

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Redevelopment Agency

SUBMITTAL DATE:
October 6, 2010

SUBJECT: Thermal Water and Sewer Improvements Project

RECOMMENDED MOTION: That the Board of Directors:

1. Make the following findings in accordance with Health & Safety Code Section 33445:
 - a) The Thermal Water and Sewer Improvements Project (Project) will benefit the Desert Communities Project Area (DCPA) by expanding water and sanitary sewer services and helping to eliminate blighting conditions within the DCPA;
 - b) No other reasonable means of financing the cost of the Project are available to the community due to the fact that the current economic crises has substantially reduced the community's revenues to fund the project;
 - c) The payment of the funds for the cost of the Project is consistent with the Implementation Plan for the DCPA, which calls for the construction of infrastructure improvements and identifies water and sewer improvements as vital for the community;

2. Approve Addendum 1 to the Contract Documents.

(Continued)

Robert Field
Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 15,648,953	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: Yes

SOURCE OF FUNDS: Desert Communities Project Area Redevelopment
Agency Capital Improvement Funds

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: *Alex Gann*
Alex Gann

County Executive Office Signature

Policy ☒ Policy ☒

Consent ☐ Consent ☐

Dep't Recommendation
ATTACHMENTS FILED WITH
THE CLERK OF THE BOARD

4.4

Prev. Agn. Ref.: 4.3 of 08/10/10; 4.3 of 05/25/10; 3.50, 4.9 of 07/21/09; 4.1 of 04/29/08; 4.1 of 11/25/05; 4.1 of 10/25/05

District: 4

Agenda Number:

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: *Samuel Wong* 10/6/10
DATE: 10/6/10
FORM APPROVED COUNTY COUNSEL
BY: *Neal R. Kipnis* 10/6/10
DATE: 10/6/10

RECOMMENDED MOTION: (Continued)

3. Accept and award the construction contract to the lowest responsive bidder Jones Brothers Construction Company in the amount of \$12,451,068;
4. Approve the project budget of \$15,648,953;
5. Authorize the Chairman to sign the contract documents on behalf of the Board; and
6. Approve and authorize the Chairman to sign the Consulting Services Agreement between the Redevelopment Agency and Krieger and Stewart, Inc. in the amount of \$896,900.

BACKGROUND: On August 10, 2010, the Board approved the plans and specifications, and authorized the Clerk of the Board to advertise the Notice Inviting Bids for the Thermal Water and Sewer Improvements Project. On September 1, 2010, three bids were received; the lowest bid was submitted by Jones Brothers Construction Company. During the bidding process Addendum 1 was issued to cover contingency to establish stable surface for placement of sewer lines where water table depth impedes proper placement; this change to approved contract documents requires approval by the Board of Directors, therefore, Agency recommends that the Board approve Addendum 1 to Contract Documents.

County Counsel has reviewed all bids and has determined that Jones Brothers Construction Company is the lowest responsible bidder and constitutes a proper basis for award of the contract. Therefore, EDA Staff recommends that the Board award the contract to the lowest qualified bidder, Jones Brothers Construction Company in the amount of \$12,451,068 and approve the project budget as follows:

Project Budget:	
Construction	\$12,451,068
Engineering	\$ 896,900
Permits/ Inspections	\$ 125,000
Materials Testing	\$ 95,000
Mitigation Measures	\$ 145,000
Project Management	\$ 373,353
Subtotal	<u>\$14,226,321</u>
Contingency 10%	<u>\$ 1,422,632</u>
Project Total	\$15,648,953

The attached agreement for construction engineering services is for continuing services to a previous agreement awarded through a Request For Proposals (RFP) to Krieger and Stewart, Inc. The original agreement has expired and a new agreement is required to complete services needed for the installation of the water and sewer improvements. These services are all part of the same RFP process. Counsel has reviewed and approved as to form and staff recommends the Board approve the attached agreement.

Attachments:
Addendum 1
Bid Summary
Agreement Forms
Performance Bonds
Payment Bonds
Certificate of Liability Insurance
Certificate of Workers' Compensation Insurance
Consulting Services Agreement (3)

**REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
CONTRACT DOCUMENTS FOR
THERMAL WATER AND SEWER IMPROVEMENTS**

ADDENDUM NO. 1

PLEASE BE ADVISED:

1. **Reference:** Construction Specifications, Bidding Documents and Bid Packet, Bid Schedule I, Bid Item 152, Page BD-23:

Substitute the following:

"Bid Item 151" for "Bid Item 149" in description of bid item.

2. **Reference:** Construction Specifications, Bidding Documents and Bid Packet, Bid Schedule IV, Pages BD-37 and BD-38:

Substitute the attached pages:

BD-37 and BD-38 (note addition of Bid Item 435).

3. **Reference:** Construction Specifications, Bidding Documents and Bid Packet, Bid Schedule IVA, Pages BD-45 and BD-46:

Substitute the attached pages:

BD-45 and BD-46 (note addition of Bid Item 434A).

4. **Reference:** Construction Specifications, Special Requirements, Section 4 (Sewer Improvements - Specific Provisions), Part C (Bedding and Pipe Zone Backfill), Page SR-34:

Add the following item:

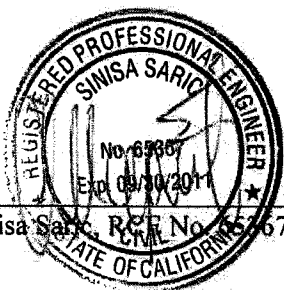
- 4) In circumstances where Contractor is unable to achieve specified dewatering requirements by use of dewatering wells due the presence of clays or other soils that prevent/inhibit drainage necessary to achieve adequate trench bottom stability, and provided Owner agrees with such determination, Contractor shall:
- a) Excavate an additional 18" of trench depth (below 18" of crushed rock as shown on Figure 1).
 - b) Furnish and install 18" of 1-1/2" crushed rock in accordance with ASTM D448 and the following gradation:

Sieve	% Passing
2"	100
1-1/2"	95 - 100
3/4"	35 - 70
3/8"	10 - 30
No. 4	0 - 5

The 18" of 1-1/2" crushed rock shall be placed within the filter (stabilization) fabric envelope below the 18" of 3/4" crushed rock as shown on either the "Crushed Stone Encasement Detail" or the "CLSM Encasement Detail" (as applicable) of Figure 1 (Sewer Trench Details).

- c) Construct and dewater (pump) sumps within trench and at necessary spacing as required to achieve complete dewatering of trench. Disposal of pumped water shall be in accordance with specifications.
- d) Complete the installation of the trench details in accordance with all other requirements shown on Figure 1 and as described in the specifications.

Payment for furnishing and installing the above described modified trench shall be made under Bid Item 435 (or 434A, as applicable) and will be based on the actual lineal footage of modified trench installed.



By: _____

Sinisa Saric, RCE No. 65767

Date: 27. AUG. 2010

ADDENDUM NO. 1 ACKNOWLEDGEMENT

Bidder hereby acknowledges receipt of Addendum No. 1 and the incorporation thereof in bid proposal for the Thermal Water and Sewer Improvements. This acknowledgement page shall be signed, dated and included with the Bidder's Bid Proposal Packet.

Bidder: _____

By: _____
(Bidder's Authorized Representative)

Date: _____

Title: _____

807-34-REBID-ADD1

FORM APPROVED COUNTY COUNSEL

BY: NEAL R. KIPNIS

DATE 10/4/10

BID SCHEDULE IV
CONSTRUCTION OF 12", 18", 21", 24", AND 27" VITRIFIED CLAY PIPE SEWER
STATIONS 10+00.00 TO 188+45.00 AND 10+00.00 TO 13+48.00
(CONSTRUCTION DRAWINGS PREPARED BY KRIEGER & STEWART)

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	AMOUNT
431	Furnish and install 0.5' asphalt concrete base pavement over 0.75' Class II base per County of Riverside Specifications, Standards, and Permits, as required for mainline and branch trenches (Stations 9+96± to 30+40± and 83+65± to 188+45±).	12,524±	L.F.	\$ _____	\$ _____
432	Furnish and install 0.15' grind and 0.15' asphalt concrete pavement overlay over the traffic lane disturbed (12' wide minimum) per the Contract Documents and County of Riverside Specifications, Standards, and Permits per lineal foot of trench for limits specified in Bid Item 431.	12,524±	L.F.	\$ _____	\$ _____
433	Set ties, replace survey monument and file a corner record for each survey monument disturbed or destroyed.	10	EACH	\$ _____	\$ _____
434	Stop work in one area during installation of the sewer line and move equipment, materials, and labor to another area along proposed alignment and start work in new area, all as directed by Owner.	1	L.S.	N/A	\$ _____
435	Furnish and install modified trench bedding and backfill (see Addendum No. 1 modifications to Special Requirements, Section 4, Sewer Improvements - Special Provisions, Part C - Bedding and Pipe Zone Backfill) in cases where specified trench dewatering and suitable bedding cannot be achieved due to the presence of clays or other poorly draining soils, including pumping and disposal of trench water.	9,000±	L.F.	\$ _____	\$ _____

**BID SCHEDULE IV
CONSTRUCTION OF 12", 18", 21", 24", AND 27" VITRIFIED CLAY PIPE SEWER
STATIONS 10+00.00 TO 188+45.00 AND 10+00.00 TO 13+48.00**

TOTAL BID (Sum of Bid Items 401 through 435):

_____ Dollars \$ _____
(words) (figures)

FINAL BID AMOUNT ADJUSTMENT (If Any):

_____ Dollars \$ _____
(words) (figures)

NET BID (With Adjustment)

_____ Dollars \$ _____
(words) (figures)

Bidder hereby acknowledges that all bid prices include any amounts payable by Owner for taxes which may result from this proposal.

