



Board Agenda Item #	Agenda # II C
Date:	August 10, 2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Mustafa Sahin, Principal
RE:	Construction Management Contract

Proposed Board Recommendation

I move that the board authorize Dr. Young, CEO and Superintendent of MPS to negotiate and execute the contract with PrimeSource as Construction Management Services Company for work associated with construction of a new two story classroom building and associated site for Magnolia Science Academy 1, an existing 6-12 charter school in Reseda, California. The project address is 18216-18220 Sherman Way, Reseda, CA 91335.

Background

MSA1 is planning to build a brand new two story high school building with rooftop that will allow us to use on the current gym and new building that we purchase, 18216-18220 Sherman Way in Reseda, CA..

MSA1 received quotes from two different vendors to demolish the building. MPS evaluation committee met and recommends PrimeSource as the Construction Management Company for MSA 1 bond projects.

PrimeSource was selected based on the bid price and their experience in this type of the work. The company's principal manager who will be leading this project has experiences working with Los Angeles schools.

Budget Implications

- Total amount: not to exceed \$308,450
- Funding Source: 2017 Bond Fund

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

MSA1 will have a brand new high school building which will allow us to increase the enrolment to 920 in 5 years.

Name of Staff Originator:

Frank Gonzalez, Chief Growth Officer

Exhibits (attachments):

Bid prices from both RFP's are attached.

Budgetary Estimate for Fees - Magnolia Science Academy Needs

We have evaluated fees based on an assumed construction cost (without soft costs) of \$10 million and the following draft schedule of activities:

Draft Example Schedule	August	September	October	November	December	January	February	March	April	May	June	July	August
Building Permits CIVLA	???												
BID and Award													
Submittals - Administrative													
Submittals - Technical													
Contract Administration													
Closeout													
Precon - Site Secure													
Measurement and Demolition													
Mainframe Fabricate & Produce													
Foundations SOG UG Utilities													
Steel Fabrication													
Structural Erection													
Second Floor Deck and Pour													
Roof Deck and Pour													
MLP Rough - Floors													
Exterior Framing and Structure													
Roofing													
Soof Latching													
Exterior Envelope: Doors, Windows													
Interio- Partitions Framing													
MFP Rough-in Walk Ceiling													
Drywall													
MFP Finish													
Subroom Finishes													
Laboratory Finishes													
Mech Finishes, FF&E													
Site Work Sitework													
Demobilization & Site Turnover													

Fee Proposal - We have prepared the following fee estimate based on traditional reimbursable work assignments. There are a large number of factors that can increase or decrease the quantity of hours required to manage a project. This estimate assumes that an inspector is on site at all times and serves as the "eyes and ears" for the project, and that there is a single construction contract to manage. Small projects can require a disproportionate cost compared with larger projects because of the disproportionate administrative effort required for the size of the project. PrimeSource proposes a collaboration between Magnolia, PrimeSource, and the EOR to minimize field hours and maximize CM efficiency and cost effectiveness.

Draft Reimbursable Work Plan	Estimated Monthly Hours	August	September	October	November	December	January	February	March	April	May	June	July	August	Total	Unit	Cost	
Principal	8	4	4	4	4	4	4	4	4	4	4	4	4	4	60	\$ 216.00	\$ 15,360.00	
Project Manager	80	80	80	80	80	80	80	80	80	80	80	80	80	80	1,040	\$ 165.00	\$ 171,960.00	
Field and Office Engineer	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ 225.00	\$ 40,000.00	
Submittal	20	60	8	8	8	8	8	8	8	8	8	8	8	8	160	\$ 150.00	\$ 24,000.00	
Inspector	30	30	0	0	0	0	0	0	0	0	0	0	0	0	140	\$ 150.00	\$ 21,000.00	
Admin Assistant	40	60	50	50	50	50	50	50	50	50	50	50	50	60	600	\$ 11.00	\$ 6,600.00	
Total																		\$ 308,920.00

Alternative Fee Proposal: PrimeSource understands charter school economics and the challenges faced by all charter schools. We offer an alternative fee proposal by which, in lieu of an hourly reimbursable approach, PrimeSource will manage the project for a flat fee of \$250,000 based on the assumptions identified above and if PrimeSource is also managing the Magnolia Science Academy Santa Ana Gymnasium contract.

PrimeSource Project Management

Proposal for Construction Management Services

Magnolia Science Academy 1 High School Building Project



August 8, 2017



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August 8, 2017

Magnolia Educational & Research Foundation
250 East 1st Street, Suite 1500
Los Angeles, CA 90012

Attention: Frank Gonzalez

Subject: Magnolia Public Schools
Proposal for Construction Management Services
Magnolia Science Academy 1 High School Building Project

Dear Mr. Gonzalez:

PrimeSource understands your project requirements and is uniquely qualified to manage the new construction at the Reseda campus.

