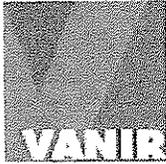


# EXHIBIT A



**Construction Management, Inc.**

1501 W. Fountainhead Pkwy./Suite 393  
Tempe, AZ 85282  
TEL 480-921-0333  
FAX 480-921-0327  
www.vanir.com

May 28, 2009

Proposal #T189-0509-2 (1)

## FEE PROPOSAL CITY OF TEMPE

CM Services for Western Canal Water Transmission Main Phase 2  
City of Tempe Project No. 3203181  
30" Well Waterline, South Gate to Finish Water Reservoir South Tempe Water Treatment Plant  
*Assumed - 3 month construction duration*

### Design Phase:

• Rob Hildreth; Construction Manager		
○ Attend design review meetings	16 hrs @ \$120.00/ hr	\$ 1,920.00
○ Design review	16 hrs @ \$120.00/ hr	\$ 1,920.00
	<hr/>	
	Design Sub Total	\$ 3,840.00

### Construction Phase:

• Rob Hildreth; Construction Manager		
○ Attend progress meetings	8 hrs @ \$120.00/ hr	\$ 960.00
○ Site Inspections	48 hrs @ \$120.00/ hr	\$ 5,760.00
○ Davis-Bacon Wage Reporting	48 hrs @ \$120.00/ hr	\$ 5,760.00
○ Buy American Documentation	12 hrs @ \$120.00/ hr	\$ 1,440.00
• Chris Wyllie; Inspector		
○ Daily field inspection	250 hrs @ \$105.00/ hr	\$26,250.00
	<hr/>	
	Construction Sub Total	\$40,170.00

### Close-Out Phase:

• Kevin Josker, P.E.; Rob Hildreth, CM		
○ Prepare/ Certify As-builts	24 hrs @ \$107.00/ hr	\$ 2,568.00
○ MCESD permit approval	16 hrs @ \$107.00/ hr	\$ 1,712.00
○ Punch list and backcheck	12 hrs @ \$120.00/ hr	\$ 1,400.00
	<hr/>	
	Post Construction Sub Total	\$ 5,720.00

Sub-Total \$49,730.00  
Reimbursables @ 6.00% \$ 2,984.00

**Vanir Fee Not to Exceed \$52,714.00**

**Robert Wyllie**  
Vice President/ Regional Manager



**Construction Management, Inc.**

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May 28, 2009

Proposal #T189-0509-2 (2)

### **GENERAL SCOPE OF SERVICES**

**CM Services for Western Canal Water Transmission Main - Phase 2**  
**City of Tempe Project No. 3203181**  
**30" Well Waterline, South Gate to Finish Water Reservoir South Tempe Water Treatment Plant**  
*Assumed – 3 month construction duration*

#### **DESIGN PHASE**

- Attend design phase meetings.
- Perform constructability review.

#### **CONSTRUCTION PHASE**-inspector will be on site half-days only

- Establish a construction phase line of authority with all communications directed through the construction manager.
- Monitor and inspect the work of the contractor through daily site visits during the course of construction and maintain daily inspection reports and photographs.
- Witness and record all testing performed for the work. Verify that testing is performed in accordance with City of Tempe standards, MAG specifications and other applicable standards.
- Conduct weekly progress meetings throughout the course of the project; document and distribute minutes of such meeting to all parties.
- Monitor the progress of the contractor's CPM construction schedule. Identify potential variances between the schedule and probable completion dates. Make recommendations to the contractor and/or the City for remedial action if necessary to mitigate schedule variances.
- Review contractor requests for change orders and make recommendations to the City of Tempe regarding the validity of the change order request and potential budget impacts.
- Verify that the contractor has an approved traffic control plan and monitor its implementation.
- Verify the scheduling and performance of special inspections and materials testing.
- Review with the contractor and submit to the City an approved pay request. Perform reporting and documentation of contractor's monthly progress payment applications to ensure compliance with Davis-Bacon requirements.
- Maintain project records as necessary to document the activities throughout construction.
- Prepare and maintain all necessary documentation to ensure compliance with the Buy American Act.

#### **CLOSE OUT PHASE**

- Schedule a final walk-through with the owner and contractor for the preparation of final punch list. Monitor the progress of the contractor's remedial work.
- Secure and review the contractor's as-built drawings. Transmit a set of final as-built drawings to the City.
- Submit all project documentation to the City for permanent storage.
- Prepare and submit final application to Maricopa County Environmental Services Department for final acceptance of water and sewer installations as necessary.

Bellevue / Denver / Las Vegas / Los Angeles / Oakland / San Bernardino / San Diego /  
Sacramento / San Francisco / San Jose / San Luis Obispo / Tempe / Tucson / Texas / Virginia

A handwritten signature in black ink, appearing to be the initials "AL" or similar, located in the bottom right corner of the page.



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May 28, 2009

Proposal #T189-0509-2

Mr. Vijay Gokhale  
Senior Engineering Associate  
City of Tempe  
31 East Fifth Street  
Tempe, AZ. 85281

RE: City of Tempe Project #3203181  
Western Canal Water Transmission Main, **Phase 2-**  
30" Well Waterline, South Gate to Finish Water Reservoir South Tempe Water Treatment Plant

Dear Mr. Gokhale:

Please find the attached fee proposal and scope of services for the above-named project. In calculating necessary construction management fees, we have assumed a three-month duration with the field inspector inspecting half-days only.

