Mt. Diablo Unified School District

Preliminary Services Agreement
Meehleis Modular Building, Inc.

Support Services to District and Architect
For
DSA Submittal of
Chemistry Laboratory Classroom Design
at
Ygnacio Valley High School

Dated
December 10, 2012

AGREEMENT FOR PRELIMINARY SERVICES
BETWEEN
MT. DIABLO UNIFIED SCHOOL DISTRICT AND
MEEHLEIS MODULAR BUILDINGS, INC.
FOR
YGNACIO VALLEY HIGH SCHOOL
SCIENCE CLASSROOM BUILDING

This Agreement for Preliminary Services ("Agreement") dated as of December 10, 2012 ("Effective Date"), is made and entered into by and between the Mt. Diablo Unified School District, a school district duly organized and validly existing under the laws of the State of California ("District"), and Meehleis Modular Buildings, Inc. , a California company duly organized and existing under the laws of the State of California, as lessee ("Developer") (together, the "Parties"), for the purposes of providing preliminary services relating to the construction of the Ygnacio Valley High School Science Classroom at Ygnacio Valley High School located at 755 Oak Grove Road, Concord, CA 94521 ("Project").

WHEREAS, the Project will be located at Ygnacio Valley High School, 755 Oak Grove Road, Concord, CA 94521 as more particularly described in **Attachment "B**," attached hereto and incorporated herein by this reference ("Site"); and

WHEREAS, District and Developer intend to enter into a lease-leaseback arrangement for the development of the Project pursuant to Education Code section 17406 ("Lease Agreements") after Developer's performance of its duties as set forth in the Agreement and pending both the approval of the Plans and Specifications by the California Division of State Architect ("DSA") and approval by the District and Developer of the Lease Agreements.

WHEREAS, Developer desires to provide consulting services to the District with respect to other related services in preparation for the Project's development; and

WHEREAS, the District is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters, if those persons are specially trained and experienced and competent to perform the special services required; and

WHEREAS, Developer represents that it is specially trained and has the expertise and experience to perform the services set forth in this Agreement; and

NOW, THEREFORE, the Parties hereto agree as follows:

ARTICLE 1. SCOPE OF SERVICES

Scope of Developer's Services. Developer agrees to perform the services indicated in **Attachment "A**" and "**A-1**" attached hereto and incorporated herein by this reference ("Services"). The duties, responsibilities and limitations of authority of Developer shall not be restricted, modified or extended without written agreement between the District and Developer

ARTICLE 2. CONSTRUCTION

The Parties expect to enter into the Lease Agreements on or about May 2013. The Parties expect that the Project shall be completed on or before October 2013.

ARTICLE 3. DISTRICT'S RESPONSIBILITIES

The District shall provide to Developer information regarding requirements for the Project, including information regarding the District's objectives, schedule, constraints and criteria.

ARTICLE 4. TERM & TERMINATION

4.1.   Term. The term of this Agreement ("Term") shall be six (6) months from the date indicated above as the date of this Agreement. The Term may be shortened or lengthened by mutual agreement of the Parties or terminated as indicated herein.

4.2.   Termination by Developer. This Agreement may be terminated by Developer upon fourteen (14) days written notice to District in the event of an uncured substantial failure of performance by District.

4.3.   Termination by District. This Agreement may be terminated without cause by District upon fourteen (14) days written notice to Developer. In the event of a termination by District, the District shall pay Developer for all Services performed and all expenses incurred under this Agreement up until the date of notice of termination plus any sums due Developer for Board approved extra services. In ascertaining the Services actually rendered hereunder up to the date of termination of this Agreement, consideration shall be given to both completed work and work in process of completion and to complete and incomplete documents whether delivered to the District or in the possession of Developer.

