

# Agenda Report

**TO:** CITY COUNCIL  
**THROUGH:** FINANCE COMMITTEE

**DATE:** July 17, 2006

**FROM:** PASADENA CENTER OPERATING COMPANY

**SUBJECT:** APPROVAL OF THE PASADENA CONFERENCE CENTER EXPANSION PROJECT AND FINANCING PLAN AND AWARD OF CONTRACTS TO CLARK CONSTRUCTION GROUP, DMJM, FENTRESS BRADBURN AND TWINING LABORATORIES FOR SERVICES RELATED TO THE CONFERENCE CENTER EXPANSION.

## **RECOMMENDATION**

It is recommended that the City Council:

1. Approve the Pasadena Conference Center Expansion Project including program, design and budget.
2. Approve the Pasadena Conference Center Expansion financing plan and direct staff to develop all documentation related to the issuance of financing for the project.
3. Accept the bid dated May 4, 2006 submitted by Clark Construction Group-California, LP, in response to the Specifications for the expansion of the Pasadena Center;
4. Authorize a contract with Clark Construction Group-California, LP, for an amount not-to-exceed \$121,643,000.00, contingent upon successful completion of project financing;
5. Amend the fiscal year 2007 Capital Improvement Program Budget by increasing appropriations to the Conference Center Expansion Project by \$142,492,117.00.
6. Authorize the PCOC to enter into Agreements with Daniel, Mann, Johnson, Mendenhall for an amount not to exceed \$3,200,000.00 for program and construction management services and with Fentress Bradburn Architects for an amount not to exceed \$2,148,670.00 for architectural design services and Twining Laboratories for an amount not to exceed \$900,000.00 for inspection and testing services. The proposed contracts are exempt from competitive bidding pursuant to City Charter section 1002(f) contracts for professional or unique services.

## **BACKGROUND**

The Pasadena Conference Center was constructed in 1973 adjacent to the historic Civic Auditorium. The Conference Center consists of a subterranean 32,000 sq. ft. exhibit building located to the west of the auditorium and a 28,000 sq. ft. conference building located to the east of the auditorium. The buildings are connected by a subterranean tunnel which runs beneath the auditorium. The current facilities have many deficiencies including an undersized, non-divisible exhibit hall, lack of larger meeting space to host large concurrent sessions, no ballroom space for meal functions or general sessions, undersized remotely located kitchen, and inadequate loading and service facilities.

The mission of Conference Center is to attract visitors to Pasadena for meetings and conventions that will generate economic impact for the community. That economic impact comes in the form of visitor spending in hotels, restaurants, retail stores and attractions. This spending generates Transient Occupancy Tax and incremental sales tax for the City's general fund and supports jobs and overall economic prosperity.

The Pasadena Conference Center has historically attracted lower rated "SMERF" (**S**ocial, **M**military, **E**ducational, **R**eligious and **F**raternal) groups to the convention facilities. These groups have the lowest demands as far as facility amenities. They also require low hotel room rates and generate minimal revenue for the facility. In the past, these groups were compatible with Pasadena's hotel product and other destination amenities

With the extensive development that has taken place in Pasadena over the last several years including the emergence of Old Pasadena the Playhouse District and South Lake as premium shopping and dining destinations, the development of Paseo Colorado and the substantial investment made in upgrading our hotel properties, Pasadena has become a highly desirable destination with premium hotels, dining, attractions and cultural institutions. The quality of the center is not consistent with the quality of the rest of Pasadena. The "SMERF" groups, which have historically been our primary market, are no longer a match for Pasadena. The hotels are unable to accommodate the low rates required by these groups. The groups don't provide the necessary facility revenue to off-set rising operating costs and they do not provide the highest financial impact to Pasadena's economy. Because we are no longer able to attract these groups, our long-term business has greatly reduced and the hotels are reliant on short-term transient business that is susceptible to impact from economic cycles and the center is reliant on short-term, local business that provides the least positive economic impact to the city.

The target market for Pasadena has become the "Professional Association" and "Corporate" market. Attendees at these events are willing to pay higher room rates at the hotels and they typically generate economic impact in the community that is 50% higher than "SMERF" groups. These groups also generate significantly higher revenues at the center both through facility rental and ancillary revenues such as food and beverage sales, and fees for audio-visual, communications and electrical services. When comparing the actual facility revenues of \$30,750 from a "SMERF" group that was hosted in Pasadena to the projected revenues of \$306,025 from a corporate group that was not able to come to Pasadena because we did

not have a ballroom, facility revenues were approximately 10 times higher for the corporate group. These groups see Pasadena as a desirable destination and would like to hold events here. Unfortunately, our center does not meet their requirements in space, amenities or design. In order to attract these events we must upgrade our facilities to the standards of the industry and provide a center that is competitive in the marketplace.

### **Project Outline**

The PCOC has developed a convention center program supported by research completed by our feasibility and market consultant and design assisted by input from the community. The planned expansion includes a 60,000 sq. ft. exhibit hall divisible into two sections and a 25,000 sq. ft. ballroom divisible into 8 sections at street level on the west side of the Civic Auditorium. The spaces are adjacent to each other and can be combined to create a single space of 85,000 sq. ft. The exhibit hall and ballroom are wrapped by pre-function and lobby area in order to accommodate registration and other necessary services. The exhibit hall and ballroom will be supported by a new subterranean loading/parking area that includes 7 dock slips and space for the largest trucks to maneuver. A new 7500 sq. ft. kitchen will also be constructed on the lower level. The loading and kitchen area will be connected to the exhibit hall and ballroom by 5 service elevators. The existing conference building on the east side of the Civic auditorium will be retained and a suite of administrative offices will be added to the building along the Green St. and Euclid Ave. frontage. The exterior design, which was developed through an inclusive community based process, is historically referenced and is complimentary to the existing civic auditorium by using similar materials and colors. The plaza area in front of the Civic Auditorium will be restored to its original 1931 configuration and will be flanked by prominent entry lobbies to the exhibit hall/ballroom building on the west and the conference building on the east. One level of parking will be added to the east side of the project, south of the conference building, by using the existing plaza level slab.

On December 13, 2004, the City Council certified the adequacy of the Pasadena Conference Center Expansion Project Environmental Impact Report (EIR) and approved the De Minimis Impact Finding on the State Fish and Wildlife Habitat and directed the City Clerk to file a Notice of Determination with the Los Angeles County Recorder.