Magnolia wants to demolish an existing building and then construct a two-story classroom building including science labs and a rooftop activity space. This project is immediately adjacent to the operating school facility and must be constructed without compromising school operations. This project is not a Field Act project and will be built under the City of Los Angeles building regulations. The new building has been submitted for a building permit; final approval date is uncertain. We are not clear on the status of demolition and any associated City permits. The construction is straightforward. However, there are some special challenges to this project:

- You have to bid, award and begin construction by September 2017 to meet the current project completion date. This is a very short time to market and attract the right contractor at an acceptable price.
- The total project budget, including soft costs (CM, IOR, inspection, fees) is \$14.0 million, which would normally be adequate for this size project.
- The City of Los Angeles imposes numerous special permit and regulatory requirements that must be managed to prevent schedule disruption. Inspection has lately become more difficult with inconsistencies between plan check approvals and field inspection approvals.
- Then you have to complete the project by August 2018 in time for the start of school. This may be difficult



The most significant problem facing this project is an overheated school market in which there is an abundance of work and a shortage of key subcontractors. School districts are being challenged to attract sufficient bidders, and bidders of the right quality, and competitive pricing. A poor contractor selection or problem subcontractor will imperil completion dates and dramatically expand monitoring and management on site. Once past bidding, the challenge will be to get the contractor launched smoothly and very quickly so that ground is effectively broken as soon as possible - or the schedule will be threatened.

So the biggest challenges facing Magnolia must be dealt with in the first six weeks of the project. No pressure.

This is not the first time that PrimeSource has stepped into situations where action must take place quickly and effectively with no opportunity for missteps. We are not a typical construction management firm. Our specialty area is to help client deal with situations where non-traditional or creative solutions are required to be implemented quickly. We are creative and results oriented. We work as an extension of our clients' organizations with our primary focus on our clients' strategic and long term goals. PrimeSource has dealt with programs big and small: the common denominator is our ability to get things done.

PrimeSource was formed by partners with decades of public works experience. We are unique in that our experience and expertise includes roles in every aspect of project development - from planning and design through operation and startup. Our experience also includes roles as owner, designer, contractor, and operator. That makes us unique in the industry. And we know schools: primary centers to university research laboratories and everything in between. We also are very narrowly focused: at any time we only take on a handful of clients, and then we make absolutely certain that we provide those clients excellent service. Our business is almost exclusively derived from repeat clients - clients that we have already served well.

Please give us the opportunity to serve you.

Respectfully submitted,

Karen McLaurin Buresh
Managing Principal

Tim Buresh
President



2. General Information

a. Firm Information:

Name: PrimeSource PM LLC dba PrimeSource Project Management

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Main 424/903-0980

www.primesourcecpm.com

Contact:

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Direct 424/ 903-0981

Cell 424/903-9412

b. Licenses:

Timothy Buresh, Board of Professional Engineers Land Surveyors and Geologist,
Professional Civil Engineer #C40418

- i. California Limited Liability Company
2010
- ii. 2 Principals
- iii. 5 Employees

Firm Profile:

PrimeSource is an engineering and project management consulting business based in Rolling Hills Estates, California. The firm was first organized in 2010. PrimeSource became a limited liability corporation in 2013. We are a City of Long Beach and Port of Long Beach designated VSBE. We have a single office in Rolling Hills Estates.

PrimeSource was created out of a desire and unique ability to help people and organizations facing difficult project delivery challenges. The PrimeSource team has the unique experience to see the issues clearly, confront the hard decisions and come up with innovative or non-traditional solutions. We challenge the self-imposed constraints that too often lock project teams into failure. Our client base is made up of public agencies with large capital works programs and associated issues. Our scope of work is concentrated in the early and late phases of project delivery where most of the serious issues arise.

The firm's principals, **Karen and Tim Buresh** offer many decades of experience with the management of large capital programs for public agencies and large industrial clients. Our experience includes the entire range of capital program roles from owner to designer, construction manager, contractor, operator and maintenance. We have been responsible for creating capital program and operational asset management systems, and then managing those systems for public agencies with tens of billions worth of assets. Assets managed have ranged from major civil and building inventories to operational assets such as vehicle fleets to informational technology systems and disposable asset bases.

PrimeSource is an intentionally small company with a core permanent staff of five. That core staff is augmented with an extensive network of senior professionals in a wide variety of disciplines who have worked with Karen and Tim over the course of our careers. The PrimeSource network brings relationships that have been built over decades.

RESUMES OF KEY PERSONNEL

Tim Buresh, P.E., DBIA, CCM - President

Tim is the President of PrimeSource Project Management, responsible for the oversight of technical and engineering matters for clients of the firm. On this project, Tim will be the primary provider of services.

Tim has an extensive public works background and unparalleled comprehensive experience as a general contractor, designer, construction and program manager, and owner. He has worked on major civil engineering throughout the United States for over 40 years in both the private and public sector.

Sample project - Chief Operating Officer, Los Angeles Unified School District (LAUSD) - Tim was recruited by then-Superintendent Roy Romer to oversee this agency in crisis. Tim was charged with reforming the District's business, contracting and procurement operations. Tim restructured the Facilities Group to effectively deliver a \$10 billion school new construction and major renovation program including 70 new schools and over 600 existing campuses; restoring credibility, and successfully passed \$7 billion in new bonds. He was also responsible for the turnaround and completion of the infamous Belmont Learning Center.

Sample project - Interim Facilities Manager and Consultant, Beverly Hills Unified School District (BHUSD) - Tim assisted BHUSD in reorganizing its \$500 million facilities program on five campuses and 17 buildings. Assignment included periods as interim facilities Manager for BHUSD, retention of consultants, managing of design, regulatory and CEQA approvals, oversight of construction on an auditorium, classroom building, shade structures, and temporary portable classrooms.