ARTICLE 5. COMPENSATION TO DEVELOPER

District agrees to pay Developer the amount of Two Thousand Five Hundred Dollars ($2,500.00), for the performance of the Services contemplated by this Agreement, as indicated in **Attachment "C" ("Services: Costs & Schedule")**. Developer shall be responsible for all costs and expenses including the costs of hiring sub-consultants and other professionals to perform the Services, travel expenses to the Project site as well as for meetings with District and its representatives, long distance telephone charges, copying expenses, salaries of Developer's staff and employees working on the Project, overhead, and any other reasonable expenses incurred by Developer in performance of the Services contemplated by this Agreement. Developer shall submit the names of all proposed sub-consultants to District in writing for the District's prior approval.

ARTICLE 6. MISCELLANEOUS

6.1.   Developer's Insurance. Developer has in force, and during the term of this Agreement shall maintain in force with the minimum indicated limits, the following insurance: **Commercial General Liability insurance**: $2,000,000 for each occurrence and general aggregate with Products and Completed Operations Coverage; **Automobile Liability – Any Auto**: combined single limit of $1,000,000; **Excess Liability insurance**: $4,000,000; **Workers Compensation**: Statutory limits; **Employers' Liability**: $1,000,000; and **Professional Liability (Errors and Omissions)**: $1,000,000. Developer shall provide to the District certificate(s) of insurance and endorsements satisfactory to the District. The policy(ies) shall not be amended or modified and the coverage amounts shall not be reduced without thirty (30) days written notice to the District prior to cancellation. Except for the worker's compensation and professional liability insurance policies, the District shall be named as an additional insured on all policies. Developer's policy(ies) shall be primary; any insurance carried by the District shall only be secondary and supplemental. All policies, except for professional liability, shall be written on an occurrence form. Developer shall not allow any subconsultant, subcontractor, employee, or agent to commence work on this Agreement or any subcontract until the insurance required of Developer, subcontractor, or agent has been obtained.

6.2.   Indemnity. To the furthest extent permitted by California law, Developer shall defend, indemnify, and hold free and harmless the District, its agents, representatives, officers, consultants, employees, trustees, and volunteers ("the indemnified parties") from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity ("Claim"), to property or persons, including personal injury

and/or death, to the extent that any of the above arise out of, pertain to, or relate to the negligence, recklessness, errors or omissions, or willful misconduct of Developer, its officials, officers, employees, subcontractors, consultants, or agents directly or indirectly arising out of, connected with, or resulting from the performance of the Services, the Project, or this Agreement

6.3.   Independent Contractor. Developer, in the performance of this Agreement, shall be and act as an independent contractor. Developer understands and agrees that Developer and all of Developer's employees shall not be considered officers, employees or agents of the District.

6.4.   Audit. Developer shall establish and maintain books, records, and systems of account, in accordance with generally accepted accounting principles, reflecting all business operations of Developer transacted under this Agreement. Developer shall retain these books, records, and systems of account during the Term of this Agreement and for five (5) years thereafter. Developer shall permit the District, its agent, other representatives, or an independent auditor to audit, examine, and make excerpts, copies, and transcripts from all books and records, and to make audit(s) of all billing statements, invoices, records, and other data related to the Services covered by this Agreement. Audit(s) may be performed at any time, provided that the District shall give reasonable prior notice to Developer and shall conduct audit(s) during Developer's normal business hours, unless Developer otherwise consents.

6.5.   Confidentiality. Developer and all Developer's agents, personnel, employee(s), and/or subcontractor(s) shall maintain the confidentiality of all information received in the course of performing the Services. This requirement to maintain confidentiality shall extend beyond the termination of this Agreement.

6.6.   Standard of Care. Developer shall remain liable to the District in accordance with this Agreement for all damages to the District caused by Developer's failure to perform any of the Services furnished under this Agreement to the standard of care of Developer for its Services, which shall be, at a minimum, the standard of care of a contractor performing similar work for California school districts at or around the same time and in or around the same geographic area of the District.

6.7.   No Third Party Rights. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of any third party against either the District or Developer.

