



November 27, 2018

Mr. Donald S. Glywasky  
City Attorney  
City of Galveston  
823 Rosenberg, Suite 205  
P.O. Box 779  
Galveston, TX 77553

**PROPOSAL FOR: 3<sup>rd</sup> Party Contract Administration & Project Evaluation Services;  
59<sup>th</sup> Street Pump Station-City of Galveston, Galveston, TX;  
-Consultant Services  
Water Tank Construction  
-Consultant Services**

Dear Mr. Glywasky,

Applied GRT LLC (GRT) is pleased to submit a fee proposal to provide 3<sup>rd</sup> Party Contract Administration & Project Evaluation Services for the City of Galveston (the City). We understand some typical project management services may be required. The General Contractor for the 59<sup>th</sup> Street Pump Station, Cardinal Construction, has threatened litigation against the City; Scott Fendrick of Applied GRT will also provide consulting expert services under this agreement.

**SCOPE AND FEE**

We understand this work to primarily consist of a reviewing the General Contractor's (GC) Proposed Change Orders and evaluating the substantiating information, the direction by the Engineer of Record and overall compliance with the structure of the Contract Documents (CDs). Delay days may have cost implications per the contracts and that analysis will also be presented for review also.

We propose a Not to Exceed Fee. The Fee is anticipated to be expended as follows:

<b><u>Not to Exceed Fee:</u></b>		<b>\$ 50,000.00</b>
Previous Executed Proposal	(P1801754)	<b>\$ 14,500.00</b>
Principal in Charge	195hrs X \$160.00/hr.	<b>\$ 31,200.00</b>
Project Manager	10hrs X \$140.00/hr.	<b>\$ 1,400.00</b>
Project Controls Analyst	10hrs X \$90.00/hr.	<b>\$ 900.00</b>
Reimbursable Expenses	Lump Sum	<b>\$ 2,000.00</b>

**COMPLETION SCHEDULE**

We will provide draft reports as directed by the City Attorney within thirty (30) days of the request and final reports fourteen (14) days from receipt of the City review comments. This completion schedule relies on GRT receiving the associated documents to perform this review within one week of proposal execution. Please see Exhibit A for list of documents that may be requested for a complete analysis.

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## **PROJECT GUIDELINES**

This analysis of the contracts and CDs will include, but is not limited to, potential impacts from other documents as provided by the City. These may include 1) Requests for Information (RFIs), 2) Proposed Change Order Requests (PCOs), 3) Change orders (CO), 4) Product Submittals, 5) Construction Change Directives (CCDs) and Claims as defined by contract, 6) Contractor Daily Logs, 7) Project Meeting Minutes, 8) Emails and letters, and any other documents provided by the City.

GRT will attend, when possible, construction progress meetings, and any other meeting as requested, for the 59th Street Pump Station and for the water tank construction projects. GRT will provide written summaries to the City Attorney of those meetings.

Further, GRT would like to suggest that the appropriate project team members support this endeavor and provide the most current documents available in a timely manner to complete this review. GRT will provide a list of items required for this PCO evaluation and is available to meet with appropriate parties at the City's direction.

We shall present our findings to you in draft form and finalize this information upon your review and comment. Significant variances in normal project protocols will be identified. We shall be prepared to make a presentation with our findings upon your request.

- 1) Review the PCO Log and individual PCOs for proper direction, supporting documentation, and appropriate pricing.
- 2) Review Change Orders for changes in time and/or contract amounts. The changes must be recorded, complete, and include supporting documentation as required.
- 3) Review Contractor Claims, if any, for quality, timeliness, and significance. Claims must follow contractual provisions for notification.
- 4) Review supporting documentation such as General Contractor daily logs, Project Meeting Minutes, Email and letter correspondence, etc.

The analysis will also quantify where responses, to project related correspondence as outlined above, was not timely, not complete, and not definitive; potentially affecting the completion of the project. This analysis will attempt to identify how these delays affected the General Contractor's construction schedule and assign contractual responsibility.

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**COMPENSATION:**

The City of Galveston shall compensate Applied GRT LLC under the terms and conditions of this agreement.