### **Feasibility and Market Study**

The PCOC commissioned Conventions, Sports and Leisure (CSL), a recognized industry leader, to conduct a market analysis and feasibility study for the expansion project. The CSL study, which was updated in November of 2005, verified the demand for an expanded convention facility in Pasadena and validated the planned facility program and size. CSL also developed a proforma recording historic event levels and financial performance and projecting future event levels and financial performance for an expanded facility. The basis for future revenue projections is event levels by type on an annual basis. Total event levels are projected to remain consistent with current levels in the first year of operation, with a gradual increase over subsequent years. The proforma was developed with a focus on being conservative with future projections in order to maintain revenues at reasonable and

achievable levels. The proforma conservatively projects increased operating revenue for the convention center of approximately \$1.2 million in the first full Fiscal year of operation from an expanded convention center, compared to Fiscal Year 2005 (the last completed fiscal year). Considering that the expansion is nearly doubling leasable space from the existing facility, the growth is reasonable. When compared on a revenue generated per sq. ft. of leasable space basis, revenues are also reasonable with a projected revenue per sq. ft. of \$26.19 per sq.ft. in the first year of expanded facility operations compared to \$28.38 per sq.ft in actual revenue for fiscal year 2005. Non-operating revenues are also projected conservatively with TOT and TBID growth projected at a 3.5% annual growth compared to the 13.5% average annual growth that has been experienced since 1976.

The proforma also includes the proceeds from the Tourism Business Improvement District, which is an assessment district including all of the hotels and motels in Pasadena. Revenue is generated by an assessment on all room revenue. The revenue generated by the assessment is used to fund destination marketing efforts freeing up other revenues to be used for debt service. The TBID has been in place since March of 2003. The assessment level was increased to 2.89% effective July 1, 2006 in order to support the expansion project. The TBID is projected to generate over \$2 million annually.

The proforma also reflects the return of the PCOC share of the Westin TOT (approximately \$1.2 million) in Fiscal Year 2014 due to the retirement of the Plaza Las Fuentes Garage Bonds and the return of \$440,000.00 PCOC share of TOT due to the retirement of a renovation loan from the City.

The proforma includes projected operating expenses for the expanded facility as well as an average annual capital investment of \$640,000 over the 30 years with nearly \$2 million budgeted for the renovation of the historic ballroom in 2008.

### **Bid Process**

On February 9, 2006 two bids were received in response to the notice inviting bids for expansion of the center. The bids were as follows:

Clark Construction	\$ 131,855,000.00
Turner Construction	\$ 157,389,000.00

These bids exceeded the estimated costs of the project considerably. The escalation in cost can be attributed to the significant increase in the cost of construction projects. In an effort to reduce the cost of the project, on April 3, 2006, the City Council rejected all bids and authorized staff to modify the project to reduce scope and cost and re-bid the project.

On May 4, 2006 a single responsive bid, that of Clark Construction, was received in response to the revised specification. The bid amount was \$121,957,000.00. Clark has agreed to extend the bid from the original date of June 18, 2006 by another 30 days until July 19, 2006, and has agreed to limit the cost for any escalation due to increases in the costs of commodities or services to \$300,000. The PCOC Board recommends accepting

this bid along with deductive alternates 1 and 2 for a net cost of \$121,643,000.00 contingent upon successful completion of project financing.

**Contract Approvals**

Fentress Bradburn Architects was selected as the architectural design firm through a competitive selection process in compliance with Government Code Section 4526. Their original scope of work included all services through the completion of construction of the project. Only services through the completion of design and bid documents were previously contracted. The remaining fee of \$2,148,670 represents the services for construction administration not previously contracted.

DMJM was selected through a competitive selection process, in compliance with Government Code Section 4526, to perform program and construction management services for the project. Their original scope of work included all services through the completion of construction of the project. Only services through the completion of design and bid were previously contracted. The remaining fee of \$3.2 million represents the services for construction management not previously contracted.

Twining Laboratories was selected through a competitive selection process, in compliance with Government Code Section 4526, to perform inspection and testing services during the construction phase of the expansion project. The fee of \$900,000 represents the costs for these services.

**Project Budget**

The overall budget for the project, including construction costs, construction contingency, furnishings and equipment, architectural, construction management, and inspection services, City of Pasadena fees and the \$2 million PCOC commitment towards relocation of the ice rink from the historic ballroom to another location in the city (see below).

<b>Project Budget Worksheet</b>	<b><u>NET Project Costs(2)</u></b>
Construction Costs	\$ 121,643,000
Construction Contingency (1)	\$ 9,122,432
Furnishings and Equipment	\$ 950,000
Design Fee (Including Consultants) (2)	\$ 2,148,670
Program / Construction Management	\$ 3,200,000
Inspection Services	\$ 900,000
City of Pasadena Fees	\$ 1,311,585
Public Art Investment	\$ 1,216,430
Ice Rink Relocation	\$ 2,000,000
<b>TOTAL BUDGET</b>	<b>\$ 142,492,117</b>

(1) 7.5% contingency

(2) Overall costs minus projected pre-development expenditures

## **Financing Plan**

Working closely with the city's Finance Department a funding plan for the expansion of the Pasadena Conference Center has been developed which is tailored to the level of current and anticipated revenues of the PCOC and seeks to minimize exposure to the city's General Fund.

Staff proposes to finance the project through the issuance of Lease Revenue Bonds or Certificates of Participation (COPs). The city has issued several series of COPs since the mid-1980s. The City's obligation to pay principal and interest on the COPs will be insured by a municipal bond insurer with a AAA rating, therefore the bonds will carry the highest rating available.

COPs are structured as a lease. The payments the city makes that are used to pay principal and interest to investors are structured as lease payments from the city for the use and occupancy of certain municipal facilities. In general, the value of the leased assets must equal or exceed the amount of outstanding COPs. As COPs are paid down over time, or the value of the City's assets increases, the assets can become more valuable than necessary given the amount of COPs outstanding.

The City's debt service payments will be customized to be 80% of the Conference Center's annual net income, therefore, providing approximately 120% debt service coverage ratio for the life of the COPs. Rather than issuing conventional fixed rate COPs, the City will issue Capital Appreciation Bonds for \$30 million and create a "synthetic" fixed interest rate obligation for the remaining \$135 million of the bond issue through a two-step process.

As a first step, the City will issue variable rate COPs for approximately \$135 million of the issue size. These are securities on which the interest rate changes weekly depending on movements of short-term interest rates. The City has issued such securities for Plaza Las Fuentes garage, the Rose Bowl and the Paseo Colorado garage.

The second step will be to enter into an interest rate swap which will convert the City's variable rate debt to a fixed interest rate obligation. The interest rate swap will be an agreement between the City and a swap provider, usually a large bank or insurance company. Under the swap, the City will make a fixed interest rate payment to the swap provider and receive a variable rate payment that equals the City's obligation on the variable rate portion of the bonds. The net effect will be to create a fixed rate payment obligation for the City.