Education and Professional Organizations:

Tim received his Bachelor's Degree (B.S.) in Civil Engineering from Michigan State University and a Juris Doctor (J.D.) degree from the University of Denver. Tim is a Registered Professional Engineer (P.E.) in California (#C40418), Arizona (#32094) and Washington (#34643) and is a member of the California State Bar (#139552). He is certified by the CMAA (Certified Construction Manager) and DBIA (Design Build Professional).

Tim is associated with several professional organizations, including Tau Beta Pi, Chi Epsilon, the American Society of Civil Engineers, the Construction management Association of America, the Design Build Institute of America, the American Public Works Association and the Society of American Military Engineers.

Karen McLaurin Buresh - Chief Executive Officer

Karen is the Chief Operating and Administrative Officer of PrimeSource Project Management, responsible for the management of the PrimeSource business and also offering project management services and support to clients. Karen's role on this project will be contract, procurement and dispute support.

As a former partner in a mid-sized downtown LA law firm responsible for the management of a successful practice area, Karen has extensive experience in the business of servicing large scale clients and managing teams to effectively and efficiently meet the needs of multiple clients. In addition, Karen has in-depth experience and expertise in the management and implementation of large- scale public projects, with over 20 years of experience with public agency projects and the acquisition of property for large-scale projects. Karen's expertise includes extensive experience working with various local State and federal agencies, including the Department of Toxic Substances, Regional Water Quality Control Boards and the Air Quality Management District in connection with major public projects.

Sample project - Los Angeles Unified School District's (LAUSD) \$10 billion, 140 schools Construction and Major Renovation Program - Working directly on over 100 sites, Karen was one of the key attorneys assisting the Los Angeles Unified School District with its massive multi-year school construction and expansion project; \$10 billion, 140 school Construction and Major Renovation Program. Karen assisted LAUSD staff with site selection, acquisition, pre-condemnation, and condemnation activities.

Education and Professional Organizations:

Karen received her Juris Doctor (J.D.) degree from the Gould School of Law at the University of Southern California in 1990, and a Bachelor of Science in Sociology from the University of California, Los Angeles in 1987.

Karen is currently the Director of Legislation for the 33rd District PTA, a member of the Executive Board of the Palos Verdes Peninsula Council of PTAs, serves as Vice-Chair of Legislative Affairs for the Palos Verdes Chamber of Commerce and is a member of its Legislative Affairs Committee and is currently serving as co-president of the League of Women Voters of Palos Verdes Peninsula/San Pedro.

Karen is a member of the State Bar of California (#150999), the Los Angeles County Bar Association, the American Public Works Association, the Construction Management Association of America, the Society of Military Engineers, the International Right of Way Association, the United States Women's Chamber of Commerce and the Palos Verdes Chamber of Commerce.

Mark D. Egnor - Scheduler

Mark Egnor has more than 27 years of experience in the construction industry as a general contractor and construction manager. He now works as a full time scheduler for project oversight and to support project delay analysis.

Mark's areas of expertise include project and construction management, planning, critical path method (CPM) scheduling, and delay analysis. His project experience includes schools, sports facilities, office buildings, retail and entertainment facilities, hotels, hospitals and medical facilities, parking garages, judicial and courtroom facilities, prisons and correctional facilities, civil buildings and community centers, warehouses, power plants, irrigation and drainage, dams, water supply, sewage and storm water handling and treatment facilities, airports, roads and highways, ports and harbors, rail and transit, and tunnels in the United States.

Sample project - Escambia County School District, Pensacola Beach Elementary School Reconstruction, Pensacola Beach, FL. Mr. Egnor was responsible for project management during the reconstruction of a multiunit school facility severely impacted by Hurricane Ivan. He also mitigated damages and claims with the Federal Emergency Management Agency (FEMA) and insurance adjusters for the project on behalf of the private school charter. (12/04-01/06)

Clark County School Board, Junior/Senior High School, Laughlin, NV. Mr. Egnor provided scheduling controls for a new multi facility school project.

Education and Professional Organizations:

Mark received his B.S. in Construction Engineering from Iowa State University in 1990. He is a certified Planning and Scheduling Professional, AACE.

He is a member of the Association for the Advancement of Cost Engineering (AACE), Construction Management Association of America (CMAA), and the American Public Works Association (APWA). He is also a Board Member of the AACE, Nevada Chapter.

3. Capacity

PrimeSource Project Management is an intentionally small firm with a small staff and narrow client list. We only accept work for which we are absolutely certain that we can provide exceptional service. We have an extensive network of professional contacts that we frequently draw upon to augment our core staff or to provide specialty services as needed for any particular project. We also have an extensive university network as an additional source of talent.

4. New School Experience

Tim and Karen have been intimately involved with school planning, design and construction for more than 15 years.

Los Angeles Unified School District- Facilities Program

We were intimately involved in the creation of the Los Angeles Unified School District (LAUSD) facilities construction program. Our involvement began when Tim became an Ad Hoc Member of the School Board Construction Committee and became part of the reorganization and revitalization of the Facilities Division into an effective capital delivery program. Tim was then recruited as the Chief Operating Officer for LAUSD. The Facilities program was massive but successful, ultimately delivering over 70 new schools and addressing a critical seat shortage and allowing LAUSD to drop the need for year round schools, a critical drag on student performance.