Bidder's Authorized Representative

Signature

Name (Print)

Title (Print)

BID SCHEDULE IV A
CONSTRUCTION OF 12" VITRIFIED CLAY PIPE SEWER
STATIONS 10+00.00 TO 188+45.00 AND 10+00.00 TO 13+48.00
(CONSTRUCTION DRAWINGS PREPARED BY KRIEGER & STEWART)
(Bid Schedule IV A is alternative to Bid Schedule IV)

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	AMOUNT
430A	Furnish and install 0.5' asphalt concrete base pavement over 0.75' Class II base per County of Riverside Specifications, Standards, and Permits, as required for mainline and branch trenches (Stations 9+96± to 30+40± and 83+65± to 188+45±).	12,524±	L.F.	\$ _____	\$ _____
431A	Furnish and install 0.15' grind and 0.15' asphalt concrete pavement overlay over the traffic lane disturbed (12' wide minimum) per the Contract Documents and County of Riverside Specifications, Standards, and Permits per lineal foot of trench for limits specified in Bid Item 430A.	12,524±	L.F.	\$ _____	\$ _____
432A	Set ties, replace survey monument and file a corner record for each survey monument disturbed or destroyed.	10	EACH	\$ _____	\$ _____
433A	Stop work in one area during installation of the sewer line and move equipment, materials, and labor to another area along proposed alignment and start work in new area, all as directed by Owner.	1	L.S.	N/A	\$ _____
434A	Furnish and install modified trench bedding and backfill (see Addendum No. 1 modifications to Special Requirements, Section 4, Sewer Improvements - Special Provisions, Part C - Bedding and Pipe Zone Backfill) in cases where specified trench dewatering and suitable bedding cannot be achieved due to the presence of clays or other poorly draining soils, including pumping and disposal of trench water.	9,000±	L.F.	\$ _____	\$ _____

BID SCHEDULE IV A
CONSTRUCTION OF 12" VITRIFIED CLAY PIPE SEWER
STATIONS 10+00.00 TO 188+45.00 AND 10+00.00 TO 13+48.00
(Bid Schedule IV A is alternative to Bid Schedule IV)

TOTAL BID (Sum of Bid Items 401A through 434A):

_____ Dollars \$ _____
(words) (figures)

FINAL BID AMOUNT ADJUSTMENT (If Any):

_____ Dollars \$ _____
(words) (figures)

NET BID (With Adjustment)

_____ Dollars \$ _____
(words) (figures)

Bidder hereby acknowledges that all bid prices include any amounts payable by Owner for taxes which may result from this proposal.

Bidder's Authorized Representative

Signature

Name (Print)

Title (Print)

CONTRACT

This Contract is made and entered into on September 15, 2010, by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE hereinafter called "Owner", and ~~W.J. Brothers Construction Company, Inc.~~ DBA: Jones Bros. Construction Company, hereinafter called "Contractor". This Contract is for that Work described in the Contract Documents entitled **THERMAL WATER AND SEWER IMPROVEMENTS**.

A. Recitals

1. Contractor, in response to a Notice Inviting Bids issued by Owner, has submitted a bid proposal for the above entitled Work.
2. Owner has duly opened and considered said bid proposal, and has duly awarded said bid to Contractor in accordance with said Notice Inviting Bids, and has given written Notice of Award to Contractor on September 15, 2010.

Contractor has obtained and delivers concurrently herewith specified Performance and Payment Bonds and the Certificate of Insurance as required by the Contract Documents.

B. Terms

1. Incorporation of Documents

This Contract includes and hereby incorporates in full by this reference the Contract Documents for the above entitled Work.

The Contract Documents set forth herein consist of: Notice Inviting Bids, Bidding Documents, Bid Bond, this Contract including Contractor's Labor Certification and any Contract Change Orders, Performance and Payment Bonds, Certificates of Insurance, Contract Appendix, Special Requirements, Basic and Technical Specifications, Construction and Standard Drawings, and any addenda thereto.

2. Contractor's Basic Obligation

Contractor agrees to provide the Work specified in the following bid schedules and/or bid items:

Thermal Water and Sewer Improvements

for Twelve Million, Four Hundred Fifty One Thousand, Sixty Eight dollars (\$12,451,068.00), said amount being subject to adjustment in accordance with the applicable terms of the Contract Documents.

Contractor agrees to perform said Work, at said Contract amount, in accordance with the following Contract Completion Schedule:

300 calendar days after date of Notice to Proceed.

Contractor agrees that if the aforesaid Contract Completion Schedule is not met, liquidated damages will apply as provided by the Contract Documents, in the following amounts and under the following conditions:

\$1,000 per calendar day that the Work remains incomplete following the dates established by the Contract Completion Schedule, as adjusted for due cause by Change Order.

3. Owner's Basic Obligation

Owner agrees to engage and does hereby engage said Contractor as an independent Contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum aforesaid and hereby contracts to pay said sum at the time, in the manner, and in accordance with the conditions set forth in the Contract Documents.

4. Contractor's Labor Certification

Contractor states that it is aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation or to undertake self insurance in accordance with provisions of that Code, and Contractor agrees to comply with such provisions before commencing the performance of the Work of this Contract.

5. Litigation or Enforcement Action Costs Arising from Contractor's Operations

If the Owner and/or its Officials, Officers, Employees, Agents, Consultants, and Engineers are named, or are required to testify or contribute time and expense in any other way, in any suit or enforcement action of any kind brought to recover alleged damages or remedy alleged violations resulting from the acts or omissions (including negligent acts or omissions) in connection with, or accidents arising from, the acts, operations, and responsibilities of the Contractor, its Subcontractors, or others associated with or working under Contractor, in direct or indirect relation to the performance of the Work, the Owner and/or its Directors, Officers, Employees, Agents, Consultants, and Engineers shall be held financially harmless and they shall be legally defended (with counsel acceptable to the named party) by the Contractor from any claims for damages and they shall be reimbursed for any reasonable costs incurred by them for lost time, expert assistance, and incidental expenses in connection with their need to defend themselves against such claims, or to contribute time and expense in any other such way, whether or not the suit or enforcement action proceeds to final judgment. This section shall apply and be enforceable for the full time of any applicable statute of limitations.

6. Successors

The parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions herein contained. Contractor may not, either voluntarily or by action of law, assign any obligation assumed by Contractor hereunder without the prior written consent of Owner.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

J & J Brothers Construction Company Inc
DBA: Jones Bros Construction Company
(Contractor)

By: _____
(Authorized Representative, Written Signature)

Johnny Jones
(Authorized Representative, Typed or Printed Name)

Title: President
[Individual, Partner, Corporate Officer (Title)]

ATTEST: (If Corporation)

By: _____

Title Mike Jones, Vice-President/Secretary

Corporate Seal

**REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE**

By: _____

Title: _____

ATTEST:

Clerk/Secretary

APPROVED AS TO FORM AND EXECUTION

Counsel for Owner

By: _____

NOTARY (CONTRACTOR)

STATE OF California

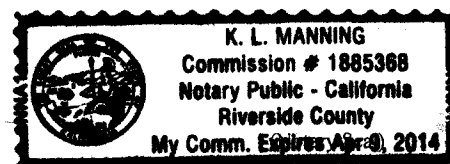
COUNTY OF Riverside

On September 21, 2010 before me,
K. L. Manning, Notary Public, personally
appeared Johnny Jones, who
proved to me on the basis of satisfactory evidence to be the
person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed
the instrument.

I certify under PENALTY OF PERJURY under the laws of
the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature of Notary



NOTE: If Notary elects to attach an acknowledgment form, Notary shall use the Notary Acknowledgment form attached at the end of the prior section (Bidding Documents) or, alternatively, Notary may use a California All-Purpose Acknowledgment form, provided Notary completes the entire form, both the required and optional portions.

**PERFORMANCE BOND
(California Public Work)
REQUIRED FORM**

Bond Number 6721853

Rate of Premium (\$/1,000) \$14.55 first*

Amount of Premium \$105,615.00

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE (also herein "Obligee") has awarded to J & J BROTHERS CONSTRUCTION CO., ** (hereinafter designated "Contractor" and "Principal") a contract for the Work described as follows: **THERMAL WATER AND SEWER IMPROVEMENTS**, County of Riverside, California (hereinafter referred to as the "Public Work"); and

WHEREAS, the Work to be performed by the Contractor is more particularly set forth in that certain contract for the said Public Work dated _____, (hereinafter referred to as the "Public Work Contract"), which Public Work Contract is incorporated herein by this reference; and

WHEREAS, the Contractor is required by said Public Work Contract to perform the terms thereof and to provide a bond both for the performance and guaranty thereof,

NOW, THEREFORE, we J & J BROTHERS CONSTRUCTION CO., INC. d/b/a***, the undersigned Contractor, as Principal, and SAFECO INSURANCE COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of Washington, and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE in the sum of TWELVE MILLION FOUR HUNDRED FIFTY ONE THOUSAND**** dollars, \$12,451,068.00, said sum being not less than 100% of the total amount payable by the said Obligee under the terms of the said Public Work Contract, for which payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the said Public Work Contract and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill the 18-month guarantee of all materials and workmanship; and indemnify and save harmless the Obligee, its officers, employees, and agents, as stipulated in the said Public Work Contract, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

The said Surety, for value received, hereby stipulates and agrees that no change, extensions of time, alteration or addition to the terms of the Public Work Contract or to the Work to be performed thereunder, or the specifications accompanying the same shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such change, extension, of time, alteration or addition to the terms of the Contract, or to the Work or to Specifications.

*\$500,000, \$10.35 next \$2,000,000, \$8.55 next \$2,500,000, \$7.95 next \$2,500,000, \$7.35 over \$7,500,000

**INC. d/b/a JONES BROS. CONSTRUCTION CO., 85-989 Avenue 52, P. O. Box 905, Coachella, California 92236

***JONES BROS. CONSTRUCTION CO.

****SIXTY EIGHT AND NO/100

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 17th day of September, 2010

PRINCIPAL:

J & J BROTHERS CONSTRUCTION CO., INC.

Name d/b/a JONES BROS. CONSTRUCTION CO.