The reason to do this rather than issue a fixed rate COPs is that this "synthetic" fixed rate structure results in a much lower interest rate given today's interest rate market. The savings are expected to be about one half of a percentage point (0.5%). Over the life of the COPs, that will save the City in excess of \$20 Million.

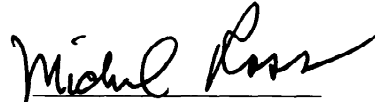
## **Debt Service Repayment**

The projected debt service has been included in the project proforma (see attached). The proforma demonstrates that debt service repayment will be accomplished from net annual revenue generated through center operations, interest income earned on reserve funds and TOT and TBID collections. TOT and TBID collections account for approximately two thirds of annual revenue and exceed the debt service amounts each year. The annual revenue allows a coverage rate of approximately 120% annual revenue versus debt service. The 20% coverage equals over \$1 million in Fiscal Year 2010, the first full year of debt service payments and increases proportionally with the growth of debt service payments throughout the term of the bonds. This amount of coverage protects the PCOC's cash reserves and the City's general fund and from being impacted even if revenues fall below projected levels. For example, if the convention center revenue levels fell 30% below projected levels, which would put revenues near the same level as Fiscal Year 2005, debt service could still be paid out of annual operating revenues. In addition to the annual revenues, a substantial reserve fund is maintained throughout the term of the bonds. The reserve is projected to be at \$14.1 million by 2010 the first year of full debt service payments and will grow throughout the term of the bonds allowing for appropriate capital repairs and reinvestment in future improvements of the facilities.

## **Fiscal Impact**

If the project and financing plan is approved, the City of Pasadena will issue \$165,063,206 in Certificates of Participation with a 30 year term. Debt service payments will be made by the PCOC out of projected PCOC annual net operating funds with no contribution from the City's general fund anticipated.

Respectfully Submitted,



Michael Ross  
Chief Executive Officer

**Pasadena Center Operating Company  
Conference Center Expansion Project Financial Proforma Updated 7/10/2006**

Addition of Exhibit, Meeting and Ballroom Space & Historic Ballroom Renovation  
Future Financial Summary (2.8% TBD, 3.6% annual growth of TOT/TEBD)

	Actual 2003	Actual FY 2004	Actual FY 2005	Actual FY 2006	Projected FY 2007	Projected FY 2008	Projected FY 2009	Year One 2010	Year Two 2011	Year Three 2012	Year Four 2013	Year Five 2014	Year Six 2015	Year Seven 2016	Year Eight 2017	Year Nine 2018	Year Ten 2019	Year Eleven 2020	Year Twelve 2021	Year Thirteen 2022		
<b>Operating Revenues:</b>																						
Convention Center	\$ 1,027,211	\$ 1,486,309	\$ 1,703,098	\$ 1,450,000	\$ 1,471,750	\$ 1,977,556	\$ 2,980,754	\$ 3,395,750	\$ 3,642,413	\$ 3,786,785	\$ 4,015,055	\$ 4,361,115	\$ 4,762,137	\$ 4,933,632	\$ 4,433,450	\$ 4,584,541	\$ 4,584,541	\$ 4,584,541	\$ 4,584,541	\$ 4,584,541	\$ 4,584,541	
Advertising	1,160,524	1,197,070	1,244,469	713,000	713,000	1,621,524	1,800,000	1,850,000	1,900,000	1,950,000	2,000,000	2,050,000	2,100,000	2,150,000	2,200,000	2,250,000	2,300,000	2,350,000	2,400,000	2,450,000	2,500,000	
Auditing	384,443	413,042	430,218	520,000	527,800	535,717	561,346	551,909	568,954	577,489	586,590	595,778	604,961	614,143	623,325	632,507	641,689	650,871	660,053	669,235	678,417	
Box office	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	
Subtotal	3,174,091	3,169,358	3,463,977	3,394,000	3,394,000	3,788,958	4,424,199	5,008,538	5,216,072	5,410,949	5,605,861	5,800,774	6,000,686	6,200,598	5,800,774	6,000,686	6,200,598	6,400,510	6,600,422	6,800,334	7,000,246	
<b>Other Revenues:</b>																						
PCCO share of base TOT (2)(3)(4)	\$ 3,991,140	\$ 4,287,240	\$ 4,580,702	\$ 4,873,000	\$ 5,169,341	\$ 5,465,682	\$ 5,762,023	\$ 6,058,364	\$ 6,354,705	\$ 6,651,046	\$ 6,947,387	\$ 7,243,728	\$ 7,540,069	\$ 7,836,410	\$ 8,132,751	\$ 8,429,092	\$ 8,725,433	\$ 9,021,774	\$ 9,318,115	\$ 9,614,456	\$ 9,910,797	
Tourism Bid Assessment (5)(6)	478,539	1,612,947	1,731,507	1,725,900	2,180,011	2,235,511	2,313,859	2,392,843	2,471,693	2,550,543	2,629,393	2,708,243	2,787,093	2,865,943	2,944,793	3,023,643	3,102,493	3,181,343	3,260,193	3,339,043	3,417,893	
Subtotal	4,469,679	5,900,187	6,312,209	6,598,900	7,349,352	7,701,193	8,075,882	8,445,207	8,814,538	9,183,869	9,553,200	9,922,525	10,291,850	10,661,175	11,030,500	11,400,825	11,770,150	12,139,475	12,508,800	12,878,125	13,247,450	
<b>Total Revenues</b>	7,643,770	9,069,545	9,776,186	9,992,900	10,743,352	11,500,151	12,504,081	13,513,841	14,026,610	14,524,815	15,022,770	15,520,725	16,018,680	16,516,635	17,014,590	17,512,545	18,010,500	18,508,455	19,006,410	19,504,365	20,002,320	
<b>Operating Expenses:</b>																						
Convention Center / Civic	\$ 4,008,631	\$ 4,264,661	\$ 4,579,318	\$ 4,518,005	\$ 4,631,058	\$ 4,746,534	\$ 4,863,505	\$ 4,980,476	\$ 5,097,447	\$ 5,214,418	\$ 5,331,389	\$ 5,448,360	\$ 5,565,331	\$ 5,682,302	\$ 5,799,273	\$ 5,916,244	\$ 6,033,215	\$ 6,150,186	\$ 6,267,157	\$ 6,384,128	\$ 6,501,099	
Parking	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	369,023	
CIVB	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	1,770,980	
Subtotal	6,148,634	6,404,664	6,719,321	6,657,008	6,771,061	6,885,537	7,000,008	7,114,456	7,228,904	7,343,352	7,457,800	7,572,248	7,686,696	7,801,144	7,915,592	8,030,040	8,144,488	8,258,936	8,373,384	8,487,832	8,602,280	
Current Debt Service (10)	143,685	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	111,541	
<b>Total Expenses</b>	6,292,319	6,516,205	6,830,862	6,768,549	6,882,602	6,996,655	7,110,708	7,224,761	7,338,814	7,452,867	7,566,920	7,680,973	7,795,026	7,909,079	8,023,132	8,137,185	8,251,238	8,365,291	8,479,344	8,593,397	8,707,450	
<b>Net Income</b>	1,351,451	2,553,340	2,945,368	3,224,351	3,974,000	4,753,617	5,523,276	6,299,040	7,071,771	7,843,900	8,616,029	9,388,158	10,160,287	10,932,416	11,704,545	12,476,674	13,248,803	14,020,932	14,793,061	15,565,190	16,337,319	
<b>Annual Facility Restoration Fees</b>	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	
<b>Investment earnings (9)</b>	193,801	220,181	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	337,320	
<b>Pre-Development Costs</b>	696,519	979,689	2,024,753	1,296,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net Annual Cashflow</b>	268,732	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	1,823,932	
<b>Confidence Cir Net Debt Service (7)(8)</b>																						
Net Debt Coverage	1,416,000	5,449,463	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	5,892,797	
Net Revenue After Net Debt Service	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	
<b>Net Fund Balance (After Debt Service Payment)</b>	5,871,489	9,008,533	12,192,786	13,429,359	15,134,150	16,925,119	18,888,214	19,478,886	20,638,008	21,846,116	22,834,013	23,398,580	24,684,267	26,136,685	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000
<b>Capital Improvement Investment</b>	5,871,489	9,008,533	10,217,798	13,328,350	14,072,648	14,816,150	15,128,119	16,161,690	17,121,157	17,968,214	18,978,896	20,038,008	21,146,116	22,644,013	23,984,267	26,436,685	28,436,685	30,436,685	32,436,685	34,436,685	36,436,685	
<b>Total estimated fund balance</b>	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	