LAUSD New Seats	Number	Seats	Classrooms
New High Schools	18	29,638	1,246
New Middle Schools	6	8,391	346
New Elementary Schools	26	18,414	787
New Primary Centers	24	8,184	345
Additions	61	12,609	529
Playground Expansions	17	-	-
Continuation Schools	5	435	30
K-12 Project Definitions	38	2,882	119
Early Childhood Centers	48	38,915	1,493
Total	243	119,468	4,895

Karen was a key member of the new school team responsible for obtaining school sites in a crowded urban environment. Although Tim and Karen worked on many new schools, several stand out for requiring extensive personal effort in their delivery.



Edward R, Roybal Learning Center (formerly Vista Hermosa High School) - this was the infamous Belmont high school project. A massive developer/LAUSD sponsored mixed use project that would include housing units, commercial space, and a high school co-located on an urban brownfield site. The project failed for multiple reasons, particularly because of unresolved site safety issues with DTSC related to oil field methane emissions and an unaddressed active fault with CGS. After extensive litigation and a cost of more than \$300 million, LAUSD inherited a partially constructed and unoccupiable high school. Tim took the lead in resolving the methane issues with DTSC which required a 100% methane capture system for the site and in demolishing and then rebuilding a classroom building to avoid an active fault. This effort ultimately salvaged the site and delivered 2600 critical seats in an extremely crowded area of Los Angeles. The site also includes extensive playground and recreation facilities that are shared by the school and the community. The cost to complete the project was \$110,000,000.



Ramon C. Cortines School of Visual and Performing Arts - this new high school was built on the site of the former LAUSD District headquarters. The project required relocating LAUSD administration to an existing high rise office tower. The high school was the result of a public-private partnership that generated significant capital and operational funding to create a campus devoted exclusively to the performing arts and drawing students from all over LAUSD. The school is located near the Walt Disney Concert Hall, the LA County Music Center, and the LA Cathedral which created a demand for comparable architectural treatment of the school - while not diverting funds from other schools. The school delivered 1600 seats at a cost of \$87,457,000.



LACES Sports Facility Complex - This project included the construction of a gymnasium, internal swimming pool and other athletic functions on the Los Angeles Center for Enriched Studies campus, an existing school. The sports complex was designed and built as a joint use facility to serve both the campus and surrounding community. This was one of the first joint use community recreation projects between LAUSD and the City of Los Angeles. The project cost was \$15,996,000.



Victory Elementary School Playground Expansion - playgrounds were in short supply on LAUSD schools. Creating playground space required creative solutions. This project relocated surface parking to an underground parking garage. The project cost was \$3,056,000.



Lankershim Elementary School Addition - The LAUSD program removed many dilapidated portable classrooms and replaced them with new classrooms. This project was the first application of a prototypical classroom expansion design that was then used on multiple sites. This required a collaborative design review and certification process with DSA. This project included 13 classrooms plus an elevator and rest rooms. The project cost was \$7,188,000.



Helen Bernstein High School - after Tim left LAUSD, he worked for a general contractor. His responsibilities included three university projects and this new 1800 seat high school for LAUSD. The project was built on a very tight site, but still includes a football stadium, outdoor swimming pool, and large auditorium. The project costs was \$167,000,000.

5. References

PrimeSource is submitting the following resumes or persons familiar with our work and abilities. Caprice Young and Mike Lansing brought us into the LAUSD facilities program. Jim McConnell worked with us on LAUSD projects and brought us into the Boston MBTA restructuring program. Gary Woods managed our facilities work for the BHUSD. Brett Hobza and Dan Benner worked on designs at BHUSD under our supervision. Jim Hankla brought us into the Alameda Corridor, POLB and Camp Tahquitz projects.

1. **Caprice Young, Ed. D.**
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2. **Mike Lansing**
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3. **Jim McConnell P.E.**
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4. Gary Woods, Ed.D.

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School - Former Superintendent Beverly Hills Unified School District
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5. Brett Hobza, AIA

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School campus and Hawthorne k-8 school
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6. Dan Benner, AIA

Ruhnau Ruhnau Clarke - Design of the El Rodeo k-8 school
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7. James Hankla

Fulcrum Consulting - former Port Commissioner Port of Long Beach, Chief
Executive Officer Alameda Corridor Transportation Authority, City Manager City
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6. Recent Projects

Beverly Hills Unified School District

A large portion of PrimeSource's program management work for the last seven years has been performed at the Beverly Hills Unified School District (BHUSD). Tim and Karen were initially brought into the BHUSD program to deal with then planned expansion of the LA Metro Purple Line under the District's only high school campus, an expansion that would have severely compromised the District's ability to renovate and expand the high school. That assignment expanded into assisting the District in defining and implementing its District-wide facility modernization and expansion program on its five campuses. Tim was later appointed as the interim Facilities Director to deal with absences of key staff.

The District is unique with all five campuses approaching 100 years in age and many buildings essentially unchanged since the 1930s. The older buildings are beloved by the community, and the entire District is considered a historic collection worthy of preservation. Unfortunately, they also share serious seismic deficiencies and require modernization throughout.

The District passed a major bond measure which was then improperly managed and implemented resulting in the loss of most key personnel associated with the project and paralysis in the program. After 5 years, only one project was underway. Tim led a series of strategic discussions with the Board to find a direction that made sense to the District and satisfied the community. It became apparent that a second bond would be required.

Tim led the overall programming and strategic planning development for the District program which ultimately grew into a \$500 million program. This included finding a replacement construction manager for projects then underway, rationalizing the District Education Specifications, completing and expanding existing building assessments, managing architects, engineers and other consultants. Completion of the building assessment work revealed serious seismic deficiencies across the campus. This resulted in the emergency closure of auditoriums and other building areas.

