



Texas Association of School Boards
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Serving Texas Schools Since 1949

September 21, 2012

Dr. Murphy – Superintendent
Canutillo Independent School District
7965 Artcraft,
El Paso, TX 79932

Re: Program Management Fee Proposal

Dr. Murphy,

The Texas Association of School Boards and Sledge Engineering, LLC understand the Canutillo Independent School District Board is meeting to discuss Project Management for the DC 2011 Bond Program. Our original proposal dated 9/10/12 still stands as submitted and we are very willing to negotiate the scope and fee of the proposal.

After learning more of the District's issues and meeting with Mr. Venegas of VEMAC Inc., the Construction Manager at Risk, we are highly concerned with the PK-8 Campus Project. Two things occur as a project nears the point of bidding: the ability to control cost decreases and the cost of changes increases. The most current critical issues (pre-construction) with this project include:

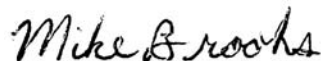
- CISD control of project design
- Lack of design plan and specifications review
- Lack of budget control
- Hidden costs of the project
- Lack of communication between Design Team and Construction Manager at Risk
- Geotechnical engineering work not complete
- Project schedule: plans at 70% completion but several issues remain unresolved from where plans were at 30% complete
- Design needs to be revised to fit budget parameters
- Major HVAC design issues remain unresolved with plans at 70% completion
- Lack of management of Furniture, Fixtures, and Equipment
- Missed opportunity with regard to driveway cut locations
- City permitting
- Lack of City and private utility coordination
- Confirmation of project goals regarding LEED attainment and corresponding design
- Lack of bid schedule

In summary, CISD needs to act quickly to gain control of this project. TASB and Sledge Engineering propose a new focused scope and reduced fee proposal (attached) for Project Management for the PK-8 Campus Project to begin immediately. TASB and Sledge Engineering will work in unison with VEMAC Inc. and the entire design team to get the project back on track and in line with the Board's vision and budget, as well as the community's expectations.

Finally, we understand the Board's concerns over our Program Management Service fees. This has been discussed between TASB and Sledge Engineering extensively. Sledge Engineering is confident that our Program Management Service will find project savings, cost reductions, or cost avoidance. As a result, Sledge Engineering is willing to not collect any fees unless equivalent savings, reductions, or avoidances are provided.

We stand ready to begin work immediately and to help get the PK-8 Campus Project back on track. We are excited about the opportunity to continue our relationship with the Canutillo Independent School District and help the District and community achieve their goals.

Sincerely,



Mike Brooks
Manager, Facilities and Operations Services
OnSite Services
1-800-580-8272 ext. 3205
Fax: 512-483-7179

Program Management Service Fees and Scope

Lump Sum Fees

TASB	\$184,500
Sledge Engineering, LLC	<u>\$184,500</u>
Total	\$369,000

TASB and Sledge Engineering Scope

Project Management:

- Establish and maintain project schedule and budget
- Reports to ISD monthly or as needed
- Work with Owner's appointed Committees
- Providing needs assessments and analyses of alternatives
- Coordinating Conceptual designs and cost estimations
- Provide project scope, goals, and objectives
- Oversee all project consultants
- Conduct public meetings
- Providing project closeout/final accounting
- Fund management
- Support your communication and dialogue with your local community

Contract Administration, negotiations and firm selection including:

- Provide Requests for Qualifications and Proposals and manage process for ISD
- Negotiate and recommend contracts on behalf of ISD for all consultants and contractors
- Design firm(s) at planning stage and design/construction phases
- Geotechnical and materials testing firm(s)
- Surveying firm(s)
- Texas Department of Licensing and Regulation firm for accessibility
- Contractor(s)

Master Plan Phase

- Oversee site master planning process for build-out conditions
- Oversee site master planning as needed for ISD Infrastructure to include utilities, traffic, drainage, open space
- Oversee campus planning for ISD
- Administer and facilitate public meetings as needed for affected property owners and consensus building
- Review site master plan(s) for cost effectiveness, constructability, stakeholder needs

Design Phase

- Plan reviews for cost effectiveness, constructability, satisfaction of project goals, City, County, and State compliance
- Certified Building Code Reviews
- Provide Value Engineering and cost reductions options for stake-holders
- Oversee Architectural, Engineering, and Landscape Architecture design services
- Oversee zoning and platting approvals as needed
- Review Opinions of Probable Construction Cost at 30%, 60%, 90%, and 100% or similar
- Facilitate Design meetings with stake-holders / City
- Oversee LEED Certification for the project as needed

Bidding

- Introduce and Recommend Bidding Options to ISD
- Review and oversee all bidding processes
- Recommend Award of bid(s) to owner
- Assist design team(s) with bidding processes

Construction Observation

- Maintain schedule and budget control and reporting to owner
- Conduct Pre-construction meeting(s)
- Assist with Design team Review of shop drawings and submittals
- Review lab testing on materials
- Provide routine observation services and reporting
- Conduct periodic construction meetings as-needed with contractor and stakeholders
- Issue instructions from owner to contractor with interpretations and clarifications of plans and specifications
- Prepare and administer change orders
- Make recommendations as to acceptability of work
- Assist with preparation of sketches to resolve problems due to field conditions encountered
- Review progress payments / make recommendations
- Review contractor's Record Drawing information
- Make final inspections at completion including punch list administration
- Recommend Final Acceptance to owner
- Provide follow-up inspections for Maintenance Bonds
- Assist owner with move-in and transitions
- Assist owner with receiving new construction, operations and maintenance training

SERVICES NOT INCLUDED:

1. Engineering Design
2. Surveying
3. Environmental Assessments
4. Easement document preparation
5. Hydraulic Modeling
6. Geotechnical engineering
7. Fees of any kind
8. Other services not specifically referenced within this agreement.