San Luis Obispo, CA 93401

Phone: 805 544-4011  
Fax: 805 544-4294  
Email: [michaelb@wallacegroup.us](mailto:michaelb@wallacegroup.us)

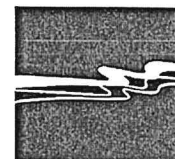
Subject: Proposal for Santa Ynez CSD Horizon Drive

Please find attached our proposal for the above referenced project. If this proposal meets with your approval, please sign where indicated and return to our office, to the attention of Kylie Castle ([kyliec@wallacegroup.us](mailto:kyliec@wallacegroup.us)), Marketing Coordinator, which will serve as our notice-to-proceed on your project.

Please call me if you have any questions at 805 544-4011.

Thank you.

ATTACHMENT  
PP21-7221  
Exhibit A  
Exhibit B  
Exhibit C



WALLACE GROUP<sup>®</sup>

CIVIL AND  
TRANSPORTATION  
ENGINEERING

CONSTRUCTION  
MANAGEMENT

LANDSCAPE  
ARCHITECTURE

MECHANICAL  
ENGINEERING

PLANNING

PUBLIC WORKS  
ADMINISTRATION

SURVEYING /  
GIS SOLUTIONS

WATER RESOURCES

WALLACE GROUP  
A California Corporation

612 CLARION CT  
SAN LUIS OBISPO  
CALIFORNIA 93401

T 805 544-4011  
F 805 544-4294

[www.wallacegroup.us](http://www.wallacegroup.us)

April 7, 2021

Jose Acosta  
Santa Ynez CSD  
1070 Faraday Street  
Santa Ynez, California 93460

Subject: Santa Ynez CSD Horizon Drive

Dear Mr. Acosta:

Wallace Group appreciates the opportunity to provide you with our proposal for Construction Management services for the above referenced project. Based on our discussion, the following Scope of Services has been prepared for your consideration:

#### PROJECT UNDERSTANDING

This project includes the construction of approximately 1900 feet of gravity sewer and associated manholes. The sewer runs along Horizon Drive and connects through easements to the existing sewer main in Highway 246.

The two most important elements of this project will be public outreach and traffic control. The portion on sewer on Horizon Drive is aligned in about the middle of the road. Horizon Drive is a dead-end street with approximately 18 homes. Maintaining access for residents and services throughout the project will be important. The second portion of the sewer line will be located in an easement along several property lines. This work will be disruptive to property owners. Careful communication and coordination with property owners will be essential. The final connection to the sewer main in Highway 246 will most likely require traffic control and careful coordination to ensure worker and vehicle safety.

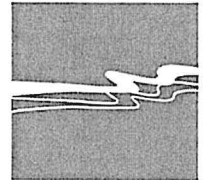
#### PROJECT MANAGEMENT

Leadership, communication and problem solving are very important aspects of effective project management. Our team takes pride in leveraging our skills and tools in these areas to deliver a successful project.

**Leadership** - Managing this project requires the ability to lead with a high degree of emotional intelligence. Maintaining relationships and communication is the key to success on this project. Our staff will manage all aspects of this project. We will be the main point of contact and control point between the contractor, MCWD, local agencies and residents.

**Communication** - The Wallace Group team takes pride in the quality and efficiency of our work. Effective communication is key to successful projects. One of our primary tools is Procore construction management software. This tool acts as a management multiplier that increases our efficiency and workflow management. We will be using Procore to manage all documentation for this project. Procore allows for the effective communication and management of all aspects of the project, available in real time to the entire team.

**Problem Solving** - Our Project Management team prides itself on the ability to identify and eliminate variables and unknowns. We then assess the problem, develop a solution, inform the client, and administer the solution in the shortest amount of time. We understand the importance of schedule, budget and quality on this project. At the same time this project requires a high degree of technical oversight and quality assurance to execute.



WALLACE GROUP®

CIVIL AND  
TRANSPORTATION  
ENGINEERING

CONSTRUCTION  
MANAGEMENT

LANDSCAPE  
ARCHITECTURE

MECHANICAL  
ENGINEERING

PLANNING

PUBLIC WORKS  
ADMINISTRATION

SURVEYING /  
GIS SOLUTIONS

WATER RESOURCES

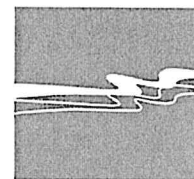
WALLACE GROUP  
A California Corporation

612 CLARION CT  
SAN LUIS OBISPO  
CALIFORNIA 93401

T 805 544-4011

F 805 544-4294

[www.wallacegroup.us](http://www.wallacegroup.us)



WALLACE GROUP®

## KEY PERSONEL

**Project Manager - Michael Brennan** will act as Project Manager for this project. Michael has 18 years of experience in management of engineering and construction projects. This includes 8 years as a Project Manager and Associate Director in Facilities Planning & Capital Projects at Cal Poly and 2 years as the Director of Design & Construction at SUNY New Paltz. He has extensive experience administering public construction contracts and managing construction in the public sector. He believes the key to a successful project is teamwork, cooperation and communication.