Four campuses require major modernization or building replacement; one campus requires the correction of long standing design and construction defects. Major redesign and value engineering took place. The District, which had not obtained or even applied for State funding successfully pursued State Seismic Mitigation Program (SSMP) funding for 15 buildings, which augmented bond funds and helped to prioritize the phasing sequence across the District. A District-wide execution plan including specific schedules, cost estimates, and scope was developed for all five campuses.

BHUSD had already passed a first bond measure which allowed some individual projects to proceed during this planning effort. Last year, program management was handed off to a permanent District Facilities Manager and PrimeSource focused on the long standing dispute with Metro.



Beverly Hill High School - The centerpiece of the program is the Beverly Hills High School campus modernization. This will require a 10-year long phased construction program that will sequentially replace or renovate seven buildings on the campus plus add an outdoor swimming pool and modernize athletic fields, all of which are community use facilities. Design is complete and regulatory approvals have been obtained. Students are in portables and modernization of the first two buildings is underway.



Horace Mann K-8 Elementary School - the existing campus combined a classic historic classroom building with an ugly, dysfunctional mid-60's parking garage and laboratory building. The phased construction project required first modernizing a historic auditorium, then building a new main classroom building and underground parking garage, then renovating the historic classroom building, then demolishing the 1960s era structures. This is a WLC design. The first two phases are complete, and the third is underway. The total project costs is estimated at \$63,000.



El Rodeo K-8 Elementary School - This a beautiful school with historic architecture that mimics the local City Hall building. Unfortunately, it also shares the seismic weaknesses revealed in the modernization of City Hall. During building investigation, serious unanticipated seismic damage from the Northridge earthquake was uncovered which forced an acceleration of the El Rodeo building program. For safety reasons, students were moved into portables as quickly as possible, even before design was completed. This is an HMC design. The project is now under construction with an estimated cost of \$56,000,000.



Beverly Vista K-8 Elementary School - This school was severely damaged and rebuilt after the Northridge earthquake. Unfortunately, there were numerous construction and design defects in that construction resulting in extensive water intrusion and damage. The recent program addressed those issues, and made a major playground improvement, adding shade structures and replacing and expanding the existing artificial turf soccer field. Outstanding design and construction issues have been partially addressed. This is an LPA design. Total construction costs is estimated at \$13 million.



Hawthorne K-8 Elementary School - this historic campus will require major modernization of the central historic building, and replacement of all other structures including an underground garage with a playground on the roof. The project is considered the least vulnerable seismically, and has been deferred until passage of the next bond. Design has been completed sufficient for SSMP funding applications. This is a DLR design. Construction cost is estimated at \$84 million.

7. CM Experience

PrimeSource has worked in every element of program delivery. We have experience doing these tasks, setting up organizations and managing others doing these tasks, cleaning up the poor work of others, and considerable experience teaching and training others how to do these tasks correctly.

Examples of this experience include:

Construction phasing plans - A good example would be the Beverly Hills High School phasing plan. Because this is an occupied crowded campus, and because almost every building must be replaced or renovated, it will require a ten year sequence of construction. The sequence is to: house half of all classes in portable classrooms; renovate existing buildings B1 and B2 and convert to library and administration; build a new gymnasium and underground parking garage; renovate the main classroom building; renovate the auditorium and performing arts buildings; remove existing continuation school and gymnasium buildings; and finally reconfigure athletic fields and community use areas and renovate existing Swim/Gym.

Information Technology - Our experience dates from the E-Rate programs at LAUSD and management of the LAUSD IT department. At BHUSD, we managed the development of District-wide IT specifications and began installing in new buildings and portables at BHUSD BHHS, Horace Mann and El Rodeo, and incorporated in all new designs.

Value Engineering - A good example of value engineering would be the BHUSD high school where a completed design based on a 100% replacement of all buildings was revised through value engineering to use a combination of renovation and new buildings to reduce cost from over \$300 million to a \$174 million project. At BHUSD, value engineering was used throughout design on all projects in order to contain or reduce costs.

Schedule Management - One of the hallmarks of our personal experience is the ability to move capital projects forward with schedule certainty. At LAUSD, Karen led acquisition of over 100 parcels critical to new school delivery with zero delay. Tim is widely credited with building the Alameda Corridor, a \$2.3 project in 1100 days, exactly on schedule. There are plenty of other examples. The industry has become too reliant on schedule software as a substitute for schedule management. Our schedule performance comes from our relentless focus on getting decisions made and things done. Our knowledge and experience working in all sides of the construction process allows us to know what needs to be done, quickly grasp whether or not it is on track, and then be knowledgeable enough and motivated to get problems fixed.

Pre-Construction - There are a range of preconstruction services that can arise, the exact mix is unique to every project. Because of our overall program management experience we have experience in all of the necessary services. They can range from making sure that inspection and testing and other services, or utilities, or all permits necessary to build schools are in place. One of the most important services is to properly market a project to obtain optimal bidding by both general contractors and subcontractors. It is not enough in today's market to do cursory marketing by standard advertising and posting of a job on common plan sites. There is too much work on the market, and many firms are put off from school projects. These factors need to be countered by direct marketing, getting on the phone with those firms that are most likely to be attracted to the project and then making sure that they are in fact bidding.