By [Signature]

(Authorized Representative, Written Signature)

Johnny Jones, President
(Authorized Representative, Typed or Printed Name)

Title President
[Individual, Partner, Corporate Officer (Title)]

Attest: (If Corporation)

By [Signature]

Title Nike Jones, Vice President/Secretary

(Corporate Seal)

SURETY:

Name SAFECO INSURANCE COMPANY OF AMERICA

By [Signature]

(Authorized Representative, Written Signature)

Cynthia M. Burnett
(Authorized Representative, Typed or Printed Name)

Title Attorney-in-Fact
[Individual, Partner, Corporate Officer (Title)]

Witness:

~~Attest~~ (If Corporation)

By [Signature]

Erik Ulibarri

Title Littleton, Colorado

(Corporate Seal)

Note: Both Principal and Surety signatures must be notarized. A copy of the power of attorney to local representatives of the bonding company must be attached hereto.

NOTARY FOR PRINCIPAL

STATE OF California
COUNTY OF Riverside

On September 20, 2010, before me, K.L. Manning, Notary Public, personally appeared Johnny Jones, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Signature of Notary



(Notary Seal)

NOTE: If Notary elects to attach an acknowledgment form, Notary shall use the Notary Acknowledgment form attached at the end of the prior section (Bidding Documents) or, alternatively, Notary may use a California All-Purpose Acknowledgment form, provided Notary completes the entire form, both the required and optional portions.

NOTARY FOR SURETY

STATE OF Colorado
COUNTY OF Arapahoe

On September 17, 2010, before me, Alexander D. Rothey, personally appeared Cynthia M. Burnett, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Signature of Notary Alexander D. Rothey

My Commission Expires: July 21, 2013

(Notary Seal)

IMPORTANT: Surety companies executing Bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write Surety insurance defined in Section 105 of the California Insurance Code and, if the work or project is financed, in whole or in part, with federal grant or loan funds, said Surety companies must also appear on the Treasury Department's most current list (Circular 570 as amended).

Any claims under this bond may be addressed to:

Name and address of Surety

Safeco Insurance Company of America

7800 South Elati Street, Suite 100

Littleton, Colorado 80120

Name and address of agent or representative
for service of process in California, if different
from above

Desert Empire Insurance Services, Inc.

77-564 Country Club Drive, Suite 401

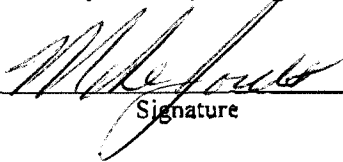
Palm Desert, California 92211

Telephone number of Surety and agent or representative
for service of process in California

(303) 225-8030 / (760) 360-4700

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, Mike Jones, certify that I am the Corporate Secretary of the corporation named as principal to the within bond; that Johnny Jones who signed the said bond on behalf of the principal was then President of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing Board.


Signature

(Corporate Seal)

**PAYMENT BOND
(California Public Work)
REQUIRED FORM**

Bond Number 6721853

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE (referred to hereinafter as "Obligee") has awarded to J & J BROTHERS CONSTRUCTION CO., INC.* (hereinafter designated "Contractor" and "Principal"), a contract dated _____, for the Work described as follows: **THERMAL WATER AND SEWER IMPROVEMENTS**, County of Riverside, California (hereinafter referred to as the "Public Work Contract") and

WHEREAS, said Contractor is required to furnish a bond in connection with said Public Work Contract, providing that if said Contractor or any of his or its subcontractors shall fail to pay for any materials, provisions, provender, or other supplies, or terms used in, upon, for or about the performance of the Work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the provisions of 3248 of the California Civil Code, with respect to such work or labor, that the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, we J & J BROTHERS CONSTRUCTION CO., INC. d/b/a JONES**, the undersigned Contractor, as Principal and SAFECO INSURANCE COMPANY OF AMERICA _____, a corporation organized and existing under the laws of the State of Washington _____, and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE and to any and all material men, persons, companies or corporations furnishing materials, provisions, provender and other supplies used in, upon, for or about the performance of the said Public Work, and all persons, companies or corporations renting or hiring teams, or implements or machinery, for or contributing to said Public Work to be done, and all persons performing work or labor upon the same and all persons supplying both work and materials as aforesaid excepting the said Contractor, the sum of TWELVE MILLION FOUR HUNDRED FIFTY*** dollars, \$12,451,068.00, said sum being not less than 100% of the total amount payable by said Obligee under the terms of the said Public Work Contract, for which payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal, his or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, provender or other supplies or machinery used in, upon, for or about the performance of the Work contracted to be done, or for work or labor thereon of any kind, or fail to pay any of the persons named in California Civil Code Section 3181, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein.

In addition to the provisions hereinabove, it is agreed that this bond will inure to the benefit of any and all persons, companies and corporations entitled to file claims under Sections 3110, 3111, 3112 and 3181 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the said Public Work Contract or to the Work to be performed thereunder or the specification accompanying the same shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the Work or to the Specifications.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 17th day of September, 2010.

PRINCIPAL:

J & J BROTHERS CONSTRUCTION CO., INC.

Name d/b/a JONES BROS. CONSTRUCTION CO.

By [Signature]
(Authorized Representative, Written Signature)

Johnny Jones
(Authorized Representative, Typed or Printed Name)

Title President
[Individual, Partner, Corporate Officer (Title)]

Attest: (If Corporation)

By [Signature]

Title Mike Jones, Vice President/Secretary

(Corporate Seal)

SURETY:

Name SAFECO INSURANCE COMPANY OF AMERICA

By [Signature]
(Authorized Representative, Written Signature)

Cynthia M. Burnett
(Authorized Representative, Typed or Printed Name)

Title Attorney-in-Fact
[Individual, Partner, Corporate Officer (Title)]

Witness:

~~Attest~~ (If Corporation)

By [Signature]

Erik Ulibarri
~~Attest~~ Littleton, Colorado

(Corporate Seal)

Note: Both Principal and Surety signatures must be notarized. A copy of the power of attorney to local representatives of the bonding company must be attached hereto.

NOTARY FOR PRINCIPAL

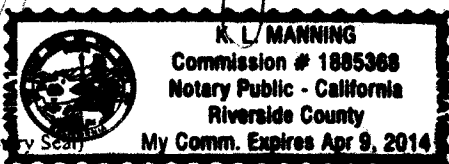
STATE OF California
COUNTY OF Riverside

On September 20, 2010, before me,
K.L. Manning, personally
appeared Johnny Jones,
who proved to me on the basis of satisfactory evidence to be the
person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the
instrument.

I certify under PENALTY OF PERJURY under the laws of the
State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

[Signature]
Signature of Notary



NOTE: If Notary elects to attach an acknowledgment form, Notary shall use the Notary Acknowledgment form attached at the end of the prior section (Bidding Documents), or, alternatively, Notary may use a California All-Purpose Acknowledgment form, provided Notary completes the entire form, both the required and optional portions.

NOTARY FOR SURETY

STATE OF Colorado
COUNTY OF Arapahoe

On September 17, 2010, before me,
Alexander D. Rothey, personally
appeared Cynthia M. Burnett,
who proved to me on the basis of satisfactory evidence to be
the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the
instrument.

I certify under PENALTY OF PERJURY under the laws of the
State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

[Signature]
Signature of Notary Alexander D. Rothey

My Commission Expires: July 21, 2013
(Notary Seal)

IMPORTANT: Surety companies executing Bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write Surety insurance defined in Section 105 of the California Insurance Code and, if the work or project is financed, in whole or in part, with federal grant or loan funds, said Surety companies must also appear on the Treasury Department's most current list (Circular 570 as amended).

Any claims under this bond may be addressed to:

Name and address of Surety

Safeco Insurance Company of America

7800 South Elati Street, Suite 100

Littleton, Colorado 80120

Name and address of agent or representative
for service of process in California, if different
from above

Desert Empire Insurance Services, Inc.

77-564 Country Club Drive, Suite 401

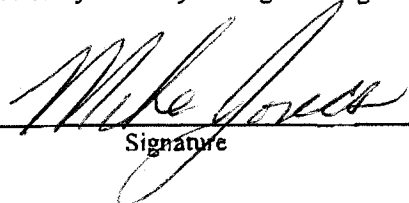
Palm Desert, California 92211

Telephone number of Surety and agent or representative
for service of process in California

(303) 225-8030 / (760) 360-4700

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, Mike Jones, certify that I am the Corporate Secretary of the corporation named as principal to the within bond; that Johnny Jones who signed the said bond on behalf of the principal was then President of said corporation; that I know his signature, and his signature thereto is genuine; and that said bond was duly signed, sealed and attested for and in behalf of said corporation by authority of its governing Board.


Signature

(Corporate Seal)



POWER
OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
1001 4th Avenue
Suite 1700
Seattle, WA 98154

KNOW ALL BY THESE PRESENTS:

No. 13208

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

*****CYNTHIA M. BURNETT; DOUGLAS J. ROTHEY; ERIK ULIBARRI; KATHY VAN HOUTEN; Denver, Colorado*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 21st day of March, 2009

Dexter R. Legg

Dexter R. Legg, Secretary

T. Mikolajewski

Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 17th day of September, 2010



Dexter R. Legg

Dexter R. Legg, Secretary

CONTRACT CERTIFICATE OF INSURANCE

ISSUE DATE: 9/17/10

OWNER OR CERTIFICATE HOLDER: REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
 CONTRACTOR OR INSURED: Jones Brothers Construction Co.
 PROJECT: THERMAL WATER AND SEWER IMPROVEMENTS

This certificate is issued as a matter of information only and confers no rights upon the certificate holder; it does not alter, amend, or extend the coverage afforded by the policies listed below.

