

CIVIC CENTER COMMISSION MEETING MINUTES

December 12, 2019 Attendees:

Civic Center Commission: Chairman John Harrity, Commissioners James Knowlton, John Brissette, and Patrick Lowe Absent: Lowell Alexander

City: Thomas Zidelis, John Odell, Candee Raphaelson

SMG: Sandy Dunn, Jim Moughan

Matthew Hunt of CliftonLarsenAllen, LLP, Sean Sweeney and Steve Brown from Arcadis U.S. Inc.

1. Call to Order

Chairman Harrity brought the meeting to order at 8:05 a.m.

2. The Audit report from Matthew Hunt of CliffordLarsenAllen was taken out of order. Mr. Hunt referenced the highlights of his report (attached) by stating that there were no Internal Control issues and that the strong DCU financial team had once again done a great job.

Chairman Harrity asked Sandy Dunn to please send thanks to Paige Williamson for 25 years of great work representing the DCU Center and her office and that she would be missed. He also sent well wishes to Melissa Bishop. Sandy stated that the positive audit report was testament to the great job Melissa Bishop did in the transition to her new job.

3. Chairman Harrity asked for a motion to accept the minutes from the October 24th, 2019 minutes. **Motion accepted. All in favor, 4-0.**

4. Capital Projects- John Odell introduced Steve Brown and Sean Sweeney from Arcadis and discussed the proposed contract for the Project Management Services that was being finalized. Upon completion there would be an infield representative on behalf of the City as Phase 2 moves forward and there would be a true up for the estimates. Chairman Harrity asked for a timeline and Mr. Odell said thirty months after the execution of the contract and Sean Sweeney elaborated on the plan. Mr. Sweeney spoke to starting in late May and assured the Commissioners that there would be a monthly report updated. **Motion to accept - all in favor, 4-0.** Chairman Harrity asked to follow up with Sandy Dunn on the vault water pumps. Sandy informed him that they are being turned on and off manually and that the vault was inspected daily. It's not the preferred method but working for now.

John Odell then spoke to the status update on the vault with EDM. No final report yet but there were three options. Options discussed were moving the vault, revamp existing, do the minimum or nothing. Preliminary pricing indicates that moving the vault will be cost prohibitive. The City is still waiting on National Grid for their cost estimates. Chairman Harrity expressed concern about the timing and Sandy Dunn asked the sooner the better.

5. ASM GLOBAL -Sandy Dunn spoke to the Monthly Highlights/Finance (attached) discussion included job openings, new hires doing a tremendous job and the Oval up and running with new events and

programming. Chairman Harrity asked about the new tenants in the Figs and Pigs spot. It is leased but without a liquor license. There have been delays so they do not want the information released yet. They are paying rent at this time. Sandy Dunn is hopeful to have it opened by mid-March. Chairman Harrity asked if the new restaurant would serve the concourse as well? Sandy noted not at this time, but perhaps in the future if complimentary to the DCU service after they are up and operating. They will be serving breakfast and lunch to start.

Jim Moughan-ASM Global has corporate booths at many tradeshow that includes Discover Worcester Ma. Many new people are being brought into the building and are showing interest. Many new tentative dates (attached).

6. Adjournment

Chairman Harrity motion to adjourn, all in favor. Meeting adjourned at 8:53.

Next Standard Meeting: Thursday, January 23, 2020 at 7:30 a.m. (Breakfast)-8:00 a.m. meeting

DCU Center Conference Room

THE DCU CENTER
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019



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**THE DCU CENTER
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INDEPENDENT AUDITORS' REPORT

Worcester Civic Center Commission and SMG Board Members
The DCU Center
City of Worcester, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the DCU Center (Center), an operating activity of the City of Worcester (City) that is attributable to the transactions of the Center as maintained by SMG, as of and for the year ended June 30, 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the City and the SMG agreement. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared on the basis of the financial reporting provisions of the City and SMG agreement, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the City.

The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Center as of June 30, 2019, and the respective changes in net position and cash flows thereof for the year then ended.

Unmodified Opinion on City's Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended, in accordance with the financial reporting provisions of the City and SMG as described in Note 1.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the financial position, changes in financial position, and cash flows of only that portion of the Center's activities that is attributable to the transactions of the Center as maintained by SMG.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the Center's financial statements. The management's discussion and analysis and supplementary information, as referenced in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The management's discussion and analysis section has not been subjected to the auditing procedures applied in the audit of the Center's financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Worcester Civic Center Commission and SMG Board Members
The DCU Center

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 18, 2019 on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Center's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
September 18, 2019

**DCU CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

This section of the DCU Center's (Center) annual financial report presents a discussion and analysis of the Center's financial activities during the fiscal year ended June 30, 2019 to assist readers of the financial statements in understanding the financial activities of the Center. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- The assets of the Center equaled its liabilities (i.e., net position) at the close of fiscal year 2019.
- Operating income of the Center was \$1,001,823 for the fiscal year ended June 30, 2019.

Overview of the Financial Statements

The City of Worcester, Massachusetts, acting through the Worcester Civic Center Commission, has a management services agreement (management agreement) with SMG. These financial statements report the financial activities of the Center as maintained by SMG.

The financial statements do not reflect any assets, liabilities, net position, revenues, and expenses under control of the City as these items are reflected only on the City's financial statements.

This discussion and analysis is intended to serve as an introduction to the Center's financial statements. The Center's financial statements comprise two components: 1) financial statements, and 2) notes to the financial statements. This report also contains supplementary information in addition to the financial statements themselves.

Financial Statements

The statement of net position presents information of the Center's assets, liabilities and deferred inflows/outflows of resources (as maintained by SMG), with the difference reported as net position. The management agreement between the City and SMG requires surplus distributions be made to the City unless there are projected cash flow shortfalls. Therefore, increases and decreases to net position over time is reflective of whether surplus distributions have been made or have been withheld for cash flow purposes.

The statement of revenues, expenses, and changes in net position presents information showing how the Center's net position changed during fiscal 2019. All changes in net position are reported as soon as the underlying event causing the change takes place. Therefore, all of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position regardless of when cash is received or paid.

The statement of cash flows presents information showing how changes in balance sheet accounts and income affect cash and cash equivalents.

The financial statements can be found on pages 8-10.

**DCU CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

The notes to the financial statements can be found on pages 11-16.

Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents supplementary information related to management fees.

The supplementary information can be found on pages 17-18.

Financial Analysis

The following tables present current year and prior year data on the financial statements. As noted earlier, net position may serve as a useful indicator of financial position. In the Center's case, assets equaled liabilities at the close of the most recent fiscal year and are summarized as follows:

	<u>2019</u>	<u>2018</u>
Current Assets	\$ 4,509,293	\$ 4,011,835
Noncurrent Assets	<u>46,000</u>	<u>31,500</u>
Total Assets	4,555,293	4,043,335
Current Liabilities	4,509,293	4,011,835
Noncurrent Liabilities	<u>46,000</u>	<u>31,500</u>
Total Liabilities	<u>4,555,293</u>	<u>4,043,335</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>

**DCU CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

The Center's total net position did not change during the recent fiscal year and is summarized as follows:

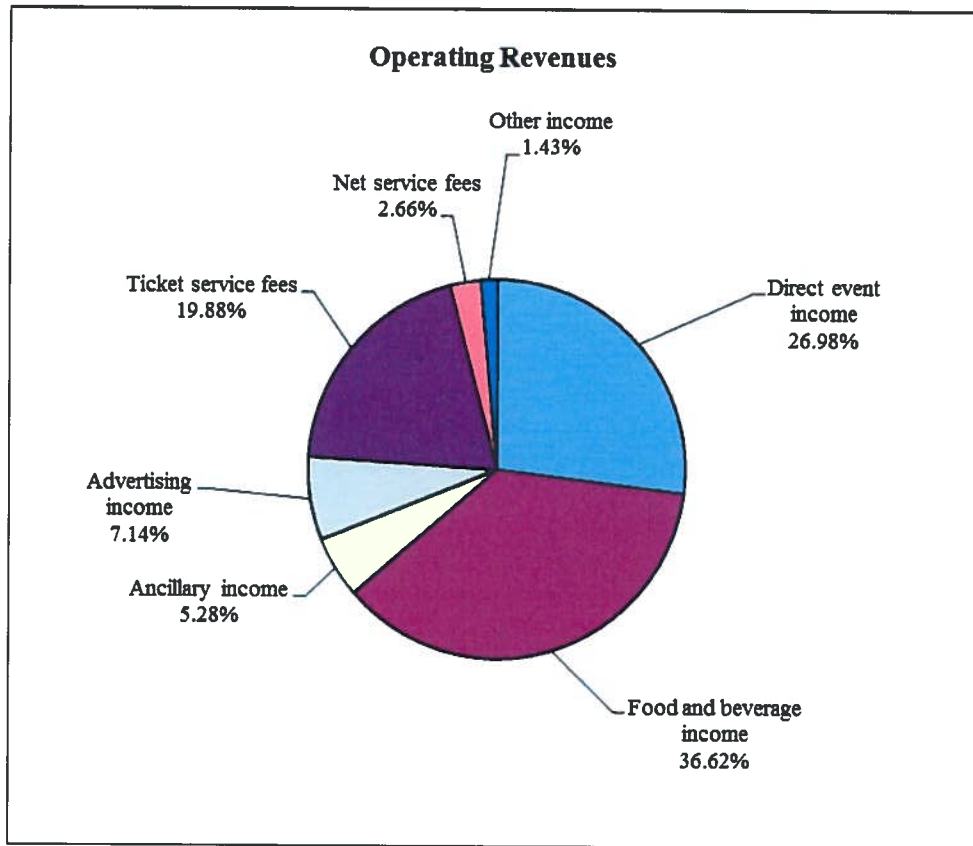
	<u>2019</u>	<u>2018</u>
Operating Revenues	\$ 7,295,052	\$ 7,274,197
Operating Expenses	<u>6,293,229</u>	<u>6,286,650</u>
Operating Income	1,001,823	987,547
Nonoperating Expenses (Surplus Distribution to City)	<u>(1,001,823)</u>	<u>(987,547)</u>
Change in Net Position	-	-
Net Position - Beginning	<u>-</u>	<u>-</u>
Net Position - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**DCU CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Operating Revenues

Total operating revenues were \$7,295,052, which was a \$20,855 or 0.3% increase from the previous fiscal year.