Construction - We have personally been responsible for managing over \$10 billion in capital projects. Our experience includes work as a self-performing general contractor. Hands on self-perform experience includes: concrete, masonry, steel, roofing, drywall, electrical, mechanical and plumbing. We understand exactly what is required to build a gymnasium and playground.

Phasing around existing facilities - A wide open greenfield site for construction has become a luxury. The vast majority of our projects have to be built among and around existing facilities both on and off site. We understand the balance of creating an environment that allows high construction productivity while minimizing disruption to the operating environment. This is especially important in schools where workers need to be segregated from children - and where curious children need to be kept away from fascinating construction sites. Fencing and gates are a start, but green screening is better to create a visual barrier. Time separation - working after regular school hours has proved useful especially where work extends into occupied areas. The basic construction sequence can be used to minimize intrusion and create barriers, such as focusing on completing a building envelope as quickly as possible so that the new structure isolated work from the school. Being creative with materials storage and delivery - like only using after hours delivery and making existing building space available for storage or to replace construction trailers - have also proven useful.

Regulatory experience - All school construction entails work with DSA, CGS, DTSC, OPSC, SAB, and CEQA. Our experience is in depth, and has frequently gone beyond the standard interaction. At LAUSD, we created funded DSA positions in order to expedite LAUSD projects. We worked directly with DTSC to correct the Belmont High School. We worked extensively with CGS to clear two BHUSD school sites despite another agency alleging the presence of project killing active seismic faults. At BHUSD we successfully pursued more SSMP funding from OPSC than any other agency. LAUSD once completely missed out on an annual OPSC/SAB bond allocation - the year after Tim began reorganizing work, LAUSD applications were prepared so well and so quickly that LAUSD applications beat out all other districts.

Constructability Reviews - We have looked over a lot of designs. Good constructability reviews take place throughout the design process in order to make sure that the most cost-effective and market friendly choices are made. Once design is complete constructability is focused on completeness, adequate dimensioning and detailing, non-proprietary specifications, inappropriate transfer of remaining design to the contractor, and attractiveness of the general and special conditions.

Estimating Services - Every one of our projects has entailed estimating, whether at a programmatic or parametric level, or preparing or reviewing bids, or doing change orders. We use the standard references and current cost performance data generated and related by public agencies as well as our own knowledge of construction costs and productivity.

8. Working With Magnolia

Team work - Relationships are based on trust, and trust in school projects is earned by performance. That begins by clearly identifying Magnolia goals and expectations. What are the most critical project goals - Minimal overall cost? Minimal cost of consultants? Schedule certainty? Minimizing impact to the operating school? Minimizing Magnolia staff hours required? Every project is different and we do not presume what is most important to Magnolia. Instead we ask, we listen and then we act accordingly.

The most important daily interaction is between the contractor, the IOR and the CM because this is where the greatest volume of activity takes place. The design team is less involved, and when needed, needs to be properly informed of emerging issues or expectations for decision making or approvals. The school needs to have the impacts of construction clearly explained and then buy into those impacts - and the team needs to maintain compliance with those requirements. Most of the communication on the project will not be face to face - it often takes too long and costs too much to get all parties together- and will instead be over the phone and by email. Everyone needs to recognize that electronic communication is an imperfect medium and no substitute for more personal communication. Miscommunication is inevitable, so when it happens, it needs to be corrected quickly and honestly and not allowed to fester.

Contractor compliance - Designers want to be assured that their design intent is being implemented correctly, and when issues arise, that they are appropriately involved in their resolution. Submittals are a key element in ensuring that the design intent has been properly implemented by fabricators and suppliers; getting contractors to complete all submittals early and completely is a great challenge. We often arrange "over the shoulder" reviews on site with both fabricators and designers when the schedule is critical or submittals are particularly complicated, or when a particular supplier is struggling. The IOR is the primary agent in assuring construction quality and conformance with design intent as the work is put in; regular reporting and early heads up when issues are discovered is critical. The single most important step is to ensure that "readiness reviews" are taken seriously and occur before the start of any element of construction. For the regulators, besides processing design changes, the largest challenge is ensuring that closeout documentation is completed promptly and correctly. The challenge is that this requires a group effort at a time when teams are already scattered and off on other projects - we begin the closeout process at the halfway point in the project.

Construction phasing - Assuming that all work is purchased in a single general contract, there is no need for phasing on this project. If multiple packages are used,

perhaps for cost savings purposes, then it is important that phasing be clearly thought out and coordinated in advance of all procurement.

Handling changes - This project is unique because construction of the main building should have revealed and design deficiencies or ambiguities which can be addressed before the gymnasium is built. Assuming a proper delineation between portions of the project, there should be relatively few changes. When they do occur, it is important to deal with change orders quickly and professionally so that they do not accumulate or hold up other work. Problems most often arise when folks refuse to acknowledge that a change has taken place and delay making appropriate design modifications, or when entitlement issues are deferred. It is always much better to deal with issues directly and promptly.

Claims management - Claims should never be a surprise: the warning signs are always present long before a claim appears. The first and most important claim management technique is to minimize their size by resolving the underlying change issues as promptly as possible. If claims arise, there is a discipline involved in assessing causation, entitlement, quantum - and fairness. That includes fairness to the contractor and fairness to the owner.

Bidding process - The single biggest challenge for this project will be bidding, attracting sufficient general contractor and subcontractor interest. This will require aggressive marketing to attract and maintain contractor interest. It also requires an effort to make the project and the delivery process attractive to contractors: complicated administration, excessive paperwork, unengaged consultants, and such factors will decrease contractor interest - and minimizing these aspects increases contractor interest.