6.8.   Binding on Successors. The District and Developer, respectively, bind themselves, their partners, officers, successors, assigns and legal representatives to the other party to this Agreement with respect to the terms of this Agreement. Developer shall not assign this Agreement.

6.9.   Governing Law. This Agreement shall be governed by the laws of the State of California. The Parties further agree that any action or proceeding brought to enforce the terms and conditions of this Agreement shall be maintained and venued in the county where the District's administrative offices are located.

6.10.   Modifications. This Agreement represents the entire Agreement between the District and Developer and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended or modified only by an agreement in writing signed by both the District and Developer.

6.11.   Lease Agreements. In no event shall either party be obligated to enter into the Lease Agreements. District reserves the right to enter into the Lease Agreements with parties other than Developer. District shall not be responsible to Developer for any claims or damages resulting from District's failure to enter into the Lease Agreements with Developer.

ACCEPTED AND AGREED on the date indicated below:

Dated: _____, 20_____   Dated: __11/29_____, 20_1 2__

Mt. Diablo Unified School District   **Meehleis Modular Buildings, Inc.**

By: _____   By: _____

Print Name: _____   Print Name: _MARK MEEHLEIS_

Print Title: _Superintendent_____   Print Title: _VICE PRESIDENT_

Attachment "A"
Scope of Services

Meehleis Modular Buildings, Inc. ("Developer") shall furnish Building Design Drawings (defined as architectural details, structural, mechanical, plumbing and electrical drawings and energy calculations) in accordance with the drawings dated July 31, 2012 for the Ygnacio Valley High School Science Classroom ("Project"). The design will utilize slab-on grade, rigid frame system, as well as minor modifications incorporating site adaption requirements. The Design will be completed to Division of State Architect (DSA) and Title 24 standards.

Developer has provided a Design proposal that is attached (as Exhibit A-1) and incorporated into this Agreement which shall clarify the Scope of Services to be provided below. Subject to the clarifications in the attached Exhibit A-1, Developer shall perform management and coordination services, plan and specification constructability reviews, provide value-engineering reviews and recommendations and other reviews as necessary to verify that the drawings and specifications are clear and reasonably accurate to minimize the need for changes during the construction phase of the project, including but not limited to the following:

A. General Services.

1   Developer shall attend regular meetings during Project development between the Architect, the District, District site personnel, and any other applicable consultants of the District as required to discuss the Project, including budget, scope and schedule.

2   Developer shall assist Architect with the making of a written record of all meetings, conferences, discussions and decisions made between or among the District, Architect and Developer.

3   Developer shall assist the Architect with making formal presentations to the governing board of District. Such assistance is anticipated to include floor plans and elevations necessary for any architectural presentation.

4   Developer shall prepare a rough schedule in Microsoft PROJECT and update as necessary.

5   Developer shall prepare and update the components of the Guaranteed Project Cost and shall be primarily in control of ensuring that the Project can and is constructed for no more than that amount.

6   While the Architect is anticipated to provide primary assistance, Developer shall assist District with City land use issues;

7   Architect shall act as lead and Developer will assist District and Architect with DSA review, input, and timeframe for same;

8   Architect shall act as lead and Developer will assist with review and comment upon geotechnical / soils investigation and report;

9   Architect shall act as lead and Developer will assist with review and comment upon survey of the Project site;

10 Provide review and comment upon any EIR or other required CEQA documents with District's CEQA consultant.

B. Review of Design Documents.

1   Review Project design and budget with the District and the Architect during the Schematic Design Phase,

the Design Development Phase, at 50% Construction Documents Phase, and at 100% Construction Documents Phase to:

a. Provide recommendations on site use and improvements, selection of materials, building systems and equipment and methods of Project delivery;

b. Provide recommendations on relative feasibility of construction methods, availability of materials and labor, time requirements for procurement, installation and construction of the Project and subparts thereof if requested, and factors relating to cost including, but not limited to, construction costs of alternate designs of materials, preliminary budgets and possible economics that could be achieved through alternate methods or substitutions;

c. Provide interim design phase estimates to establish and maintain the Project budget and scheduled costs; and

d. Provide plan review.

