

Preconstruction & Construction Services Agreement

This Preconstruction and Construction Services Agreement (Agreement) is made and entered into this 14th day of February, 2009, between *PRIHD Development Partnership* (Owner) and _____ (Contractor), with reference to the following facts:

- I. Owner is defined herein as *PRIHD Development Partnership* but will include any successors or assigns of *PRIHD Development Partnership* including any LLC or other entity to whom the property or the project is transferred.
- II. Owner owns a parcel of real property in California (Property)
- III. Owner contemplates developing *The Fox Office Building Project* on the Property (Project) and desires to employ Contractor to provide preconstruction and construction services.

Now therefore in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Contractor agree as follows:

- A. Preconstruction Services: Preconstruction services to be provided by Contractor include, but are not limited to, cost estimating, value engineering, scheduling, construction phasing, constructibility review, weekly design review meetings with the Owner, input from key subcontractors as to building systems, and means & methods of construction. Preconstruction is expected to last six months. More specifically, Contractor will:
 1. Provide scheduling and estimating services:
 - a. Building on budget submitted with the RFP, update conceptual estimate from preliminary plans based on historical costs adjusted to location and time as a control budget. This control budget will be reviewed by the project team, modified as required, and developed into a mutually agreeable budget itemized into cost systems for each component.
 - b. Prepare preliminary estimates for each phase of the work as information becomes available (once at completion of DDs, once at 50% CDs). The control budget will be revised and updated accordingly.
 - c. Provide value engineering input by reviewing conceptual and working drawings during their preparation focusing on construction methods and details. Cost analyses of design options will be carried out and recommendations made for alternatives to be included in the bid packages.
 - d. Evaluate market conditions and schedule bid calls to obtain the most competitive prices commensurate with overall project scheduling.
 - e. Prepare cash flow projections and update regularly.
 - f. Prepare a preliminary schedule following initial review of the project. This schedule will contain activities integrating the whole team to include entitlements, permits, approvals, design development, bid packages and

- construction. Schedule will be provided for Owner's approval in conjunction with the preliminary drawings and conceptual estimate.
- g. Update and revise the approved master schedule as necessary to coordinate the ongoing activities of all members of the project team, with major updates/increase in detail in conjunction with the DD and 50%CD budget updates.
 - h. Monitor progress on both design and other preconstruction activities with regular reports indicating the responsibility for any corrective action.
 - i. Provide input as required to Owner's entitlement process which is anticipated to conclude in July 2009.
2. Provide constructibility review of the bid documents. This review will verify and help identify any problems in the following areas:
- a. Reasonableness of work sequence, interface relationships, and periods of performance.
 - b. Adequacy of lead times for material and equipment procurement.
 - c. Accuracy of job-site description and depiction of conditions.
 - d. Degree of site restrictions and adequacy of access, work areas and disposal sites.
 - e. Availability of utility connections for construction.
 - f. Consideration of the impact of adverse weather on the CPM schedule and milestone operations.
 - g. Impact upon and plans for pedestrian and vehicular traffic and ongoing operations.
3. Work with Owner to update the preliminary (RFP) Site Plan that will provide additional logistics guidelines and detail. The Site Plan will include:
- a. Location of temporary buildings, lunchrooms, etc.
 - b. Location of temporary gas lines and power services.
 - c. Assist entitlement team in utility company negotiations with respect to permanent utility relocations.
 - d. Material storage areas.
 - e. Access roads and gates.
 - f. Temporary fencing and gates.
 - g. Location and boom radius of crane, personnel, personnel/material hoist, saws, concrete pumps, and all other construction equipment.
 - h. Delivery and unloading areas (concrete, precast, rebar, structural steel, etc.) including traffic flow.
 - i. Prefab and precasting areas (if required).

- j. Subcontractors' offices and storage areas.
- k. Consultant's office, testing labs, etc.
- l. Footprint of the building, existing street, overhead lines, fire hydrant, vaults, traffic signals, bus stops, other buildings, utilities (e.g. gas, water, sewer) and items to be protected (e.g. trees).
- m. Worker access gates.
- n. Worker parking during construction.
- o. Safety/first aid locations including emergency meeting place and safety bulletin board.
- p. Hazardous Storage i.e. gasoline, oxygen, acetylene, PCB's, paint, etc.
- q. Outline of excavation/shoring.
- r. Property lines.
- s. Special Conditions (phased areas, prohibited areas, environmental issues, dewatering, etc).
- t. Emergency shutoffs.
- u. Public protection, safety, and, if impacted, flow (pedestrian/vehicle) around project.

4. Compensation: Owner shall pay Contractor for Preconstruction Services as follows:

Preconstruction budget is as itemized in Exhibit A.

B. Construction Services: The parties to this agreement will enter into a Contract for Construction Services which will incorporate and supercede this Agreement. This Contract will be based on the following terms:

- | | |
|---|---|
| 1. Form of Contract: | AIA _____ Standard Form of Agreement Between Owner and Contractor, modified as mutually agreed. |
| 2. Documents used to establish final price: | Building Department submittal. |
| 3. General Conditions Expense: | As itemized in project budget Exhibits B, and as further mutually agreed; included in GMP. |
| 4. Contractor Fee | _____ %, included in GMP. |
| 5. Project Contingency - Share of Savings: | Split ____% / ____% Owner-Contractor |

- 6. Payment & Performance Bond: Excluded, but can be furnished.
- 7. Preconstruction Services: As detailed in paragraph 4 above.
- 8. Payment: Progress billings submitted by the 25th of the month will be paid by the 20th following.
- 9. Retention: Ten percent (10%), with early release for mutually agreed sub-trades.
- 10. Owner's representative: Jeff Miller
- 11. Contractor's representative: _____

C. Construction Management Services: Prior to Owner's issuance of a Notice to Proceed with Construction, it may elect to engage Contractor to provide Construction Management Services for hazardous material mitigation & removal, building demolition, and site clearing. Costs for these services are not included in the scope of this Preconstruction & Construction Services Agreement.

D. No Partnership: This Agreement shall not be construed as creating a partnership or joint venture between Owner and Contractor, or between them and any third party, nor cause either of them to be responsible in any manner for the other's or any third party's debts or obligations.

E. Assignment: Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other. Should Property be sold, this Agreement shall survive and be assigned to buyer as a condition of the sale.

IN WITNESS WHEREOF, the parties have executed this Preconstruction Services Agreement to be effective as of the Day and year first above written.

Owner

Contractor

PRIHD Development Partnership

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____