- i. Applied GRT LLC shall invoice on an hourly basis each month not to exceed the maximum established herein as follows:

Principal in Charge	\$160.00/hr.
Project Manager	\$140.00/hr.
Project Controls Analyst	\$90.00/hr.
Site Visits	Hourly per visit + Reimb. Expenses
- ii. Reimbursable Expenses, such as printing and reproduction costs, travel expenses (per IRS Standard mileage rate) shall be invoiced at direct cost.
- iii. Services, not specifically identified in the Project Guidelines or elsewhere in this proposal, shall be considered additional services. Please see **ADDITIONAL SERVICES.**

**SERVICES TO BE PERFORMED:**

- i. Evaluation of the GCs Proposed Change Orders is the primary focus with impacts evaluated per PCO. Specific attention shall be placed on proper direction for the proposed change, the supporting documentation provided, the reasonableness of the costs and how this change affects the schedule. The delay evaluation would also include the associated costs incurred from the delay per the contractual responsibility.

**SERVICES NOT TO BE PERFORMED:**

- i. This review of this project, procured by Design/Bid/Build method, will not be an exhaustive analysis of every item within the Designer's or GCs business practices, but rather a review of normal procedures to evaluate compliance with the contract documents and define the contract limitations.

**COMPENSATION TERMS:**

- i. Services identified or requested by the City exceeding the project guidelines above will be considered **ADDITIONAL SERVICES.**
- ii. GRT will secure approval, in writing, from the City for any requested additional service before proceeding with the work.
- iii. All invoicing shall be in accordance with our standard office invoicing procedures with invoices delivered to your office on or about the first day of each month. GRT will invoice for the hours completed on the project to date.
- iv. Payment shall be made within thirty (30) days of receipt of invoice.
- v. Should these services be interrupted or delayed, GRT will invoice for the man hours completed at that time. Outstanding invoices will be due and payable as described herein.

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**ADDITIONAL SERVICES COMPENSATION:**

- i. GRT will invoice additional services at the rates identified under **COMPENSATION** in this proposal.
- ii. Payment, for additional services, shall be due within thirty (30) days.

**AGREEMENT:** We are sending you our agreement electronically. Should this contract meet your approval, please indicate your acceptance by signing at the location indicated below and returning to us.

In the event that the not to exceed amount of \$50,000.00 is not sufficient, the City will have the option of terminating the engagement when the not to exceed amount has been reached, or may obtain the authorization of City Council to continue the engagement.

Best Regards,

Accepted by:

\_\_\_\_\_  
Mr. Scott Fendrick, AIA, CxA+BE  
Founding Partner  
Applied GRT LLC  
Date \_\_\_\_\_

\_\_\_\_\_  
Ms. Kim Coogan  
Asst. City Attorney  
City of Galveston  
Date \_\_\_\_\_

\_\_\_\_\_  
Mr. Brian Maxwell  
City Manager  
City of Galveston  
Date: \_\_\_\_\_

Cc:  
Mr. Ross Blacketter  
Director of Capital Projects

Enclosure:  
Exhibit A – Documents Requested

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## EXHIBIT A

### **DOCUMENTS REQUESTED:**

The documents listed below are typical and we anticipate the analysis will reference these documents often. The responsible party identified is for reference only. This list is also not exhaustive, additional information may be requested at a later date.

#### General Contractor's

- 1) Original/Approved Schedule satisfying end date compliance
- 2) All subsequent schedules as provided or adopted by team members
- 3) Three week look ahead schedules used in construction meetings
- 4) RFI Log
- 5) PCO Log/GCs Proposed Change Order Log
- 6) CCDs and/or Contractor Claims
- 7) Project Meeting Minutes
- 8) Written Correspondence/Letters

#### PM/Designer's

- 1) Original Drawings and Specifications
- 2) Revised Drawings and Specifications
- 3) GCs Original/Approved Schedule
- 4) RFI Log
- 5) PCO Log
- 6) Change Order Log
- 7) CCDs and/or Contractor Claims
- 8) Site Reports/Observation Reports
- 9) Project Meeting Minutes
- 10) Written Correspondence/Letters

#### Owner

- 1) Executed Contract with GC
- 2) Executed Contract with PM/Designer
- 3) Written Correspondence/Letters