Operating Revenues by Source



Operating Expenses

Total operating expenses were \$6,293,229, which was a \$6,579 or 0.1% increase from the previous fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Center's finances for interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Worcester's Chief Financial Officer, City Hall, Worcester, Massachusetts 01608.

**THE DCU CENTER
STATEMENT OF NET POSITION
JUNE 30, 2019**

ASSETS

Current:	
Restricted Cash and Cash Equivalents	\$ 3,511,411
Account Receivables, Net of Allowance for Uncollectibles of \$40,959	778,312
Prepaid Expenses	76,148
Inventory	143,422
Total Current Assets	4,509,293
Noncurrent:	
Restricted Cash and Cash Equivalents	46,000
Total Assets	4,555,293

LIABILITIES

Current:	
Accounts Payable	846,701
Accrued Expenses	628,442
Due to City of Worcester	1,054,167
Advance Deposits and Ticket Sales	1,775,959
Unearned Revenue	204,024
Total Current Liabilities	4,509,293
Noncurrent:	
Advance Deposits and Ticket Sales	46,000
Total Liabilities	4,555,293

NET POSITION

Unrestricted	-
Total Net Position	\$ -

See accompanying Notes to Financial Statements.

**THE DCU CENTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2019**

OPERATING REVENUES	
Direct Event Income	\$ 1,968,355
Food and Beverage Income	2,671,649
Ancillary Income	385,531
Advertising Income	521,118
Ticket Service Fees	1,450,081
Net Service Fees	194,236
Other Income	104,082
Total Operating Revenues	<u>7,295,052</u>
OPERATING EXPENSES	
Salaries, Wages and Payroll Taxes	3,228,873
Utilities	1,108,601
Fringe Benefits	495,207
Maintenance	356,605
Supplies	356,108
Insurance	85,968
Food and Beverage Management Fee	75,000
Food and Beverage Incentive Fee	88,973
Data Processing	296,002
Professional Fees	78,429
Office	39,377
Travel and Entertainment	18,047
Bank Service Charges	43,781
Advertising	4,616
Dues and Subscriptions	9,400
Employee Training	3,462
Other	4,780
Total Operating Expenses	<u>6,293,229</u>
OPERATING INCOME	1,001,823
NONOPERATING REVENUES (EXPENSES)	
Surplus Distributions to the City of Worcester	<u>(1,001,823)</u>
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**THE DCU CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 7,342,963
Payments to Vendors	(3,340,510)
Payments to Employees	(2,733,666)
Net Cash Provided by Operating Activities	<u>1,268,787</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Surplus Distributions to the City of Worcester	<u>(906,647)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	362,140
Cash and Cash Equivalents - Beginning of Year	<u>3,195,271</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 3,557,411</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES	
Operating Income	\$ 1,001,823
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:	
Adjustments Requiring Current Cash Flows:	
Effect of Changes in Operating Assets and Liabilities:	
Account Receivables	(112,474)
Prepaid Expenses	(31,309)
Inventory	(6,035)
Accounts Payable	397,379
Accrued Expenses	(167,989)
Due to City of Worcester	20,972
Advance Deposits and Ticket Sales	158,672
Unearned Revenue	7,748
Total Adjustments	<u>266,964</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,268,787</u></u>

See accompanying Notes to Financial Statements.

**THE DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The DCU Center (Center) is a proprietary activity of the City of Worcester, Massachusetts (City). The City has a management services agreement (management agreement) with SMG. These financial statements have been prepared in accordance with the financial reporting provisions of the City as stated in the management agreement. This basis of accounting differs from accounting principles generally accepted in the United State of America in that these financial statements omit all fixed assets, associated debt and management fee expense and associated liabilities paid by the City. See the *Measurement Focus, Basis of Accounting and Basis of Presentation* below for further discussion of this departure from generally accepted accounting principles.

The significant accounting policies are described herein.

The financial statements have been prepared in accordance with the financial reporting provisions of the management agreement as noted above. This basis of accounting differs from accounting principles generally accepted in the United States of America as noted above.

Reporting Entity

The activities of the Center are directed by the five member Worcester Civic Center Commission (Commission) appointed by the City Manager. The Center is comprised of a convention center and arena. The convention center accommodates a variety of functions including trade shows, exhibitions, conventions, meetings, entertainment events, and banquets. The arena is a 14,800 seat civic arena that hosts a variety of entertainment events, sporting events, and exhibitions.

Implementation of New Accounting Principles

For the year ending June 30, 2019, the Center implemented the following pronouncements issued by the GASB:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

The implementation of these GASB Statements had no reporting impact for the Center.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The Center's financial statements are reported using the current financial resources measurement focus and use the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when the liabilities are incurred, but long-term assets and any associated debt are recorded only at the City level. Generally accepted accounting principles require the economic resource measurement focus for proprietary funds. Additionally, management fees are paid to SMG by the City and are not included in the expenses or liabilities of the Center.

**THE DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Operating revenues and expenses are segregated from nonoperating items. Operating revenues consist primarily of direct event income, food and beverage income, ticket service fees, and advertising income. Operating expenses result from providing services in connection with the Center's principal operations. All revenues and expenses not meeting the definition of operating are reported as nonoperating revenues and expenses, consisting primarily of surplus distributions to the City in accordance with the management agreement.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition.

Accounts Receivable

Accounts receivable consist primarily of amounts owed for arena and convention center events, superbox seats, and advertising fees. Management provides for losses on uncollectible accounts receivable principally on the basis of past collection experience applied to ongoing evaluations of the receivables. The allowance for uncollectible accounts at June 30, 2019 totaled \$40,959.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Inventories

Inventories consist of food and beverage and are stated at cost based on last purchase price.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such limitations are externally imposed by the management agreement and other third parties.

Due to City of Worcester

Amounts due to the City consist primarily of surplus distributions owed to the City in accordance with the management agreement.

Advance Deposits and Ticket Sales and Unearned Revenue

Advance deposits and ticket sales and unearned revenue consist of monies received in advance for convention center and arena events and monies received in advance from advertising contracts.

**THE DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

The Center does not have items that qualify for reporting in this category.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Center does not have items that qualify for reporting in this category.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenses during the fiscal year. Actual results could vary from estimates used.

NOTE 2 DEPOSITS AND INVESTMENTS

The management agreement requires SMG to maintain separate operating bank accounts established at a banking institution located in the City. SMG's corporate policy guidelines suggest limiting investments to overnight sweep accounts, United States Treasury bills with maturities of 30-60 days, certificates of deposit with maturities of 90 days, mutual funds that have a constant per share purchase and redemption price, and mutual funds that invest in United States government obligations.

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Center's deposits may not be recovered. The Center's policy for custodial credit risk of deposits is to maintain FDIC insurance coverage for all deposits. As of June 30, 2019, \$3,442,900 of the Center's bank balance of \$3,692,900 was uninsured and uncollateralized and, therefore, exposed to custodial credit risk.

Restricted Cash

Cash reported as restricted is based on limitations imposed by the management agreement, which requires cash either be distributed to the City quarterly or be held for the subsequent quarter's operations.

**THE DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 DUE TO THE CITY OF WORCESTER

The following represents a summary of amounts owed to the City at June 30, 2019.

Surplus Distribution for the Fiscal Year ended June 30, 2019	\$ 1,001,823
Audit Fee Accrual for the Fiscal Year Ended June 30, 2019	38,500
Miscellaneous	13,844
Total	<u>\$ 1,054,167</u>

NOTE 4 FUNDING FROM THE CITY OF WORCESTER

Cash Flow Requirements

The management agreement contains provisions for the City to advance funds to SMG to meet the Center's cash flow requirements. The City may advance funds to SMG based on the following:

- No later than fifteen days prior to the beginning of each quarter, SMG submits a quarterly cash flow projection report to the City Manager, specifying cash flow requirements for the operation of the Center each month for the next two ensuing quarters. If the cash flow projection indicates a cash flow deficit for any month, the City may advance funds to SMG no later than the first business day of any such month.
- At any time, SMG may notify the City in writing of the need for additional cash flow required to sustain the operation of the Center for any period up to four weeks. Such notification shall indicate the amount of funding required and shall state in detail the reason for the need for additional funding and the reason such need was not included in prior cash flow projections. No later than fifteen days after receipt of such notice, the City may advance funds to SMG.

The City retains the right to advance funds to SMG at levels that the City deems to be in its best interests. If the City fails to provide sufficient funding to cover cash flow deficits, SMG (upon request from the City or on its own initiative) shall submit a plan to reduce expenses to a level consistent with the funding available from the City. If SMG, after implementation of the plan to reduce expenses, believes the level of City funding will have a material adverse effect on their ability to perform its duties, SMG may elect to terminate the management agreement. The termination requires thirty days written notice and shall not occur more than sixty days after the effective date of the City's failure to provide sufficient funding to cover cash flow deficits.

