



Board Agenda Item #	Agenda # II D
Date:	July 13, 2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Caprice Young, Ed.D., CEO & Superintendent Frank Gonzalez, Chief Growth Officer
RE:	Delegation of authority to negotiate contract with General Contractor for MSA San Diego facility

Proposed Board Recommendation

I move that the board delegate authority to the CEO to negotiate and execute a contract with a General Contractor to complete the site work for the MSA San Diego facility per the approved plans.

The contract shall be on form AIA 102, which is the standard form of agreement between Owner and Contractor where the basis of payment is the cost of the work plus a fee with a guaranteed maximum price, known as a Cost Plus Contract with a Guaranteed Maximum Price.

The contract will be consistent with the review and approval of legal counsel and the financiers.

Background

Magnolia staff communicated with a group of general contractors , some of which had previously responded to a school district RFQ for GC services. The project was discussed with additional contractors that were recommended by the bank and the architect. Due to multiple factors, including timing, capacity, experience and pricing, two contractors were chosen to exclusively negotiate with Magnolia.

NexGen Building Group was selected as the preferred general contractor due to their experience, ability to deliver the project on a compressed timeframe and capacity to work with the team on an aggressive schedule. Due to the emergency nature of the need to procure a general contractor in an expedited manner, a contract is being negotiated and finalized with NexGen Building Group. Please see the attached Pre-Qualification letter from SDUSD for NexGen Building Group. The GC came highly recommended by SDUSD facilities personnel.

The contract is in the final stages of negotiations.

- Currently the current contract amount is \$2,854,352 and includes Demolition, Earthwork, Site Utilities, Electrical and pad compaction.

- Moving forward, an additional \$150,000 will be required for the building pad for the administration building and AC paving for the classrooms and restrooms. This will allow the modular classrooms, restrooms and administration building to be installed.
- Once the architect and engineering team revises, submits and receives approval of the plans from DSA, a complete cost proposal for the remaining work will be prepared and submitted.
- It is anticipated that, pending DSA approval, the total contract amount shall not exceed the amount indicated for the General Contractor in the development budget.

#### Budget Implications

- The source of funding is the 2017 tax-exempt bond.
- CFO Review

#### How Does This Action Relate/Affect/Benefit All MSAs?

This action will allow MSA San Diego to issue a Notice to Proceed to a general contractor so that site work can commence.

#### Name of Staff Originator:

Frank Gonzalez, Chief Growth Officer

#### Exhibits (attachments):

NexGen Magnolia Proposal

Magnolia Draft Schedule of Values (SOV)

NexGen Magnolia Short Interval

NexGen Building Group pre-qual approval letter

NexGen Surety Bond Letter

NexGen Building Group General Info



# Proposal

Nexgen Building Group  
 2810 Via Orange Way, Suite C.  
 Spring Valley, CA 91978  
 Phone: (619) 670-4466 Fax: (619) 670-4411

DATE: 7/7/2017

Attention: Frank Gonzalez  
 Magnolia Public School  
 Project Name / Subject: Magnolia Science Academy

Scope of Work	Amount
<b>Base Bid</b>	<b>\$2,854,352</b>
<p>Magnolia Science Academy - Furnish all labor, materials, equipment necessary to complete scope as identified below and per provided plans and specifications dated June 7, 2017:</p> <p><b>Demolition and Earthwork</b> to include all scope identified in contract docs and per site inspections including removal of existing ac paving, concrete, foundations, utilities, etc.; site clearing and earthwork in accordance with contract documents and Geotechnical Report dated November 18, 2016 <i>including removal/export and replacement/import at all building and exterior surface improvement areas as necessary and import of Class II base.</i></p> <p><b>Site Utilities</b> to include all scope identified including domestic water, sewer, storm drain systems, on/off site fire service, gas; associated trenching, excavation, backfill, bedding, traffic control, encroachment permit procurement, traffic control plan, trench plates, coordination and backfill for SDG&amp;E installer, etc.</p> <p><b>Electrical</b> to include all site preparation and underground work per E-001 thru E-003, EF-004, ET-002 dated 5/22/2017 and in accordance with Division 26 specifications with exception to E-003 where conduit will stop short of the 1200 amp MSB (see clarifications below).</p>	
<b>Alternate #1</b>	<b>\$2.72/sq. ft.</b>
<p><b>AC Paving</b> - We were unable to complete cost effective pricing for ac paving given the timeframes and/or knowledge of the intent to include in incremental proposal as of 7/6/2017. We would like to propose incorporating this into the remainder of negotiated contract based on sequencing of the work and the ability to address in a cost effective manner. We have included a unit price for your reference and use based on 3" of ac paving over compacted subgrade.</p>	
<b>Subtotal - Base Bid + Alternates</b>	<b>\$2,854,352</b>
<b>General Requirements, General Conditions, Insurance, OH&amp;P,</b>	<b>Included</b>
<p>Includes Gen. Liability Insurance, Bonds, Supervision, Overhead &amp; Profit, etc.          Includes all related general requirements and related scope including site trailers, protection, safety, temporary water and power, traffic control, surveying (to include all scope, building placement, site work, etc.), swppp/bmp implementation, underground utility locating.</p>	
<b>Clarifications :</b>	
See attached Proposal / Scope Clarifications	
<b>Total:</b>	<b>\$2,854,352</b>
Prepared by: Nexgen Building Group Lic #1017258	