e. Value-engineering. Prepare a value-engineering report for District review and approval that:

(1) Details areas of cost saving (e.g. construction processes/procedures, specified materials and equipment, and equipment or other aspects of the design documents that can be modified to reduce costs and/or the time for achieving final completion of the Project and/or to extend life-cycle and/or to reduce maintenance/operations costs, without diminution in the quality of materials/equipment/workmanship, scope or intended purposes of the Project);
(2) Provides detailed estimate for proposed value-engineering items;
(3) Defines methodology or approaches that maximize value; and
(4) Identifies design choices that can be more economically delivered.

f. Constructability Review. Prepare detailed interdisciplinary constructability review within thirty (30) days of receipt of the plans from the District that:

(1) Ensures construction documents are well coordinated and reviewed for errors;
(2) Identifies to the extent known, construction deficiencies and areas of concern;
(3) Back-checks design drawings for inclusion of modifications;
(4) Provides the District with written confirmation that:
   (a) Requirements noted in the design documents prepared for the Project are consistent with and conform to the District's Project requirements and design standards.
   (b) Various components have been coordinated and are consistent with each other so as to minimize conflicts within or between components of the design documents.

2 Confirm Modifications to Design Drawings. If the District accepts Developer's comments, including the value-engineering and/or constructability review comments, review the design documents to confirm that those comments are properly incorporated into the final design documents.

C. **Budget of Project Costs.**

1 At each stage of plan review indicated above, Developer will update and refine the budget of the Guaranteed Project Cost based on the most recent set of design documents. Developer shall also advise the District and the Architect if it appears that the total construction costs may exceed the Guaranteed Project Cost established by the District and shall make recommendations for corrective action. Developer will further provide input to the District and Architect relative to value of construction, means and methods for construction, duration of construction of various building methods and constructability.

2 In each budget of the Guaranteed Project Cost, Developer shall include values of scopes of work subdivided into component parts in sufficient detail to serve as the basis for progress payments during construction. This budget of the Guaranteed Project Cost shall include, at a minimum, the following information divided into at least the following categories:

   a. Overhead and profit;
   b. Supervision;
   c. General conditions;
   d. Layout & Mobilization (not more than 1%)
   e. Submittals, samples, shop drawings (not more than 3%);
   f. Bonds and insurance (not more than 2%);
   g. Close-out documentation (not less than 3%);
   h. Demolition;
   i. Installation;
   j. Rough-in;
   k. Finishes;
   l. Testing;
   m. Punchlist and acceptance.

3 Developer shall indicate its willingness and ability to enter into the Lease Agreements to construct the Project for at or below that Guaranteed Project Cost, excluding unforeseen conditions or District-requested changes. This commitment will be a component of the Lease Agreements.

D. Construction Schedule and Phasing Plan.

Developer shall assist in preparation of preconstruction schedule to guide the design team through to bid dates. That schedule shall show the multi-phases and interrelations of design, constructability review, and estimating. Developer shall also prepare a full construction schedule for the Project detailing the phasing and construction activities. Developer shall further investigate, recommend and prepare a schedule for the District's purchase of materials and equipment requiring long lead time procurement, and coordinate the schedule with the early preparation of portions of the Contract Documents by the Architect.

E. Construction Planning and Bidding.

1 Prepare and distribute specifications and drawings provided by District to facilitate bidding to Developer's subcontractors.

2 Review the drawings and specifications to eliminate areas of conflict and overlapping in the work to be performed by various subcontractors, and with a view to eliminating change order requests by the Architect or subcontractors.

3 Conduct pre-bid conferences. Coordinate with District and the Architect in responding to subcontractor questions or providing clarification to all subcontractors.

