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December 18, 2018

Michael Otavka
William S. Hart Union High School District
21380 Centre Pointe Pkwy
Santa Clarita, CA 91350

Re: Sierra Vista Jr. High School Container Classroom Project
TCM Amendment No. 1

Mr. Otavka,

As you are aware, the Sierra Vista Jr. High School Container Classroom construction schedule has been extended beyond the original completion date due to various delays associated with the container classroom manufacturer, GrowthPoint Structures (GPS). The specifics of these delays and the impacts to both cost and construction of the project are documented in TELACU Construction Management's letter "Delays by GrowthPoint Structures" dated October 18th, 2018 which has been attached hereto for additional reference.

TELACU Construction Management's (TCM) original contract included a six (6) month construction duration with a one (1) month close-out period starting in April and completing in October of 2018. Per the November 2018 Project Schedule Update, which incorporates the GPS project delays as referenced in the attachment, construction is currently projected to be completed in March 2019. As such, TCM is requesting a five (5) month extension of our services, which includes 4 months of construction activity with a 1 month close-out period, for a not to exceed amount of **\$399,285.00**. In an effort to continue to support the District, and as we have greatly enjoyed working with WSHUHSD on multiple projects, our proposed amendment incorporates a significant reduction in our original contract fee. Please refer to the updated Exhibit VII Contract Document which reflects our Original Contract and Proposed Amendment No. 1 fees.

TCM looks forward to continuing to work with the William S. Hart Union High School District and the completion of the Sierra Vista Jr. High Container Classroom project, should you have any questions regarding this request for additional services please let me know.

Respectfully,

A handwritten signature in blue ink, appearing to read "Blaine Yoder".

Blaine Yoder
Director

cc: John Clem, TELACU Construction Management
Collyn Nielsen, William S. Hart Union High School District

Attached: TCM Letter 10/18/18 – Delays by GrowthPoint Structures
Sierra Vista Container Classroom Exhibit VII CM Services Fee Proposal – Amendment No. 1



CM SERVICES FEE PROPOSAL AMENDMENT NO. 1

Project Name: Sierra Vista JHS New Classroom Buildings
 Proposer: TELACU Construction Management
 Issued To: Michael Otavka
 (Authorized District Representative)

Date: 12/18/18
 Project Number: 2230801
 RFP No.: SV17-06A

A	B	C
PHASE	FEE	NOTES
I. PRE- CONSTRUCTION PHASE		
CONSTRUCTABILITY REVIEW	\$4,800	
COST ESTIMATE	\$6,880	
VALUE ENGINEERING	\$3,600	
SCHEDULING	\$3,000	
MINOR PREPARATION-CONSTRUCTION PROJECTS	\$64,800	Includes 5 Months Full-Time PM
SUB-TOTAL PRE-CONSTRUCTION	\$83,080	
II. BID & AWARD PHASE [MAIN PROJECT]		
	\$140,071	
III. CONSTRUCTION PHASE		
NTP 1		
MONTH 1	\$102,119	Apr-18
MONTH 2	\$102,119	May-18
MONTH 3	\$102,119	Jun-18
MONTH 4	\$102,119	Jul-18
MONTH 5	\$102,119	Aug-18
MONTH 6	\$102,119	Sep-18
SUB-TOTAL NTP1	\$612,714	
IV. CLOSE OUT PHASE		
	\$82,573	Oct-18
TOTAL CM SERVICES FEES	\$918,438	ORIGINAL CONTRACT
V. AMENDMENT NO. 1 DUE TO GROWTHPOINT DELAY		
MONTH 7	\$88,257	
MONTH 8	\$88,257	
MONTH 9	\$88,257	
MONTH 10	\$88,257	
VI. CLOSE OUT PHASE		
	\$46,257	
TOTAL AMENDMENT NO. 1	\$399,285	PROPOSED AMENDMENT



October 18th, 2018

Collyn Nielsen
Chief Administrative Officer
William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, California 91350

**RE: Sierra Vista Junior HS
Delays by GrowthPoint Structures**

Mr. Nielsen,

TELACU Construction Management ("TCM") is in receipt of your letter dated October 15th, 2018 in regards to further delays caused by GrowthPoint Structures ("GPS") to the Sierra Vista Junior High School Container Classroom Project. Per your request, and as discussed in previous conversations, TCM has tracked and will continue to track the impacts to both cost and schedule caused by GPS. Further, we will continue to explore ways in order to mitigate said impacts.