**Senior Construction Inspector - Rich Pavlich** will oversee Inspection. Rich earned his bachelor's in Environmental Biology from the University of La Verne and has over 30 years of professional experience. Throughout his career he has had the unique opportunity to work for both General Engineering Contractors as well as Design Engineers. This diverse background has enabled him to acquire an acute knowledge and thorough understanding of the construction business.

**ARE / Construction Inspector - Anthony Lehman**, recently joined Wallace Group as an Assistant RE in the Construction Management department. Anthony's background includes inspections, construction management and design work in the field during construction. His experience includes inspecting public works transportation projects, including but not limited to roadways, water resources, retaining walls and structures. Anthony was involved with the Montecito Mudslide Disaster while working at the County of Santa Barbara, helping with cleanup efforts and restoring infrastructure.

## PROJECT EXPERIENCE

### **Urban Stormwater Diversion and CIPs, Pacific Grove, CA**

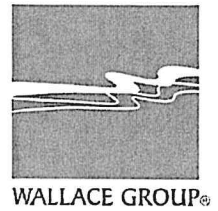
Wallace Group is currently providing complete CMI&T services for two projects for the City of Pacific Grove. These projects include sewer main upsizing, manhole rehabilitation, and manhole replacements, sidewalk upgrades, ADA improvements, and road repairs throughout the project. These projects include open cut and pipe bursting operations for the replacement of over 7000' of gravity and forced main sewer lines, as well as over 1000' of storm drains. Additionally, the project includes rehabilitation or replacement of 41 manholes and all associated lift stations, sidewalks, curb gutter and pavement repairs. These projects are extremely challenging because all the work takes place in downtown and residential neighborhoods. Careful coordination with residents, businesses, city staff and essential services must be constantly managed. All project work and excavations take place in environmental and culturally sensitive areas. This requires careful coordination of contractor schedules as well as environmental and tribal monitor teams.

### **Oak Shores Sanitary Sewer Force Main and Lift Stations, Bradley, CA**

This project is part of a land development effort for a private landowner. The project included planning, design, and construction management. Wallace Group designed the expansion of the wastewater treatment plant, two lift stations, additional spray field and over 7000' of SSFM. Construction Management included bid support, contract negotiations, project management, and inspections.

### **Union Road Rehabilitation, Paso Robles, CA**

Wallace Group provided Project Management, Contract Administration, and Inspections Services for the rehabilitation, widening, and ADA improvements of Union Road in Paso Robles. Improvements include remediation of existing ADA facilities, installation of new sidewalk, curb and gutter, utility extensions for fiber optic, sewer, water and recycled water lines, as well as adjustments to surface drainage facilities. The roadway was widened within



existing Right of Way and special consideration has been required to limit impacts within the existing Right of Way widths. Pavement work included full reconstruction as well as overlay of existing sections.

## SCOPE OF SERVICES

### Task 1: PRE-CONSTRUCTION PHASE SERVICES

#### Kickoff Meeting

- Prepare meeting agenda
- Establish role and responsibilities for Project Management Team (PMT)
- Record and distribute meeting minutes in Procore

#### Pre-planning & Phasing

- Thoroughly review plans and specifications
- Review existing conditions and site constraints
- Developing phasing and sequencing plan to minimize community impact
- Work with Santa Ynez Community Service District staff to determine optimized project approach

#### Review Contract Documents

- Review all contract documents
- Identify any discrepancies within the documents
- Ensure compliance with SYCSD needs and expectations

#### Contract Administration

- Establish contract administration system
- Meet with Santa Ynez Community Service District staff to coordinate project documentation to ensure compliance with district requirements

#### Submittal Processing

- Meet with Design Engineer to establish list of required submittals
- Establish electronic workflow and tracking requirements within Procore
- Track and ensure timely submittal review and approval

#### Preconstruction Conference

- Develop and submit agenda to Santa Ynez Community Service District five days prior to conference
- Record and distribute meeting minutes

### Task 2: CONSTRUCTION PHASE

#### Coordination of Contract Execution

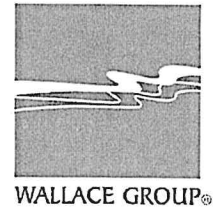
- Determine mobilization schedule in conjunction with project start date
- Finalize Procore systems record keeping documentation and contract administration developed in preconstruction phase

#### Project Communication and Coordination

- Facilitate project communication and coordination with Santa Ynez Community Service District, the design engineer, emergency services, utilities, local business, property owners and residents and contractor
- Coordinate and schedule material testing technicians
- Conduct Weekly Progress meetings with contractor, Santa Ynez Community Service District staff and other involved entities
- Record and distribute meeting minutes
- Communicate with property owners and residents regarding schedule and concerns

#### Project Schedule

- Monitor project schedule
- Coordinate with contractor and SYCSD staff on any schedule changes and adjustments throughout the project



- Keep stakeholders informed of construction schedule
  - Work with contractor to establish and maintain 3 week look ahead schedule
- Submittal and Request for Information (RFI) Management
- Utilize Procore to track status of and distribute:
    - Shop drawings
    - Product samples
    - Submittals
    - RFIs
    - TCP
  - Ensure all submittals are processed in a timely manner and available to all necessary project stakeholders
  - Maintain electronic copies within Procore and hard copied as needed