4 At or around DSA approval (estimated to be May 2013, receive subcontractor bids and develop the final GPC in accordance with the lease-leaseback agreement forms, including the requirement that the Developer receive at least three (3) to seven (7) bona fide bids from subcontractors for all scopes of work on the Project that constitute more than three percent (3%) of the total GPC (Article 7 of Attachment D to the Facilities Lease).

Meehleis Modular Buildings, Inc.

1303 E. Lodi Avenue Lodi, Ca. 95240 (209) 334-4637 (209) 334-4726 Fax.
URL-http://www.meehleis.com e-mail- mark@meehleis.com

License No.
CA - 473488
NV - 037887

DESIGN PROPOSAL

October 19, 2012

Re-Use of Clayton Valley High School Science Classroom at Ygnacio Valley

Attn: Mitchell Stark

Meehleis Modular Buildings, Inc. (MMBI) proposes to furnish a reuse of existing plans that were developed at the Clayton Valley Site.

MMBI will change title blocks\calculations and resubmit plans to DSA with district hired architect.

Clarifications:

This proposal excludes models of the building (computer or otherwise).
We exclude color renderings, poster boards or artist sketches.

Architectural stamping of drawings and cover letter for DSA submittal is excluded and to be provided by project architect.

Drawings will take approximately 30 days from purchase order or contract date to be ready for DSA submittal. MMBI cannot guarantee a DSA approval date.

MMBI will assist with utilize specifications that were developed on the current science buildings.

MMBI has figured no planning meetings will be required.

MMBI has anticipated 0 reviews of the drawings for the Owner/District at the planning meetings and that only 0 revisions will be accepted (additional changes will be charged at the rate listed below).
All site utilities will need to be designed and verified by the Architect. This includes proper water flow calculations, gas pressure, water pressure, sewer fall, electrical development, utility size and location.

All geotechnical investigations are the responsibility of the Owner/Architect. MMBI will need this information for preparation of our package.

This proposal excludes architectural management/bidding process/construction administration.

The Owner is to procure and pay for all permits and fees.

We exclude costs for Site Development or Civil Engineering.

If any modifications by owner, district or existing site conditions are required additional costs will need to be negotiated.

Proposal Cost

Mechanical\Plumbing Design (Bayside Mechanical)	$500
Electrical Design (AEC Engineers)	$500
Fire Sprinkler Design (JHY Engineers)	$500
Structural Design (EXL Structural Engineers)	$500
MMBI Design\Drawing preparations	$500
Total	$2,500

Payment Schedule:

75% at DSA Submittal.
100% at DSA approval.

After DSA approval MMBI will produce 1 disc and 1 set of plans (additional sets $150 per set).

Cost for any required additional work:

MMBI engineering rate	$145 hr
Project manager	$150 hr
Structural engineer	$225 hr

We make this proposal with the understanding that our structural design for "slab-on-grade modular buildings" is proprietary to MMBI and would not be incorporated into any future projects in any way except for funding purposes only, unless express written consent of Meehleis Modular Buildings, Inc. (MMBI) is first obtained. MMBI reserves the right to maintain a share of ownership of this design and drawings and may incorporate its use if awarded a construction contract for any number of this or other projects.

Very truly yours,
Meehleis Modular Buildings, Inc.

