



November 20, 2018

Superintendent Joel Whitehurst
Waterville-Elysian-Morristown Public Schools
500 East Paquin Street
Waterville, MN 56096

Re: Proposal to Provide Construction Management Services

Dear Supt. Whitehurst:

Kraus-Anderson appreciates the opportunity we have had to work with Waterville-Elysian-Morristown Public Schools through its recent bond project planning process. It has been a truly collaborative and interactive process to date that not only responded to the vision of District leadership, but also to its community of stakeholders, in terms of planning for facility needs in a cost-conscious manner. And the recent successful bond referendum bears that out!

Now that the project is approved by the voters and ready to move forward, KA is eager to continue to serve WEM Schools as the District's Construction Manager for these projects.

KA is confident that together we can create a trusting team that will lead to a successful project, and we would like to present our proposal for continuing into the next project phases as construction manager-adviser for WEM Schools. Assuming this proposal outlines acceptable services and terms, we would ultimately submit for District approval, a formal AIA Document AIA C132 – 2009, *Standard Form of Agreement Between Owner and Construction Manager as Adviser*.

For purposes of this proposal, the following is a detailed description of services to be performed by KA at critical phases:

DESIGN PHASE

As a strong team member, Kraus-Anderson will continue to provide leadership in the project phase after the successful bond vote. We will assist WEM Schools in the selection of a project architect/engineer to fit the scope of work, and then interface with the architect and other project design consultants, to ensure the design meets the District's goals and project budget. At each major phase of project design development, we will provide detailed cost estimates, milestone schedule, and constructability analysis for all major building systems and components. Kraus-Anderson understands the potential complexity of the intended projects and the need for coordination, sequencing and phasing of these types of projects. KA also has extensive experience in working in collaboration with school districts, their community stakeholders, and local agencies to ensure an open flow of communications and understanding, so that the project requirements are achieved.

The following represents a summary of tasks to be performed during this design & pre-construction phase:

- Project planning & coordination of all scope components
- Overall budget tracking / estimating
- Phasing and sequencing plan
- Meetings with staff and other stakeholders to ensure strong communication of phasing planned
- Attend the architect's team design meetings as needed
- Plan review for completeness and clarity
- MEP review (In-house engineer review of mechanical and electrical systems)
- Quality review (In-house project constructability review)

BID PHASE

As Construction Manager, Kraus-Anderson will competitively bid all categories of the work (multiple primes), review bids with you the owner, and recommend School Board award of bids for the lowest qualified bidders. We will also work closely with the city and other government agencies to ensure that applicable permits are secured. During this phase, KA will continue to review the documents, and post any addendums as needed.

The following is a summary breakdown of work to be performed in this bidding phase:



- Narrate front end bidding requirements
- Develop multiple bid packages & define work scopes for competitive bidding
- Encourage local contractor participation in the bidder and develop bidder interest in the project
- Identify long-lead items for possible early bidding
- Develop ads for bid for legal publication
- Create and communicate the expected construction schedule
- Conduct pre-bid walk-through of existing facilities
- Initiate the permitting process
- Post any addendums as issued
- Continued plan review
- Organize bid day operations
- Receive, publicly open, and review bids
- Meet with potential low bidders
- Write letters of recommendation for award
- Write contracts upon Board approval
- Assist in Board meetings or staff updates as needed
- Collect front-end paper work (insurances, bonds, etc.)
- Create shop drawing submittal logs
- Begin collecting and reviewing shop drawings
- Host kick-off construction meeting

CONSTRUCTION PHASE

Our construction service approach will provide a textbook delivery from start to finish. Our project superintendents, project assistants, and project managers have documented responsibilities to assure that your project is professionally represented. As part of our construction management service, we will assist in monitoring owner purchase orders, and construction dollars spent each month to verify that the payment applications and invoices generated do not exceed the work completed to date. Kraus-Anderson will work closely with you, the architect, and other project consultants to promote strong communication throughout the entire construction process.

The following is a bullet point review of our services during this phase:

- Full time supervision
- Project management and project assistant
- Host and conduct job-site meeting/project manager meetings
- Conduct foreman meetings
- Maintain three week look ahead schedules
- Create and distribute meeting minutes
- Develop and maintain record logs to track submittals in process
- Track contract information (contract status, insurances, submittals, etc)
- Monitor overall budget
- Monitor work quality daily
- Monitor and enforce overall schedule
- Assist in owner purchases
- Collect and process all pay applications on behalf of the owner
- Assist in monitoring and procuring general condition items (i.e. dumpsters, barricades, safety devices, general cleaning, trucking, temp utilities, office supplies, printing, etc.)
- Quality review with architect of record
- Progress photos
- Assist with commissioning report procurement and implementation
- Daily logs
- Staff and administration updates
- Use of ProLog as a project management software



PROJECT CLOSE-OUT/COMMISSIONING

As construction manager we have developed a method of establishing expectations, and getting an early start on the close-out process, that has proven to be highly effective. As-built drawings, operations and maintenance manuals, and other close out documents will be provided promptly and in an organized manner. Following is a list of close-out requirements:

- Collect as-built drawings
- Monitor punch-list completion
- Collect Consent of Sureties
- Collect warranty information
- Meet with your staff and administrators on project completion
- Organize substantial completion requirements
- Monitor and recommend release of contractors' retainage only when close-out documents are completed
- Work with and encourage Test and Balancing contractor and Commissioning Agent to finalize reports
- Organize close-out documents for owner

FEE BREAKDOWN

Following is a breakdown of our fees per phase, based on your \$19,300,000 bond project:

Design Phase

- Included in Construction management fee below

Construction Phase Site Services – Full Time Supervision and Part Time Project Management

- Upon finalization of project scopes and timelines, Kraus-Anderson will negotiate these site service cost as necessary with the owner. Once these are finalized, we will lump sum and guarantee these services and their cost as part of the project budget. These costs are included in the "cost of the work" and are not additional to the project.

Close-Out Phase

- Included in Construction Management fee below

Kraus-Anderson Overhead Fee and Profit

- At this time we project our Basic CM fee to be around 2-3/4, pending final project scope and schedule. The final lump sum for this amount would be negotiated and finalized with KA and the School District at an appropriate stage of project design. The amount for this Fee is included in the budget, and is not an added cost.

I hope you will find this information useful. We are confident that Kraus-Anderson will provide a successful project with a fresh new focus which brings value to users, staff, and the community. If you have any questions regarding the enclosed information, please feel free to call me at (612)-865-0359.

Very truly yours,

KRAUS-ANDERSON® CONSTRUCTION COMPANY

Gary D. Benson
Director of Project Planning & Development



KRAUS-ANDERSON®

Kraus-Anderson Construction Company
501 South Eighth Street, Minneapolis, MN 55404

Proposal Acceptance:

If the above scope of services and costs are acceptable, please sign and return.

Date: _____

Signature: _____

Name / Title: _____