

**WORK ORDER #2019-01  
TO MASTER SERVICES AGREEMENT, DATED July 16, 2018**

This Work Order is made and entered into this **1<sup>st</sup> day of January, 2019**, by and between **VDW METROPOLITAN DISTRICT**, (the "District"), and **MCWHINNEY REAL ESTATE SERVICES, INC.** ("Contractor"), collectively, the "Parties." Unless otherwise defined herein, all capitalized terms shall have the meaning given to them in that certain Master Services Agreement between the District and Contractor, dated **July 16, 2018** (the "Agreement").

1. Services. The Services to be provided by Contractor pursuant to the terms of the Agreement and this Work Order are set forth in **Exhibit A-1** attached hereto and further described as follows: **VDW - General Capital: Project Management Services.**

2. Compensation. Contractor hereby agrees to perform such Services as set forth in Paragraph 1 to this Work Order and the District hereby agrees to pay Contractor for the satisfactory performance of the Services **Not to Exceed 5% of Actual Project Costs**, as set forth in **Exhibit A-1** attached hereto. The District's payment obligation set forth in this Paragraph 2 is subject to the annual appropriation of funds by the District, as set forth in Section 13 of the Agreement. The District has appropriated sufficient funds to compensate Contractor for Services rendered pursuant to this Work Order for the current fiscal year. Payment by the District for any Services rendered by Contractor in the subsequent fiscal year shall be subject to the District appropriating such funds for payment for the subsequent fiscal year.

3. Term. The term of this Work Order shall begin on the date set forth above, shall be effective as of such date regardless of the date of execution hereof, and shall terminate **on December 31, 2019.**

4. Modification. This Work Order may not be amended, modified or changed, in whole or in part, except by a Change Order executed by the District and the Contractor. Any Change Order resulting in an increase in compensation shall be subject to the appropriation of funds by the District prior to the execution of a Change Order, as set forth in Section 13 of the Agreement.

5. Integrated Agreement. This Work Order has been issued pursuant to, and is hereby made a part of, the Agreement. The terms and conditions of the Agreement remain in full force and effect and shall apply to this Work Order and the Services performed hereunder.

IN WITNESS WHEREOF, the Parties have executed this Work Order as of the 1<sup>st</sup> day of January, 2019.

**VDW METROPOLITAN DISTRICT:**

\_\_\_\_\_  
By: Kim L. Perry  
Its: President

**MCWHINNEY REAL ESTATE SERVICES, INC.:**

\_\_\_\_\_  
By: Peter Lauener  
Its: President

**EXHIBIT A-1 TO WORK ORDER #2019-01**  
**SCOPE OF SERVICES AND PAYMENT FOR SERVICES**

## PROPOSAL- District Project Manager McWhinney Real Estate Services

**Scope of Services: Outlined as Exhibit A to this proposal**

**Billing Structure:**

**Stage 1: Regional Planning, Project Diligence, Pre-Design**

MRES will perform all necessary scope items prior to project authorization into the design phase of a project, or as needed for regional and master engineering and capital planning accommodation on an hourly basis, billed monthly at the following rates:

Director:	\$208.00/Hr
Senior Project Manager:	\$157.00/Hr
Project Manager II:	\$130.00/Hr
Project Manager I:	\$115.00/Hr
Project Coordinator:	\$90.00/Hr
Administrative/Clerical:	\$76.00/Hr

Stage 1 will be considered complete upon presentation to the Board of Directors by the Project Manager of a **Concept Budget and Initial Project Schedule** that includes all anticipated engineering, regulatory approvals, and construction and approval (by the District Board) of contracts to enter into the design and approval phase of the project. Regional and Master Planning/Engineering work that is not tied to specific projects would continue to be billed at hourly rates.

**Stage 2: Design and Regulatory Approvals**

Based on approvals granted by the board in Stage 1 and the establishment of the **Concept Budget and Initial Project Schedule**, the Project Manager will establish a monthly billing amount based on the application of **5% of the total anticipated Concept Budget** (including all construction and indirect construction), billed equally for each of the total months anticipated through the projected construction acceptance of the project. Projected warranty or contingency costs shall not be used in the calculation of the total 5% fee. For smaller projects that are not anticipated to exceed \$500,000 in total project costs, a minimum monthly billing shall be established by the Project Manager and approved by the District board for the anticipated scope required.