We are looking forward to continuing to provide professional services for the City of Tempe and a completed project that meets or exceeds your expectations. If you have any questions about this proposal, please do not hesitate to call.

Sincerely

A handwritten signature in black ink, appearing to read "Rob Hildreth".

Rob Hildreth  
Project Manager  
VANIR CM, Inc.  
Cell 480-335-4479

Enclosures

- (1) Fee
- (2) Scope

cc: B. Wyllie (VCM)

Bellevue / Denver / Las Vegas / Los Angeles / Oakland / San Bernardino / San Diego /  
Sacramento / San Francisco / San Jose / San Luis Obispo / Tempe / Tucson / Texas / Virginia

CITY OF TEMPE  
TEMPE, ARIZONA  
DEPARTMENT OF PUBLIC WORKS

AFFIDAVIT OF GENERAL CONTRACTOR / PRIME CONSULTANT  
REGARDING  
HEALTH INSURANCE

\_\_\_\_\_  
Arizona

Date \_\_\_\_\_

**Western Canal Water Transmission Main – Phase II  
Project No. 3203181**

I hereby certify that \_\_\_\_\_ (name of company) currently has, and all of its major subcontractors/subconsultants, defined as doing work in excess of \$30,000.00, will have, during the course of this contract, health insurance for all employees working on this project and will offer health insurance coverage to eligible dependents of such employees, as defined in the accompanying Guidelines. The company's health insurance is as follows:

Name of Insurance Company: \_\_\_\_\_

Type of Insurance (PPO, HMO, POS, INDEMNITY): \_\_\_\_\_

Policy No.: \_\_\_\_\_

Policy Effective Date (MM/DD/YY): \_\_\_\_\_

Policy Expiration Date (MM/DD/YY): \_\_\_\_\_

Signed and dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
General Contractor/Prime Consultant

By: \_\_\_\_\_

STATE OF ARIZONA            )  
  ) ss  
COUNTY OF MARICOPA        )

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_

## **City of Tempe**

### **Guidelines for Implementation of Health Insurance**

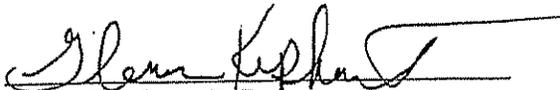
These Guidelines are provided for purposes of implementing Resolution No. 2000.73, which requires all employees of prime consultants, general contractors and major subconsultants and subcontractors to have health insurance and to offer health insurance to their eligible dependants, as determined at the start of each project. Questions regarding these guidelines should be directed to the City of Tempe Engineering Division at (480) 350-8200.

1. All Prime Consultants who enter into a Public Works contract or General Contractors who bid on Public Works projects that are advertised for bid and enter into a contract in excess of \$30,000 with the City of Tempe after January 1, 2001, are required to sign an affidavit in the form attached hereto. The prime consultant or general contractor shall require that all major subconsultants or subcontractors, defined as entities doing work in excess of \$30,000, comply with the health insurance requirements. In signing the affidavit, prime consultants and general contractors may refer to and rely upon these Guidelines for interpretation.
2. Health insurance is required for permanent employees who work for the consultant/contractor more than one hundred and twenty (120) days in any calendar year. A "work day" consists of any time within a twenty-four hour period, regardless of number of hours that the individual is paid. This requirement excludes students working part-time who are enrolled in a recognized educational institution. Many companies have a grace period or a qualifying period prior to commencement of insurance coverage, which is acceptable so long as the employee coverage begins by the 120<sup>th</sup> day of contract signing. Temporary employees will be covered to the same extent as the City of Tempe covers temporary employees as determined at the start of each project.
3. If a contractor is a "Union" shop and withholds union dues from employees for health insurance coverage that is also offered to their eligible dependents and meets all City requirements, the Contractor may so note on the required affidavit.
4. The health insurance requirements herein apply to all employees that are directly involved with the City of Tempe project including support and administrative personnel.
5. Health insurance coverage must be maintained during the entire time of the contract, including any warranty periods, with the City.
6. All complaints concerning violations of the health insurance requirements shall be filed by an employee, in writing, with the Public Works Department, within thirty (30) days from discovery of the violation. An administrative hearing will be held before the Public Works Manager, and a written decision of findings will be provided to the parties to the hearing within ten (10) days thereafter. Appeal from the decision

of the Public Works Manager may be made within ten (10) days of the date of the decision by filing a notice of appeal in writing with the Public Works Department. If an appeal is timely filed, an administrative hearing will be held before an administrative hearing officer appointed by the City Manager. The decision of the administrative hearing officer shall be final.

7. In the event of a finding by the City of a violation of the insurance provisions, the company in violation of the provision shall be barred from bidding on, or entering into, any public works contract with the City for a minimum period of three (3) years.
8. All consultants and contractors subject to the health insurance requirements shall post, in English and Spanish, notice of the health insurance requirements at their office and at the job site. Signs for posting will be provided by the City.

These "Guidelines for Implementation of Health Insurance", issued and dated this 21st day of August, 2002, hereby amend all guidelines previously issued.

  
Glenn Kephart, P.E.  
Public Works Manager