July 7, 2017

RE: Magnolia Science Academy – Proposal / Scope Clarifications

As indicated on proposal, proposal and/or scope clarifications are included below for your reference:

- Proposal based on a 7/10/17 start proceeding thru 8/12/17 to support tentative modular delivery install; Includes associated overtime based on 6 day work weeks and 12 hour days.
- Demo, grading and underground utilities to be coordinated to allow for simultaneous performance to support schedule. Earthwork includes removal and replacement as identified in soils report.
- Includes allowance for necessary irrigation re-route and/or stub outs necessary to support underground phase and future irrigation.  
Electrical trenching/backfill is to be slurry encased to support schedule and durations.
- Electrical termination @ vault short of 1200 amp msb due to equipment lead time issues and SDG&E coordination as previously discussed; temporary power to be addressed as necessary and in most cost effective manner. As discussed in field, generator and/or 24 hour use may pose noise issue along with cost impact. Alternatives, temp equipment along with fire watch to be collaboratively addressed in the best interest of project and Magnolia Public Schools.
- Limited NTP to be considered and necessary to support immediate pre-construction concerns driving start of work i.e. submittal documentation, soils testing, equipment mobilization, SWPPP requirements, etc.
- Pre-construction documentation, construction documentation, submittals, RFI's, field change directives, inspections procedures, etc. are to be expedited and addressed collaboratively as typical turn around times and procedures will not support schedule. Inspections to address sections of underground utilities to support simultaneous install and grading procedures.
- Proposal, estimates and sequencing/schedule compliance does not include unforeseen conditions; testing; independent and/or 3<sup>rd</sup> party inspections; permits; design and/or engineering; work other than that addressed; hazardous material abatement; delays due to various and/or related authorities / AHJ's.
- Prevailing wages not included or applicable.
- Proposal based on mutually agreeable contract.

Please feel free to contact us with any questions or concerns.

Thank you,

Josh Kueber, President

Nexgen Building Group, Inc.

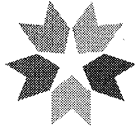
MAGNOLIA SCIENCE ACADEMY - SAMPLE / DRAFT - 7-12-17								AIA Document G703 (Instruction on Reverse Side) Page	
CONTINUATION SHEET								APPLICATION NUMBER:	
AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.								APPLICATION DATE:	
In tabulations below, amounts are stated to the nearest dollar.								PERIOD TO:	
Use Column I on Contracts where variable retainage for line items may apply									
	B	C	D		E	F	G		H
ACTIVITY ITEM NO.	DESCRIPTION OF WORK	SCHEDULE OF VALUE	WORK COMPLETED FROM PREV APPLICATION (D + E)	THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN	TOTAL COMPLETED AND STORED TO DATE	% (G DIV BY C)	BALANCE TO FINISH	
1	Bonds & Insurance	\$54,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 54,000.00	
2	Supervision/Project Management/Engineering	\$53,552.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 53,552.00	
3	Misc. Labor & Materials	\$34,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 34,000.00	
4	Temp Facilities	\$55,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 55,000.00	
5	Construction Schedule / Documentation	\$7,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 7,000.00	
6	BMP's and Street Sweeping	\$30,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 30,000.00	
7	Landscape/Irrigation Repair & Prep	\$17,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 17,000.00	
8	Surveying	\$32,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 32,000.00	
9	Mobilization	\$25,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 25,000.00	
10	Demo & Earthwork	\$1,128,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 1,128,000.00	
11	Site Utilities	\$959,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 959,000.00	
12	Electrical	\$444,800.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 444,800.00	
13	Demobilization	\$15,000.00	\$ -	\$ -	\$ -	\$ -	0.000000%	\$ 15,000.00	
<b>TOTAL OF CONTRACT</b>		<b>\$ 2,854,352.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.000000%</b>	<b>\$ 2,854,352.00</b>	
<b>CHANGE ORDERS</b>									
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<b>TOTAL OF CHANGE ORDERS</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	
<b>GRAND TOTAL</b>		<b>\$ 2,854,352.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 2,854,352.00</b>	