Insurance Type	Insurance Company	Policy Number	Policy Effective Date	Policy Expiration Date	Description	Limits Furnished	Specified
Worker's Compensation and Employer's Liability	Seabright Ins. Co	BB1100807	01/01/10	01/10/11	Statutory Accident-Policy Limit Disease-Policy Limit Disease-Each Employee	Statutory \$1,000,000 \$1,000,000 \$1,000,000	Statutory \$1,000,000 \$1,000,000 \$1,000,000
Automobile Liability Business <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/>	Peerless Ins Co	BA9574172	03/27/10	03/27/11	Combined Single Limit Bodily Injury (per accident) Bodily Injury (per person) Property Damage	\$1,000,000 \$ \$ \$	\$1,000,000 \$1,000,000 \$1,000,000 \$500,000
General Liability Commercial <input checked="" type="checkbox"/> Comprehensive <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence <input checked="" type="checkbox"/>	National Union Fire Insurance	29GL0000 061541	04/14/10	04/14/11	General Aggregate* Each Occurrence*	\$2,000,000 \$1,000,000	\$2,000,000 \$1,000,000
Excess Liability Umbrella Form <input checked="" type="checkbox"/> Other Form <input type="checkbox"/>	Interstate Fire and Casualty	PFX73589504/14/10 33	04/14/10	04/14/11	Each Occurrence Aggregate	\$4,000,000 \$4,000,000	\$ \$
Course of Construction of Installation-Floater	Great American Ins. Co.	IMP154899 7	9/21/10	03/21/12		\$12,451,068	TOTAL CONTRACT AMOUNT \$

SIGNATURE OF AUTHORIZED REPRESENTATIVE OF THE INSURER(S)

I, Van G Tanner

certify that I have authority to and hereby execute this certificate on behalf of the insurer(s) referenced above.

Date: 9/17/10 Signature: Van G Tanner Title: Agent

Address: 77564 Country Club Dr. #406 Phone: 760-360-4700

0107

Palm Desert, CA 92211
 Required Contract Insurance Endorsement

**CONTRACT INSURANCE ENDORSEMENT
(REQUIRED)**

Company names, policy numbers, effective and expiration dates, and furnished limits set forth in the Contract Certificate of Insurance identify applicable insurance policies in which coverage is provided for the named project. Policy of insurance listed in the Certificate of Insurance has been issued to the named insured by each indicated insurance company for the policy period indicated and, as of the date of the aforementioned certificate, is in full force and effect. The insurance afforded by each policy described therein is subject to all the terms, conditions, limitations, and exclusions of such policy.

Automobile liability insurance covers all owned, non-owned, borrowed, and/or hired vehicles used by or for the benefit of Contractor. General liability insurance covers premises and operations, products and completed operations, blanket contractual (oral and written), independent contractors, owners and contractors protective, and, if applicable to the Work, collapse, explosion and underground hazards. Excess liability insurance covers all automobile and general liability coverages. Course of construction insurance covers fire and lightning, extended coverage, and vandalism and malicious mischief.

With respect to automobile, general, and excess liability insurance, Owner, its officials, officers, managers, agents, engineers, employees, and volunteers are covered as additional insureds to the extent of the limits set forth in the Contract Certificate of Insurance, but only while acting in their capacities as such, for liability arising from or in connection with the performance of the Work by Contractor, its agents, associates, representatives, employees, and subcontractors of every tier. With respect to course of construction or installation floater insurance, Owner is covered as additional insured. Insurer waives its rights of subrogation against the additional insureds.

Contractor's insurance is primary for additional insureds with respect to the performance of Contractor, those associated therewith, and those working thereunder, and any like insurance of Owner, its officials, officers, managers, agents, engineers, employees, and volunteers is excess and not contributing insurance with respect to insured claims under Contractor's policies. Contractor's insurance will apply separately to each insured against whom claim is made or suit is brought.

Contractor's insurance will not be cancelled, reduced, suspended, terminated, or voided in coverage or limits (except for general liability where the general aggregate limit has been reduced by claim(s) in which case insurer will immediately notify Owner of reduction in general aggregate limit resulting from such claim(s)) unless thirty (30) days prior written notice, by certified mail return receipt requested, has been given to Owner. Any failure to comply with reporting provisions of policies, including breaches of warranties, will not affect coverage provided to additional insureds.

SIGNATURE OF AUTHORIZED REPRESENTATIVE OF THE INSURER(S)

I, Van G. Tanner, certify that I have authority to and hereby execute this endorsement on behalf of the insurer(s) referenced below.

Date: 9/17/10 Signature: Van G. Tanner Title: Agent
Address: 77564 Country Club Dr. #401 Telephone: 760-360-4700
Palm Desert, CA 92211

Insurance policies to which this Contract Insurance Endorsement apply are as follows:

Insurance Type	Insurance Company	Policy Number	Policy Effective Date	Policy Expiration Date
Workers Compensation and Employers Liability	<u>SeaBright Ins.</u>	<u>BB1100807</u>	<u>01/01/10</u>	<u>01/01/11</u>
Automobile Liability	<u>Peerless Ins</u>	<u>BA9574172</u>	<u>03/27/10</u>	<u>03/27/11</u>
General Liability	<u>National Union Fire Ins.</u>	<u>29GL0000061541</u>	<u>04/14/10</u>	<u>04/14/14</u>
Excess Liability	<u>Interstate Fire & Casualty</u>	<u>PFX73589533</u>	<u>04/14/10</u>	<u>04/14/11</u>
Course of Construction or Installation Floater	<u>Great American Ins. Co.</u>	<u>IMP1548997</u>	<u>09/21/10</u>	<u>03/21/12</u>

Use separate Contract Insurance Endorsement if required (copy as needed).

ACORD™ CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
09/17/2010

PRODUCER Desert Empire Insurance Services, Inc. LIC # 0F09643 77-564 Country Club Drive Palm Desert, CA 92211		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Jones Brothers Construction Co. (J & J Brothers Construction Co. Inc.) Box 905 Coachella, CA 92236		INSURERS AFFORDING COVERAGE	NAIC #
		INSURER A: National Union Fire Insurance	32298
		INSURER B: Interstate Fire & Casualty	22829
		INSURER C: SeaBright Insurance Company	15563
		INSURER D: Peerless Insurance Company	24198
		INSURER E: Great American Ins. Co	16691

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC	29GL0000061541	04/14/10	04/14/11	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 2,000,000
D	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	BA9574172	03/27/10	03/27/11	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
B	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	PFX73589533	04/14/10	04/14/11	EACH OCCURRENCE \$4,000,000 AGGREGATE \$4,000,000 \$ \$ \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	BB1100807	01/01/10	01/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
E	OTHER Instal Fltr	IMP1548997	09/21/2010	03/21/2012	Limit - \$12,451,068 Special Form Incl Theft \$5,000 Ded.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Job-Thermal Water and Sewer Improvement Project
 With respects to Automobile, general and excess liability insurance, Owner, its officials, officers, managers, agents, engineers, employees and volunteers are covered as additional insured. This insurance is primary/non-contributory

CERTIFICATE HOLDER**CANCELLATION 10 Days for Non-Payment**

County of Riverside Economic
 Development Agency
 P O Box 1180
 Riverside, CA 92502

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ~~PROVIDE~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BY MAIL TO THE CERTIFICATE HOLDER~~
~~WORKERS COMPENSATION AND EMPLOYERS' LIABILITY~~
~~EXCESS/UMBRELLA LIABILITY~~
 AUTHORIZED REPRESENTATIVE
Van G Tanne

September 17, 2010

Named insured: JONES BROS. CONSTRUCTION CO. INC.

Policy number/carrier:29GL0000061541 – National Union Fire Insurance Co. of Pittsburgh, PA.

This endorsement changes the policy. Please read it carefully.

ADDITIONAL INSURED – WHEN REQUIRED UNDER CONTRACT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

WHO IS AN INSURED is amended to include as an insured the person or organization shown in the Schedule with respect to liabilities arising out of your operations. (professional services are excluded)

#61714 (9-01)

PRIMARY

Coverage provided by this policy to additional insureds shall be primary insurance but only as respects any claim, loss or liability arising out of the operations of the named insured, sub-subcontractors, materialmen or suppliers, and any insurance maintained by the additional insureds shall be non-contributing.

#90533 (3-06)

WAIVER of SUBROGATION

If required by written insured contract, we waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of your operations or your work for that person or organization.

(CG2404 (10-93)

SCHEDULE

NAME OF PERSON OR ORGANIZATION:

County of Riverside Economic Development Agency, its officials, officers, managers, agents, engineers, employees and volunteers

****All work under an OCIP or Wrap is excluded**

September 17, 2010

Insured: Jones Brothers Construction

Insurance Company/policy number: Interstate Fire & Casualty PFX70009576

This endorsement changes the policy. Please read it carefully.

When required in a written Contract, the person or organization shown below is included as an additional insured.

WAIVER OF SUBROGATION

The Transfer of Rights to Recovery Against Others to US condition is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown as Additional Insured's because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Additional Insured schedule.

Additional insured:

County of Riverside Economic Development Agency, its officials, officers, managers, agents, engineers, employees and volunteers

September 17, 2010

Jones Bros. Construction Company, Inc.

Carrier: Peerless Insurance Co. #BA9574172

This endorsement modifies insurance provided under the following:

Business auto coverage form

WHO IS AN INSURED is amended to include as an insured the person(s) or organization(s) shown in the schedule below, but only with respect to their liability arising out of:

- a) your work for the additional insured(s) at the locations designated, or
- b) acts or omissions of the additional insured(s) in connection with their general supervision of "your work" at the location shown in the schedule.

Waiver of Subrogation

If required by written insured contract, we waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of your operations or your work for that person or organization.

Additional insured:

County of Riverside Economic Development Agency, its officials, officers, managers, agents, engineers, employees and volunteers

1 CONSULTING SERVICES AGREEMENT
2 FOR CONSTRUCTION ENGINEERING SERVICES FOR THE
3 THERMAL WATER AND SEWER IMPROVEMENTS PROJECT
4 BY AND BETWEEN THE
5 REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
6 AND KRIEGER & STEWART, INC.
7

8 This Agreement, is made and entered into this ____ day of _____, 2010, by and
9 between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public
10 body corporate politic in the State of California (hereinafter "AGENCY"), and KRIEGER &
11 STEWART, INCORPORATED, (hereinafter "CONSULTANT").
12

13 WHEREAS, AGENCY is a redevelopment Agency duly create, established and
14 authorized to transact business and exercise its powers, all under and pursuant to the provisions
15 of the Community Redevelopment law which is Part 1 of Division 24 of the California Health
16 and Safety Code (commencing with Section 33000 et seq.);
17

18 WHEREAS, pursuant to Section 33125 of the Health and Safety Code, the
19 AGENCY is authorized to make and execute contracts and other instruments necessary or
20 convenient to the exercise of its powers;
21

22 WHEREAS, pursuant to CRL 33020(a) of the California Redevelopment Law,
23 "redevelopment" means to conduct planning, development, and replanning of all or part of a
24 survey area as may be appropriate and necessary in the interest of general welfare, including
25 recreational and other facilities incidental or appurtenant to them;
26

27 WHEREAS, the proposed professional services provided in this Agreement are
28 necessary to install water and sewer pipelines will assist in the construction of facilities that will

1 help to protect the health, safety and welfare of the residents and businesses within the Project
2 Area;

3 WHEREAS, the AGENCY has selected CONSULTANT to provide services
4 based on their response to a Request for Proposal (RFP); and

5 WHEREAS, CONSULTANT has agreed to provide such services to AGENCY,

6 NOW THEREFORE, in consideration of the mutual covenants contained herein,
7 the parties hereto agree as follows:

8
9 1. DESCRIPTION OF SERVICES: CONSULTANT shall provide all services as
10 outlined and specified in Exhibit A, attached hereto and by this reference incorporated herein.