During the fiscal year ended June 30, 2019, the City did not advance any funds to SMG related to cash flow requirements.

**THE DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 MANAGEMENT FEES

Management Fees Payable to SMG by the City

The management agreement requires the City to pay management fees to SMG, which consist of a fixed fee and an incentive fee.

Fixed Fee

The fixed fee for the fiscal year ended June 30, 2019 totaled \$339,590. Since the fixed fee is paid by the City, it is not reported as an expense in the statement of revenues, expenses, and change in net position.

The base annual fixed fee is adjusted based on the annual percentage change (over the twelve-month period ending in June of the preceding fiscal year) in the Consumer Price Index (All Items, All Urban Consumers, Boston-Brockton-Nashua Average, as published by the United States Department of Labor, Bureau of Labor Statistics), capped at 3.0%. The base annual fixed fee was \$329,699 for the fiscal year ended June 30, 2018.

Incentive Fee

For the fiscal year ended June 30, 2019, the incentive fee equals 50% of the amount by which operating revenues exceed \$4,900,000, provided that in no event shall the incentive fee exceed the fixed fee.

The incentive fee for the fiscal year ended June 30, 2019 totaled \$339,590. Since the incentive fee is paid by the City, it is not reported as an expense in the statement of revenues, expenses, and change in net position.

Management Fees Payable to SMG Food and Beverage, LLC (SMGFB) by SMG

The Center has a food and beverage services agreement (food and beverage agreement) with SMGFB. The food and beverage agreement requires the Center to pay management fees to SMGFB, which consists of a fixed fee and an incentive fee.

Fixed Fee

The annual fixed fee is \$75,000 for each fiscal year of operations.

The fixed fee for the fiscal year ended June 30, 2019 totaled \$75,000 and is reported as food and beverage management fee in the statement of revenues, expenses, and change in net position.

Incentive Fee

The incentive fee equals the sum of the following:

- Fifteen percent of gross food and beverage revenue in excess of the gross food and beverage revenue threshold (average gross food and beverage revenues for the prior two fiscal years).
- Twenty percent of net food and beverage operating income in excess of the net food and beverage operating income threshold (average net food and beverage operating income for the prior two fiscal years).

**THE DCU CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 MANAGEMENT FEES (CONTINUED)

**Management Fees Payable to SMG Food and Beverage, LLC (SMGFB) by SMG
(Continued)**

Incentive Fee (Continued)

The incentive fee for the fiscal year ended June 30, 2019 totaled \$88,973 and is reported as food and beverage incentive fee in the statement of revenues, expenses, and change in net position.

NOTE 6 SURPLUS DISTRIBUTIONS TO THE CITY OF WORCESTER

The management agreement requires the Center, on a quarterly basis, to distribute surplus to the City. The management agreement defines surplus as the amount by which operating revenue for the prior quarter exceeded operating expenses for the prior quarter, less the projected cash flow shortfall for the subsequent quarter.

During the fiscal year ended June 30, 2019, surplus distributions totaled \$1,001,823 and are reported as surplus distributions to the City of Worcester in the statement of revenues, expenses, and change in net position. The entire amount is still owed to the City of Worcester as of June 30, 2019 and is reported as "Due to City of Worcester" in the statement of net position.

NOTE 7 COMMITMENTS

In March 2014, the City, the Center, and the Digital Federal Credit Union (DCU) amended a Naming Rights Agreement (agreement). The agreement is for the period of March 1, 2015 through February 28, 2025. As part of the agreement, an Event Development Fund (fund) was created. The fund is managed by SMG to purchase talent, underwrite events, or otherwise incentivize new events.

When promoting events directly, a normal and customary rental fee shall be paid to the Center when the event activities result in a profit. In this case, all monies in excess of the normal and customary rental and use fees shall be deposited into the fund. When the event results in a loss, such losses shall be offset by the City and the Center providing for the rent fee and all additional expenses paid out of the fund.

At the expiration or termination of the agreement, any monies remaining in the fund shall revert to the City to be used at the City's sole discretion.

In fiscal year 2014, DCU made a payment of \$200,000 to the Center for deposit into the fund. During fiscal year 2016, incentive fees of \$22,102 were deposited into the fund. During fiscal year 2019, incentive fees of \$95,265 were deposited into the fund. None of the deposits have been expended as of June 30, 2019. As a result, the balance in the fund at June 30, 2019 was \$317,367. This amount is included in advance deposits and ticket sales in the statement of net position.

**THE DCU CENTER
SCHEDULE OF MANAGEMENT FEES PAID BY THE CITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

FIXED MANAGEMENT FEE PAID TO SMG BY CITY OF WORCESTER

Base Fee	\$ 329,699
Consumer Price Index (CPI) - Annual Percentage Change 2017-2018 (A)	<u>3.0%</u>
CPI Adjustment to Base Fee (\$329,699 x 3.0%)	<u>9,891</u>
Total Fixed Management Fee	<u>339,590</u>

MANAGEMENT INCENTIVE FEE OWED TO SMG BY CITY OF WORCESTER

Operating Revenues (as Defined in the Management Agreement)	7,268,388
Less: Incentive Benchmark	<u>(4,900,000)</u>
Excess of Operating Revenues Over Incentive Benchmark	2,368,388
Management Incentive Fee Percentage	<u>50%</u>
Excess of Operating Revenues Multiplied by Incentive Fee Percentage	<u>1,184,194</u>
Management Incentive Fee Cap (B)	<u>339,590</u>
Total Management Incentive Fee	<u>339,590</u>
Total Management Fees	<u>\$ 679,180</u>

(A) Based on the Consumer Price Index, All Items, All Urban Consumers, Boston-Brockton-Nashua Average, as published by the United States Department of Labor, Bureau of Labor Statistics.

(B) Cannot exceed fixed management fee.

THE DCU CENTER
SCHEDULE OF FOOD AND BEVERAGE MANAGEMENT FEES PAID BY THE CENTER
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

FIXED MANAGEMENT FEE PAID TO SMG FOOD AND BEVERAGE (SMGFB) BY SMG

Base Fee	<u>\$ 75,000</u>
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MANAGEMENT INCENTIVE FEE OWED TO SMGFB BY SMG

Gross Revenue Component

Gross Food and Beverage Revenues (as Defined in the Food and Beverage Agreement)	\$ 4,906,461
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Less: Gross Food and Beverage Revenue Threshold (A)	<u>(4,577,716)</u>
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Excess (Deficiency) of Gross Revenues Over Threshold	<u>328,745</u>
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Management Incentive Fee Percentage	<u>15%</u>
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Excess of Gross Revenues Multiplied by Incentive Fee Percentage	<u>49,312</u>
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Net Operating Income Component

Net Food and Beverage Operating Income	2,025,488
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Less: Net Food and Beverage Operating Income Threshold (B)	<u>(1,827,183)</u>
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Excess (Deficiency) of Net Operating Income Over Threshold	<u>198,305</u>
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Management Incentive Fee Percentage	<u>20%</u>
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Excess of Net Operating Income Multiplied by Incentive Fee Percentage	<u>39,661</u>
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Total Management Incentive Fee	<u>\$ 88,973</u>
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(A) Average of the gross food and beverage revenues for the prior two fiscal years.

(B) Average of the net food and beverage operating income for the prior two fiscal years.

CONTRACT FOR PROJECT MANAGEMENT SERVICES

This Contract made this Ninth day of December 2019, by and between the City of Worcester, a Massachusetts municipal corporation with an address of 455 Main Street, 4th Floor, Worcester, Massachusetts 01608 (hereinafter "Owner"), and Arcadis U.S., Inc., a Delaware corporation, with a place of business at 630 Plaza Drive, Highlands Ranch, Colorado 80129 (hereinafter "Owner's Project Manager" or "OPM").5544

WITNESSETH:

WHEREAS, the Owner is undertaking a project for significant improvements and upgrades to the DCU Center (the "Project"), an arena and convention center in downtown Worcester, Massachusetts; and

WHEREAS, the Owner determined that an owner's project manager pursuant to G.L c. 149, Sec. 44A½ will benefit the Project; and

WHEREAS, after publicly soliciting proposals and interviewing a number of qualified candidates, the Owner's Project Manager has been determined the most favorable proposer for the Project; and

WHEREAS, the Owner's Project Manager represents that it possesses the requisite qualifications, experience and capacity to provide these services; and

NOW THEREFORE, the parties mutually agree as follows:

ARTICLE 1: DEFINITIONS

APPROVAL - a written communication from the Owner approving either the work of the current Phase, as identified on Attachment A, or authorizing the Owner's Project Manager to proceed to the next Phase or approving the scope and compensation for Extra Services by written amendment, fully executed by the Parties. Approval shall not modify or limit the obligations of the Owner's Project Manager to comply with the terms and conditions set forth herein. The Approval may include the approval of compensation, the Construction Budget and the time required for submission.

ARCHITECT/ENGINEER - herein also referred to as the **DESIGNER**- the person or firm with whom the Owner has contracted to perform the professional designer services for this Project.

BASIC SERVICES - the minimum scope of services to be provided by the Owner's Project Manager under this Contract, unless the Contract is otherwise terminated pursuant to Article 12.

CERTIFICATE OF FINAL COMPLETION - The form prescribed by the Owner which contains the certification of the Designer, Owner's Project Manager and the Owner that the Project has reached Final Completion.