Government agency coordination - The secret is to establish clear lines of communication, maintain transparency, and when submitting paperwork of any kind, be absolutely sure that it is 100% complete and accurate - and if unsure how to deal with an issue, ask first.

9. Overall Project Management

What is the secret to keeping projects on track in both design and construction? How best to control cost and schedule? We have a lot of techniques that control both design and construction. Here are a few.

In a nutshell, if an owner has a clear vision of what is important and needed, than maintains discipline in maintaining that vision throughout the design and construction process, you are half way there.

During design, one of the greatest schedule challenges is maintaining the necessary critical mass to drive the process forward as quickly as possible. The longer a design takes, the more likely it is to incur scope creep. Another problems is that designers - especially now - are often overcommitted and cannot allocate the requisite resources. Lately, the larger problems have come from the engineering disciplines with a tendency to inflate factors of safety and performance and redundancy. It is important and much better to keep projects "on a diet" as they are going through the design process then to incur major value engineering and redesign. Otherwise momentum and valuable time are lost.

There is a common trap of wasting time during design - and then trying to make it up during construction. It makes a lot more financial sense to speed up ten designers than to speed up 200 construction workers.

The key to controlling cost is to control scope. Again, it is a lot less expensive to design something cleanly and correctly the first time. That requires consistent owner input and decision making - and then holding the design team accountable.

Design is both iterative and sequential. BIM has created a temptation toward never ending refinement, which leads to too much time being consumed during the schematic and design development phases and not enough time for the detailed development phase. It means pushing the design team - and the client - to finalize design concepts and move on. It is particularly important that architecture become sufficiently finalized that structural, electrical and mechanical design can progress through its iterative and sequential steps.

The budget during design is most subject to owner approved scope creep. However, within the design team, it is most important to control gross square footage and building efficiency, and among the engineering disciplines to control overall redundancy or design conservatism.

The single biggest schedule risk to school projects is the DSA design review process. DSA is now so busy that DSA design review time often exceeds total design time. There is little than can be done to expedite DSA; there are steps that can be taken to

ensure that nothing holds up a DSA review, including frequent conversations with DSA and understanding DSA expectations and making sure that the design looks “normal” to DSA, and especially to make sure that any submittal to DSA is as complete and close to perfect as possible. The most important caution is for owners to anticipate this delay - and not expect to collapse construction to make up for the time lost at DSA.

Construction cost control begins during procurement. Has the package been designed to be attractive to the market? Is the performance time reasonable? Has the client taken steps to make the project “buildable” - dealing with issues like access, utility coordination, finding adequate staging areas, assembling an owner management and inspection team that is professional, reasonable and proactive? Special conditions should explain clearly how the owner expects the project to be built, inspected, and administered. All expectations should be clearly established at the time of bid.

There has been a lot of effort toward prequalification of general contractors and key subcontractors. This has not proven to be as beneficial as hoped by the owners; it unfortunately has become one of the deterrents to bidding that decreases the bidding pool. On the other hand, calling bidders and directly requesting that they bid - and then listening to their comments or request on things like adjust bid dates - continues to yield good results.

During construction, controlling cost is mostly about keeping the project on track and helping the contractor and subs to work as efficiently as possible. Construction is an imperfect process, and the challenge is to not let small issues divert attention from overall goals and progress. We strongly advocate resolving issues quickly and simply.

We pay a lot of attention to submittals and the submittal preparation and approval process: any issue on either end is a red flag for the balance of the project that warrants increased attention throughout the project. We pay a lot of attention to how the work progresses: a good project should be clean and orderly with work smoothly progressing from one element to another with few incomplete or deficient elements to be addressed later. Whenever we find otherwise, red flags go up. We pay a lot of attention to the relationship between the IOR and the contractor and how quickly and smoothly issues are being resolved between them. A well run job will still have issues, but most of them should get resolved long before they turn into formal deficiencies.

And the final risk is the project that is never quite complete - with outstanding punchlists, or deficiencies, or change orders not processed through DSA or final closeout certifications or turnover materials completed. An extended closeout costs money and can sour a previously good impression of a project.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/31/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