11
12 1.1 CONSULTANT represents and maintains that it is skilled in the professional
13 calling necessary to perform all services, duties and obligations required by this Agreement to
14 fully and adequately complete the project. CONSULTANT shall perform the services and
15 duties in conformance to and consistent with the standards generally recognized as being
16 employed by professionals in the same discipline in the State of California. CONSULTANT
17 further represents and warrants to the AGENCY that it has all licenses, permits, qualifications
18 and approvals of whatever nature are legally required to practice its profession.
19 CONSULTANT further represents that it shall keep all such licenses and approvals in effect
20 during the term of this Agreement.
21

22 2. PERIOD OF PERFORMANCE: CONSULTANT shall commence performance
23 upon date of execution of this Agreement and complete performance within eighteen (18)
24 months from said date. CONSULTANT will diligently and responsibly pursue the performance
25 of the services required of it by this Agreement through project completion unless the work is
26 altered by written amendment(s) pursuant to Section 14, or terminated as specified in Section 9.
27
28

1 All applicable indemnification provisions in this Agreement shall remain in effect following the
2 termination of this Agreement.

3 3. COMPENSATION: The AGENCY shall pay the CONSULTANT for services
4 performed and expenses incurred in accordance with the terms of this Agreement.
5 CONSULTANT shall be paid an amount not to exceed Eight Hundred Ninety-Six Thousand,
6 Nine Hundred Dollars (\$896,900.00). CONSULTANT shall submit invoices to the AGENCY
7 for progress payments based on work completed to date.
8

9 3.1 Said compensation shall be paid in accordance with an invoice submitted to
10 AGENCY by CONSULTANT within fifteen (15) days from the last day of each calendar
11 month, and AGENCY shall pay the invoice within thirty (30) working days from the date of
12 receipt of the invoice.
13

14 4. INDEPENDENT CONSULTANT: AGENCY retains CONSULTANT on an
15 independent contractor basis. CONSULTANT is not, and shall not be considered to be in any
16 manner, an employee or agent of the AGENCY. Personnel performing the Services under this
17 Agreement on behalf of CONSULTANT shall at all times be under CONSULTANT'S
18 exclusive direction and control. CONSULTANT shall pay all wages, salaries and other
19 amounts due such personnel in connection with their performance of Service and as required by
20 law. CONSULTANT shall be responsible for all reports and obligations respecting such
21 personnel, including but not limited to, social security taxes, income tax withholdings,
22 unemployment insurance, and workers' compensation insurance. CONSULTANT and its
23 employees and agents shall maintain professional licenses required by the laws of the State of
24 California at all times while performing services.
25
26

27 5. INDEMNIFICATION: CONSULTANT agrees to and shall indemnify and hold
28 harmless the AGENCY, its Districts, Departments and Special Districts of the County of

1 Riverside, their respective directors, officers, Board of Supervisors, elected and appointed
2 officials, employees, agents and representatives (hereinafter individually and collectively
3 referred to as "Indemnitees") from all liability, including, but not limited to loss, suits, claims,
4 demands, actions, or proceedings to the extent caused by any actual negligence, recklessness,
5 willful misconduct, error or omission of CONSULTANT, its directors, officers, partners,
6 employees, subcontractors, agents, representatives or any person or organization for whom
7 CONSULTANT is responsible, arising out of the performance of this Agreement.
8

9 5.1 As respects each and every indemnification herein CONSULTANT shall
10 defend, at its sole expense, all costs and fees including but not limited to attorney fees, cost of
11 investigation, defense and settlements or awards against the AGENCY, its Districts,
12 Departments and Special Districts of the County of Riverside, their respective directors,
13 officers, Board of Supervisors, elected and appointed officials, employees, agents and
14 representatives.
15

16 5.2 With respect to any action or claim subject to indemnification herein by
17 CONSULTANT, CONSULTANT shall, at their sole cost, have the right to use counsel of their
18 own choice and shall have the right to adjust, settle, or compromise any such action or claim
19 without the prior consent of AGENCY; provided, however, that any such adjustment, settlement
20 or compromise in no manner whatsoever limits or circumscribes CONSULTANT'S
21 indemnification to AGENCY as set forth herein. CONSULTANT'S obligation to defend,
22 indemnify and hold harmless AGENCY shall be subject to AGENCY having given
23 CONSULTANT written notice within a reasonable period of time of the claim or of the
24 commencement of the related action, as the case may be, and information and reasonable
25 assistance, at CONSULTANT'S expense, for the defense or settlement thereof.
26
27
28

1 5.3 CONSULTANT'S obligation hereunder shall be satisfied when
2 CONSULTANT has provided to AGENCY the appropriate form of dismissal relieving
3 AGENCY from any liability for the action or claim involved.

4 5.4 The specified insurance limits required in this Agreement shall in no way
5 limit or circumscribe CONSULTANT'S obligations to indemnify and hold harmless the
6 AGENCY herein from third party claims.

7
8 5.5 In the event there is conflict between this clause and California Civil
9 Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such
10 interpretation shall not relieve the CONSULTANT from indemnifying the AGENCY to the
11 fullest extent allowed by law.

12
13 6. INSURANCE: Without limiting CONSULTANT'S indemnification,
14 CONSULTANT shall maintain in force at all times during the performance of this Agreement,
15 insurance policies evidencing coverage during the entire term of the Agreement as follows:

16 6.1 Workers' Compensation: If CONSULTANT has employees as defined by
17 the State of California, CONSULTANT shall maintain Workers' Compensation Insurance
18 (Coverage A) as prescribed by the laws of the State of California. Policy shall include
19 Employers' Liability (Coverage B) including Occupational Disease with limits not less than
20 \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of
21 the AGENCY and County of Riverside; and, if applicable, to provide a Borrowed
22 Servant/Alternate Employer Endorsement.

23
24 6.2 Commercial General Liability: Commercial General Liability insurance
25 coverage, including but not limited to, premises liability, contractual liability, completed
26 operations, personal and advertising injury covering claims which may arise from or out of
27 CONSULTANT'S performance of its obligations hereunder. Policy shall name the AGENCY,
28

1 County of Riverside, special districts, their respective directors, officers, Board of Supervisors,
2 elected officials, employees, agents or representatives as an Additional Insured. Policy's limit
3 of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such
4 insurance contains a general aggregate limit, it shall apply separately to this agreement or be no
5 less than two (2) times the occurrence limit.
6

7 6.3 Vehicle Liability: If CONSULTANT'S vehicles or mobile equipment are
8 used in the performance of the obligations under this Agreement, CONSULTANT shall
9 maintain liability insurance for all owned, non-owned or hired vehicles in an amount not less
10 than \$1,000,000 per occurrence combined single limit. If such insurance contains a general
11 aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the
12 occurrence limit. Policy shall name the AGENCY, County of Riverside, special districts, their
13 respective directors, officers, Board of Supervisors, elected officials, employees, agents, or
14 representatives as an Additional Insured.
15

16 6.4 Professional Liability: CONSULTANT shall maintain Professional Liability
17 Insurance providing coverage for performance of work included within this Agreement, with a
18 limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If
19 CONSULTANT'S Professional Liability Insurance is written on a claims made basis rather than
20 an occurrence basis, such insurance shall continue through the term of this Agreement. Upon
21 termination of this Agreement or the expiration or cancellation of the claims made insurance
22 policy CONSULTANT shall purchase at his sole expense either 1) an Extended Reporting
23 Endorsement (also known as Tail Coverage); or, 2) Prior Dates Coverage from a new insurer
24 with a retroactive date back to the date of, or prior to, the inception of this Agreement; or, 3)
25 demonstrate through Certificates of Insurance that Consultant has maintained continuous
26 coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will
27
28

1 continue for a period of five (5) years beyond the termination of this Agreement.

2 6.5 General Insurance Provisions - All lines:

- 3 a. Any insurance carrier providing insurance coverage hereunder shall be admitted to
4 the State of California and have an A.M. BEST rating of not less than an A: VIII (A:
5 8) unless such requirements are waived, in writing, by the AGENCY Risk Manager.
6 If the AGENCY'S Risk Manager waives a requirement for a particular insurer such
7 waiver is only valid for that specific insurer and only for one policy term.
- 8 b. The CONSULTANT'S insurance carrier(s) must declare its insurance deductibles or
9 self-insured retentions. If such deductibles or self-insured retentions exceed
10 \$500,000 per occurrence such deductibles and/or retentions shall have the prior
11 written consent of the AGENCY Risk Manager before the commencement of
12 operations under this Agreement. Upon notification of deductibles or self insured
13 retentions which are deemed unacceptable to the AGENCY, at the election of the
14 AGENCY'S Risk Manager, CONSULTANT'S carriers shall either; 1) reduce or
15 eliminate such deductibles or self-insured retentions as respects this Agreement with
16 the AGENCY, or 2) procure a bond which guarantees payment of losses and related
17 investigations, claims administration, defense costs and expenses.
- 18 c. The CONSULTANT shall cause their insurance carrier(s) to furnish the AGENCY
19 with 1) a properly executed original Certificate(s) of Insurance and certified original
20 copies of Endorsements effecting coverage as required herein; or, 2) if requested to
21 do so orally or in writing by the AGENCY Risk Manager, provide original Certified
22 copies of policies including all Endorsements and all attachments thereto, showing
23 such insurance is in full force and effect. Further, said Certificate(s) and policies of
24 insurance shall contain the covenant of the insurance carrier(s) shall provide no less
25
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1 than thirty (30) days written notice be given to the AGENCY prior to any material
2 modification or cancellation of such insurance. In the event of a material
3 modification or cancellation of coverage, this Agreement shall terminate forthwith,
4 unless the AGENCY receives, prior to such effective date, another properly
5 executed original Certificate of Insurance and original copies of endorsements or
6 certified original policies, including all endorsements and attachments thereto
7 evidencing coverages and the insurance required herein is in full force and effect.