(1) Includes PCCO Share of TOT and Revenue based on PCCO  
 (2) PCCO Share of TOT, increase by \$400,000 in 2011 and \$400,000 in 2012 due to retirement of mortgage loan  
 (3) PCCO Share of TOT, increase by \$400,000 in 2011 and \$400,000 in 2012 due to retirement of mortgage loan  
 (4) Includes PCCO Share of TOT, increase by \$400,000 in 2011 and \$400,000 in 2012 due to retirement of mortgage loan  
 (5) Assumes 1.5% annual increase in base TOT (2)(3)(4) from 2006 to 2022  
 (6) Assumes 1.5% annual increase in base TOT (2)(3)(4) from 2006 to 2022  
 (7) Assumes 1.5% annual increase in base TOT (2)(3)(4) from 2006 to 2022  
 (8) Assumes 1.5% annual increase in base TOT (2)(3)(4) from 2006 to 2022  
 (9) Assumes 1.5% annual increase in base TOT (2)(3)(4) from 2006 to 2022  
 (10) Assumes 1.5% annual increase in base TOT (2)(3)(4) from 2006 to 2022



**Pasadena Center Operating Company**  
**Conference Center Expansion Project Financial Proforma Updated 7/10/2006**

Addition of Exhibit, Meeting and Ballroom Space & Hilton  
 Future Financial Summary (2.35% TBID, 3.6% annual grow)

