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**I. COMPANY OVERVIEW**

**Company Name:**

**Primary Service:** Construction Management / Project Management

**Principals:**

**Company Address:**

**Telephone Number:**

**Internet Address:**

**Contact Person(s):**

**Company Description and Profile**

The XYZ Companies is a full-service real estate company specializing in retail brokerage, leasing, and management and Development services. We have a reputation for integrity and for understanding all aspects of retail real estate. Our partners include institutional investors, residential PUD developers and government agencies involved in economic revitalization.

**II. PROJECT DESCRIPTION AND MANAGEMENT APPROACH**

**A. PROJECT DESCRIPTION**

The ABC Company (CLIENT) is developing Shopping Center, a 6 acre retail site with existing fueling station with the expansion of new 145,000 SF multiple buildings for retail and fast food with drive thru and 200 parking spaces, located in the Town of [Name] on the corner of [Road}) and [Road].

**B. Responsibility Outline**

The role and responsibility of each team member are as follows:

* **CLIENT –** ABC Company**:** The CLIENT is responsible for providing a representative who will express the CLIENT’s goals and objectives and organize their internal organization. The CLIENT is responsible for providing financial resources and assuring that the appropriate team members are procured in order to achieve the CLIENT's objectives and to support their management directives issued to XYZC and the Construction Manager.
* **CONSTRUCTION MANAGER (CM) – The XYZ Companies (XYZC):**  The Construction Manager's primary responsibility is to act as the management entity for the CLIENT, and the intermediary between the AE and General Contractor. As the liaison for the CLIENT, the CM is responsible for fulfilling a number of administrative tasks associated with design, construction administration, and quality control, including but not limited to document review, cost estimate review, documentation, scheduling, and claims review and analysis. The ultimate responsibilities of the CM are:

1. Deliver the project in a timely manner and within the budget parameters.

2. Identify and mitigate risk to the CLIENT in such a fashion that the spirits of agreements are fulfilled.

3. Ensure quality in terms of both immediacy and longevity.

**B. MANAGEMENT APPROACH**

**1. General Philosophy**

The XYZ Companies (XYZC) approach to this project will utilize our general philosophies as a foundation:

* Program Management Approach - The management approach should be totally comprehensive and founded on solid strategies. As the project develops, a re-occurring theme should be evident and all activities should be interrelated. It is this building block concept that strengthens each succeeding activity, thus developing a Total Quality Management Program (TQM).
* Team Approach – We believe that all the project participants should be encouraged to communicate, interact and perform within a team environment.
* Pro-Active Management - XYZC believes the most effective means of controlling risk and cost is to plan and develop strategies that prevent the occurrence of problems and shield the project and CLIENT from risk and unnecessary costs.
* Empowerment at the Project Management Level – All XYZ professionals is empowered to fully represent our company.

Our general philosophies are fluid, and remain flexible so that new influences in our industry and within our firm can improve and revise our baseline principles and practices.

***Quality is a continuous process.***

**2. Project Approach**

**Organization and Planning**

Objective No. 1 - Enact systems that will allow XYZC to effectively monitor and maintain the project objectives for quality, time and budget.

Objective No. 2 - Develop a continuous improvement process within the management structure that will provide for total quality, not only for XYZC, but also for all team members.

Objective No. 3 - Develop a management structure that makes use of the team concept and takes in account the needs of each team members in order for them to maximize their performance potential.

**Construction Management**

Objective No. 4 - Maintain timeliness and quality by providing highly competent and detailed inspections of the work without hindering the actual construction process.

Objective No. 5 - Solve all problems through a team approach to minimize the effects of changes to the project budget and schedule.

Objective No. 6 - Develop a management structure and exercise activities that continuously improves the building and management process in order to achieve total quality.

**Post Construction/Project Closeout**

Objective No. 7 - Protect the CLIENT’s rights under the agreement while systematically closing the project out in a timely manner.

Objective No. 8 - Evaluate the process objectively and critique XYZC’s' performance as well as the overall performance of the team in order to reach our objective of total quality through the continuous improvement process.

Objective No. 9 - To protect the CLIENT’s interest and minimize exposure to claims should they result.

**C. PROJECT ACCOUNTING / BUDGETING**

We understand the importance of obtaining budget approval prior to commitment of funds for a project, but we also believe that the accuracy of the budget is directly related to the accuracy of the information from which the budget is established. When possible, we first identify the project requirements by developing a macro program. From this program we are able to determine the general scope of the project including the CLIENT's goals and objectives. With this information in hand we then work with the team to develop appropriate cost estimates for each line item and thereby develop a Project Budget, benchmarking the Project Budget against our cost databases.

**III. SCOPE OF SERVICES**

**The XYZ Companies proposes to perform services as Construction Manager (CM) for CLIENT as outlined in the following scope of services.**

**A. PROJECT MANAGEMENT**

**1. Project Organization Phase**

a. Develop project organization and management program.

b. Develop tracking and control systems.

1. Budget, accounting standards and records

2. Document tracking and control systems

3. Construction management plan

4. Communications procedures and requirements

5. Organizational structure

c. Prepare the Master Project Schedule, to include milestones and decision points for CLIENT decisions.