8 Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the
9 original endorsements for each policy and the Certificate of Insurance.
10

11 ***CONSULTANT shall not commence operations until the AGENCY has been***
12 ***furnished original Certificate (s) of Insurance and certified original copies of***
13 ***endorsements or policies of insurance including all endorsements and any and all***
14 ***other attachments as required in this Section.***
15

- 16
- 17 d. It is understood and agreed by the parties hereto and the CONSULTANT'S
18 insurance company(s), that the Certificate(s) of Insurance and policies shall so
19 covenant and shall be construed as primary insurance, and the AGENCY'S insurance
20 and/or deductibles and/or self-insured retentions or self-insured programs shall not
21 be construed as contributory.
- 22
- 23 e. If, during the term of this Agreement or any extension thereof, there is a material
24 change in the scope of services or performance of work the Risk Manager reserves
25 the right to adjust the types of insurance required under this Agreement and the
26 monetary limits of liability for the insurance coverages required herein, if; in the
27 AGENCY Risk Manager's reasonable judgment, the amount or type of insurance
28 carried by the CONSULTANT has become inadequate.

1 f. CONSULTANT shall pass down the insurance obligations contained herein to all
2 tiers of subconsultants working under this Agreement.

3 7. COOPERATION BY AGENCY: All information, data, reports, records, and
4 maps as are existing, available to the AGENCY and necessary for carrying out the work
5 described shall be furnished to CONSULTANT without charge by the AGENCY. The
6 AGENCY shall cooperate with CONSULTANT as appropriate to facilitate, without undue
7 delay, the work to be performed under this Agreement.

8
9 8. AUTHORITY OF CONSULTANT: CONSULTANT and its agents, servants,
10 employees and subcontractors shall act at all times in an independent capacity during the term
11 of this agreement, and shall not act as, and shall not be, nor shall they in any manner be
12 construed to be, agents, officers or employees of AGENCY, and further, CONSULTANT, its
13 agents, servants, employees and subcontractors, shall not in any manner incur or have the
14 power to incur any debt, obligation, or liability against the AGENCY.

15
16 9. TERMINATION: AGENCY may, by written notice to CONSULTANT,
17 terminate this Agreement in whole or in part at any time, with or without cause. Such
18 termination may be for AGENCY'S convenience or because of CONSULTANT'S failure to
19 perform its duties and obligations under this Agreement including, but not limited to, the failure
20 of CONSULTANT to timely perform Services.

21
22 9.1 Discontinuance of Services. Upon receipt of written Notice of
23 Termination, CONSULTANT shall discontinue all affected Services within seven (7) days of
24 receipt of the Notice, unless otherwise directed by the Notice, and deliver to the AGENCY all
25 data, estimates, graphs, summaries, reports, and other related materials as may have been
26 prepared or accumulated by CONSULTANT in performance of Services, whether completed or
27 in progress.
28

1 9.2 Effect of Termination For Convenience. If the termination is to be for the
2 convenience of the AGENCY, the AGENCY shall compensate CONSULTANT for Services
3 satisfactorily provided through the date of termination. Such payment shall include a pro-rated
4 amount of profit, if applicable, but no amount shall be paid for anticipated profit on
5 unperformed Services. CONSULTANT shall provide documentation deemed adequate by
6 AGENCY'S Representative to show the Services actually completed by CONSULTANT prior
7 to the date of termination. This Agreement shall terminate thirty (30) days following receipt by
8 the CONSULTANT of the written Notice of Termination.
9

10 9.3 Effect of Termination For Cause. If the termination is due to the failure
11 of CONSULTANT to fulfill its obligations under this Agreement, CONSULTANT shall be
12 compensated for those Services which have been completed and accepted by the AGENCY. In
13 such case, the AGENCY may take over the work and prosecute the same to completion by
14 contract or otherwise. Further, CONSULTANT shall be liable to the AGENCY for any
15 reasonable additional costs incurred by the AGENCY to revise work for which the AGENCY
16 has compensated CONSULTANT under this Agreement, but which the AGENCY has
17 determined in its sole discretion needs to be revised in part or whole to complete the Project.
18 Following discontinuance of Services, the AGENCY may arrange for a meeting with
19 CONSULTANT to determine what steps, if any, CONSULTANT can take to adequately fulfill
20 its requirements under this Agreement. In its sole discretion, AGENCY'S Representative may
21 propose an adjustment to the terms and conditions of the Agreement, including the contract
22 price. Such contract adjustments, if accepted in writing by the Parties, shall become binding on
23 CONSULTANT and shall be performed as part of this Agreement. In the event of termination
24 for cause, unless otherwise agreed to in writing by the parties, this Agreement shall terminate
25 seven (7) days following the date the Notice of Termination was mailed to the CONSULTANT.
26
27
28

Termination of this Agreement for cause may be considered by the AGENCY in determining whether to enter into future agreements with CONSULTANT.

9.4 Cumulative Remedies. The rights and remedies of the parties provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.

10. CONFLICT OF INTEREST: CONSULTANT shall have no interest, and shall not acquire any interest, direct or indirect, which will conflict in any manner or degree with the performance of services required under this Agreement.

11. DESIGNATED REPRESENTATIVES: The following individuals are designated as representatives of the AGENCY and CONSULTANT respectively to act as liaison between the parties:

AGENCY	CONSULTANT
Joaquin Tijerina, Project Manager	Charles A. Krieger, PE
Redevelopment Agency for the County of Riverside	Krieger & Stewart, Inc.
44-199 Monroe Street, Suite B	3602 University Avenue
Indio, CA 92201	Riverside, CA 92501
(760) 863-2537	(951) 684-6900
(760) 863-2551 (FAX)	(951) 6846986 (FAX)

Any change in designated representatives shall be promptly reported to the other party in order to ensure proper coordination

12. ASSIGNMENT: This Agreement shall not be assigned by CONSULTANT, either in whole or in part, without prior written consent of AGENCY. Any assignment or purported assignment of this Agreement by CONSULTANT without the prior written consent of AGENCY will be deemed void and of no force or effect.

13. NONDISCRIMINATION: CONSULTANT shall ensure that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex,

1 marital status, race, religion, color, creed, national origin, ancestry, sex, physical condition or
2 age, in the performance of this Agreement and that CONSULTANT, Contractor, or any person
3 claiming under or through the AGENCY shall not establish or permit any such practice or
4 practices of discrimination or segregation.

5 14. ALTERATION: No alteration or variation of the terms of this Agreement shall
6 be valid unless made in writing and signed by the parties hereto, and no oral understanding or
7 agreement not incorporated herein shall be binding on any of the parties hereto.

8 15. LICENSE AND CERTIFICATION: CONSULTANT verifies upon execution of
9 this Agreement, possession of a current and valid license in compliance with any local, State,
10 and Federal laws and regulations relative to the scope of services to be performed under Exhibit
11 A, and that services(s) will be performed by properly trained and licensed staff.

12 16. CONFIDENTIALITY: CONSUTLANT shall observe all Federal, State and
13 AGENCY regulations concerning confidentiality of records. CONSULTANT shall refer all
14 requests for information to AGENCY.

15 17. WORK PRODUCT: All documents, reports, preliminary findings, or data
16 assembled or compiled by CONSULTANT under this Agreement shall become the property of
17 the AGENCY upon creation. The AGENCY reserves the right to authorize others to use or
18 reproduce such materials. Therefore, such materials shall not be circulated in whole or in part,
19 nor released to the public, without the direct authorization of the AGENCY Director or an
20 authorized designee.

21 18. JURISDICTION, VENUE, ATTORNEY'S FEES: This Agreement is to be
22 construed under the laws of the State of California. The parties agree to the jurisdiction and
23 venue of the appropriate courts in the County of Riverside, State of California. Should action
24

1 be brought to enforce or interpret the provisions of the Agreement, the prevailing party shall be
2 entitled to attorney's fees in addition to whatever other relief is granted.

3 19. WAIVER: Any waiver by AGENCY of any breach of any one or more of the
4 terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach
5 of the same or of any other term thereof. Failure on the part of the AGENCY to require exact,
6 full and complete compliance with any terms of this Agreement shall not be construed as in any
7 manner changing the terms hereof, or estopping AGENCY from enforcement hereof.
8

9 20. SEVERABILITY: If any provision in this Agreement is held by a court of
10 competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will
11 nevertheless continue in full force without being impaired or invalidated in any way.
12

13 21. ENTIRE AGREEMENT: This Agreement is intended by the Parties hereto as a
14 final expression of their understanding with respect to the subject matter hereof, and all prior or
15 contemporaneous agreements of any kind or nature relating to the same shall be deemed to be
16 merged herein. Any modifications to the terms of this Agreement must be in writing and signed
17 by the parties herein.
18

19 22. NOTICES: All correspondence and notices required or contemplated by this
20 Agreement shall be delivered to the respective parties at the addresses set forth below and are
21 deemed submitted one (1) day after their deposit in the United States Mail, postage prepaid:
22

23 AGENCY:
24 Redevelopment Agency for the
25 County of Riverside
26 44-199 Monroe Street, #B
27 Indio, CA 92201
28 Attn: Joaquin Tijerina

CONSULTANT:
Krieger & Stewart, Inc.
3602 University Avenue
Riverside, CA 92501
Attn: Charles A. Krieger

1 IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first
2 above written.

3 **REDEVELOPMENT AGENCY FOR**
4 **THE COUNTY OF RIVERSIDE**

KRIEGER & STEWART, INC.