CONTRACT - this Contract, inclusive of all Attachments, between the Owner and the Owner's Project Manager; all written amendments to this Contract; and all Approvals issued pursuant to this Contract.

CONSTRUCTION MANAGEMENT AT RISK or CONSTRUCTION MANAGEMENT AT RISK SERVICES or CONSTRUCTION MANAGEMENT AT RISK DELIVERY METHOD or CM at RISK DELIVERY METHOD - a construction method described in G.L. c. 149A wherein a Construction Management at Risk firm provides a range of preconstruction services and construction management services which may include but is not limited to cost estimation and consultation regarding the design of the building project, the preparation and coordination of bid packages, scheduling, cost control, and value engineering, acting as the general contractor during the construction, detailing the Trade Contractor scope of work, holding the trade contracts and other subcontracts, prequalifying and evaluating Trade Contractors and subcontractors, and providing management and construction services, all at a Guaranteed Maximum Price, which shall represent the maximum amount to be paid by the public agency for the building project, including the cost of the work, the general conditions and the fee payable to the Construction Management at Risk Firm.

CONSTRUCTION MANAGER AT RISK, CONSTRUCTION MANAGEMENT at RISK FIRM or CM at RISK - a sole proprietorship, partnership, corporation, or other legal entity with which the Owner has contracted pursuant to G.L. c. 149A, § 6(e), to provide Construction Management at Risk Services;

EXTRA SERVICES - services requested by the Owner to be performed by the Owner's Project Manager but which are additional (or "extra") to the services performed as Basic Services.

FEE FOR BASIC SERVICES - the fee to be paid to the Owner's Project Manager for satisfactorily performing, in the Owner's sole discretion, the Basic Services required under this Contract, exclusive of the compensation to which the Owner's Project Manager is entitled pursuant to Articles 9 and 10.

FINAL COMPLETION - The work has been completed in accordance with the Construction Contract Documents and the specifications, schematic plans and drawings approved by the Owner.

GENERAL LAWS or G.L. - the Massachusetts General Laws as amended, including any rules, regulations and administrative procedures implementing said laws.

GUARANTEED MAXIMUM PRICE or GMP - The agreed total dollar amount for the Construction Management at Risk services, including the cost of the work, the general conditions and the fees charged by the Construction Management at Risk firm.

NON-TRADE CONTRACTOR - for purposes of a project using the CM at Risk construction delivery method only, a subcontractor, as described in G.L. c. 149A, § 8(j), who is not a Trade Contractor, as defined herein, and who has a direct contractual relationship with a CM at Risk

whether or not the work exceeds the threshold sum as identified in G.L. c. 149, § 44F(l).

NOTICE to PROCEED - the written communication issued by the Owner to the CM at Risk authorizing the CM at Risk to proceed with the services specified in the CM at Risk contract and establishing the date for commencement of the contract time.

OWNER - the entity identified as such on page one of this Contract, or its authorized representative, that is the owner of the property that is the site of the Project and is responsible for administering this Contract.

OWNER'S PROJECT MANAGER - the individual, corporation, partnership, sole proprietorship, joint stock company, joint venture or other legal entity identified as such on page one of this Contract performing the professional Project Management Services under this Contract.

PHASE - a distinct portion of the work of this Contract and its associated duration, as identified on Attachment A. Prior Approval to proceed for each Phase is required from the Owner.

PRINCIPALS - the owners and/or officers of the Owner's Project Manager who are actively involved in the management of the Project.

PROJECT - all work that pertains to the study, planning, design, construction, reconstruction, installation, demolition, maintenance or repair, if any, as defined in the Project Scope and Budget, relative to the Project.

PROJECT BUDGET - a complete and full enumeration of all costs of the Project.

PROJECT DIRECTOR - the employee of the Owner's Project Manager who has been designated in writing by the Owner's Project Manager as its authorized representative, as approved by the Owner and shall be the person who shall oversee and be responsible for all Project Management Services provided under this Contract.

PROJECT REPRESENTATIVE - the employee or a subconsultant of the Owner's Project Manager, who shall be dedicated exclusively to the Project, on-site full-time during the Construction Phase in accordance with the requirements of Section 8.7.2.

PROJECT SCHEDULE - a complete list of all activities, time and sequence required to complete the Project.

SUBCONSULTANT - any individual, company, firm, or business having a direct contractual relationship with the Owner's Project Manager, who provides services on the Project.

TRADE CONTRACTOR - for purposes of a project using the CM at Risk construction delivery method only, subcontractors having a direct contractual relationship with a CM at Risk pursuant to G.L. c. 149A, § 8 (a)-(i), to perform one or more so-called sub-bid classes of work listed in G.L.c.149 §44F and all other sub-bid classes of work selected by the public agency for the

Project, provided the sub-bid work meets or exceeds the threshold sum identified in G.L. 149, §44F(1).

ARTICLE 2: RELATIONSHIP OF THE PARTIES

- 2.1 The Owner's Project Manager shall act as an independent contractor of the Owner in providing the services required under this Contract.
- 2.2 The Owner's Project Manager warrants and represents to the Owner that it has fully, completely and truthfully represented the qualifications and skills of the Owner's Project Manager, its Subconsultants, agents, servants and employees in the proposal submitted by the Owner's Project Manager, the Contract documents and in all communications with the Owner relative to this Contract and the services to be performed hereunder by the Owner's Project Manager, its Subconsultants, agents, servants and employees.
- 2.3 The Owner's Project Manager shall perform all services required by this Contract in accordance with the professional skill and care ordinarily exercised under similar circumstances by professionals practicing in the same or similar locality. The Owner's Project Manager shall furnish appropriate competent professional services for each aspect and task so that detailed checking or reviewing by the Owner is not necessary. The Owner's review, approval, acceptance of, or payment for any of the services furnished shall not be construed to operate as a waiver of any rights under this Contract or any cause of action arising out of the performance of this Contract.
- 2.4 The Parties hereto agree that the Designer is solely responsible for the design requirements and design criteria for the Project (except to the extent specifically delegated to others) and for performing in accordance with the contract between the Owner and Designer.
- 2.5 The Parties hereto agree that the CM at Risk shall be solely responsible for construction means, methods, techniques, sequences and procedures, the CM at Risk's schedules, and for safety precautions and programs in connection with the Project and for performing in accordance with the Owner-CM at Risk Agreement. The Owner's Project Manager shall be responsible for the Owner's Project Manager's negligent acts or omissions but shall not have control over or charge over acts or omissions of the CM at Risk, Trade Contractors or Non-Trade Contractors or the agents or employees of the CM at Risk, Trade Contractors or Non-Trade Contractors, the Designer or the Owner.
- 2.6 Nothing in this Contract shall be construed as an assumption by the Owner's Project Manager of the responsibilities or duties of the CM at Risk or the Designer. The Owner's Project Manager's services shall be rendered compatibly and in coordination with the services provided by the Designer. It is not intended that the services of the Owner's Project Manager and Designer be competitive or duplicative, but rather complementary. The Owner's Project Manager shall be entitled to rely upon the Designer and CM at Risk for the proper performance of their obligations pursuant to their respective contracts with the Owner.

ARTICLE 3: RESPONSIBILITIES OF THE OWNER

- 3.1 The Owner shall provide the necessary general direction and broad management coordination required to execute the Project.
- 3.2 The Owner shall designate an individual or individuals who shall have the authority to act on behalf of the Owner under this Contract and who shall be responsible for day-to-day communication between the Owner and the Owner's Project Manager.
- 3.3 Upon satisfactory completion of services performed, the Owner shall make payments to the Owner's Project Manager as provided in Articles 7, 8, 9 and 10.
- 3.4 The Owner shall be responsible for requiring the CM at Risk and/or the Designer to comply with their respective contract obligations and to cooperate with the Owner's Project Manager, including assuring that Owner's contract with CM at risk will require such CM at Risk to defend and indemnify Owner's Project Manager against third-party suits.
- 3.5 The Owner shall provide timely information with respect to its requirements relative to the Project Schedule and the Project Budget, and shall further give timely notice to the Owner's Project Manager of any changes or modifications to the same.
- 3.6 To the extent such data is available, the Owner shall furnish to the Owner's Project Manager existing surveys of the Project site, plans, borings, test pits, structural, mechanical, chemical or other test data, tests for air and water pollution and for hazardous materials, photographs and utility information.
- 3.7 The Owner agrees that the CM at Risk will be required to identify the Owner and the Owner's Project Manager additional insureds under the CM at Risk's general liability insurance policy, as evidenced by the applicable insurance certificate.

ARTICLE 4: RESPONSIBILITIES OF THE OWNER'S PROJECT MANAGER

- 4.1 The Owner's Project Manager shall provide project management services to monitor procurement procedures, design, construction and other related activities and to facilitate, coordinate and manage the Project with respect to timely performance in accordance with the Project Schedule and monitor the quality of services and workmanship and shall recommend courses of action to the Owner when respective contractual requirements are not being fulfilled. Services shall continue through substantial use and occupancy by the Owner, and Project Closeout.
- 4.2 The Owner's Project Manager shall perform the services required under this Contract in conformance with applicable federal, state, and local laws, ordinances and regulations.
- 4.3 The Owner's Project Manager shall report to the Owner any act or inaction in connection with the Project which the Owner's Project Manager believes creates a substantial health or safety risk. Notwithstanding the immediately preceding sentence, the Owner's Project

Manager shall not assume responsibility for safety precautions and programs in connection with the Project, which shall remain the sole responsibility of the CM at Risk, as the case may be.