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Stage 2 shall be considered complete upon the occurrence of:

1. Regulatory approval of all necessary Plats, construction plans (Public Improvement Construction plans), or other documents and permits necessary to begin construction of the project.
2. Completion of a **Projected (Long form) Budget** and schedule revisions, if necessary, as may be revised from the conceptual budget and presentation of such to the District Board. The Projected Budget shall include all costs of the project, including all indirects, direct costs and projected warranty costs. Contingency or projected Warranty costs shall continue to not be used in the calculation of the total 5% project management fee.

### **Stage 3: Project Construction**

Based on approvals and budgets/schedules as presented to the Board of Directors in Stage 2, the monthly billing amount for District Project Management shall be calculated based on the following criteria:

1. 5% of the total anticipated costs in the **Projected Budget** adjusted to the projected (or as updated) total project duration and cost. Should the **Projected Budget or Schedule**, as revised, differ from the **Concept Budget or schedule** presented prior to Stage 2, the monthly billing amount shall be revised to reflect proper rates as adjusted by the Projected total 5% fee for the remaining length of the project.
2. With exception to projects less than \$500,000 in cost, the total amount billed by the District Project manager for both Stages 2 and 3 (aggregate) will not exceed a total of 5% of the project costs. Projects less than \$500,000 in total cost shall continue to be billed at specific billing rates as approved by the Board of Directors.
3. The District Project manager shall not be paid for the final project billing period until all necessary construction approvals have been granted by regulatory agencies and the project be entered into warranty. Projected contingency within the project budget shall continue to not be considered part of the 5% Project Management Fee calculation during the duration of the project phase unless it is utilized for project costs.
4. The Project Manager shall track all committed expenditures in the **Projected Budget** on a frequency no less than monthly, and shall promptly inform the Board if a project budget (greater than \$500,000) is projected to be substantially lower than the **Projected Budget**, and shall not be entitled to payment of

additional billings that would result in an aggregate payment of more than 5% of the revised project total.

5. Conversely, if projected variations in the budget during stage 3 are anticipated to exceed those as set with the Projected Budget, the Project Manager shall present these cost increases to the board for adjustment of remaining Project Management fee billings.
6. If a Project is suspended by the District Board of Directors during the course of the project, the District Project Manager shall suspend all monthly billings following the last month of work performed.

#### **Stage 4: Warranty**

MRES will perform all necessary scope items related to Warranty and Final Acceptance of the improvements that will remain following initial construction acceptance/substantial completion. MRES shall bill any efforts expended during this time at an hourly rate, based on the same billing structure as proposed in Stage 1.

Director:	\$208.00/Hr
Senior Project Manager:	\$157.00/Hr
Project Manager II:	\$130.00/Hr
Project Manager I:	\$115.00/Hr
Project Coordinator:	\$90.00/Hr
Administrative/Clerical:	\$76.00/Hr

All billings related to Stage 4 will cease following the Final Acceptance of the project by regulatory agencies.

**EXHIBIT A: DISTRICT PUBLIC INFRASTRUCTURE**  
**PROJECT MANAGEMENT SCOPE OF SERVICES**

<b>Long-Range Planning:</b>	Assist in the development and updates of long-range plans and cost estimates for public infrastructure and capital improvements
<b>District Coordination:</b>	Participate in District board meetings and meetings with the District Manager; provide input to annual District capital budgets; assist in bond issuance related to public infrastructure
<b>District Engineer Management:</b>	Oversee the District Engineer in performance of their assigned duties; review task order proposals, validate scope and pricing and provide recommendation for board approval
<b>Stakeholder Liaison:</b>	Serve as primary contact between District, private developer, land owner, purchaser and/or builder, municipal staff, bank/lender, and existing tenants and/or residents
<b>Initial Project Evaluation:</b>	Provide construction feasibility analysis and develop initial project scope; evaluate project site conditions, utility service availability, access, resources, and potential environmental concerns
<b>Project Design Management:</b>	Solicit and review proposals for project design services, validate scope and pricing and provide recommendation for board approval; manage design consultants and guide overall design process; ensure compliance with design guidelines and Design Review Committee requirements; coordinate peer reviews; coordinate design and schedule for District eligible dry utilities