	Year Fourteen 2023	Year Fifteen 2024	Year Sixteen 2025	Year Seventeen 2026	Year Eighteen 2027	Year Nineteen 2028	Year Twenty 2029	Year Twenty-One 2030	Year Twenty-Two 2031	Year Twenty-Three 2032	Year Twenty-Four 2033	Year Twenty-Five 2034	Year Twenty-Six 2035	Year Twenty-Seven 2036	Year Twenty-Eight 2037
<b>Beginning Fund Balance (1)</b>	25,436,585	27,224,516	29,150,797	31,316,173	32,884,305	35,118,644	37,773,431	40,875,489	44,785,862	47,982,610	50,668,481	53,749,626	58,013,617	61,177,676	82,191,767
<b>Operating Revenues:</b>															
Convention Center	\$ 4,937,049	\$ 5,060,475	\$ 5,186,987	\$ 5,316,662	\$ 5,446,578	\$ 5,585,818	\$ 5,725,463	\$ 5,869,600	\$ 6,015,315	\$ 6,155,697	\$ 6,319,840	\$ 6,477,836	\$ 6,639,782	\$ 6,805,776	\$ 6,975,621
Auditorium	2,102,252	2,118,794	2,129,383	2,140,035	2,150,735	2,161,488	2,172,296	2,183,157	2,194,073	2,205,044	2,216,369	2,227,149	2,238,285	2,249,476	2,260,724
Box Office	658,872	659,710	679,817	690,014	700,364	710,870	721,533	732,356	743,341	754,491	765,808	777,396	789,155	800,789	812,801
Subtotal	7,698,173	7,839,989	7,996,207	8,156,711	8,322,577	8,494,166	8,671,806	8,854,914	9,043,724	9,243,832	9,454,013	9,674,381	9,905,222	10,147,041	10,399,946
Other Revenues:															
PCCOC share of base TOT (2)(3)(4)	\$ 11,106,985	\$ 11,455,730	\$ 11,858,081	\$ 12,314,514	\$ 12,745,522	\$ 13,191,615	\$ 13,653,321	\$ 14,131,188	\$ 14,622,779	\$ 15,137,682	\$ 15,685,560	\$ 16,276,833	\$ 16,912,901	\$ 17,595,838	\$ 17,978,817
Tourism Bid Assessment (5)(6)	3,745,423	3,876,519	4,012,197	4,152,524	4,297,996	4,448,395	4,604,068	4,765,232	4,932,015	5,104,558	5,283,268	5,468,473	5,659,601	5,857,287	6,062,206
Subtotal	14,852,415	15,372,249	15,910,278	16,467,138	17,043,488	17,640,010	18,267,416	18,926,420	19,557,794	20,262,316	20,954,076	21,684,019	22,426,525	23,081,523	24,041,323
<b>Total Revenues</b>	22,883,771	23,350,626	24,039,041	24,749,734	25,483,447	26,240,951	27,023,036	27,830,525	28,664,265	29,525,135	30,414,040	31,331,820	32,279,743	33,258,511	34,269,882
<b>Operating Expenses:</b>															
Convention Center - Civic	\$ 6,002,297	\$ 7,074,793	\$ 7,251,663	\$ 7,432,955	\$ 7,618,778	\$ 7,809,248	\$ 8,004,479	\$ 8,204,591	\$ 8,409,706	\$ 8,635,447	\$ 8,835,333	\$ 9,028,742	\$ 9,214,810	\$ 9,514,810	\$ 9,752,681
Parking	640,550	650,287	672,981	699,806	727,031	754,727	782,946	811,617	840,765	870,423	900,683	931,454	962,744	994,559	1,026,914
C/V/S	2,848,214	2,952,588	3,062,839	3,178,389	3,299,678	3,427,252	3,561,678	3,702,651	3,850,838	3,996,974	4,151,806	4,315,187	4,487,000	4,667,139	4,855,617
Subtotal	10,390,004	10,677,668	10,987,483	11,311,150	11,655,486	12,031,227	12,434,803	12,862,860	13,325,910	13,824,850	14,359,822	14,930,383	15,547,554	16,212,503	16,925,212
Current Debt Service (10)	10,392,004	10,637,569	10,888,956	11,146,370	11,409,910	11,679,737	11,955,003	12,238,659	12,529,466	12,824,466	13,128,585	13,439,434	13,757,707	14,083,562	14,417,243
<b>Total Expenses</b>	20,782,008	21,315,237	21,876,439	22,457,520	23,065,396	23,710,964	24,389,806	25,101,519	25,855,376	26,649,316	27,488,407	28,374,817	29,309,261	30,296,065	31,345,455
<b>Net Income</b>	2,091,763	2,635,389	2,952,594	3,438,584	3,828,969	4,209,724	4,588,233	4,967,636	5,348,355	5,730,319	6,118,218	6,512,437	6,913,040	7,320,001	7,734,671
<b>Annual Facility Restoration Fees</b>	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
<b>Investment earnings (9)</b>	953,872	1,020,919	1,083,155	1,174,469	1,233,536	1,316,945	1,416,507	1,525,330	1,641,970	1,764,473	1,890,104	2,018,611	2,175,511	2,284,163	3,082,191
<b>Pre-Development Costs</b>															
<b>Net Annual Cashflow</b>	13,405,639	13,883,997	14,483,739	14,937,833	15,467,073	16,035,189	16,643,740	17,279,498	17,937,789	18,624,622	19,346,548	20,098,097	20,867,547	21,629,092	23,094,210
<b>Conference Ctr Net Debt Service (7)(8)</b>	11,317,707	11,445,707	11,759,854	12,167,701	12,482,834	12,883,172	13,288,813	13,688,883	14,081,829	14,507,861	14,926,383	15,398,106	15,833,488	16,266,919	17,103,488
<b>Net Debt Coverage</b>	1.21	1.21	1.22	1.23	1.24	1.24	1.25	1.26	1.27	1.28	1.30	1.30	1.21	n/a	n/a
<b>Net Revenue After Net Debt Service</b>	2,287,932	2,461,280	2,843,376	2,780,132	2,974,239	3,154,087	3,376,927	3,610,403	3,856,749	4,116,821	4,425,195	4,668,991	3,664,059	21,629,092	23,084,210
<b>Net Fund Balance (After Debt Service Payment)</b>	27,724,616	29,675,797	31,754,173	34,108,305	36,848,544	39,273,631	41,160,489	44,265,832	47,642,610	51,189,431	55,094,625	58,418,617	61,677,676	64,800,767	105,285,978
<b>Capital Improvement Investment</b>	600,000	625,000	635,000	645,000	650,000	660,000	670,000	680,000	690,000	690,000	1,346,000	405,000	600,000	615,000	900,000
<b>Total estimated Fund Balance</b>	27,224,616	29,150,797	31,316,173	32,884,305	35,118,644	37,773,631	40,875,489	44,785,832	47,982,610	50,669,431	53,749,626	58,013,617	61,177,676	82,191,767	104,386,978

(1) Includes PCCOC Share of TOT Increase of \$900,000  
 (2) PCCOC Share of TOT increase of \$7,300,000 in 2014  
 (3) PCCOC Share of TOT increase of \$400,000 in 2015 and \$400,000 in 2017 due to other  
 (4) PCCOC Share of TOT increase of \$400,000 in 2016  
 (5) Assumes a maximum Bid Assessment of 2.50 percent on total hotel  
 (6) Assumes a maximum Bid Assessment of 2.50 percent on total hotel  
 (7) Assumes Net Debt Service (78) minus interest on (25FF)  
 (8) Assumes Net Debt Service (78) minus interest on (25FF)  
 (9) Investment Net Interest September 2019  
 (10) Assumption Net Interest September 2019

# Pasadena Conference Center Renovation & Expansion Project



*City of Pasadena*



**City of Pasadena  
City Council**

## PCOC BOARD OF DIRECTORS

Ann Marie Villicana  
PRESIDENT

Richard Bruckner

Thomas Seifert  
VICE PRESIDENT

Harden Carter

Jacquelynne Jones Corby

Richard Shammel  
TREASURER

Sam Gennewey

Steve Madison

Francois Khoury  
SECRETARY

Martin Nicholson

Michael Ross  
CEO

Ray Serafin

Judith Zitter

## PROJECT OVERSIGHT COMMITTEE

Michael Ross  
PCOC CEO

THERE WILL BE REPRESENTATION FROM:

James Canfield  
PASADENA CONFERENCE CENTER  
EXECUTIVE DIRECTOR

- CITY MANAGER'S OFFICE
- FINANCE DEPARTMENT
- DEVELOPMENT DEPARTMENT
- PUBLIC WORKS DEPARTMENT

## DMJM CONSTRUCTION MANAGEMENT TEAM

Michael C. McAlpine, CCM  
PROJECT MANAGER

Cindy Meyer  
PROJECT ENGINEER

Paul Greenwood, PE  
CONSTRUCTION MANAGER

George Elkin, CPE  
ESTIMATOR/CHANGE ORDER REVIEW

Rudolf M. Rigor  
LEAD INSPECTOR

Eric Chow  
SCHEDULER

**MACTEC**  
GEOTECHNICAL SERVICES

**Fentress Bradburn**  
PROJECT ARCHITECT &  
INTERIORS

**Clark Construction**  
GENERAL CONTRACTOR

**Twinning Labs**  
TESTING & INSPECTION  
SERVICES

**HENNON**  
SURVEY SERVICES

### Design Consultants

Crosby Group - Structural Engineers  
M-E Engineers - MEP  
Melendrez - Landscape Architects  
Lerch Bates - Vertical Transportation  
Carpenter Associates - Specifications

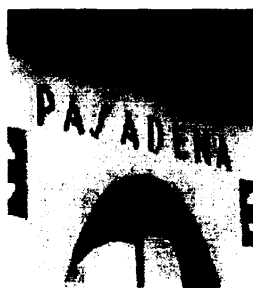
**City of Pasadena**  
Support Agencies  
Building and Safety  
Department of Public Works



# Project Team Duties and Responsibilities

## Project Oversight Committee Duties

The oversight committee is a select group of individuals comprised of the Pasadena Center Operating Company (PCOC) and City of Pasadena Building Officials that will meet monthly, or as often as required, to review all aspects of the construction of the new Pasadena Conference Renovation & Expansion Project. The purpose of this committee is not to take the place of the acting PCOC Board duties but to provide additional professional oversight review of the renovation and expansion project, to ensure its success in meeting the project budget, schedules, quality of construction requirements, review of potential claims submitted by the general contractor, and the general operations of the facility as it may be effected by the ongoing construction activities.