4.4 The Owner's Project Manager acknowledges the importance that the Owner attributes to the abilities and qualifications of the key members of the Owner's Project Manager's team, including Subconsultants, and the continuity of key member's participation in the services to be provided under this Contract. This Contract has been entered into on the representation of the Owner's Project Manager that the individuals, consultants, assignments and responsibilities will be maintained throughout the duration of this engagement. No substitution or replacement of individuals or change in the Subconsultants, listed in Attachment B, shall take place without the prior written approval of the Owner, except when necessitated by causes beyond the Owner's Project Manager's control. If the Owner's Project Manager proposes to replace one of the key members of the Owner's Project Manager's team, the Owner's Project Manager shall propose a person or consultant with qualifications at least equal to the person or firm the Owner's Project Manager proposes to replace. The Owner shall have the right to approve any substitution or replacement or change in status for the persons or Subconsultants listed in Attachment B and such approval shall not be unreasonably withheld. At the request of the Owner, the Owner's Project Manager shall consult with the Owner to resolve any situation in which the Owner determines that a member of the Owner's Project Manager's team is failing to perform services in an acceptable manner to the Owner. The Owner shall have the right to direct the removal of any such person or consultant. No act or omission of the Owner made or permitted under this Section shall relieve the Owner's Project Manager of its responsibility for the performance of the services specified in this Contract.

4.5 The Owner's Project Manager shall employ at all times professional and support personnel with requisite expertise and adequate numbers to assure the complete, timely and high quality performance of the obligations of the Owner's Project Manager.

4.6 The Owner's Project Manager shall be and shall remain liable to the Owner for all damages incurred by the Owner as a result of the failure of the Owner's Project Manager to perform in conformance with the terms and conditions of this Contract.

ARTICLE 5: SUBCONSULTANTS

5.1 The Owner's Project Manager may employ Subconsultants, subject to the prior written approval of the Owner and subject to Section 10.3 in order to perform Basic and Extra services under this Contract. The employment of Subconsultants shall not in any way relieve the Owner's Project Manager from its responsibilities under this Contract, nor shall the Owner's approval of a Subconsultant in any way relieve the Owner's Project Manager from its responsibilities under this Contract.

5.2 Upon request, the Owner's Project Manager shall provide the Owner copies of its agreements with Subconsultants, including amendments thereto, and shall consult with the Owner with respect to the inclusion therein of appropriate terms and conditions to assure timely, efficient and competent performance of the Subconsultants.

5.3 No substitution of Subconsultants and no use of additional Subconsultants shall be made without prior written approval of the Owner, which approval shall not be unreasonably withheld.

5.4 The Owner's Project Manager shall be responsible for all compensation to be paid to a Subconsultant. No Subconsultant shall have recourse against the Owner for payment of monies alleged to be owed to the Subconsultant by the Owner's Project Manager, and the Owner's Project Manager shall include in all contracts with its Subconsultants language so providing.

5.5 All contracts between the Owner's Project Manager and its Subconsultants shall include a provision in which the Owner's rights to initiate corrective action shall be stipulated.

ARTICLE 6: TERM AND TIMELY PERFORMANCE

6.1 The Owner's Project Manager acknowledges that expeditious completion of the Owner's Project Manager's services and the Project is of the utmost importance to the Owner. The term of this Contract shall commence on the date stipulated in an Approval to proceed from the Owner. The Owner's Project Manager shall complete the services required under this Contract in a prompt and continuous manner. The Owner's Project Manager shall perform its services in a timely manner and shall not delay the work of the Designer or CM at Risk. The Owner's Project Manager shall monitor the performance of the Designer and the CM at Risk in accordance with schedules of performance that are established under their contracts with the Owner. The Owner's Project Manager shall immediately advise the Owner, as well as the Designer or the CM at Risk, in writing, any time the Owner's Project Manager determines that either the Designer or the CM at Risk's performance is jeopardizing the Project Schedule or the Project Budget.

6.2 Time is of the essence in the performance of the Owner's Project Manager's obligations under this Contract, as it may be amended. The Owner's Project Manager agrees that no other work in its organization will be permitted to interfere with its timely performance of the work required under this Contract or any amendment.

6.3 The Owner's Project Manager's services are to be provided in accordance with the time schedule set forth in the Project Schedule. If the schedule changes, causing the need for revisions to the Owner's Project Manager's services, the Owner's Project Manager shall notify the Owner of the revisions to its services. The Owner shall have the right but not the obligation to extend the term of this Contract by amendment. All the rights and obligations of the parties for such extended periods shall be as set forth in this Contract or in the amendment.

ARTICLE 7: PAYMENT

7.1 For the satisfactory performance of all services required pursuant to this Contract, excluding those services specified under Articles 9 and 10, the Owner's Project Manager shall be paid by the Owner in an amount up to the not-to-exceed Fee for Basic Services, identified on Attachment A. The Owner's Project Manager shall submit invoices on a monthly basis in accordance with the Payment Schedule included as Attachment A. The Owner shall make payments to the Owner's Project Manager within thirty (30) days of the Owner's approval of the invoice, but only on the basis of written invoices or official documentation evidencing in

complete detail, the propriety of the charges.

7.2 The Fee for Basic Services shall include, but not necessarily be limited to, all labor, overhead, profit, insurance, legal services, transportation, communication expenses, reasonable printing and copying necessary for completion of the Project. The Fee for Basic Services also shall include (a) the costs of rebidding and re-solicitation of proposals, bids, or qualifications if due to the fault of the Owner's Project Manager, and (b) assisting the Owner as provided by Section 8.1.4.2 in litigation or resolution of claims or other administrative proceedings associated with a bid protest arising out of the Designer contract or the construction contract and for assistance beyond the requirements of Section 8.1.4.2 if such litigation or claims are due to the fault of the Owner's Project Manager.

7.3 When the Owner's Project Manager receives payment from the Owner, the Owner's Project Manager shall promptly make payment to each Subconsultant whose work was included in the work for which such payment was received. The Owner shall have the contractual right to investigate any breach of performance of a Subconsultant and to initiate corrective measures it determines are necessary and in the best interest of the Owner. All contracts between the Owner's Project Manager and its Subconsultants shall include a provision in which the Owner's rights to initiate corrective action shall be stipulated.

7.4 The Owner's Project Manager shall be paid the remainder of the Fee for Basic Services, less previous payments, within 30 days of acceptance by the Owner of the Certificate of Final Completion and submission of evaluations.

ARTICLE 8: BASIC SERVICES

In addition to those services set forth in the Owner's Request for Qualifications, DSB-5-W9 (which is incorporated and made a part of this Contract) including but not limited to that set forth in Attachment C, the Owner's Project Manager shall perform the following Basic Services:

8.1 Project Management (All Phases)

8.1.1 The Owner's Project Manager shall prepare a Communication Plan and document control procedure during the Schematic Design phase and continue to update it as specified for the duration of the Project. This procedure shall detail the responsibilities and lines of communication among all Project participants and establish the procedure for correspondence, document control, Designer and CM at Risk submittal logs, change order reporting logs and other tracking logs, as needed. A draft of the Communication Plan shall be submitted to the Owner for approval within 30 days of the Approval to proceed to Schematic Design/ Design Development/Construction Documents/Bidding Phase and be further updated (a) as needed to include the award of a construction contract and (b) no later than 30 days after Approval to proceed to the Construction Phase. The Owner's Project Manager shall include the Designer in its distribution of the Project Budget, Schedule, Monthly Progress Report and other reports as appropriate and as outlined in the Communications Plan.

8.1.1.2 The Owner's Project Manager shall assist the Owner in the preparation of all information, material, documentation, and reports that may be required for the Project.

8.1.1.3 The Owner's Project Manager shall prepare agendas for and attend meetings with the Owner's representatives. The Owner's Project Manager shall take minutes of all of the above-referenced meetings and promptly distribute minutes of these meetings to the Owner. The Owner's Project Manager shall take minutes of all of the above-referenced meetings and distribute them to the Owner until such time as the Owner has given the CM at Risk a Notice to Proceed pursuant to an Owner-CM at Risk contract in which case, the CM at Risk shall be responsible for taking minutes for meetings related to its contract. On behalf of the Owner, the Owner's Project Manager shall review minutes prepared by the CM at Risk for accuracy and completeness and shall advise the Owner accordingly.

8.1.1.4 The Owner's Project Manager shall review all applications for payments, change order requests, requisitions and invoices relating to the Project as submitted by the Designer, CM at Risk, equipment vendors and all other prime contractors and suppliers and make recommendations to the Owner relative to amounts due.

8.1.2 Project Control

During the Schematic Design/Design Development/Construction Documents/Bidding Phases, the Owner's Project Manager shall monitor and report to the Owner any changes to the Project Budget and Schedule.

8.1.2.1 Project Budget

The Owner's Project Manager shall prepare a detailed baseline Project Budget in a form acceptable to the Owner, which will be reviewed and agreed to by the Owner. The Owner's Project Manager shall monitor and compare all Designer estimates, contractor bids, Guaranteed Maximum Price, and other cost information to this Project Budget and identify and report all variances to the Owner. The Owner's Project Manager shall maintain and update the baseline Project Budget throughout the term of this Contract.

The Owner's Project Manager shall use the baseline Project Budget as the Project control against which all Designer estimates, contractor bids, Guaranteed Maximum Price (if applicable), and other cost information will be measured. The Owner's Project Manager shall maintain and update the baseline Project Budget throughout the term of this Contract. The Owner's Project Manager shall promptly report to the City any variances in excess of one (1%) percent as compared to the baseline Project Budget and shall further include analysis of such variances as part of the Monthly Progress Report.