This letter is being sent to both acknowledge and agree to the District's request, summarize the impacts associated with GPS' previous delays (and more recent delays presented by GPS per their letter dated October 10th, 2018), and identify ways in which we are attempting to reduce further impacts to the project. The following is a summary of items but is not necessarily all inclusive, as GPS continues to miss fabrication delivery and completion of work commitments, having constant impacts to the project.

The following summarizes the Delays and/or Impacts occurred as of the last commitments made by GPS prior to GPS' acquisition.

Delay #1 – GPS Original Fabrication Commitment

- Summary:
 - Original Project Schedule pursuant to the CM RFP Issued June 2017 and from commitments made to the District by GPS, all 78 Containers were to be delivered to the site by June 1st, 2018 and set by August 2018.
 - GPS Provided a revised Production Schedule on February 22nd, 2018 which indicated the following fabrication/delivery dates:
 - 620-614: 03/19/18 thru 05/08/18
 - 621-613: 04/19/18 thru 06/06/18
 - 612: 05/21/18 thru 06/18/18
 - 610-602: 05/30/18 thru 07/09/18
 - 611-601: 06/20/18 thru 08/07/18
- Impact:
 - The revised production schedule extended the overall project duration by 56 days and prevented the possibility of the District occupying any classroom buildings over the summer break as originally planned. Further as Classrooms 601-611 were to arrive a week before the start of the 2018/19 school year, phasing, logistics, and re-sequence of construction activities was required.
- Remediation - Phased Construction Schedule:
 - As GPS presented the February 22nd, 2018 Schedule during the course of procuring/bidding

the on-site prime contractors, TCM mitigated potential delays and extended general conditions by issuing a bid Addendum that modified the original baseline schedule. This necessitated that the classrooms buildings be split into two Phases (Phase 1A and 1B). Although this impact would have been more costly to the District had it been presented after award of the original prime contracts, the construction duration was still increased from 200 days to 256 days.

- Delay to Construction - 56 days
- Potential Cost due to Delay #1:
 - The costs associated with Impact #1 are difficult to quantify on a prime contractor level as the project was phased prior to receipt of bids. However, extending the overall project duration by 56 days increased prime contractor costs as additional supervision and general requirements/conditions are required, potentially increasing bids by 5%. Further, TCM and Knowland Construction Services were contracted prior to GPS notifying the District of their delayed production schedule. As such, contracts were structured off of a 6 month duration. Further, the District had to extend the monthly lease of the existing 11 portable classrooms and provide utilities to said classrooms.
 - Summary of estimated costs are roughly as follows:

▪ Extended Construction Management for 2 months -	\$90,000
▪ Extended Project Inspection for 2 months -	\$30,000
▪ Lease 11 Portables for 2 Additional Months -	(District to Provide)
▪ SCE Edison Charges for Power to 11 Portables -	\$6,800
▪ Additional Move Management -	(District to Provide)
▪ Impact to Teachers/Students/Site	

Delay #2 - Actual Delivery of Containers vs. February 22nd Schedule as Provided by GPS

- Summary:
 - Although GPS committed to a revised fabrication schedule on February 22nd, 2018, as mentioned above, and all contractors bid to this schedule, the actual delivery of the first group of containers was delayed by more than 35 days. Containers 618, 619, 620, and 621 did not arrive onsite to be craned on to the foundations until June 12th, 2018. Further containers 613, 614, 615, and 617 did not arrive onsite until June 28th, 2018 which is 22 days beyond the February 22nd, 2018 schedule.
- Impact:
 - The delay of delivery of the Phase 1A containers by more than 1 month directly impacted the construction schedule of the project and prevented the potential to complete and occupy the Phase 1A classrooms during the 2018 Summer Break. This was further impacted by the fact that when the containers did arrive on-site, they were incomplete and missing items that were to be installed by the factory. Further, the materials required for installation (misc. metals, attachment plates, HVAC units, etc.) were not provided, and to date are still incomplete, thus preventing the onsite contractor to complete installation activities.
 - In addition to delay, all of the Phase 1A containers were to be set over the course of three consecutive days beginning on June 6th. As only half of the containers arrived and the container delivery was separated by more than two weeks, this caused additional crane mobilization to the onsite contractor. The first mobilization was on June 12th with a second mobilization on June 28th.

- Remediation:
 - The contract approach was to originally set all of the Phase 1A classrooms (612-621, also known as Buildings C and E) by June 6th, 2018. As all of these modulars arrived approximately 1 month later, TCM remediated the overall delay by having the onsite contractor begin partial installation of the Phase 1A classroom buildings (Building E). This offset the total delay but also essentially required that the project now be split into 4 phases based upon the availability of the container classrooms not arriving onsite.
 - TCM sequenced the project schedule and distributed to all trades without protest. Onsite contractors were allowed to continue work without demobilization, however this was later impacted by further delays and issues caused by GPS noted below.