6
7 By: _____

8 Marion Ashley, Chairman
9 Board of Directors

By: Robert A. Krieger
Robert A. Krieger, President

10 By: Charles A. Krieger
11 Charles A. Krieger, Secretary

12
13
14 **APPROVED AS TO FORM:**

15 Pamela Walls, County Counsel

ATTEST:

Kecia Harper-Ihem, Clerk of the Board

16
17
18 By: [Signature]
19 Deputy

By: _____
Deputy

EXHIBIT A

CONSTRUCTION ENGINEERING SERVICES THERMAL WATER AND SEWER IMPROVEMENTS PROJECT

A. SCOPE OF SERVICES

The Thermal Water and Sewer Improvements Project consists of the construction of approximately 18,300 L.F. of gravity sewer and appurtenances (sewer manholes and sewer laterals) and 50,700 L.F. of potable waterlines and appurtenances (fire hydrants, air valves, blowoffs, and PRV station) within the Community of Thermal, which will provide regional water and sewer service, thereby enabling public and private development.

Krieger & Stewart will provide comprehensive contract administration and construction inspection services over the course of the Project in order to protect the Agency's investment and ensure the facilities are constructed as designed. Such comprehensive services are appropriate due to the complexity of the Project (high groundwater, flat design slopes, and complex trench bedding and backfill requirements will present significant challenges to the Contractor). Consequently, full-time inspection is necessary to augment Coachella Valley Water District's (CVWD) practice of performing limited inspections (which exclude verifying the Contractor's alignment and grade/elevation) in order to ensure the Agency (and ultimately CVWD) receives facilities that function as designed.

Construction engineering services required by the Agency consist of reviewing Contractor's materials submittals, conducting the preconstruction meeting, providing construction staking, processing requested payments by Contractor, and evaluating change order requests. Construction engineering services will also include contract administration services to ensure the Project proceeds in accordance with the Contract Documents; conducting monthly progress review meetings with Agency staff and the Contractor; resolving complaints, concerns and questions from businesses and affected agencies; performing daily construction inspection of the Contractor's work (including periodic site visits by the project engineer); and performing final inspection. Finally, construction engineering services will include preparing record drawings. All services will be provided by Krieger & Stewart. Krieger & Stewart's estimated fees are included in Part B herein.

The scope of our construction engineering services is organized as follows:

1. Design Engineering
2. Submittals Review
3. Preconstruction Meeting and Progress Meetings
4. Construction Staking
5. Payment and Change Order Requests
6. Contract Administration
7. Construction Inspection
8. Final Inspection
9. Record Drawings

EXHIBIT A

CONSTRUCTION ENGINEERING SERVICES THERMAL WATER AND SEWER IMPROVEMENTS PROJECT

1. Design Engineering

Design engineering services include the addition of 18,500± L.F. of regional trunk sewer lines and 9,200± L.F. of regional potable water transmission lines to the project scope. Related services include records search, CEQA document preparation, surveying, aerial mapping, base map preparation, geotechnical investigation, potholing, design, and construction drawing (20 sheets for sewer, 9 sheets for water) and related document (bidding sheets, technical and special requirements, permits) preparation.

2. Submittals Review

Agency expects submittal documents to be received for sewer pipe and manhole materials, waterline pipe and appurtenances materials, PRV station equipment and materials, paving materials, base materials, concrete, and all other miscellaneous, related materials to be used in construction of the Project. For all pipe (sewer and water) and appurtenance materials submittals, Krieger & Stewart will coordinate review and approval with Coachella Valley Water District (CVWD). For all other materials, Krieger & Stewart will review and approve submittals. Once the submittals have been reviewed and approved, they will be signed, dated, and sent to both Agency staff and the Contractor, with a copy to CVWD.

3. Preconstruction Meeting and Progress Meetings

Krieger & Stewart will prepare the agenda for and conduct the preconstruction meeting which will be attended by Agency staff, Krieger & Stewart's principal-in-charge, project engineer, and project inspector, the Contractor, and representatives of RCTD and CVWD. The preconstruction meeting will provide all parties with the opportunity to review the Contract Documents prior to starting work. Following said meeting, we will prepare a memorandum record of the meeting minutes to be distributed to all parties that attended the meeting.

In addition, we will conduct monthly progress meetings which will be attended by Agency staff, Krieger & Stewart's project engineer and inspector, the Contractor, and representatives of RCTD and CVWD. Said meetings will be used to discuss Project progress, scheduling and coordination efforts, and resolutions to construction problems encountered. Following said meetings, we will prepare a memorandum record of the meeting minutes to be distributed to all parties that attended the meeting.

EXHIBIT A

CONSTRUCTION ENGINEERING SERVICES THERMAL WATER AND SEWER IMPROVEMENTS PROJECT

4. Construction Staking

For the sewer improvements, Krieger & Stewart will provide construction staking for the sewer pipeline, sewer manholes, sewer laterals, and boring and receiving pits; Krieger & Stewart will provide construction stakes at 25-foot intervals for the proposed sewer improvements. For the water improvements, Krieger & Stewart will provide construction staking for the waterlines, appurtenances (fire hydrants, air valves, and blowoffs), and boring and receiving pits; Krieger & Stewart will provide construction stakes at 50-foot intervals and at all grade breaks and angle points for the proposed water improvements. In accordance with the Contract Documents, the Contractor will provide any other construction staking as required to perform any other specified work.

Krieger & Stewart survey crew will set the construction stakes at an offset distance requested by the Contractor. Krieger & Stewart will place construction stake information on the cut sheets and mark it in the field, and will then provide copies of the cut sheets to Agency staff, CVWD, and the Contractor.

The Contract Documents reflect the California Law that requires the Contractor to tie out and reset street centerline monuments that are disturbed by the Contractor's construction activities (and there is a bid item for same in the Contract Documents). Our experience is that it is difficult for an Owner to force the Contractor to fulfill their monument restoration duties and to engage the services of a Licensed Land Surveyor as required by the State of California for monument restoration. Therefore, we have included in our Estimated Fees (Table 1) optional cost for street centerline monuments restoration.

If the Agency decides to have Krieger & Stewart reset the disturbed monuments, we will reference (tie out) any monuments prior to construction that may be damaged or disturbed during construction to existing permanent facilities to facilitate their replacement. Should these monuments be destroyed or disturbed during construction, we will advise Agency of the actual number of monuments requiring resetting (filing of corner records upon resetting of the monuments must be performed in accordance with the Professional Land Surveyors Act and the Riverside County Surveyor's requirements).

Our Licensed Land Surveyor will reset disturbed monuments and file an associated corner record with the Riverside County Surveyor. For the purposes of this proposal, we have estimated that twenty street centerline monuments will have to be reset, and have included a cost for same in Table 1.

EXHIBIT A

CONSTRUCTION ENGINEERING SERVICES THERMAL WATER AND SEWER IMPROVEMENTS PROJECT

5. Payment and Change Order Requests

Each month, Krieger & Stewart will review the construction payment requests submitted by the Contractor for work completed. Krieger & Stewart will compare the work completed with each payment request to ensure that the quantities and amounts requested reflect the actual work completed. After each request has been reviewed (and revised if necessary), Krieger & Stewart will approve it and send it to Agency staff for approval and payment within one week of receiving the request. Krieger & Stewart will also submit a monthly status report with each payment request.

Krieger & Stewart will review any change order request received and coordinate review with the Agency and CVWD to determine if said request is warranted. If the change order request is not warranted, Krieger & Stewart will reject same in writing; prior to sending rejection letters to the Contractor, Krieger & Stewart will review same with Agency staff. If the change order request appears justified, we will review it with the construction inspector and compare it with field reports for confirmation of materials, equipment, and/or labor involved; we will review same with Agency staff and receive Agency approval prior to preparing and processing the contract change order in a timely manner.

6. Contract Administration

Throughout the course of construction, Krieger & Stewart will respond to inquiries regarding the Contract Documents in order to ensure that the water and sewer and related facilities are constructed in compliance with same. Krieger & Stewart project engineer will work closely with Krieger & Stewart inspector, the Contractor, the Agency, RCTD, and CVWD to promptly address all matters arising during construction. Krieger & Stewart construction management activities will include site visits and progress review to ensure that the Project is proceeding according to schedule, progress reviews with Agency staff, and related services.

Project progress and any changes during construction will be noted on a set of the Project's Contract Documents maintained in Krieger & Stewart office. If a problem occurs requiring an Agency decision, Krieger & Stewart will consult with Agency staff. Krieger & Stewart will attempt to resolve complaints, concerns, and questions from businesses and other affected agencies as they arise.

Through telephone conferences, meetings, and presentations, Krieger & Stewart project engineer will keep Agency staff informed of Project progress, problems that have occurred during construction, and any changes in work.

EXHIBIT A

CONSTRUCTION ENGINEERING SERVICES THERMAL WATER AND SEWER IMPROVEMENTS PROJECT

Krieger & Stewart will ensure that telephone numbers for normal working hours, evenings, and weekends for our staff, Contractor, utilities, and emergency services are provided to all concerned parties.

7. Construction Inspection

Krieger & Stewart will provide daily construction inspection to verify that the Project is progressing in compliance with the Contract Documents. Due to the significant scope of the Project and the contract completion schedule (300 calendar days), the Contractor will be operating at least two installation crews; consequently, Krieger & Stewart fee is based on providing two full-time inspectors at 40 hours per week during construction. In addition, Krieger & Stewart project engineer will perform periodic site visits. Based on the daily inspections and site visits, Krieger & Stewart will inform the Agency of the progress and quality of the work being performed as well as any issues requiring attention. Krieger & Stewart will summarize our findings and present them at our monthly progress meetings.

Krieger & Stewart will also prepare daily field reports which will document all observed Project activity, including location of the activity, number of workers present, construction equipment used, inspector present (e.g., RCTD, CVWD), weather conditions, and construction progress. Krieger & Stewart will provide said field reports to Agency staff for their review and records.