## DMJM Management—Construction Management Duties and Responsibilities

### Preconstruction Meeting:

Once a prime contractor has signed on, the project manager will schedule an on-site preconstruction meeting. Required to attend are the construction administrator, the design professional, major consultants, the contractor, the project manager/construction inspector, and City representatives for safety, facilities, and plant operations. The main duties and responsibilities of these positions are outlined at this meeting.

### Duties and Responsibilities during Construction Phase:

Commissioned by the Pasadena Center Operating Company (PCOC) to oversee the administration of construction, the design professional is the only person who may make technical decisions regarding the work. The project manager/construction manager is the construction administrator's on-site representative. He ensures that the approved project plans and specifications are followed. The project manager/construction manager receives technical direction from the design professional and administrative direction from the construction administrator. He is responsible for coordination with the contractor. Reports and records are the responsibility of the project management team, and any reports and records not assigned become the responsibility of the construction administrator. This will include but will not be limited to maintaining a change order log, and preparing a monthly written report including budget control and contingency balance. These reports will track every change order item, including classification and Uniformat Building Systems category.

The following duties and responsibilities are just a representative sample of what the DMJM Team will undertake for the successful completion of this project.

### Project Manager and Construction Manager's Duties and Responsibilities

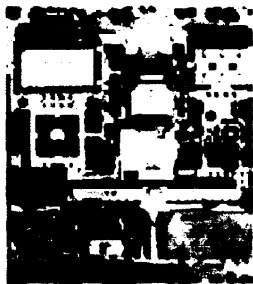
- Prepare Notice-to-Proceed (NTP) for Pasadena City Authority signature.
- Manage and work with the City of Pasadena Office First Source Local Hiring Manager and the General Contractor Outreach Coordinator in the development of the Local Workforce Utilization Plan with aggressive and realist local hiring goals.
- Ensure that the established Work Forces Utilization Plan meets the requirements stipulated in Article 15 of the AIA 201/CMA General Conditions of the Contract for Construction.





## Project Team Duties and Responsibilities

*DMJM Management – CM  
Duties and Responsibilities  
(continued)*



- Meet monthly with City of Pasadena Office First Source Local Hiring Manager and the General Contractor Outreach Coordinator to review and monitor the progress & enforcement of the established monthly Local Workforce Utilization Plan. This monthly meeting will determine what is working or not working and what can be improved to better implement the Local Workforce Utilization Plan to reach or exceed its local hiring goals.
- Review monthly the Local Workforce Utilization Plan report for completeness and adherence to the general contractor contract requirements.
- Review with the Project Oversight Committee and PCOC Board the Local Workforce Utilization Plan monthly report.
- On behalf of the City and PCOC Board, prepare all necessary correspondence to contractors and consultants.
- Review work, material storage, staging, and lift plans submitted by each contractor; order any required speciality testing (e.g., welding, concrete).
- Prepare project status reports for the Oversight Committee and PCOC Board, and/or monthly progress report for the City.
- Review and approve bid cost breakdown and initial construction schedule.
- Interface with state and federal agencies, where required.
- Certify the contractor's progress payments.
- Process the testing laboratory invoices and check the laboratory reports.
- Oversee the work of the project manager/construction inspector; review daily diaries; process the project manager/construction inspector invoices and check the weekly reports.
- Review, monitor, inspect, and report on adherence to scopes of work specified in contract documents on daily basis; maintain inspection logs with time, date, weather, and other relevant information reflected in each log document.
- Observe implementation of the contractor's on-site safety procedures.
- Check the contractor's compliance with the terms of the contract.
- Review and report on the progress of the project to the oversight committee and the PCOC Board; solve problems that arise as a result of any issue pertaining to construction.
- Maintain the Master CPM summary schedule and master project schedule for the project; review three-week look-ahead submittals provided by the respective general contractors for accuracy of reporting; monitor progress against critical activities and milestones.
- Conduct daily job walks to assess quality of workmanship, resolve field matters as necessary.
- Perform safety inspections to determine adherence to all Cal/OSHA guidelines governing construction safety. Issue verbal warnings, written warnings, or written safety citations as necessary to ensure a safe and incident-free work environment.
- Coordinate the resolution of environmental, ecological, national heritage, geological, and other problems.
- Prepare an engineer's estimate for proper costing of all proposed change work to ensure proactive decisions are made with the best available information.
- After completion of major construction milestones (i.e. foundation, structural steel, etc.), if possible, and if it is in the best interest of the City, settle all outstanding issues, reconcile time, and memorialize in a milestone settlement change order. If attempts to settle these issues fail, document the attempt and place that documentation in the project file. Milestone settlements lessen the burden on the construction administrator of settling these issues at the end of the project, and will prevent the snowballing of claims in these areas.
- Review progress reports and project account balances, & maintain contingency status report.
- Process requests for changes.
- Negotiate change orders and amendments to consultancy services agreements; implement proper checks and balances requiring multiple signatures from DMJM Management, PCOC Board, and City Council.
- Conduct final claim negotiations and final settlement of the project account. Document





## Project Team Duties and Responsibilities

DMJM Management - CM  
Duties and Responsibilities  
(continued)