The Owner's Project Manager shall prepare revisions to the baseline Project Budget, as needed, and submit them to the Owner for approval.

8.1.2.2 Cost Estimating

The Owner's Project Manager shall prepare detailed independent cost estimates as specified at schematic design and design development. The Owner's Project Manager shall record and track the cost estimates at each Design phase and submit this information to the Owner. The Owner's Project Manager shall reconcile its cost estimate to that prepared by the Designer to identify and notify the Owner of any variances.

In the event that the cost as estimated by the Designer exceeds the construction cost in the Project Budget at any of the Design phases, the Owner's Project Manager shall consult with the Designer and the CM at Risk and recommend to the Owner appropriate revisions to the scope of work.

The Owner's Project Manager shall provide cost estimating services, as may be required, to develop cash flows.

During the Schematic Design Phase, the Owner's Project Manager shall prepare a construction cost estimate with aggregated unit rates and quantities supporting each item.

The Owner's Project Manager shall review all construction cost estimates (design development and construction documents) provided by the Designer and/or the CM at Risk; provide advice, consultation, guidance and assistance to the Owner concerning said construction cost estimates; and work with the Designer and the CM at Risk as necessary to reconcile any variances in the construction cost estimates provided by each of them.

8.1.2.3 Project Schedule

The Owner's Project Manager shall submit a detailed baseline Project Schedule to the Owner within 30 days of Approval to proceed to the Schematic Design/Design Development/Construction Documents/Bidding Phase. The Owner's Project Manager shall maintain and update the Project Schedule throughout the term of this Contract. The Owner's Project Manager shall assess the actual progress of the Project relative to the baseline Project Schedule and report any variances from the baseline Project Schedule as part of the Weekly Progress Report.

In the event that actual progress of the Project varies from the baseline Project Schedule, the Owner's Project Manager shall consult with the Designer and the CM at Risk and make appropriate recommendations to the Owner relative to actions that should be taken by the Designer or the CM at Risk to achieve the baseline Project Schedule. The Owner's Project Manager shall not be responsible for delays caused by the Designer, CM at Risk, or Subcontractors, or the employees, agents or Subconsultants of the Designer, CM at Risk, or Subcontractors.

8.1.2.4 Construction Schedule

The CM at Risk shall be responsible for preparing and updating its construction schedule

on a weekly basis. The Owner's Project Manager shall meet once each week with the CM at Risk, and Designer to review and update its schedule, develop the monthly progress information to support the CM at Risk's payment estimate, and monitor the CM at Risk's performance for compliance with its contract.

The Owner's Project Manager shall notify the Owner of and include in its Weekly Progress Report any significant changes or delays to the construction schedule. The Owner's Project Manager shall make appropriate recommendations to the Owner relative to the actions that should be taken by the CM at Risk and/or advise the Owner when liquidated damages, if included in the CM at Risk contract, are anticipated to be incurred.

8.1.3 Weekly Progress Report

The Owner's Project Manager shall submit to the Owner written Weekly Progress Report summarizing activity during the preceding week. The Weekly Progress Report shall be submitted in a format acceptable to the Owner and shall describe work performed by all project participants (Owner's Project Manager, Designer, and CM at Risk) during the reporting period and work planned for the next reporting period. The report shall also address matters of schedule adherence (Project Schedule as well as individual completion percentages for design and construction), costs to date (updated Project Budget and actual expenses incurred), change orders and potential change orders, cash flow projections, CM at Risk's safety performance, Designer's QA/QC, CM at Risk's environmental compliance, community issues, Designer and CM at Risk's MBE/WBE activities, any issues that could result in additional time and/or additional costs and any anticipated problems/concerns together with recommended solutions.

8.1.4 Change Order and Claims Administration

The Owner's Project Manager shall review and coordinate its review with the Designer and make specific document and processing recommendations to the Owner, consistent with the Massachusetts laws and regulations, and the construction contract documents, which minimize change order and claims processing costs and time. Services provided by the Owner's Project Manager shall include:

8.1.4.1 Change Order Administration

8.1.4.1.1 Review all CM at Risk proposals for change orders and supporting schedules for time extension requests. For change orders in excess of \$100,000, prepare independent cost estimate analysis with associated schedule impact;

8.1.4.1.2 Initiate, conduct, and document negotiations through a memorandum of negotiations with the CM at Risk;

8.1.4.1.3 For all change order requests by the CM at Risk, make recommendations to the Owner for its modification, acceptance or rejection and provide an analysis and recommendation regarding the cost;

8.1.4.1.4 Prepare and finalize any documentation required for processing change orders including a summary of the Owner's Project Manager's review of the

reasonableness of the costs and documentation to support or reject the change; and
 8.1.4.1.5 Maintain a status report system for logging and tracking change orders, claims, and disputes to resolution. At a minimum, weekly reports shall include contract number, description of change order or claim, reason for change, date initiated, magnitude of estimated cost, actions required (identification of action parties and response dates) and status. This report shall be included in the Weekly Progress Report.

8.1.4.2 Claims and Disputes Management

8.1.4.2.1 Implement a claims management procedure consistent with the construction contract documents;

8.1.4.2.2 Analyze CM at Risk claims and propose recommendations to the Owner in support of the Owner's obligations under the claims article of the construction contract documents. Prepare responsive positions in coordination with the Owner, and obtain appropriate input from the Designer and/or CM at Risk;

8.1.4.2.3 In the event that a dispute arises between the CM at Risk, and/or any Subcontractors, and/or the Designer, including, but not necessarily limited to, disputes regarding the performance, quality, acceptability, fitness and rate of progress of the Project or the requirements of the Designer's contract or the CM at Risk's construction contract(s), the Owner's Project Manager shall report any such claims, disputes or other matters in question relating to the performance by the CM at Risk, Subcontractor, Designer or vendor to the Owner in writing as soon as reasonably possible; and

8.1.4.2.4 The Owner's Project Manager shall take all reasonable efforts designed to resolve any such claims, disputes, or other matters in question.

8.2 Schematic Design Phase

8.2.1 Designer Selection

The Owner's Project Manager shall coordinate the designer selection process for the Owner. Basic Services shall include:

8.2.1.1 The Owner's Project Manager shall assist the Owner in preparing the schedule for designer selection, advertisement, request for services, selection criteria and other materials required for the application package.

8.2.1.2 The Owner's Project Manager shall record the names and addresses of all designers who request an application package, shall notify all interested designers of any changes to the request for services or application package and shall respond to project specific questions. The Owner's Project Manager shall complete reference checks on all applicants and provide the Owner with a report on the references.

8.2.1.3 The Owner's Project Manager shall review each submitted application to be sure it is complete and shall submit the application packages as well as the completed references to the Owner at least two (2) weeks before the targeted Designer Selection Board Meeting.

8.2.1.4 The Owner's Project Manager shall present the project particulars and the results of the reference checks to the Owner's Designer Selection Board.

8.2.1.5 The Owner's Project Manager shall assist the Owner in the negotiation of the design contract with the first-ranked firm.

8.2.2 Schematic Design

The Owner's Project Manager shall monitor the activities and responsibilities of the Designer during this phase and assist the Owner in the review of the proposed scope, schedule and budget, developed by the Designer, including the review of the Designer's preliminary drawings. Without limiting the generality of the foregoing, the Owner's Project Manager shall:

- a. Prepare independent construction cost estimates pursuant to Section 8.1.2.2 of this Contract for comparison with the Designer's cost estimates; and
- b. Work with the Owner and Designer to prepare the Project Schedule.

8.2.2.1 The Owner's Project Manager shall lead design coordination meetings every week, between the Designer and the Owner to provide for review and discussion of design/engineering related issues. The Owner's Project Manager shall provide technical assistance to the Owner. The Owner's Project Manager shall take and timely distribute minutes of these meetings to the Owner.

8.2.2.2 The Owner's Project Manager shall assist in the implementation of additional site evaluation and testing as required by the Designer, including, but not necessarily limited to, site surveys, wetlands evaluation, environmental evaluations, hazardous materials evaluation, subsurface testing (percolation tests, test pits, borings, etc.), destructive testing and other investigative work in the case of renovation projects.

8.2.2.3 The Owner's Project Manager shall monitor the status of the Designer contract including monitoring the schedule of the Designer, provide review and comment of Designer's work product and make recommendations to the Owner when, in the opinion of the Owner's Project Manager, requirements of the Designer's contract with the Owner are not being fulfilled.

8.2.2.4 The Owner's Project Manager shall meet with the Owner, Designer and other project participants as necessary.

8.2.2.5 The Owner's Project Manager shall assist and advise the Owner in properly preparing and submitting to the Office of the Inspector General, the application to proceed with the CM at Risk construction delivery method and in obtaining a notice to proceed, in accordance with the provisions of G.L. c. 149A, § 4, and the applicable regulations and procedures promulgated by the Inspector General. The Owner's Project Manager shall assist and advise the Owner in correcting and resubmitting the application to proceed, as necessary, and in responding to any requests for additional

information from the Office of the Inspector General. The services provided by the Owner's Project Manager in assisting and advising the Owner with the preparation and submission of the application to proceed with the CM at Risk construction delivery method shall be included in Basic Services.

8.3 CM at Risk Prequalification and Selection

8.3.1 General

When directed by the Owner, the Owner's Project Manager shall assist and advise the Owner in the selection of a Construction Manager at Risk ("CM at Risk") in accordance with the provisions of G.L. c. 149A §§5, and 6, the applicable regulations and procedures promulgated by the Inspector General, and all other applicable law.