1. In cooperation with CLIENT, develop and validate the Master Project Budget.
2. On behalf of CLIENT, coordinate the procurement of the General Contractor, specifically:
3. Determine which method of contracting will best serve CLIENT goals.
4. XYZC recommends negotiating with a General Contractor (GC) prior to construction starting. XYZC’s preferred GC is L.F. Jennings, however, at CLIENT’s option we will work with the CLIENT’s own GC preference or bid out to multiple contractors.
5. Assist CLIENT in developing the Owner - Contractor Agreement for execution.
6. Schedule and run regular project meetings with all team members. Publish agenda items, keep minutes and action items.
7. Provide support and commentary to lease documents, including work letter analysis as requested or required.

**B. PROJECT IMPLEMENTATION**

1. **Design and Pre-Construction Phase**
2. Obtain copies of proposal for all design services from CLIENT and review it against the project objectives for completeness.

c. Provide design management for all designers and sub-designers working directly for the CLIENT to ensure that the project design meets budget and quality goals. These activities will include:

1. Hold regular design meetings with the project team and publish meeting minutes and action item lists.
2. Monitor any design and advise CLIENT of any potential delays.
3. **Preconstruction Phase**
4. Interface with project design consultants to ensure the project design meets the CLIENT’s budget and quality goals. These activities will include:

1. Project Programming review and evaluation.
2. Construction Document review and evaluation.
3. Detailed estimate based on Construction Documents.
4. Value assessment of documents.
5. Monitor design schedule and progress.
6. Participate in development of specifications, general conditions and supplementary conditions.
7. Schedule and run regular project meetings with all team members. Publish agendas, keep minutes and action items.
8. Identify long lead items and advise CLIENT on appropriate course of action to mitigate any potential schedule problems for both project phases.
9. Assist CLIENT in coordinating third party vendor requirements including voice/data cabling and security.
10. Provide assistance to the Design Professional for securing the building permit as necessary.
11. **Plan Approvals and Permit Phase**
12. Permits being obtained by CLIENT.
13. Coordinate any Utility Company work that is required.
14. **Construction Phase**

a. The CM shall participate in the preconstruction conference that will establish all required procedures and methods and acquaint the project team with the CLIENT’s objectives.

b. Schedule Compliance Monitoring and Documentation

1. The CM shall review all construction schedules.

2. The CM shall monitor the work progress and prepare as-built schedules based on the Contractor schedule and the actual work sequence.

3. When necessary, the CM shall prepare computerized delay analysis to evaluate change request for additional time and cost impacts associated with delays.

c. Claims Management Systems and Prevention

1. The CM shall establish systems based on pro-active management to limit claims by the Contractor.

2. The CM shall manage by the terms and conditions of the agreement and not establish any course of dealing that is not consistent with the agreement or amended to such agreement.

3. The CM shall respond immediately to all change orders notices or claims submissions by the General Contractor. All change order proposals shall be totally evaluated based on the scope of work and the supporting information submitted by the GC. The CM will issue a change order recommendation to CLIENT after negotiation on behalf of CLIENT with the GC and prepare all contract amendments.

4. The CM shall work with the Contractor to conclude all change order claims within 30 days from submission by Contractor. The CM shall maintain an up to date proposal log to track all pending change orders.

d. Tenant Construction Coordination

1. CM will review design documents of tenant store(s) and sign plans to ensure compliance with the project’s overall design concept.
2. The CM will assist the CLIENT and XYZC development team in lease negotiations by pricing the Tenant construction costs.
3. The CM will work with the Tenant’s architect and the project’s design team to prepare the Tenant bid documents.
4. The CM will coordinate the selection of the Tenant work contractors and the negotiation of the construction contract.
5. The CM will coordinate the Tenant construction work and report the progress of the work to the project team.
6. The CM will review all changes to the scope of work which affect the construction schedule or produce an additional cost to the base building work must be approved by XYZC and then submitted to CLIENT for final approval.

d. Quality Control

1. The CM shall monitor the visits of the Design Consultants and review field reports.
2. The CM shall advise CLIENT on deviations cited by the Design Consultants not remedied by the Contractor and recommend an appropriate course of action.

e. Problem Analysis and Resolution Management

1. The CM shall orchestrate a team approach to solutions for problems. The CM shall identify problem and solicit feedback from all team members thus providing a forum for creative problem resolution.

2. The CM shall analyze the responses and prepare an analysis of all cost and time impacts for the CLIENT’s review and selection of appropriate resolution.

3. The CM shall solicit outside recommendations as required from appropriate individuals in order to obtain impartial advice or greater expertise.

f. Construction Administration

1. The CM shall monitor the Contractor’s construction as well as advising CLIENT of its responsibility and decisions pertaining to the construction process.

2. The CM shall issue all directives, clarifications and notices on behalf of CLIENT and monitor the directives, clarifications and notices issued to CLIENT by the Contractor and Design Consultants as required to maintain the progress of construction and the master project schedule.