- resolution of contract time overrun. Prepare a final change order, as appropriate.
- Coordinate the pre-final and final acceptance inspections with the design professional, the project manager/construction inspector, and the City.
- Process the legal acceptance of the contract performance & filing the notice of completion.
- Set up any hearing required for contractor claims.
- Provide coordination and communication between the construction administrator, the contractor, the City, the inspectors, and the design professional.
- Monitor design professional submittal log to assure all submittals are approved in a timely manner (this includes resubmittals). Request design professional to distribute a final submittal log which demonstrates acceptance of all submittals.
- Document and keep all contract data and prepare reports for construction administrator.
- Review all contract documents and ensure all appropriate procedures are used. Recommend revisions or new procedures as necessary.
- Monitor overall budget and schedule, and advise construction administrator of any trends that affect the timely procedures and cost effective completion of the project.
- Review and coordinate all services provided by testing and inspection firms for compliance with service agreement requirements. Review and approve all invoices submitted by these testing and inspection firms, and then submit recommendations to the construction administrator for final approval.
- Evaluate and make recommendations to construction administrator regarding propose contract changes and resolution of all claims. As directed by construction administrator, participate in or conduct negotiations to resolve claims or disputes.
- Maintain a change order log that includes a cumulative total of changes to the contract, and reconcile change order costs with contractor payment requests.
- Coordinate inspection, final acceptance, and scheduling of occupancy.
- Review and recommend pay applications and consultant invoices to determining the accuracy and appropriateness of claimed completion percentages; implement proper checks & balances requiring multiple signatures from DMJM Management and PCOC Board.
- Monitor completion and turnover of operation and maintenance data and record drawings
- Monitor required operating texts and training required by contract. Execute the Certification of Completion form. Complete and transmit the Project Closeout Checklist to the construction administrator.
- Observe, check, & measure items placed in the work for compliance to contract documents and directives from design professional, in conjunction with the construction inspector.
- Review the activities of the construction lead inspector in the performance of the construction lead inspector's duties.
- Develop procedures to initiate and maintain document files.
- Review construction inspector's daily diary each day, and weekly and monthly reports.
- Maintain daily diary describing general events, noting problems and unusual events.
- Submit weekly and monthly written reports to construction administrator and City to reflect new and unresolved issues, schedule, quality control, submittal review, budget control including contingency balance, and any other issues. Project progress reports shall reflect completed work vs. contract time.



Throughout the construction phase of the project, we will chair weekly progress meetings with the respective general contractors at the project site. Key project personnel—such as the architect/engineers designated to the City team members, inspectors, and the safety manager will attend as necessary in order to deal expeditiously with all outstanding issues. Items typically considered at these meetings include the review of and reports on the following:

- Status of submittals
- Outstanding Requests for Information (RFIs)



## Project Team Duties and Responsibilities

*DMJM Management - CM  
Duties and Responsibilities  
continued*

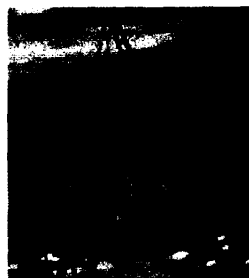


- Status of Cost Request Bulletins (CRBs), field inspections, and change orders
- Update on the master schedule (actual vs. baseline) and milestones
- Inspection issues
- Permits
- Elevator, occupancy (fire marshal), and safety concerns
- Citations
- Mitigation issues
- Progress on punch list items
- Status of move in/relocation

### Project Engineer's Duties and Responsibilities

- Log in all invoices and route for signature.
- Log in and process all submittals, RFI, correspondence.
- Perform transmittals of all correspondence.
- Set-up and maintain filing system.
- Perform data entry into Expedition, Management Information Systems (MIS).
- Review and file RFI's, CORs, submittals, surveys, specifications, construction drawings, and correspondence
- Review all vendor and subcontractor shop drawings, material and equipment submittals, and installation and operating instructions
- Perform distribution of documents.
- Review for approval of change orders to general contractors.
- Review for approval amendments to consultant agreements (with an emphasis on contract language and scope clarification)
- Check certified payrolls
- Check conditional and unconditional lien releases
- General office management, mailing, supplies, etc.
- Review and check the percentage of completion schedule of values against project schedule, math errors
- Forecast project cost over or under-run
- Review DMJM monthly billing against approved CM Contract budget
- Proper project and change orders charge account, fund availabilities and report projected budget changes

The project engineer will also review each pay application submitted by the general contractor to verify the claimed "percentage complete" against the line items of the Schedule of Values (SOV). We are experts at using Primavera Expedition, Microsoft Access and Microsoft Excel software to track, report and forecast project costs. We also use this software to efficiently track project documents and correspondence that are part of the electronic master files archives.



### Construction Lead Inspector Duties and Responsibilities

The role of the designated project lead inspector is to review the work performed by the general contractor and its designated subcontractors for adherence to plans & specifications, verifying compliance with all codes and standards applicable for the project. The project inspector maintains a daily log, properly archiving and recording manpower levels, progress, and comments on issues of importance. The project inspector also reviews and approves time and material tickets, in the event a contractor is directed to proceed with some work on a "time & material" basis. The project inspector relays all issues of concern to either the construction manager or the safety manager, depending on the issue and its level of urgency.



## Project Team Duties and Responsibilities

*DMJM Management - CM  
Duties and Responsibilities  
Continued*



Below are the specific duties for the Construction Lead Inspector:

- Coordinate Deputy Inspection, Testing, and Materials Testing.
- Be familiar with the plans and specifications and the contractor's operations at all times.
- Personally observe, check and measure items placed in the construction for compliance to the contract documents, technical instructions from the design professional and directives from the project manager (and construction administrator, when necessary).
- Maintain a daily diary describing the general work performed, noting problems, rejections and unusual events. The diary should be completed daily, tersely, factually, and should reflect the contractor's activities each day.
- Relay instructions from project manager, construction administrator, and design professional to contractor and problems from contractor to design professional for solution. Actively assist contractor in securing decisions and clarifications from design professional.
- Supervise and/or perform on-site testing and ensure that all required tests are performed by testing laboratory, contractor or design professional as specified in the contract. Check and report all failed tests to project manager and design professional, and request instructions as to further procedure.
- Assist project manager in checking billings from testing laboratories to see that billings reflect only those tests actually performed.
- Assist project manager in checking contractor's estimate of work completed for progress payments based on the approved cost breakdown.
- Advise project manager and design professional of circumstances surrounding requested changes in the work.
- Prevent installation of any related work until shop drawings have received final approval from the design professional.
- Record the design professional's or his consultants' verbal instructions during field supervision trips in the inspector's daily log for that day or on the field instruction sheet.
- Be familiar with the plans and specifications and the contractor's operations at all times.
- Personally observe, check and measure items placed in the construction for compliance to the contract documents, technical instructions from the design professional and directives from the construction administrator.
- Maintain a diary describing the general work performed, noting problems, rejections and unusual events. The diary should be completed daily, tersely, factually, and should reflect the contractor's activities each day.
- Relay instructions from construction administrator and design professional to contractor and problems from contractor to design professional for solution. Actively assist contractor in securing decisions and clarifications from design professional.
- Monitor design professional submittal log to assure all submittals are approved in a timely manner (this includes resubmittals).
- Supervise and/or perform on-site testing and ensure that all required tests are performed by testing laboratory, contractor or design professional as specified in the contract. Check and report all failed tests to construction administrator and design professional, and request instructions as to further procedure.
- Check contractor's estimate of work completed for progress payments based on the approved cost breakdown.
- Maintain a progress schedule to reflect work completed versus contract time.
- Advise construction administrator and design professional of circumstances surrounding requested changes in the work.
- Prevent installation of any related work until shop drawings have received final approval from the design professional.
- Record the design professional's or his consultants' verbal instructions during field supervision trips in the inspector's daily log for that day, or on the field instruction sheet.