#### Change Order Management

- Review and qualify any contractor requested change orders
- Investigate proposed change orders, ensure Santa Ynez Community Service District approval prior to work taking place
- Establish and maintain files and documentation for use in change negotiations or potential claims

#### Quantity Calculations and Progress Estimates

- Maintain quantity calculations throughout the project
- Review and qualify contractor's monthly quantity estimates for payment
- Coordinate daily reports and quantities with Contractor's foreman, identify and record potential disputes for future reference
- Review monthly Request for Payment, sign and recommend approval for payment to Santa Ynez Community Service District
- Collect daily truck and materials tickets as needed

#### Construction Observation/Inspection

- Provide daily on sight inspections and oversight
- Inspections and oversight include:
  - Material install and assemblies
  - Traffic control plans and implementation
  - Construction staging
  - Pedestrian and bicycle access
  - Drainage
  - Lane closure
  - Pavement delineation
  - Stormwater compliance
- Ensure compliance with design documents
- Record and report design modifications as needed

#### Site Documentation

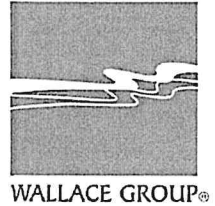
- Take pre-construction photos and documentation
- Maintain photos and documentation throughout the project
- All photos and documentation will be maintained in Procore and available to the entire team at all times

#### SWPPP and Permits

- Monitor SWPPP measures throughout the project
- Coordinate with permitting agencies to ensure all work is performed in accordance with permit requirements

#### Safety

- Contractor has sole responsibility for compliance with safety requirements
- Monitor contractor's safety practices for compliance with safety program
- Work with contractor to maintain and resolve any safety concerns on site



- Advise SYCSD of any observed or unresolved deficiencies
- Construction Progress Meetings
- Schedule and conduct project progress meetings
  - Meeting will include
    - Project status
    - Schedule - 3 week look ahead
    - Submittals, RFIs
    - Stakeholder coordination
    - Safety
    - Testing and Inspections
    - Budget, Changes, Payment applications
    - Outstanding documentation or submittals
  - Additional special meetings may be required to address special issues and conditions

### Task 3.0: POST-CONSTRUCTION PHASE SERVICES

#### Final Inspection and Punch List

- Inspect complete and near complete work for deficiencies
- Establish and maintain punch list and track items to resolution
- Provide completed punch list documentation and report to SYCSD upon completion
- Schedule final walk thru with SYCSD
- Recommend and approve final payment to contractor
- Assist with the preparation and signing of the Acknowledgement of Construction Closeout and Release of Claims form

#### As-Built Drawings

- Review and maintain as-built drawings with contractor throughout the project
- Assist City and Design Engineer in review and completion of certified record drawings

#### Project Closeout

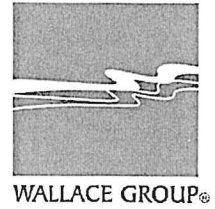
- Prepare and submit final payment package to the contractor
- Assemble and deliver all records, reports, certificates, pictures upon project completion.
- Closeout documentation can will be delivered in both digital and hard copy format

### SCHEDULE

The contract states 150 calendar days for a duration of this project. Based on our review of the plans and specification we have estimated approximately 4-6 weeks for Pre-Construction, 8-10 weeks for Construction, and 4-6 weeks for Post-Construction. We have estimated that part time inspection will be needed for this project. This may include some days with no inspections and other day with full time inspection services. We will adjust our schedule based on project needs.

### TO BE PROVIDED BY THE CLIENT

- Client shall provide the DIR Project Number for this project. To do so, the Client will need to complete the PWC-100 form and submit to the DIR prior to the commencement of the field survey. This is required to be in compliance with State of California Prevailing Wage laws.



#### ITEMS NOT INCLUDED IN SCOPE OF SERVICES

The following services are not included in this Scope of Services or estimate of fees:

- Design Services
- Any other items not explicitly listed within our scope or deliverables

#### PROJECT FEES

Wallace Group will perform the services denoted in the proposed Scope of Services on a time and materials basis in accordance with the attached Standard Billing Rates (Exhibit A). These services will be invoiced monthly on an accrued cost basis, and our total fees, including reimbursables will not exceed our estimated fee of \$55,510 without receiving written authorization from the Client.

Exhibit B shows a breakdown of budgets by task but it is to be understood that we will manage services within the total authorized budget and not constrained to individual task budgets.

At your request, additional services to the Scope of Services will be performed by Wallace Group following the approval of a mutually agreeable Contract Amendment or the initiation of a new contract.

#### TERMS AND CONDITIONS

In order to convey a clear understanding of the matters related to our mutual responsibilities regarding this proposal, the attached Standard Terms and Conditions (Exhibit C) are considered a part of our proposal agreement. If this proposal meets with your approval, please sign where indicated and return to our office, which will serve as our notice-to-proceed.

We want to thank you for this opportunity to present our proposal for Construction Management services. If you would like to discuss this proposal in greater detail, please feel free to contact me.