3. The CM shall lead all preconstruction conferences pertaining to the construction.

4. The CM shall review and respond to all correspondences issued by the CLIENT, Contractor, Design Consultants or other parties on issues related to the design and construction of the Work.

5. The CM will participate in weekly meetings concerning construction progress and related issues. The CM will prepare and issue meeting minutes to attendees and other interested parties.

6. The CM will review the construction in progress on site as required.

**5. Post Construction/Project Close-out Phase**

a. Contract Close-out Administration

1. The CM shall administer all activities required in order to closeout all outstanding issues and administrative tasks required by the contract documents and the nature of the work.

2. The CM shall schedule all activities required under this phase and monitor the progress of such closeout activities.

b. Punch list Preparation and Administration

1. The CM shall monitor the preparation of the initial punch list by the General Contractor and its confirmation and amendment by the Design Consultants.

2. The CM shall negotiate for CLIENT to establish a settlement amount should the General Contractor fail to complete the punch list work in a timely and expedient manner.

c. Documentation, Final Submittals and Final Payments

1. The CM shall provide notice to the Developer and General Contractor of all administrative items required prior to closing the project. These items will include:

* Operations and Maintenance Manuals
* As-built Documents
* Final Release of Liens
* Notices to Sureties
* Final Inspection Approval Notices
* Warranties

2. The CM shall prepare a detailed list of files and documentation that will be preserved in his archives for a period of not less than three years.

3. The CM shall organize equipment start-up seminars and training with the General Contractor and CLIENT facility personnel.

4. The CM shall monitor the start-up testing and balancing of all equipment.

**6. Project Administration**

1. All Documents, Progress Photographs, schedules and meeting minutes shall be stored electronically by XYZC.

**7. Project Accounting**

1. Set up vendor ledger for all Contractors, Consultants and Suppliers on the project. Enter and track all contract amounts and contract adjustments.
2. Maintain Budget to Cost Comparison for monthly reporting to CLIENT, including status of pending change orders and costs.

**IV. FEE PROPOSAL**

##### BASE FEE – PROJECT MANAGEMENT SERVICES

The XYZ Companies proposes to provide the above listed services for a fixedfee of **five (5%) percent of all project hard cost.** Initial monthly invoicing will be $5,000 per month until CLIENT approves construction project budget. XYZC will reconcile monthly invoice balance upon approved budget and submit revised monthly invoices accordingly.

Services are anticipated to commence in [Starting Year] with completion of project close-out in [Ending Year].

XYZC will obtain CLIENT approval in advance of performing any additional services.

C. Reimbursable expenses shall include, but not be limited to:

1. Reproduction expenses
2. Courier and mail.
3. Long Distance Telephone Charges
4. Photographic supplies and Development
5. Automobile mileage and parking
6. Travel outside the Washington Metropolitan Area.

E. Reimbursable expenses directed by the CLIENT shall carry an administrative multiplier of 1.10.

## V. TERMS, CONDITIONS AND ACCEPTANCE

**This proposal for services is based on the following terms and conditions:**

Indemnification: Nothing in this agreement shall constitute XYZC to provide architectural, engineering, consulting, technological inspections or any other service that would require a license in any jurisdiction(s), or to act as a general contractor. All of these services will be provided on a subcontract basis. XYZC will be indemnified from all liability arising from the negligent acts or omissions by its subcontractors. XYZC shall also include CLIENT as an indemnified party in any subcontractor agreement between XYZC and said subcontractor.

CLIENT shall indemnify XYZC, its employees, agents, or subcontractors from and against any and all claims, losses, damages, liabilities and expenses incurred by XYZC arising from the acts or omissions of CLIENT, its agents, employees, or contractors.

XYZCwill not advise on or issue directives relative to any aspect of construction means, methods, techniques, sequences or procedures, or for safety precautions or programs in connection with the Work.

XYZC and its employees agree that any proprietary information regarding this project be held in confidence in accordance with any confidentiality agreement.

The following insurance coverage is in effect for this proposal:

XYZC agrees to maintain full force and effect, at all times while it has any obligations under this Agreement the following policies of insurance:

* + - 1. Comprehensive General Liability Not less than $2,000,000
      2. Insurance including Broad Form
      3. Contractual, Broad Form Property
      4. Damage, Personal Injury
      5. Comprehensive Auto Liability Not less than $500,000
      6. Insurance including Owned
      7. Non-Owned and Hire Car coverage
      8. Workmen's Compensation Statutory--as required
      9. XYZC agrees to name CLIENT as additional insured on the above policies. .

CLIENT may terminate this agreement, without cause, at any time with 30 days advance notice. In such event, XYZC shall be paid a termination fee of $25,000.

## VI. PROPOSAL ACCEPTANCE

**PROJECT MANAGEMENT SERVICES**

|  |  |
| --- | --- |
| **:** | **ABC Company (Client)** |
| **BY:** | **:** |
| **TITLE:** | **:** |
| **DATE:** | **:** |
|  |  |
|  |  |
|  |  |
|  | **The XYZ Companies(Service Provider)** |
| **BY:** | **:** |
| **TITLE:** | **:** |
| **DATE:** | **:** |
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