Mark Meehleis

Mark Meehleis
Vice President
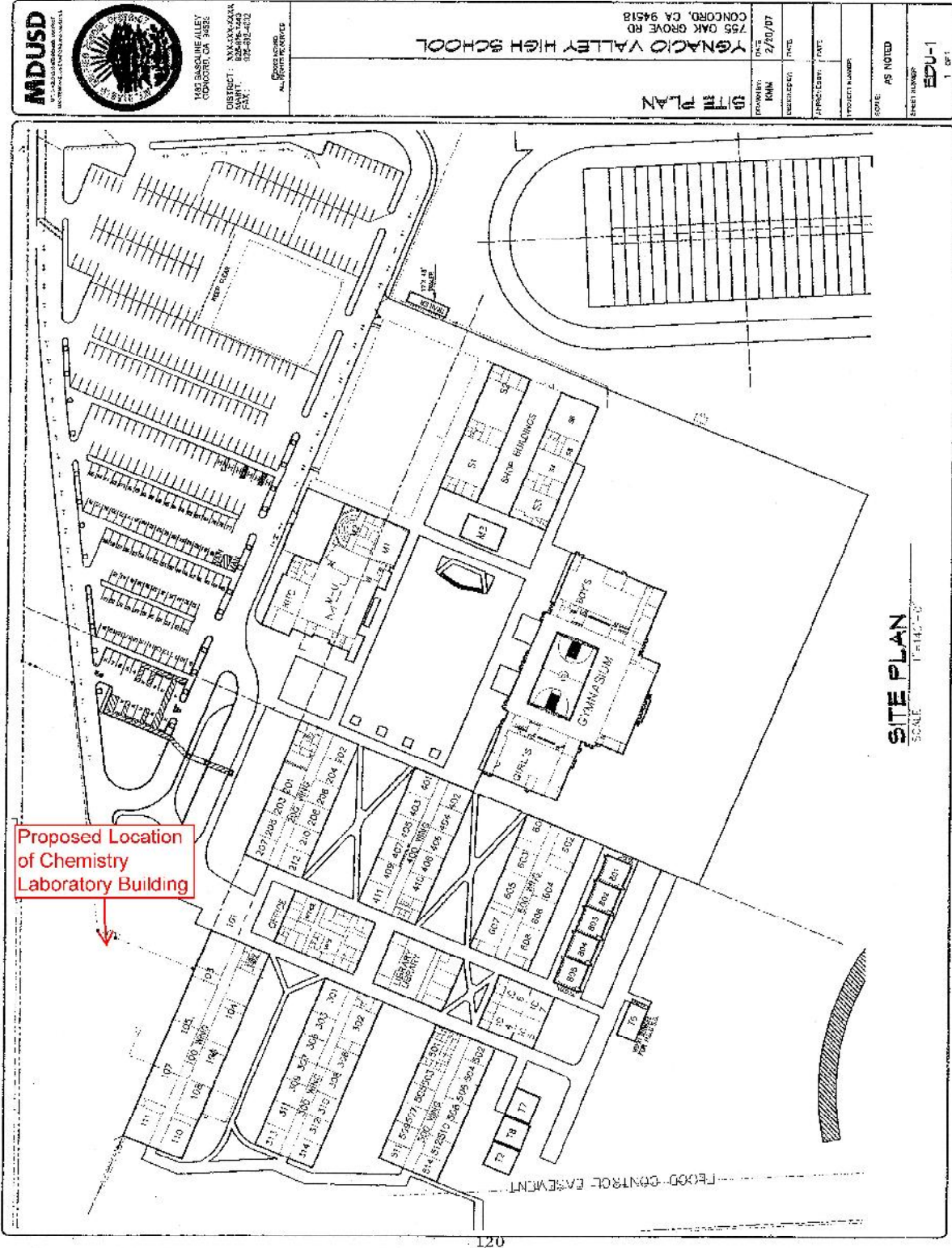
Unless otherwise noted in this contract, generally anticipate scope of work is contained within Meehleis proposal dated October 19, 2012.

Schedule of Values for Compensation Indicated in Agreement:

Mechanical/Plumbing Design (Bayside Mechanical)	$500
Electrical Design (AEC Engineers)	$500
Fire Sprinkler Design (JHY Engineers)	$500
Structural Design (EXL Structural Engineers)	$500
MMBI Design/Drawing preparations	$500
Total	$2,500

Payment Schedule: 75% at DSA submittal.
                                  100% at DSA approval.

Hourly Rates for Extra Work (Prior approval by District required):

Developer Engineer Rate	$145/hr.
Developer Project Manager Rate	$150/hr.
Developer Structural Engineer Rate	$225/hr.