Sincerely,

WALLACE GROUP, a California Corporation      TERMS AND CONDITIONS ACCEPTED:

  
Michael Brennan  
Director of Construction Management  
612 Clarion Court  
San Luis Obispo  
California 93401  
T 805 544-4011  
F 805 544-4294  
www.wallacegroup.us

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

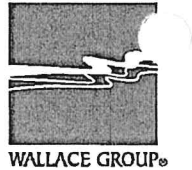
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Title

\_\_\_\_\_  
Date

Attachments  
GGM: PP21-7221, 2019, std  
Exhibit A  
Exhibit B  
Exhibit C

THIS PROPOSAL IS VALID FOR 60 DAYS FROM THE DATE OF THIS DOCUMENT.

Exhibit A  
Standard Billing Rates



Construction Management / Field Inspection Services:	Prevailing Wage*
Construction Office Tech I-III .....	\$ 95 - \$115
Construction Inspector I - II.....	\$120 - \$135 .....
Senior Construction Inspector.....	\$145 .....
Assistant Resident Engineer I - II.....	\$140 - \$145
Resident Engineer I - III .....	\$150 - \$160
Senior Resident Engineer .....	\$170
Director .....	\$180

**Support Services:**

Office Assistant.....	\$ 85
Project Assistant I - III.....	\$ 90 - \$100

**Additional Professional Services:**

Fees for expert witness preparation, testimony, court appearances, or depositions will be billed at the rate of \$300 an hour. As authorized in advance by the Client, overtime on a project will be billed at 1.5 times the employee's typical hourly rate.

**Direct Expenses:**

Direct expenses will be invoiced to the client and a handling charge of 15% may be added. Sample direct expenses include, but are not limited to the following:

- travel expenses
- sub-consultant services
- agency fees
- delivery/copy services
- mileage (per IRS rates)
- other direct expenses

**Invoicing and Interest Charges:**

Invoices are submitted monthly on an accrued cost basis in accordance with this Fee Schedule. A finance charge of 1.5% per month may be assessed on all balances that are thirty days past due.

**Right to Revisions:**

Wallace Group reserves the right to revise this Schedule of Fees on an annual basis, personnel classifications may be added as necessary.

**\*Prevailing Wage:**

State established prevailing wage rates may apply to some services and those rates are subject to change.



**Wallace Group Team Resource Estimate for the  
HORIZON DRIVE SEWER - CONSTRUCTION MANAGEMENT**

PHASE/TASK	TASK DESCRIPTION	PROJECT MANAGER / DIRECTOR			CONSTRUCTION INSPECTOR / ARE		CONSTRUCTION INSPECTOR (Prevailing Wage)		Misc. Direct Costs	TOTAL LABOR HOURS	LABOR \$	TOTAL COST \$
		HRS	\$185	HRS	\$145	HRS	\$165	Cost				
1	Pre-Construction	8		20						28	\$4,380	\$4,380
2	Construction	20		40		200	\$1,400			260	\$42,500	\$43,900
3	Post-Construction	8		20		16				44	\$7,020	\$7,020
	<b>SUB-TOTALS</b>	36		80		216	\$1,400			332		
	<b>WALLACE GROUP LABOR COSTS</b>	\$6,660		\$11,600		\$35,640						\$53,900
	<b>WALLACE GROUP DIRECT COSTS</b>											\$1,400
	<b>SUBCONSULTANT DIRECT COSTS</b>											
	<b>DIRECT COSTS OVERHEAD @</b>										15%	\$210.00
	<b>TOTAL</b>											\$55,510

Task Budgets may fluctuate within Overall Budget

Exhibit C  
Standard Terms and Conditions  
Wallace Group Proposal No. PP21-7221  
Contract Agreement Date: April 7, 2021

**CLIENT:** SANTA YNEZ COMMUNITY SERVICE DISTRICT  
1070 Faraday Street, Santa Ynez, California 93460

**CONSULTANT:** WALLACE GROUP, A CALIFORNIA CORPORATION  
612 Clarion Court, San Luis Obispo, California 93401

CLIENT and CONSULTANT agree that these Standard Terms and Conditions, comprised of pages 1 through 6, and the associated written Scope of Services and budget constitute the entire Agreement between the CLIENT and the CONSULTANT. It supersedes all prior communications, understandings and agreements, whether oral or written. Amendments to this Agreement must be in writing and signed by both the CLIENT and the CONSULTANT.

**ARTICLE 1. GENERAL PROVISIONS**

**1.1 Preamble**

This Agreement is based upon a mutual obligation of good faith and fair dealing between the parties in its performance and enforcement. Accordingly, the CLIENT and the CONSULTANT, with a positive commitment to honesty and integrity, agree to the following:

That each will function within the laws and statutes that apply to its duties and responsibilities; that each will assist in the other's performance; that each will avoid hindering the other's performance; that each will work diligently to fulfill its obligations; and each will cooperate in the common endeavor of the contract.

**1.2 Governing Law and Jurisdiction**

The CLIENT and the CONSULTANT agree that this Agreement and any legal actions concerning its validity, interpretation and performance shall be governed by the laws of the State of California. It is further agreed that any legal action between the CLIENT and the CONSULTANT arising out of this Agreement or the performance of the services shall be brought in a court of competent jurisdiction in San Luis Obispo, California.