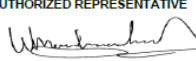
PRODUCER Griswold & Griswold Insurance Agency Inc. 25550 Hawthorne Blvd. #200 Torrance CA 90505		CONTACT NAME: Steven Griswold PHONE (A/C, No, Ext): (310) 377-7172 FAX (A/C, No): E-MAIL ADDRESS: steven@griswoldinsurance.com															
INSURED Primesource Pm, LLC 655 Deep Valley Dr Ste 335 Rolling Hills Estat CA 90274		<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : TRAVELERS CAS INS CO OF AMER</td> <td>19046</td> </tr> <tr> <td>INSURER B : LIBERTY MUT INS CO</td> <td>23043</td> </tr> <tr> <td>INSURER C : TRAVELERS PROP CAS CO OF AMER</td> <td>25674</td> </tr> <tr> <td>INSURER D : MIDWEST EMPLOYERS CASUALTY COMPANY</td> <td>23612</td> </tr> <tr> <td>INSURER E : ADMIRAL INSURANCE COMPANY</td> <td>24856</td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : TRAVELERS CAS INS CO OF AMER	19046	INSURER B : LIBERTY MUT INS CO	23043	INSURER C : TRAVELERS PROP CAS CO OF AMER	25674	INSURER D : MIDWEST EMPLOYERS CASUALTY COMPANY	23612	INSURER E : ADMIRAL INSURANCE COMPANY	24856	INSURER F :	
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COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		Y	6803E586597	03/24/2017	03/24/2018	EACH OCCURRENCE	\$ 1,000,000	
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000	
							MED EXP (Any one person)	\$ 5,000	
							PERSONAL & ADV INJURY	\$ 1,000,000	
							GENERAL AGGREGATE	\$ 2,000,000	
							PRODUCTS - COM/PO AGG	\$ 2,000,000	
								\$	
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			BAA (17) 56 34 92 58	10/15/2016	10/15/2017	COMBINED SINGLE LIMIT (Ea accident)	\$ 1000000	
							BODILY INJURY (Per person)	\$	
							BODILY INJURY (Per accident)	\$	
							PROPERTY DAMAGE (Per accident)	\$	
								\$	
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$			CUP3E587705	03/24/2017	03/24/2018	EACH OCCURRENCE	\$ 1,000,000	
							AGGREGATE	\$ 1,000,000	
							PR/COMP OPS AGG	\$ 1,000,000	
							PER STATUTE		
							OTHER		
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N Y	N/A	BNUWC0139351	01/16/2017	01/16/2018	E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000	
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000	
E	Errors and Omissions			EO00035601-01	10/30/2016	10/30/2017	Occurrence	\$1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Certificate Holder and Southern California Schools Risk Management are listed as additional insured with respects to general liability coverage.

CERTIFICATE HOLDER Magnolia Public Schools 250 East 1st Street, Suite 1500 Los Angeles CA 90012	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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11. Litigation

PrimeSource has never been listed as a named party in any litigation. PrimeSource has never had a professional liability claim filed against it or its professional liability insurance coverage. PrimeSource has no predecessor and has never filed for bankruptcy.



***BUDGETARY ESTIMATE FOR FEES:**

PrimeSource rates are fully loaded. We do not charge for mileage or office reimbursables or personal equipment. We do not markup project reimbursable costs that are passed through PrimeSource. We do not markup subconsultants.

Hourly Rate Schedule:

Principal	\$ 250.00
Project Manager	165.00
Field Engineer	125.00
Scheduler	150.00
Estimator	150.00
Administrative Assistant	55.00

[ATTACHMENT A - BUDGETARY ESTIMATE OF FEES - FOLLOWS]

Budgetary Estimate for Fees - Magnolia Science Academy Reseda

We have evaluated fees based on an assumed construction cost (without soft costs) of \$10 million and the following draft schedule of activities:

Draft Example Schedule	August	September	October	November	December	January	February	March	April	May	June	July	August
Building Permits City LA	???												
Bid and Award													
Submittals - Administrative													
Submittals - Technical													
Contract Administration													
Closeout													
Precon - Site Secure													
Abatement and Demolition													
Materials Fabricate & Procure													
Foundations SOG UG Utilities													
Steel Fabrication													
Structural Erection													
Second Floor Deck and Pour													
Roof Deck and Pour													
MEP Rough - Floors													
Exterior framing and Stucco													
Roofing													
Roof Fencing													
Exterior Envelope Doors Windows													
Interior Partitions Framing													
MEP Roughin Walls Ceiling													
Drywall													
MEP Finish													
Bathroom Finishes													
Laboratory Finishes													
Arch Finishes, FF&E													
Site Work Sidewalks													
Demobilization & Site Turnover													

Fee Proposal - We have prepared the following fee estimate based on traditional reimbursable work assignments. There are a large number of factors that can increase or decrease the quantity of hours required to manage a project. This estimate assumes that an inspector is on site at all times and serves as the "eyes and ears" for the project, and that there is a single construction contract to manage. Small projects can require a disproportionate cost compared with larger projects because of the disproportionate administrative effort required for the size of the project. PrimeSource proposes a collaboration between Magnolia, PrimeSource, and the IOR to minimize field hours and maximize CM efficiency and cost effectiveness.

Draft Reimbursable Work Plan	Estimated Monthly Hours													Total	Unit	Cost
Principal	8	4	4	4	4	4	4	4	4	4	4	4	8	60	\$ 250.00	\$ 15,000.00
Project Manager	80	80	80	80	80	80	80	80	80	80	80	80	80	1040	\$ 165.00	\$ 171,600.00
Field and Office Engineer	0	0	0	0	40	40	40	40	40	40	40	40	0	320	\$ 125.00	\$ 40,000.00
Scheduler	20	60	8	8	8	8	8	8	8	8	8	8	0	160	\$ 150.00	\$ 24,000.00
Estimator	30	30	8	8	8	8	8	8	8	8	8	8	0	140	\$ 150.00	\$ 21,000.00
Admin Assistant	40	60	50	50	50	50	50	50	50	50	50	60	60	670	\$ 55.00	\$ 36,850.00
Total																\$ 308,450.00

Alternative Fee Proposal: PrimeSource understands charter school economics and the challenges faced by all charter schools. We offer an alternative fee proposal by which, in lieu of an hourly reimbursable approach, PrimeSource will manage the project for a flat fee of \$250,000 based on the assumptions identified above and if PrimeSource is also managing the Magnolia Science Academy Santa Ana Gymnasium contract.