The Owner's Project Manager shall serve as a member of the Owner's CM at Risk Prequalification Committee and CM at Risk Selection Committee, as required by G.L. c. 149A §§5, and 6, and shall provide advice and assistance to the Owner and to said committees in relation to the CM at Risk selection process in accordance with the provisions of G.L. c. 149 §§ 5, and 6, the applicable regulations and procedures promulgated by the Inspector General, and all other applicable law.

8.3.2 CM at Risk Prequalification, Public Notice, Solicitation and Advertisement

8.3.2.1 The Owner's Project Manager shall assist and advise the Owner in the proper administration and coordination of the CM at Risk prequalification process, including but not limited to the preparation of the request for qualifications ("RFQ") and the preparation of the public notice, solicitation, and advertisement for responses to the RFQ in accordance with the provisions of G.L. c. 149A, § 5, and the applicable regulations and procedures promulgated by the Inspector General.

8.3.2.2 The Owner's Project Manager shall assist and advise the Owner in preparing evaluation procedures and criteria for selecting the CM at Risk in accordance with the provisions of G.L. c. 149, §5.

8.3.2.3 The Owner's Project Manager shall assist and advise the Owner in preparing a specific description of the scope of services expected of the selected CM at Risk during the design, pre-construction, and construction phases of the project.

8.3.2.4 The Owner's Project Manager shall assist and advise the Owner in the preparation of the public notice, solicitation, and advertisement for the RFQ.

8.3.2.5 The Owner's Project Manager shall distribute the Request for Qualifications to responding CM at Risk firms.

8.3.2.6 The Owner's Project Manager shall assist and advise the Owner in reviewing all CM at Risk responses to the Request for Qualifications and make recommendations to the Owner regarding the selection of CM at Risk firms prequalified to submit a

Statement of Qualifications for review by the Prequalification Committee.

8.3.3 Evaluation of CM at Risk Statements of Qualifications

8.3.3.1 As a member of the Owner's CM at Risk prequalification committee and on behalf of the Owner, the Owner's Project Manager shall review and evaluate in conjunction with the Prequalification Committee the Statements of Qualifications received from CM at Risk firms on the basis of the evaluation criteria established in the Request for Qualifications.

8.3.3.2 The Owner's Project Manager shall advise and assist, and make appropriate recommendations to, the Owner and the Prequalification Committee regarding the selection of qualified CM at Risk firms to receive a Request for Proposals ("RFP") from the Owner in accordance with the provisions of G.L. c. 149A, § 5(f) and the applicable regulations and procedures promulgated by the Inspector General.

8.3.3.3 Pursuant to G. L. c. 149A, §5(f), in the event that the Prequalification Committee is unable to identify a minimum of three (3) qualified CM at Risk firms, at the Owner's direction, the Owner's Project Manager shall assist and advise the Owner in re-advertising the Request for Qualifications or, in the alternative, at the direction of the Owner, assist and advise the Owner in procuring the project pursuant to G.L. c. 149, §§ 44A - 44J.

8.3.4 CM at Risk RFP, Issuance, Evaluation, Ranking

8.3.4.1 The Owner's Project Manager shall assist and advise the Owner in the proper administration and coordination of the request for proposals ("RFP") process, including, but not limited to, the preparation and issuance of the RFP; the evaluation of the technical and cost proposals; the selection and ranking of CM at Risk firms; review and analysis of cost proposals; non-fee negotiations; and record-keeping, in accordance with the provisions of G.L. c. 149, § 6, and the applicable regulations and procedures promulgated by the Inspector General.

8.3.4.2 As a member of the Owner's CM at Risk Selection Committee, the Owner's Project Manager shall review and evaluate the RFP's received from prequalified CM at Risk firms on the basis of the evaluation criteria included in the RFP.

8.3.4.3 The Owner's Project Manager shall coordinate the evaluation of the RFP's received on behalf of the Prequalification Committee and make recommendations regarding the evaluation and ranking of RFP's and the conduct of interviews, if any, in accordance with the provisions of G.L. c. 149A, § 6(d), and the applicable regulations and procedures promulgated by the Inspector General.

8.3.4.4 If the proposal of the best qualified CM at Risk firm exceeds the budget established in the Project Scope and Budget Agreement or the Project Funding Agreement, as the case may be, the Owner's Project Manager shall consult with the

Owner and Designer and make recommendations to the Owner in regard to maintaining the Project Budget which may include, consistent with Massachusetts public construction laws, reviewing and recommending the acceptance of alternatives, re-advertising for a CM at Risk, or seeking additional funding from the Owner.

8.3.5 Negotiations, Contract Award, Guaranteed Maximum Price

8.3.5.1 The Owner's Project Manager shall provide advice, consultation, guidance and assistance to the Owner and the CM at Risk Selection Committee in non-fee negotiations with the prequalified CM at Risk firms until the Selection Committee has reached an acceptable contract with one of said firms in accordance with G.L. c. 149A § 6(2)(e).

8.3.5.2 The Owner's Project Manager shall provide advice, consultation, guidance and assistance to the Owner in the preparation and execution of the Owner - CM at Risk contract.

8.3.5.3 The Owner's Project Manager shall obtain from the CM at Risk and maintain on file any required performance and payment bonds in a form acceptable to the Owner, including, but not limited to, those in the amount of the Guaranteed Maximum Price ("GMP") in accordance with G.L. c. 149A, §§ 5(a), and 7(b)(4) and those in the full amount of trade contracts in accordance with G.L. c. 149A, § 8; any required insurance certificates; and any other documents and certificates required by law or by the provisions of the Owner-CM at Risk contract.

8.3.5.4 The Owner's Project Manager shall provide advice, consultation, guidance and assistance to the Owner in negotiating amendments to the CM at Risk contract to incorporate the scope and cost of early delivery work in accordance with the provisions of G.L. 149A, §§5-8, and the applicable regulations and procedures promulgated by the Inspector General.

8.3.5.5 The Owner's Project Manager shall provide advice, consultation, guidance and assistance to the Owner in the negotiation of the GMP in accordance with G.L. c. 149A, §7, and the applicable regulations and procedures promulgated by the Inspector General. The OPM shall verify that the GMP is consistent with the requirements of the CM at Risk contract and that the CM at Risk has implemented an adequate cost control system to provide verification that all costs incurred within the GMP are true and actual in accordance with the CM at Risk contract.

8.3.5.6 The Owner's Project Manager shall provide the CM at Risk, Designer, Owner and the Authority with required copies of executed construction contract documents.

8.3.5.7 Once the CM at Risk has been given a Notice to Proceed and begins preparing meeting minutes on behalf of the Owner in accordance with Section 8.1.1.3, the Owner's Project Manager shall review the minutes prepared by the CM at Risk for accuracy and completeness and shall advise the Owner accordingly.

8.3.5.8 Pursuant to G.L. c. 149A, § 7(b)(4), in the event the Owner is unable to negotiate an acceptable GMP with a CM at Risk, at the direction of the Owner, the Owner's Project Manager shall provide advice, consultation, guidance and assistance to the Owner in negotiating with the next highest ranked proposer and, if directed by the Owner, in procuring the Project in accordance with Chapter 149, §§ 44A-44J.

8.3.5.9 The Owner's Project Manager shall assist and advise the Owner and the Designer in preparing and sending the Notice to Proceed to the Construction Manager at Risk.

8.4 Design Development

8.4.1 General

During the Design Development Phase, the Owner's Project Manager shall be responsible for maintaining and updating the Project Budget and Schedule, oversight of both the Designer and CM at Risk, the review of all Designer submittals and, if the Owner has not yet contracted with a CM at Risk, the development of a construction cost estimate for comparison with the Designer's cost estimates. If the Owner has given the CM at Risk a Notice to Proceed pursuant to the Owner - CM at Risk contract, the Owner's Project Manager shall review any construction cost estimates provided by the Designer and/or the CM at Risk and provide such advice, consultation, guidance and assistance to the Owner concerning said construction cost estimates as is reasonable and necessary.

The Owner's Project Manager shall consult with the CM at Risk on the design of the Project and work together and in harmony with the CM at Risk and Designer in a manner consistent with the Owner's best interests in the development of a design for the Project that conforms to the Project Budget and Schedule.

The Designer shall remain responsible for the design requirements and design criteria for the Project. Unless otherwise directed by the Owner, nothing in this section shall be construed as an assumption of duties or responsibilities of the Designer or CM at Risk by the Owner's Project Manager.

8.4.2 The Owner's Project Manager shall continue to oversee the activities and responsibilities of the Designer in the further development of the scope, schedule and budget including a general review of the Designer's detailed scaled plans, elevations and sections of all aspects of the design. The Owner's Project Manager shall review and reconcile the construction cost estimates of the Designer and the CM at Risk and the OPM. Work with the Owner, Designer and CM at Risk to update the Project Budget and Schedule.

8.4.3 The Owner's Project Manager shall monitor and coordinate the schedule, technical accuracy, efficiency, coordination, and constructability of the Project and cost-effectiveness of all designs, drawings, reports, estimates and other work furnished by the Designer, and make recommendations to the Owner when, in the opinion of the Owner's Project Manager, requirements of the Designer's contract with the Owner are not being fulfilled.