**Magnolia Science Academy**  
**CONTRACTOR'S SHORT INTERVAL SCHEDULE**

Project No.  
 Contractor: Nexgen

Prepared By: Josh Kueber  
 Period 7/10/17 to 7/30/17  
 Critical Path 7/10/17 to 8/12/17

Test or Inspection	Description	Week This Week							1st Week							2nd Week						Comments:		
		Date	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28		29	30
		Day	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F		S	S
	Mobilization	X	X	X																				
	Temp Facilities		X	X	X																			
	SWPP/BMP's		X	X	X																			
	UG Markout / Surveying		X	X	X	X																		
	Site Demo		X	X	X	X	X		X	X														
	Earthwork		X	X	X	X			X	X	X	X	X	X		X	X	X	X	X	X		Continue thru 8/12	
	Site Electrical								X	X	X	X	X	X		X	X	X	X	X	X		Continue thru 8/12	
	Site Utilties									X	X	X	X		X	X	X	X	X	X			Continue thru 8/12	
Remarks:	Scope identified to continue thru 8/12 is sequenced to allow for follow on / simultaneous scope and prioritize areas subject to modular foundations and placement.																							



**San Diego Unified**  
SCHOOL DISTRICT

**Kim Abrams, CPPB**  
Contracts Administration Supervisor  
Strategic Sourcing and Contracts Department  
P - 858-522-5830  
F - 858-522-5885  
kabrams@sandi.net

February 9, 2017

Josh Kueber  
Nexgen Building Group, Inc.  
2810 Via Orange Way, Suite C  
Spring Valley, CA 91978

Via Email  
josh@nexgenbuilding.com

Dear Mr. Kueber:

**Subject: San Diego Unified School District Pre-qualification as a Prime Contractor**

Your application for pre-qualification with the San Diego Unified School District has been approved.

Your pre-qualification allows:

- Bidding as a prime contractor on projects with an estimated project value of \$1,000,000 through \$9,999,999 (reviewed financials provided).
- Bidding as a subcontractor on any size project

Your firm's name will be added to the Pre-qualified Contractors list made available on our website at <https://www.sandiegounified.org/contractor-prequalification>.

Your pre-qualification lasts for one calendar year and will expire on February 9, 2018, subject to changes in the information provided at the time of your submission. Should there be any changes during the year to your firm's initially submitted information or violations of the terms prescribed in the Pre-qualification Questionnaire, you must inform the Construction Contracts office immediately, and an assessment will be made at that time.

Please re-apply several weeks ahead of your expiration date to maintain continuous pre-qualification status.

If you have any questions, please call me at (858) 522-5830.

Sincerely,

Kim Abrams, CPPB  
Contracts Administration Supervisor, Construction

KA/gb



# THE GUARANTEE COMPANY OF NORTH AMERICA USA

6303 Owensmouth Avenue  
10th Floor  
Woodland Hills, CA 91367-2262  
Tel 866-328-0567 ext. 6220  
Fax 818-936-3014  
[www.gcna.com](http://www.gcna.com)

January 17, 2017

Re: Letter of Surety Credit Prequalification for **Nexgen Building Group, Inc.**

To Whom It May Concern,

As surety for Nexgen Building Group, Inc., I am pleased to recommend this organization and the exceptional abilities it brings to the construction marketplace.

The Guarantee Company of North America USA (GCNA) provides the surety support requested by Nexgen Building Group, Inc. GCNA will approve surety bonds for Nexgen Building Group, Inc. for single size jobs in excess of \$15,000,000 with an aggregate program of \$20,000,000+.