## Project Team Duties and Responsibilities

*DMJM Management - CM  
Duties and Responsibilities  
(continued)*



- Whenever contacting a consultant directly, review the situation with the design professional before issuing instructions.
- Receive samples which are required to be furnished at the job site; record date received and from whom, notify design professional of their readiness for examination, record design professional's approval or rejection; and maintain custody of approved samples.
  - Inspect all materials immediately upon their delivery to the site to ensure that they comply with the specifications and are in good condition, undamaged, etc. Mark, segregate and remove condemned materials.
  - Upon completion of the project, review any and all guarantees, keying, operating instructions, completion of final punch list items, etc., that are called for in the contract documents with the design professional. Confirm that these are received before certifying completion of the work in writing.
  - Make sure that the required record drawings are accurately marked up daily or as required.
  - Report to the Trustees poor performance or any acts prejudicial to their interests. This report shall be in writing, verifying a telephone call to construction administrator whenever such conditions may come to inspector's attention.
  - Enforce restrictions peculiar to the project.
  - Assist construction administrator and design professional in the final inspection and project acceptance phase.
  - Certify at completion of construction the project was constructed according to contract documents.
  - Complete and transmit Project Closeout Checklist to construction project engineer.

### **Restrictions on Construction Lead Inspector's Authority:**

The construction lead inspector (with or without a project manager on site) SHALL NOT:

- authorize deviations from the contract documents
- avoid conducting any tests required
- interfere with the responsibilities of the contractor and its field staff
- advise on, or issue directions relative to any aspect of the building technique or sequence unless a specific technique or sequence is called for in the specifications
- authorize or advise the campus to occupy the project, in whole or in part, prior to final acceptance of the building

### **Scheduler Duties and Responsibilities**

Time and monetary constraints demand that a construction schedule be useful, credible management resource available to all parties involved in the construction process. Schedule review and analysis services ensure that a contractor develops and submits a sufficiently detailed and workable schedule that will be properly maintained and updated. Schedule review and analysis provide the following services to the Owner:

- Assist the Contractor in getting 90-day schedule in-place to pay off of during development of the Baseline Schedule.
- Provide opinions on the workability, level of detail and completeness of the Initial Schedule to the Contractor.
- Assist Contractor in getting the Initial Schedule accepted as the Baseline Schedule soon as practicable.
- Ensure that the Baseline Schedule logic is reasonable and is in complete compliance with contract requirements.
- Assist the Contractor with cost-loading and manpower-loading issues to ensure their







## Project Team Duties and Responsibilities

*DMJM Management - CM  
Duties and Responsibilities  
continued*



- reasonableness to the Owner.
- Evaluate monthly updates to ensure the Contractor remains compliant with the contract requirements.
- Confirm that the schedule reflects actual progress by utilizing the cost-loaded activity's status for approved pay applications.
- Provide early identification of schedule or progress reporting problems.
- Evaluate impact of owner change orders and legitimacy of contractor time extension requests.
- Advise on schedule-based documentation methods for use by Owner or construction manager in dispute mitigation and reporting.

### Estimator Duties and Responsibilities

- Review construction bids
- Review contractor change orders
- Develop an independent cost estimates
- Negotiate a fair cost for change orders
- Gather current market material pricing, cost and equipment rates data
- Update prevailing labor rate wages and local union labor rates
- Solicit materials and equipment quotation

### Official Project Diary

The project manager and construction manager are (both) responsible for maintaining separate official project diaries. Entries must describe the general work performed and note any problems, rejections, or unusual events. At the end of each day the project manager/construction inspector must sign and date the page directly under the last line of text, to prevent postdate entries. Diaries may also be maintained electronically. If the diary is maintained electronically, it is advised that at the end of each day the project manager/construction manager print out that day's entry, and then sign and date the page directly under the last line of text to prevent postdate entries and keep that signed page in a file. The official project diary is to be written in a terse, factual style and should be reviewed and initialed monthly by the construction administrator, because, in case of litigation, the official project diary may be introduced in evidence.

### Official Project Files

The project manager/construction manager is responsible for maintaining a project file for the contract. It must be neatly kept and adequately protected, and must be available for reference at any time. At the completion of the project, all project files including approved materials and equipment brochures must be given to the campus. The project manager/construction inspector is responsible for the transfer. All project diaries are extracted and forwarded to the project administrator/project engineer.





# Overview

Construction Management Services

## Table of Contents

The table below show's DMJM's solutions to project issues during construction, closeout, and occupancy.



### Construction

Project Issues/Tasks	DMJM Activities and Solutions
Meet site considerations: construction staging, road access, haul access	Develop construction impacts plan; advise, inform, and implement same
Address construction process issues related to quality and code compliance	Provide ICBO-certified project construction inspection & specialty inspections as necessary
Maintain safe work site, safe construction practices meeting OSHA standards	Review injury illness prevention plan and adherence to same; attend "tailgate" meetings; issue safety warnings and violations as necessary
Ensure quality of materials and storage of same on site	Inspect material for adherence to plans and specifications; inspect for proper storage prior to installation
Limit cost of materials upon delivery and storage of same on site	Evaluate all contractor changes for entitlement and cost reasonableness

### Closeout

Project Issues/Tasks	DMJM Activities and Solutions
Ensure quality of final building product	Develop comprehensive punch list to ensure completeness of all work
Ensure completion of all warranty items and associated paperwork	Obtain and turn over to City all warranty and product data
Address training of user personnel for building systems operation	Conduct facility management training
Ensure product manuals and material overage requirements for maintenance purposes	Obtain and turn over product manuals, as-built plans, and material inventory
Ensure acceptance of facility	Conduct walk-through and obtain owner acceptance



### Occupancy

Project Issues/Tasks	DMJM Activities and Solutions
Ensure comprehensive relocation/move plan for personnel and related equipment	Develop a sequenced, color-coded move plan to minimize disruption to operators
Address all building systems: voice, data, video, "hot-cut" turnover and installation	Prepare a comprehensive telecomm turnover plan, minimize business disruption
Address post move-in issues with end users, staff, and exhibitors	Conduct occupant satisfaction survey to ensure proper facility functionality