- Delay to Construction – 35 days

- Potential Cost due to Delay #2:
 - The costs associated with Delay #2 are ongoing as the delay caused an overall extension to the Phase 1A and 1B portions of work by 35 days which is being compounded by additional delays caused by GPS. Further, the onsite contractors were not able to gain efficiencies in working on multiple buildings simultaneously as the containers did not arrive onsite. TCM has yet to receive any formal costs from the prime contractors associated with lack of production, if any was caused, which again has attempted to be remediated by the re-sequence of activities.
 - As mentioned, the failure to have all containers onsite in order to crane them in to place over three consecutive days caused multiple mobilizations to the onsite contractor's crane.
 - Summary of estimated/potential costs are as follows:

▪ Crane Re-Mobilization -	\$3,996
▪ Claim for Loss of Production -	Unknown
▪ Extended GC's/Supervision (Install Contractor) -	\$17,500 (Estimated)

Delay #3 – Incomplete Containers / Missing Installation Materials

- Summary:
 - Pursuant to GPS purchase order agreement and in accordance with “GrowthPoint Structures Installation Manual”, GPS is to ship the container classrooms essentially complete in the factory with the exception of certain materials which are to be provided by GPS for installation by the onsite contractor. The Phase 1A containers that arrived in June of 2018 were not only incomplete, they did not arrive with all of the materials required for complete installation. An extensive list was produced by TCM and provided to GPS on multiple occasions, and some of the incomplete items include: incomplete electrical wiring, missing light fixtures, missing door hardware, incorrect plumbing and electrical rough-in, missing glazing, missing roofing, etc.
 - In addition to GPS items that are to be installed within the factory, GPS did not provide the materials required for installation in a timely fashion, and to date these items are still missing, which include exterior and interior metal, HVAC units, restroom fixtures, and flooring materials.

- Impact:
 - The incomplete container classrooms and missing materials has had the greatest effect on the schedule of the project as containers that arrived onsite in June 2018 are still in an unfinished state over four months after delivery. GPS items that were to be installed in the factory are now being installed onsite and/or left incomplete. Further, as the entirety of the installation materials were not provided during delivery, the onsite installation contractor has been unable

to complete their scope of work, which has delayed the completion of Phase 1A by approximately 4 months.

- The impact to the project is ongoing as until GPS completes 100% of their installation and provides all materials required for installation, the Phase 1A classrooms cannot be completed. Most notably, as GPS did not install exterior door hardware in some of the classrooms, this has prevented the ability to complete finish work and necessitated an on-site security guard to secure the buildings. Additionally, as the HVAC units have not been provided, the mechanical, electrical, and plumbing connections associated with the buildings cannot be complete. Additionally, GPS has various incomplete items associated with the restroom buildings which includes but is not limited to: incorrect plumbing rough-in, missing light fixtures, missing restroom accessories and fixtures, and missing hardware. This prevents the ability for the onsite installation contractor to begin any interior work within these facilities.
- Remediation:
 - TCM immediately notified GPS of the missing materials and incomplete containers as they were being delivered onsite in an attempt to expedite the material delivery from GPS. Despite constant communication and multiple notifications, GPS to date has failed to complete multiple items associated with Phase 1A containers due to lack of performance, failure to supervise their subcontractors, delay in material delivery and lack of material availability.
 - Although the responsibility of GPS, TCM has continually tracked and notified GPS of various incomplete items and also made regular visits to the GPS factory in order to accurately check on the status of production of the remaining containers and missing materials.
 - TCM has coordinated with the onsite installation contractor to utilize their own back-stock installation materials to keep the installation ongoing while the materials which were to be provided by GPS were delayed. As the contractual materials were provided by GPS the onsite contractor's back-stock was replenished.
- Delay to Construction – Ongoing, 133 Days to Date
- Potential Cost due to Delay #3:
 - The cost associated with Delay #3 are still be tracked as there are ongoing costs/impacts until GPS completes the installation and provides all material for the Phase 1A classrooms.
 - A summary of the items that may be attributed to Delay #3 are as follows:

▪ Extended Construction Management and CM GC's -	\$45,000/mo.
▪ Extended Project Inspection -	\$15,000/mo.
▪ Extended General Conditions (Onsite GC) -	\$10,000/mo.
▪ Utilities to Leased Portables -	\$5,000/mo.
▪ Onsite Security Guard -	\$8,732/mo. (varies/non-consecutive)
▪ Extended Overhead/Supervisions (Onsite Primes) -	TBD

The aforementioned items represent a high level summary of the delays caused by GrowthPoint Structures .. As discussed, TCM has kept detailed records of the costs directly attributable to these delays, however they have not been compiled/completed as multiple delays are still ongoing.