**1.3 Precedence of Conditions**

Should any conflict exist between the terms herein and the form of any purchase order or confirmation issued, the Terms and Conditions herein shall prevail in the absence of CONSULTANT'S express written consent of others conditions.

**1.4 Standard of Care**

In providing services under this Agreement, the CONSULTANT will endeavor to perform said services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

**1.5 Corporate Protection**

It is intended by the parties to this Agreement that the CONSULTANT'S services in connection with the Project shall not subject the CONSULTANT'S individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, the CLIENT agrees that as the CLIENT'S sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against the CONSULTANT, a California corporation, and not against any of the CONSULTANT'S individual employees, officers or directors.

**1.6 Confidentiality**

The CONSULTANT agrees to keep confidential and not to disclose to any person or entity, other than the CONSULTANT'S employees, Subconsultants and the general Contractor and Subcontractors, if appropriate, any data or information not previously known to and generated by the CONSULTANT or furnished to the CONSULTANT and marked CONFIDENTIAL by the CLIENT. These provisions shall not apply to information in whatever form that is in the public domain, nor shall it restrict the CONSULTANT from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency or other legitimate authority, or if disclosure is reasonably necessary for the CONSULTANT to defend itself from any legal action or claim.

**1.7 Third-Party Beneficiaries**

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or the CONSULTANT. The CONSULTANT'S services under this Agreement are being performed solely for the CLIENT'S benefit, and no other party or entity shall have any claim against the CONSULTANT because of this Agreement or the performance or nonperformance of services hereunder. The CLIENT and CONSULTANT agree to require a similar provision in all contracts with Contractors, Subcontractors, Subconsultants, vendors and other entities involved in this Project to carry out the intent of this provision.

**1.8 Timeliness of Performance**

The CLIENT and CONSULTANT are aware that many factors outside the CONSULTANT'S control may affect the CONSULTANT'S ability to complete the services to be provided under this Agreement. The CONSULTANT will perform these services with reasonable diligence and expediency consistent with sound professional practices.

#### **1.9 Severability**

Any term or provision of this Agreement found to be invalid under any applicable statute or rule of law shall be deemed omitted and the remainder of this Agreement shall remain in full force and effect.

#### **1.10 Survival**

Notwithstanding completion or termination of this Agreement for any reason, all rights, duties and obligations of the parties to this Agreement shall survive such completion or termination and remain in full force and effect until fulfilled.

#### **1.11 Statutes of Repose and Limitation**

All legal causes of action between the parties to this Agreement shall accrue and any applicable statutes of repose or limitation shall begin to run not later than the date of Substantial Completion. If the act or failure to act complained of occurs after the date of Substantial Completion, then the date of final completion shall be used, but in no event shall any statute of repose or limitation begin to run any later than the date the CONSULTANT'S services are completed or terminated.

#### **1.12 Defects in Service**

The CLIENT shall promptly report to the CONSULTANT any defects or suspected defects in the CONSULTANT'S services of which the CLIENT becomes aware, so that the CONSULTANT may take measures to minimize the consequences of such a defect. The CLIENT further agrees to impose a similar notification requirement on all Contractors in its CLIENT/Contractor contract and shall require all subcontracts at any level to contain a like requirement. Failure by the CLIENT and the CLIENT'S Contractors or Subcontractors to notify the CONSULTANT shall relieve the CONSULTANT of the costs or remedying the defects above the sum such remedy would have cost had prompt notification been given when such defects were first discovered.

#### **1.13 Jobsite Safety**

Neither the professional activities of the CONSULTANT, nor the presence of the CONSULTANT or its employees or Subconsultants at a construction/project site, shall relieve the General Contractor of its obligations, duties and responsibilities including, but not limited to, constructions means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the Work in accordance with contract documents and any health or safety precautions required by any regulatory agencies. The CONSULTANT and its personnel have no authority to exercise any control over any construction Contractor or its employees in connection with their work or any health or safety programs or procedures. The CLIENT agrees that the General Contractor shall be solely responsible for jobsite safety, and warrants that this intent shall be carried out in the CLIENT'S contract with the General Contractor. The CLIENT also agrees that the CLIENT, the CONSULTANT and the CONSULTANT'S Subconsultants shall be indemnified by the General Contractor and shall be made additional insured under the General Contractor's policies of general liability insurance.

#### **1.14 Assignment: Subcontracting**

Neither CLIENT nor CONSULTANT shall assign its interest in this agreement without the written consent of the other. CONSULTANT may not subcontract any portion of the work to be performed hereunder without such consent.

#### **1.15 Force Majeure**

Any delay or default in the performance of any obligation of CONSULTANT under this agreement resulting from any cause(s) beyond CONSULTANT'S reasonable control shall not be deemed a breach of this agreement. The occurrence of any such event shall suspend the obligations of CONSULTANT as long as performance is delayed or prevented thereby, and the fees due hereunder shall be equitably adjusted.