<b>Entitlements:</b>	Manage the entitlements process; attend public meetings hearings; coordinate creation of exhibits and presentations
<b>Easements:</b>	Manage the process of creating and recording temporary construction easements and permanent utility and maintenance access easements
<b>Agreements:</b>	Review and provide input to agreements naming the District
<b>Water Rights:</b>	Coordinate the water rights dedication process
<b>Approvals and Permitting:</b>	Administer the municipal approvals and permitting processes
<b>Site Evaluation:</b>	Assess site conditions and provide a summary of action items, opportunities, limiting factors, and potential conflicts
<b>Constructability Review:</b>	Perform constructability review of design plans, engineering studies and reports, phasing plans, and easements; identify potential value engineering alternatives
<b>Cost Estimating:</b>	Review and provide input to the preliminary scope of work and quantity estimates; produce a detailed project cost estimate incorporating reasonably anticipated indirect costs and direct construction costs
<b>Project Scheduling:</b>	Create a project schedule incorporating design, procurement, construction and closeout activities including key deadlines/milestones based on input provided by the District's design consultant(s) and construction contractor(s)
<b>Bidding:</b>	Review and provide input to the bid tab and special provisions; attend pre-bid meetings; review results of bid analysis and participate in contractor interviews

<b>Contracts:</b>	Review and understand the terms of service agreements and construction contracts so that the Construction Management Services may be properly performed.
<b>Preconstruction Meeting:</b>	Schedule and conduct preconstruction meetings; coordinate attendance of district team, municipal officials and other key stakeholders; prepare and issue meeting notes and attendance rosters
<b>Construction Observation:</b>	Observe on-site construction activities to maintain progress and schedule; visit the site at appropriate intervals and maintain an on-site presence, as needed, to perform duties and fulfill obligations; review the construction work to determine if the work is being performed in a safe, quality focused manner in general conformance with design plans and governing specifications and identify any contractor deficiencies about which the Construction Manager becomes aware; review contractor compliance with permit requirements
<b>Project Coordination:</b>	Coordinate contractors, subcontractors, testing agencies, engineers and municipal inspectors; coordinate engineering support to address necessary field changes and facilitate the field order process; review material test reports and coordinate remediation measures, as necessary; coordinate schedule and priorities with non-affiliated contractors performing work on or adjacent to the project site; coordinate schedule and sequencing with public utility companies; coordinate access and availability with existing tenants and residents
<b>Meetings:</b>	Conduct weekly on-site progress meetings; prepare and distribute meeting notes
<b>Reporting:</b>	Provide monthly status updates detailing progress; review the District design consultant(s) and construction contractor(s) schedule updates and modify the project schedule as appropriate;

<b>Project Documents:</b>	maintain site observation logs documenting the ongoing progress of the work Manage project documents through a web-based share site; maintain a photo log, route, track and coordinate responses to submittals and requests for information; confirm contractor is maintaining a redline set of construction plans; submit copies of project documents to District Manager for official record
<b>Pay Requests:</b>	Review, validate billed work items and quantities, and provide recommendation for approval of contractor pay requests
<b>Change Orders:</b>	Review, validate scope changes and pricing, and provide recommendation for approval or rejection of change order requests
<b>Punchlist:</b>	Schedule and conduct initial walkthrough in coordination with municipal inspectors and District Manager; prepare a punchlist and track corrections in unison with District Manager
<b>Substantial Completion:</b>	Schedule and conduct substantial completion walkthrough in coordination with municipal inspectors and District Manager; verify substantial completion with District Manager
<b>Warranty:</b>	Remain available for clarification and guidance on warranty items, as needed, throughout the warranty period