For example, most recently GPS notified the District of an additional delay to the fabrication and delivery of the remaining 25 containers (Phase 1B Classrooms). The total impacts and remediation measures for this most recent delay dated October 10th, 2018 are still being compiled and analyzed. An initial summary of the most recent delay is as follows:

Delay #4 – GPS Delayed Delivery of 25 Containers

- Summary:
 - On October 10th, 2018 GPS send the District a letter in which, amongst other items, they notified the District that the remaining classroom containers were not going to be delivered until December 7th, 2018.
 - The original commitment from GPS on the delivery of these containers was June 2018.
 - The revised commitment from GPS (February 2018 Schedule) on the delivery of these containers was August 7th, 2018.
 - GPS did not provide another commitment on the delivery of these units until late September 2018 in which they stated that the remaining containers would begin arriving on October 16th, 2018.
 - As of October 10th, 2018 the October 16th delivery date was delayed by 5 weeks to December 7th, 2018

- Impact:
 - The delayed delivery of the remaining containers (Phase 1B) has an impact to the project that is multifaceted. The delayed delivery not only impacts the completion of the classrooms, it impacts the completion of the entire project as the site work cannot commence until occupancy of the classrooms. Further it will most likely require a demobilization of some of the onsite contractors as there will be a gap in the construction schedule from the completion of Phase 1A classrooms until the delivery of Phase 1B classrooms.
 - Additionally, the revised target date to occupy the Phase 1B classrooms was over the Districts Winter Break. With the December delivery date of the containers, and based upon GPS failure to provide complete containers and materials, the Phase 1B classrooms will not be completed for occupancy over the Winter Break.
 - As the parking lot work requires the removal of the existing leased portable classrooms, which cannot be removed until occupancy of the new container classrooms, the entire project completion date will be directly delayed by the completion of Phase 1A and 1B classrooms.

- Remediation:
 - TCM is exploring opportunities to re-sequence the schedule by beginning the Phase 2 Parking Lot work ahead of the Phase 1B classroom completion. However, due to existing portables there does not appear to be an ability to mitigate this delay by re-sequencing activities.
 - TCM will continue to negotiate with on-site contractors in an attempt to avoid/offset any extended general conditions, supervision, and delay costs.
 - TCM will continue to track costs associated with the GPS delay.

- Delay to Construction – Ongoing, Anticipate March 2019 Project Completion, approx. 120 Day Delay to Phase 1B and project completion.

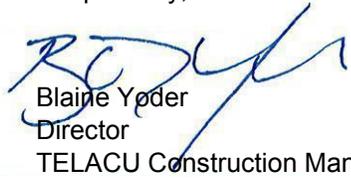
- Potential Cost due to Delay #4:
 - The cost associated with Delay #4 are still be tracked as there are ongoing costs/impacts until GPS actually deliveries and provides all materials associated with the remaining containers.
 - A summary of the items that may be attributed to Delay #4 are as follows:
 - Extended Construction Management and CM GC's - \$45,000/mo.
 - Extended Project Inspection - \$15,000/mo.
 - Extended General Conditions (Onsite GC) - \$10,000/mo.

- Utilities to Leased Portables - \$5,000/mo.
- Onsite Security Guard - \$8,732/mo. (varies/non-consecutive)
- Extended Overhead/Supervisions (Onsite Primes) - TBD

For the time being, our recommendations for the District to reduce harm caused by GrowthPoint Structures will be to engage District legal counsel and potentially pursue back charges against GPS for costs associated with their delays. Further, TCM will continue to manage the completion of the Phase 1A classrooms as expeditiously as possible to occupy the classrooms while we await the delivery of Phase 1B containers. We will also coordinate with prime contractors as necessary in order to reduce/negotiate any potential costs associated with the extended contract duration.

As the project continues, and as we approach the actual completion of GPS' contractual scope of work, a complete impact analysis will be presented to the District which details all delays and associated costs.

Respectfully,



Blaine Yoder
Director
TELACU Construction Management

CC: Michael Otavka - WSHUHSD
Sergio Martinez – TELACU Construction Management