#### **1.16 Disputes**

(a) Notwithstanding any other provision of this Agreement and except for the provisions of (b) and (c), if a dispute arises regarding CONSULTANT'S fees pursuant to this contract, and if the fee dispute cannot be settled by discussions between CLIENT and CONSULTANT, both the CLIENT and CONSULTANT agree to attempt to settle the fee dispute by mediation through the American Arbitration Association (or other mediation service) before recourse to arbitration. If mediation does not resolve the fee dispute, such dispute shall be settled by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

(b) Subdivision (a) does not preclude or limit CONSULTANT'S right to elect to file an action for collection of fees if the amount in dispute is within the jurisdiction of the small claims court.

(c) Subdivision (a) does not preclude or limit CONSULTANT'S right to elect to perfect or enforce applicable mechanics lien remedies.

#### **1.17 Attorneys' Fees**

In the event of any litigation arising from or related to this Agreement or the services provided under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred, including staff time, court costs, attorneys' fees and all other related expenses in such litigation.

### **1.18 Services by CLIENT**

CLIENT shall pay all other charges not specifically covered by the terms of this agreement, unless specifically included in the Scope of Services. The CLIENT shall furnish, at the CLIENT'S expense, all information required by this Agreement. The CONSULTANT may use such information, requirements, reports, data, surveys and instructions in performing its services and is entitled to rely upon the accuracy and completeness thereof.

### **1.19 Retention**

If any portion of CONSULTANT'S fee is held in retention, such amount shall be released within thirty days after invoicing for completion of corresponding services. Interest shall be paid at the rate of 1.5% per month on any retention amounts not paid within this thirty-day period.

## **ARTICLE 2. DEFINITIONS**

### **2.1 Burdened Labor Costs**

Burdened labor costs shown on the Standard Billing Rates include payroll taxes, worker's compensation insurance, and other overhead costs applicable to the typical standard of care.

### **2.2 Direct Expenses**

Expenses made by the CONSULTANT, its employees or its Subconsultants in the interest of the Project. Applicable reimbursable direct expenses are defined on the Standard Billing Rates.

## **ARTICLE 3. COMPENSATION**

### **3.1 Payment Due**

Invoices shall be submitted by the CONSULTANT monthly, are due upon presentation and shall be considered past due if not paid in full within thirty (30) days of the invoice date.

### **3.2 Interest**

If payment in full is not received by the CONSULTANT within thirty (30) calendar days of the invoice date, the invoices shall bear interest at one-and-one-half (1.5) percent (or the maximum rate allowable by law, whichever is less) of the past due amount per month, which shall be calculated from the invoice due date. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal.

### **3.3 Collection Costs**

If the CLIENT fails to make payments when due and the CONSULTANT incurs any costs in order to collect overdue sums from the CLIENT, the CLIENT agrees that all such collection costs incurred shall immediately become due and payable to the CONSULTANT. Collection costs shall include, without limitation, legal fees, collection agency fees and expenses, court costs, collection bonds and reasonable CONSULTANT staff costs at Standard Billing Rates for the CONSULTANT'S time spent in efforts to collect. This obligation of the CLIENT to pay the CONSULTANT'S collection costs shall survive the term of this Agreement or any earlier termination by either party.

### **3.4 Termination or Suspension of Services**

This agreement may be terminated or suspended by either party effective seven (7) days from the date of written notice, or if the CLIENT suspends the work for three (3) months. Upon receipt of a notice of termination or suspension, CONSULTANT will stop or suspend its work and provide same direction for the work of all its Subcontractors and suppliers. Failure of CLIENT to make payments when due shall be cause for suspension of services or ultimately, termination, unless and until CONSULTANT has been paid in full all amounts due for services, expenses and other approved related charges. CONSULTANT shall have no liability whatsoever to the CLIENT for any costs or damages as a result of such suspension or termination caused by any breach of this Agreement by the CLIENT. Upon payment-in-full by the CLIENT, CONSULTANT shall resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension plus any reasonable time and expense necessary for the CONSULTANT to resume performance.

### **3.5 Retention Discounts**

Payment of invoices shall not be subject to any discounts or retention by the CLIENT, unless agreed to in writing by the CONSULTANT. Payment to the CONSULTANT for services rendered and expenses incurred shall be due and payable regardless of any subsequent suspension or termination of this Agreement by either party.

### **3.6 Satisfaction with Services**

Payment of any invoice by the CLIENT to the CONSULTANT shall be taken to mean that the CLIENT is satisfied with the CONSULTANT'S services to the date of payment and is not aware of any deficiencies in those services.

### **3.7 Disputed Invoices**

If the CLIENT objects to any portion of any invoice, the CLIENT shall so notify the CONSULTANT in writing within ten (10) days of receipt of the invoice. The CLIENT shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with the other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within thirty (30) calendar days after presentation of invoice by direct negotiation between the parties shall be resolved within forty-five (45) calendar days in accordance with the Dispute Resolution provision of this Agreement. Interest as stated above shall be paid by the CLIENT on

all disputed invoice amounts that are subsequently resolved in the CONSULTANT'S favor and shall be calculated on the unpaid balance from the invoice date.

### **3.8 Payments to the CONSULTANT**

Payments to the CONSULTANT shall not be withheld, postponed or made contingent on the construction, completion or success of the project or upon receipt by the CLIENT of offsetting reimbursement or credit from other parties who may have caused additional services or expenses. No withholdings, deductions or offsets shall be made from the CONSULTANT'S compensation for any reason unless the CONSULTANT has been found to be legally liable for such amounts.