8. Final Inspection

After Project construction is essentially complete, members of Krieger & Stewart project team, CVWD representative, and an Agency staff member will field review the Project and prepare a construction deficiency list (punch list) of items requiring remedial work. After all deficiencies are corrected, Krieger & Stewart project engineer will prepare a letter to Agency staff recommending acceptance of the Project.

9. Record Drawings

Once the Project has been completed, Krieger & Stewart will provide the Agency, RCTD, and CVWD with a complete set of record drawings which will reflect the improvements as constructed; any changes made during Project construction will be shown on the record drawings. Said record drawings will be based on data furnished by the public agencies, the Contractor, and our field reports. Krieger & Stewart should anticipate having to "check out" CVWD's original mylars and perform any changes directly thereto. A set of "record" prints will then be made and provided to the Agency within 60 days of the Project's completion.

EXHIBIT A

CONSTRUCTION ENGINEERING SERVICES THERMAL WATER AND SEWER IMPROVEMENTS PROJECT

B. FEE ESTIMATE

Our estimated fee for providing the services described in our proposal is indicated on Table 1. As shown thereon, we propose to provide all of the services included in our Scope of Services for a fee not to exceed \$896,900, which includes \$40,000 for reimbursable expenses. A copy of our 2010 Fee Schedule is also attached, and our Fee Estimate is based on the rates specified therein. Also shown on Table 1 is an additional fee of \$20,000 to reset damaged/disturbed monuments (if requested by the Agency). Our fee is subject to negotiation based on clarification or revision of the Scope of Services. The fee set forth on the enclosed Table 1 is an estimate and may change based on clarifications of the Project scope (including construction phasing and/or modifying the Project scope).

Please note that our Fee Estimate is predicated on a number of specific understandings regarding Project details and the services required, and that our fees and/or schedule may have to be adjusted in the event that certain additional services are required in order to successfully complete the Project. Said understandings include the following:

1. The Contract Work is specified to be completed in 300 calendar days (43 weeks) after date of Notice to Proceed. We have estimated the required duration for providing Krieger & Stewart's contract administration services at 322 days (46 weeks; commencing with Notice to Proceed), approximately three weeks beyond the contract completion, to accommodate (possible) extensions to the project schedule that may be required or directed. Field construction of the proposed water and sewer improvements is anticipated to be completed within 43 weeks. Again, we have estimated our construction phase services to extend three weeks beyond the anticipated completion date (for a total of 46 weeks) to accommodate possible extensions to the construction schedule.
2. Construction staking will be scheduled to allow a minimum of one full day of construction staking for each trip to the site. Construction staking will be required for the sewer pipeline, sewer manholes, sewer laterals, waterlines, appurtenances, and boring and receiving pits. Our estimate is based on providing construction staking at 25-foot intervals and at all manholes for the proposed sewer and at 50-foot intervals, appurtenances, grade breaks, and angle points for the proposed waterlines.

If directed, we will reset disturbed monuments and file an associated corner record with the Riverside County Surveyor for a lump sum fee of \$1,000 each. For the purposes of this proposal, we have estimated that twenty (20) street centerline monuments will have to be reset.

EXHIBIT A

**CONSTRUCTION ENGINEERING SERVICES
THERMAL WATER AND SEWER IMPROVEMENTS PROJECT**

3. Contract administration by Krieger & Stewart's principal-in-charge will require a maximum (average) of 4 hours per week during the construction period (46 weeks).

Contract administration by Krieger & Stewart's project engineer will require a maximum (average) of 16 hours per week during the construction period (46 weeks).
4. Construction inspection by Krieger & Stewart's project inspectors will require a maximum (average) of 40 hours per week during the construction period (46 weeks). Our fee estimate is based on providing two (2) full-time inspectors to accommodate two (2) Contractor installation crews. The estimated 40 hours per week is "on project site" time and does not include travel time. (Note: The Agency will not be billed for travel time.)
5. Twenty (20) submittals and resubmittals will be required for the Project, with each submittal requiring 3 hours to review.
6. We will conduct monthly progress meetings (10 total).
7. Final inspection will require a maximum of 24 hours (3 days).
8. Agency will engage services of a geotechnical consultant for compaction testing and other material testing (e.g., concrete cylinder tests).
9. Agency will engage services of an environmental consultant(s) for compliance with Mitigation Monitoring Program.

For our construction engineering services, our Fee Estimate is based on our experience with similar projects; however, our actual fee for construction engineering services will depend on the efficiency, competence, and diligence of the Contractor.

TABLE 1
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
THERMAL WATER AND SEWER REGIONAL INFRASTRUCTURE IMPROVEMENTS PROJECT
ESTIMATED FEES FOR CONSTRUCTION ENGINEERING SERVICES

SCOPE OF SERVICES TASK	PRINCIPAL- IN-CHARGE ⁽¹⁾		SURVEYOR ⁽²⁾		PROJECT ENGINEER ⁽³⁾		CONSTRUCTION INSPECTOR ⁽⁴⁾		CADD SERVICES ⁽⁵⁾		CLERICAL ⁽⁶⁾		SURVEY CREW ⁽⁷⁾		TOTAL
	HOURS	\$	HOURS	\$	HOURS	\$	HOURS	\$	HOURS	\$	HOURS	\$	HOURS	\$	
1. DESIGN ENGINEERING	LUMP SUM														\$169,000
2. SUBMITTALS REVIEW	8	1,440			60	9,000	8	800			24	1,896			\$13,136
3. PRECONSTRUCTION MEETING AND PROGRESS MEETINGS	INCLUDED IN ITEM 6 BELOW														
4. CONSTRUCTION STAKING			200	32,000									270	70,200	\$102,200
5. PAYMENT AND CHANGE ORDER REQUESTS	INCLUDED IN ITEM 6 BELOW														
6. CONTRACT ADMINISTRATION	184	33,120			736	110,400					368	29,072			\$172,592
7. CONSTRUCTION INSPECTION							3,680	368,000							\$368,000
8. FINAL INSPECTION	24	4,320			24	3,600	40	4,000			24	1,896			\$13,816
9. RECORD DRAWINGS	4	720			40	6,000	24	2,400	80	8,720	4	316			\$18,156
SUBTOTAL:	220	39,600	200	32,000	860	129,000	3,752	375,200	80	8,720	420	33,180	270	70,200	\$856,900
															REIMBURSABLES (ESTIMATED @ 5%, ROUNDED):
															\$40,000
															TOTAL: \$896,900

- (1) PRINCIPAL ENGINEER I
(2) SENIOR SURVEYOR
(3) SENIOR ENGINEER I
(4) CONSTRUCTION INSPECTOR
(5) SENIOR OPERATOR II
(6) SENIOR SECRETARY II
(7) 2-MAN SURVEY CREW

- @ \$180 /Hr
@ \$160 /Hr
@ \$150 /Hr
@ \$100 /Hr
@ \$109 /Hr
@ \$79 /Hr
@ \$260 /Hr

RESETTING OF STREET CENTERLINE MONUMENTS: \$20,000
(Lump Sum Fee of \$1,000 each)

**FEE SCHEDULE
2010**

CLASSIFICATION	RATES \$/Hr.
Consulting, Design, Construction, Engineering, Environmental, Geologic, and Surveying Services (Office)	
Consultant	240.00
Principal III	220.00
Principal II	200.00
Principal I	180.00
Senior III	170.00
Senior II	160.00
Senior I	150.00
Associate III	145.00
Associate II	140.00
Associate I	135.00
Staff III	130.00
Staff II	115.00
Staff I	100.00
Technician III	85.00
Technician II	80.00
Technician I	75.00
Forensic Services	
Principal Expert:	
Testimony, Deposition, and Trial	350.00
Investigation and Preparation	250.00
Associate Expert:	
Testimony, Deposition, and Trial	250.00
Investigation and Preparation	225.00
Computer Aided Design Services	
Senior Operator III	115.00
Senior Operator II	109.00
Senior Operator I	103.00
Staff Operator III	98.00
Staff Operator II	89.00
Staff Operator I	84.00
Surveying Services (Field)	
2 Man Crew with Standard Equipment and Survey Truck	260.00
1 Man Crew with Standard Equipment and Survey Truck	225.00
Construction Services (Field)	
Engineer	130.00
Inspector	
Regular Time	100.00
Overtime	
Weekdays (8 hours to 12 hours)	121.00
Weekdays (More than 12 hours)	147.00
Saturday (12 hours or less)	121.00
Saturday (More than 12 hours)	147.00
Sunday and Holiday (Holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day and the Day After, Christmas Day)	147.00

**FEE SCHEDULE
2010
(continued)**

CLASSIFICATION	RATES \$/Hr.
Support Services	
Senior Secretary II	79.00
Senior Secretary I	75.00
Staff Secretary II	70.00
Staff Secretary I	62.00
Utility Clerk II	58.00
Utility Clerk I	55.00
Outside Services	
Special Consultants and Purchased Services	Cost + 15%
Reimbursable Expenses	
Vehicle Mileage	0.72 \$/Mile
Travel and Subsistence, including Air Fare, Ground Fare, and Vehicle Parking	Cost
Specialized Renal Equipment	Cost
Copies, Delivery, Postage, Prints, Telephone, and Sundry Charges	Cost

The above rates are subject to change on or about January 1 each year due to salary and cost increases, except for Construction Inspector and Survey Crew rates which are also subject to change if California Department of Industrial Relations issues new prevailing wage determinations during the course of the year. A gasoline surcharge may be included in response to increased prices; no such surcharge will be included on project invoices without prior notification.

TERMS OF PAYMENT:

Unless charge accommodations have been established beforehand, all accounts shall be prepaid. For accounts having charge accommodations, payment in full shall be made within 30 days of date of invoice. Any amount unpaid within said 30 days will be assessed a service charge of 1-1/2% per month (18% annual percentage rate), with a minimum charge of \$1.00. Accounts with a past due balance of 30 days or more are subject, without notice, to credit discontinuance and mechanic's lien or stop notice. If it becomes necessary for Krieger & Stewart to initiate legal proceedings for the collection of any balance due, the action shall be brought and tried in the Judicial Districts wherein Krieger & Stewart offices are located. Client agrees that the court may award reasonable attorney's fees and costs of suit to the prevailing party.

2010-FEES (01/13/2010)