GCNA is an admitted surety (approved by California Department of Insurance). GCNA is rated A, VIII (Excellent) by A.M. Best and is an approved surety for Federal bonds under Title 31 of the United States Code per U.S. Treasury Department Circular 570.

We have capacity available and are prepared to provide a surety bond to support their projects, subject to acceptance of the contract terms and conditions.

This letter is an offer as an indication of our past experience and confidence in this firm. Any specific request for bonds is a matter between Nexgen Building Group, Inc. and ourselves, and we assume no liability to third parties if, for any reason, we do not execute said bond(s).

Please accept our judgment that Nexgen Building Group, Inc. is well qualified to provide the necessary financial, technical, and management resources to satisfy your project's construction requirements.

Sincerely,

Margie Wager, Attorney-in-Fact



# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

County of San Diego }

On JAN 17 2017 before me, Gregory P. Minium, Notary Public,  
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Margie Wager

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature [Signature]

Signature of Notary Public



Place Notary Seal Above

## OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER

Top of thumb here

Signer is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER

Top of thumb here

Signer is Representing: \_\_\_\_\_



THE GUARANTEE COMPANY OF NORTH AMERICA USA

Southfield, Michigan

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS: That THE GUARANTEE COMPANY OF NORTH AMERICA USA, a corporation organized and existing under the laws of the State of Michigan, having its principal office in Southfield, Michigan, does hereby constitute and appoint

Margie Wager
SBS Bonds & Insurance Services, Inc.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise.

The execution of such instrument(s) in pursuance of these presents, shall be as binding upon THE GUARANTEE COMPANY OF NORTH AMERICA USA as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at the principal office.

The Power of Attorney is executed and may be certified so, and may be revoked, pursuant to and by authority of Article IX, Section 9.03 of the By-Laws adopted by the Board of Directors of THE GUARANTEE COMPANY OF NORTH AMERICA USA at a meeting held on the 31st day of December, 2003. The President, or any Vice President, acting with any Secretary or Assistant Secretary, shall have power and authority.

- 1. To appoint Attorney(s)-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof; and
2. To revoke, at any time, any such Attorney-in-fact and revoke the authority given, except as provided below
3. In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.
4. In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-In-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner - Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of the Company adopted at a meeting duly called and held on the 6th day of December 2011, of which the following is a true excerpt:

RESOLVED that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, contracts of indemnity and other writings obligatory in the nature thereof, and such signature and seal when so used shall have the same force and effect as though manually affixed.



IN WITNESS WHEREOF, THE GUARANTEE COMPANY OF NORTH AMERICA USA has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 23rd day of February, 2012.

THE GUARANTEE COMPANY OF NORTH AMERICA USA

[Signature of Stephen C. Ruschak]

Stephen C. Ruschak, Vice President

[Signature of Randall Musselman]

Randall Musselman, Secretary

STATE OF MICHIGAN
County of Oakland

On this 23rd day of February, 2012 before me came the individuals who executed the preceding instrument, to me personally known, and being by me duly sworn, said that each is the herein described and authorized officer of The Guarantee Company of North America USA; that the seal affixed to said instrument is the Corporate Seal of said Company; that the Corporate Seal and each signature were duly affixed by order of the Board of Directors of



Cynthia A. Takai
Notary Public, State of Michigan
County of Oakland
My Commission Expires February 27, 2018
Acting in Oakland County

IN WITNESS WHEREOF, I have hereunto set my hand at The Guarantee Company of North America USA offices the day and year above written.

[Signature of Cynthia A. Takai]

I, Randall Musselman, Secretary of THE GUARANTEE COMPANY OF NORTH AMERICA USA, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by THE GUARANTEE COMPANY OF NORTH AMERICA USA, which is still in full force and effect.



IN WITNESS WHEREOF, I have thereunto set my hand and attached the seal of said Company this 17th day of January, 2012

[Signature of Randall Musselman]

Randall Musselman, Secretary



Business Name: Nexgen Building Group, Inc. (S Corporation)

Address: 2810 Via Orange Way, Suite C.  
Spring Valley, CA 91978

Phone: (619) 670-4466

Fax: (619)- 670-4411

Tax ID (EIN): 81-3505591

Corporate Officers: Josh Kueber – President/CFO; Gerald A. Miller – Secretary; Carol A. Rauscher – Officer; Steven Michael Rauscher –RMO/Officer

Contractors Lic. No.: 1017258

2017 PWC Reg. No.: 1000042183