### **3.9 Advance Payment: Withholding Work Product**

CONSULTANT reserves the right to require payment in advance for work estimated to be done during a given billing period. CONSULTANT, without any liability to CLIENT, reserves the right to withhold any services and work products herein contemplated pending payment of CLIENT'S outstanding indebtedness or advance payment as required by CONSULTANT. Where work is performed on a reimbursable basis, budget may be increased by amendment to complete the Scope of Services. CONSULTANT is not obligated to provide services in excess of the authorized budget.

## **ARTICLE 4. SERVICES, ADDITIONAL SERVICES, AND AMENDMENTS**

### **4.1 Definitions**

Services and work products not expressly included with those specified in this agreement, as determined by CONSULTANT, are not covered by this agreement. Such services and work products will be provided only upon compliance with the procedures set forth in Article 4.5 of this Agreement.

### **4.2 Services During Construction**

Any construction inspection or testing provided by CONSULTANT is for the purpose of determining the Contractor's compliance with the functional provisions of the project specifications only. CONSULTANT in no way guarantees or insures Contractor's work nor assumes responsibility for methods or appliances used by the Contractor for job site safety or for Contractor's compliance with laws and regulations. CLIENT agrees that in accordance with generally accepted construction practices the construction Contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project including safety of all persons and property and that this responsibility shall be continuous and not be limited to normal working hours.

### **4.3 Soil Testing**

CONSULTANT makes no representations concerning soil conditions, and is not responsible for any liability that may arise out of the making or failure to make soil surveys, or sub-surface soil tests, or general soil testing. It is the CLIENT'S responsibility to obtain a soils report upon which report CONSULTANT can rely.

### **4.4 Opinion of Probable Construction Costs**

In providing opinions of probable construction cost, the CLIENT understands that the CONSULTANT has no control over cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the CONSULTANT'S opinions of probable construction costs are made on the basis of the CONSULTANT'S professional judgment and experience. CONSULTANT makes no warranty, express or implied, that bids or negotiated cost of the Work will not vary from the CONSULTANT'S opinion of probable construction cost.

### **4.5 Additional Services**

Additional services or work products requiring an adjustment of CONSULTANT'S original estimated budget or fixed fee will be provided at CLIENT'S request upon execution of a written amendment to this agreement expressly referring to the same and signed by both parties.

## **ARTICLE 5. TERMINATION OF AGREEMENT**

### **5.1 Due to Default**

This agreement may be terminated by either party upon seven (7) days written notice should the other party fail to substantially perform in accordance with this agreement through no fault of the party initiating the termination.

### **5.2 Without Cause**

This agreement may be terminated by CLIENT upon at least fourteen (14) days written notice to CONSULTANT in the event that the project is abandoned.

### **5.3 Termination Adjustment: Payment**

If this agreement is terminated through no fault of the CONSULTANT, CONSULTANT shall be paid for services performed and costs incurred to the termination notice date, including reimbursable expenses due, plus an additional amount not to exceed ten percent (10%) of charges incurred to the termination notice date to cover services to orderly close the work and prepare project files and documentation, plus any additional direct expenses incurred by CONSULTANT including but limited to cancellation fees or charges. CONSULTANT will use reasonable efforts to minimize such additional charges.

## **ARTICLE 6. LIMITATION OF LIABILITY: WAIVER: WARRANTY**

### **6.1 Limitation of Liability**

In recognition of the relative risks and benefits of the project to both the CLIENT and the CONSULTANT, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of the CONSULTANT to the CLIENT for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert-witness fees and costs, so that the total aggregate liability of the CONSULTANT to the CLIENT shall not exceed \$50,000.00, or the CONSULTANT'S total fee for services rendered on this project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

### **6.2 Contractor and Subcontractor Claims**

The CLIENT further agrees, to the fullest extent permitted by law, to limit the liability of the CONSULTANT and the CONSULTANT'S officers, directors, partners, employees and Subconsultants to all construction Contractors and Subcontractors on the Project for any and all claims, losses, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of the CONSULTANT and the CONSULTANT'S Subconsultants to all those named shall not exceed \$50,000.00, or the CONSULTANT'S total fee for services rendered on this Project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

### **6.3 Warranty**

CONSULTANT makes no warranty, either express or implied, as to CONSULTANT'S findings, recommendations, specifications, or professional advice, except that the work was performed pursuant to generally accepted standards of practice in effect at the time of performance.

If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the CONSULTANT are revealed, to the extent that they affect the Scope of Services, compensation, schedule, allocation of risks or other material terms of this Agreement, the CONSULTANT may call for renegotiation of appropriate portions of this Agreement. The CONSULTANT shall notify the CLIENT of the changed conditions necessitating renegotiation, and the CONSULTANT and the CLIENT shall promptly and in good faith enter into renegotiations of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement, in accordance with the Termination Provision hereof.

If the Scope of Services pursuant to this agreement does not include on-site construction review, construction management, or other construction supervision for this project, or if subsequent to this agreement CLIENT retains other persons or entities to provide such services, CLIENT acknowledges that such services will be performed by others and CLIENT will defend, indemnify and hold CONSULTANT harmless from any and all claims arising from or resulting from the performance of such services by other persons or entities except claims caused by the sole negligence or willful misconduct of CONSULTANT; and from any and all claims arising from or resulting from clarifications, adjustments, modifications, discrepancies or other changes necessary to reflect changed field or other conditions, except claims caused by the sole negligence or willful misconduct of CONSULTANT.

### **6.4 Interpretation**

Limitations on liability, waivers and indemnities in this Agreement are business understandings between the parties and shall apply to all legal theories of recovery, including breach of contract or warranty, breach of fiduciary responsibility, tort (including negligence), strict or statutory liability, or any other cause of action, provided that these limitations on liability, waivers and indemnities will not apply to any losses or damages that may be found by a trier of fact to have been caused by the CONSULTANT'S sole or gross negligence or the CONSULTANT'S willful misconduct. The parties also agree that the CLIENT will not seek damages in excess of the contractually agreed-upon limitations directly or indirectly through suites against other parties who may join the CONSULTANT as a third-party defendant. "Parties" means the CLIENT and the CONSULTANT, and their officers, directors, partners, employees, Subcontractors and Subconsultants.

### **6.5 Delays**

The CLIENT agrees that the CONSULTANT is not responsible for damages arising directly or indirectly from any delays for causes beyond the CONSULTANT'S control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters; fires, riots, war or other emergencies or acts of God; failure of any government agency to act in a timely manner; failure of performance by the CLIENT of the CLIENT'S Contractors or CONSULTANT'S; or discovery of any hazardous substances or differing site conditions.

## **ARTICLE 7. HAZARDOUS WASTE MATERIALS**

### **7.1 Liability**

CONSULTANT hereby states and CLIENT hereby acknowledges that CONSULTANT has no professional liability insurance for claims arising out of the performance of or failure to perform professional services, including, but not limited to the preparation of reports, designs, drawings and specifications, related to the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing substances including, but not limited to asbestos, toxic or hazardous waste, PCBs, combustible gases and materials, petroleum or radioactive materials (as each of these is defined in applicable federal statutes) or any other substances under any conditions and in such quantities as would pose a substantial danger to persons or property exposed to such substances at or near the Project site. Accordingly,

the CLIENT hereby agrees to bring no claim for negligence, breach of contract indemnity or otherwise against the CONSULTANT, its principals, employees, and agents if such claim, in any way, would involve the CONSULTANT'S services for the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing asbestos, asbestos cement pipe, and/or hazardous waste materials. CLIENT further agrees to defend, indemnify and hold harmless CONSULTANT, its officers, directors, principals, employees and agents from any asbestos and/or hazardous waste material related claims that may be brought by third parties as a result of the services provided by the CONSULTANT pursuant to this agreement except claims caused by the sole negligence or willful misconduct of the CONSULTANT.

## **ARTICLE 8. OWNERSHIP AND REUSE OF DOCUMENTS**

### **8.1 CONSULTANT Ownership**

All original papers, documents, drawings, electronic media and other work product of CONSULTANT, and copies thereof, produced by CONSULTANT pursuant to this agreement shall remain the property of CONSULTANT and may be used by CONSULTANT without the consent of CLIENT. Upon request and payment of the costs involved, CLIENT is entitled to a copy of all papers, documents and drawings provided CLIENT'S account is paid current.

### **8.2 Document Reuse**

In the event the CLIENT, the CLIENT'S Contractors or Subcontractors, or anyone for whom the CLIENT is legally liable makes or permits to be made any changes to any reports, plans specifications or other construction documents prepared by the CONSULTANT without obtaining the CONSULTANT'S prior written consent, the CLIENT shall assume full responsibility for the results of such changes. Therefore the CLIENT agrees to waive any claim against the CONSULTANT and to release the CONSULTANT from any liability arising directly or indirectly from such changes. In addition, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless the CONSULTANT from any damages, liabilities or costs, including reasonable attorneys' fees and costs of defense, arising from such changes. In addition, the CLIENT agrees to include in any contracts for construction appropriate language that prohibits the Contractor or any Subcontractors of any tier from making any changes or modifications to the CONSULTANT'S construction documents without the prior written approval of the CONSULTANT and further requires the Contractor to indemnify both the CONSULTANT and the CLIENT from any liability or cost arising from such changes made without proper authorization.

### **8.3 Electronic Media Alteration and Reuse**

Because CADD information stored in electronic form can be modified by other parties, intentionally or otherwise, without notice or indication of said modifications, CONSULTANT reserves the right to remove all indicia of its ownership and/or involvement in the material from each electronic medium not held in its possession. CLIENT shall retain copies of the work performed by CONSULTANT in CADD form only for information and use by CLIENT for the specific purpose for which CONSULTANT was engaged. Said materials shall not be used by CLIENT, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not strictly intended by CONSULTANT without CONSULTANT'S express written permission. Unauthorized modification or reuse of the materials shall be at CLIENT'S sole risk, and CLIENT agrees to defend, indemnify, and hold CONSULTANT harmless, from all claims, injuries, damages, losses, expenses, and attorney's fees arising out of the unauthorized modification or use of these materials.