8.4.4 The Owner's Project Manager shall promptly review all Designer submissions and shall meet with the Designer and CM at Risk as necessary to discuss and resolve all issues with the Designer's submissions. The Owner's Project Manager shall review any recommendations made by the CM at Risk with respect to the drawings, specifications and other design documents produced by the Designer and shall meet with the Designer and the CM at Risk as necessary to discuss and resolve all issues raised by the CM at Risk's recommendations. Upon completion of its review, the Owner's Project Manager shall recommend that the Owner: 1) approve the submission as made; 2) approve that part of the submission that is acceptable and reject the remainder; 3) reject the submission; or 4) require the Designer to submit additional information or details in support of its submission.

8.4.5 The Owner's Project Manager shall coordinate the timely review of the design between the Designer and CM at Risk.

8.4.6 The Owner's Project Manager shall oversee the activities and responsibilities of the CM at Risk during design development in regard to constructability review, schedule development, cost estimates and other responsibilities set forth in the Owner-CM at Risk Contract and make recommendations to the Owner when, in the opinion of the Owner's Project Manager, requirements of the CM at Risk's contract with the Owner are not being fulfilled.

8.4.7 Early Delivery of Construction Bid Documents

During the Design Development Phase, the Owner may request the Designer to prepare early bid packages of final Construction Documents for the site work, demolition, structural steel, excavation, and foundation work, and other elements of the work. The Owner's Project Manager shall work with the Designer and CM at Risk to develop a schedule for the delivery of early bid packages of final Construction Documents for the site work, demolition, structural steel, excavation, and foundation work, and other elements of the work as directed. The Owner's Project Manager shall provide the resources necessary to support the timely and accurate completion of early bid packages.

The Owner's Project Manager shall assist the Owner in negotiating amendments to the Owner-CM at Risk Contract to incorporate the scope and cost of the early delivery work in accordance with G.L. c. 149A, §7.

8.5 Construction Documents

8.5.1 The Owner's Project Manager shall continue to oversee the activities and responsibilities of the Designer and CM at Risk during the preparation of complete construction specifications and drawings in order to maintain consistency with the Project Scope and Budget.

The Owner's Project Manager shall continue to monitor the schedule of the Designer and

CM at Risk.

8.5.2 The Owner's Project Manager shall meet with the Designer and CM at Risk as necessary to discuss and resolve all issues with the construction documents. The Owner's Project Manager shall monitor and review the performance of the CM at Risk in its review of the construction documents for, among other things, conciseness, clarity consistency, constructability, maintainability/operability, coordination among the trades, coordination between the specifications and drawings, bid-ability, compliance with G.L. c.149A for procurement, installation and construction, and sequence of construction and for quality, cost, and schedule improvements. The Owner's Project Manager shall review any recommendations made by the CM at Risk with respect to the construction documents produced by the Designer and shall meet with the Designer and the CM at Risk as necessary to discuss and resolve all issues raised by the CM at Risk's recommendations. The Owner's Project Manager shall:

- a. Review and reconcile the construction cost estimates of the Designer and the CM at Risk;
- b. Provide advice, consultation and guidance to the Owner relative to value engineering recommendations and other recommendations made by the CM at Risk relative to the construction documents; and
- c. Work with the Owner, Designer, and CM at Risk to update the construction budget and schedule.

8.5.3 The Owner's Project Manager shall provide advice, consultation and guidance to the Owner and the Designer relative to the Trade Contractor and Non-Trade Contractor prequalification and selection process pursuant to G.L. c. 149A § 8, including participation as a member of the Owner's Prequalification Committee if directed by the Owner.

8.5.4 The Owner's Project Manager shall review the information provided by the CM at Risk on Trade and Non-Trade Contractor scope of work pursuant to M.G.L. c. 149A § 8, paying particular attention to the contract drawings and specifications prepared for Trade Contractors. The Owner's Project Manager shall fully understand the delineation of work as determined by the CM at Risk and the Designer between Trade and Non- Trade Contractors for the purpose of verifying the actual costs of such scopes of work.

8.5.6 The Owner's Project Manager's review of the construction documents shall also include, but not be limited to, any concerns of the Owner's Project Manager and/or the Owner relative to access, usable area, parking, utilities, and anticipated noise sources during construction and identification of field offices, facilities, supplies and equipment.

8.5.7 The Owner's Project Manager shall monitor the schedule of the Designer, provide review and comment of the Designer's work product and make recommendations to the Owner when, in the opinion of the Owner's Project Manager, requirements of the Designer's contract with the Owner are not being fulfilled.

8.5.8 The Owner's Project Manager shall monitor the schedule of the CM at Risk, provide review and comment of CM at Risk's work product and make recommendations to the Owner when, in the opinion of the Owner's Project Manager, requirements of the CM at Risk's contract with the Owner are not being fulfilled.

8.6 Bidding Phase

8.6.1 General

The Owner's Project Manager shall provide advice, consultation, guidance and assistance to the Owner in the proper administration and coordination of the Trade Contractor prequalification and selection process and the Non-Trade Contractor selection process in accordance with the provisions of G.L. c. 149A, § 8, the applicable regulations and procedures promulgated by the Office of the Inspector General, and all other applicable law, including participation as a member of the Owner's Trade Contractor prequalification committee if directed by the Owner.

The Owner's Project Manager shall monitor the activities and responsibilities of the Designer and the CM at Risk in the Trade Contractor prequalification and selection process and the Non-Trade Contractor selection process.

8.6.2 CM at Risk Trade Contractor Selection Process

8.6.2.1 Trade Contractor Prequalification

8.6.2.1.1 The Owner's Project Manager shall assist and advise the Owner in the development of a prequalification and selection process for both Trade Contractors and Non-Trade Contractors that have been identified by the Owner in accordance with G.L. c. 149A, § 8.

8.6.2.1.2 The Owner's Project Manager shall review the information provided by the CM at Risk describing the work to be required of each Trade Contractor and shall assist and advise the Owner and Designer in the preparation of the RFQ for Trade Contractors to be used to solicit responses from eligible Trade Contractors and to prequalify Trade Contractors for participation in the Project.

The Owner's Project Manager shall assist and advise the Owner and the Designer in the public notice, solicitation, and advertisement of the RFQ for Trade Contractors.

8.6.2.1.3 The Owner's Project Manager shall assist and advise the Trade Contractor Prequalification Committee and the Owner in reviewing and scoring all Trade Contractor responses to the RFQ and make recommendations to the Trade Contractor Prequalification Committee and the Owner regarding the selection and notification of Trade Contractors prequalified to submit a bid on the Project in accordance with the provisions of G.L. 149A, § 8(a)-(i).

8.6.2.2 Request for Bids for Trade Contractor Services

The Owner's Project Manager shall assist and advise the Owner and the Designer in the preparation of the Invitation for Bids for Trade Contractor services in accordance with the provisions of G.L. c. 149A, § 8(g).

8.6.2.2.1 The Owner's Project Manager shall assist and advise the Owner in the distribution of the Invitation for Bids to prequalified Trade Contractors in accordance with G.L. c. 149A §8(g).

8.6.2.2.2 The Owner's Project Manager shall attend all pre-bid conferences and meetings and Trade Contractor openings and assist and advise the Owner if directed by the Owner.

8.6.2.3 Trade Contractor Bid Review

The Owner's Project Manager shall attend all bid openings and shall review all Trade Contractor bids in conjunction with the Designer and CM at Risk to determine responsiveness, completeness, accuracy, price and conformance to the requirements of G.L. c.149A, § 8(a)-(i), and to provide technical guidance to the Owner regarding the acceptance or rejection of the Trade Contractor bid.

Pursuant to G.L. c. 149A, § 8(h), in the event that the Owner receives less than three (3) responsive bids on any Trade Contract, and the lowest responsible bid exceeds the estimated cost of the work for which bids are requested, the Owner's Project Manager shall monitor the activities and responsibilities of the CM at Risk in the negotiation of an acceptable price with the lowest prequalified bidder, and, if necessary, the second lowest prequalified bidder. If such negotiations are unsuccessful, the Owner's Project Manager shall advise the Owner, and shall monitor the activities and responsibilities of the CM at Risk, with respect to the solicitation of additional bids and the selection of Trade Contractors in accordance with the provisions of G.L. c. 149A, §§ 8(h) & (j).

8.6.2.4 Contract Award

8.6.2.4.1 The Owner's Project Manager shall review the contracts between Trade Contractors and the CM at Risk for conformance with the requirements of G.L. c. 149A, § 8, and all applicable public construction statutes.

8.6.2.4.2 The Owner's Project Manager shall obtain from all Trade Contractors, and maintain on file, all performance and payment bonds, bid bonds, insurance certificates, and all other documents and certificates required by law or by the terms of the Contract between the Owner and the CM at Risk.

8.6.2.4.3 The Owner's Project Manager shall provide the Designer, Owner and the Authority with required copies of executed construction contract documents.

8.6.3 Non-Trade Contractor Selection

The Owner's Project Manager shall assist and advise the Owner in the proper administration and coordination of the Non-Trade Contractor selection process in accordance with the provisions of G.L. c. 149A, § 8(j), the applicable regulations and procedures promulgated by the Office of the Inspector General, and all other applicable law. The Owner's Project Manager shall monitor the activities and responsibilities of the CM at Risk in the selection of Non-Trade Contractors.

8.6.3.1 Non-Trade Contractor Qualification

For each class of Non-Trade Contractors, for which the CM at Risk is requesting bids, the Owner's Project Manager shall review the qualifications established by the CM at Risk for each class of Non-Trade Contractors and the list of Non-Trade Contractors and make recommendations to the Owner regarding approval of the qualifications established by the CM at Risk, whether any of the Non-trade Contractors should be eliminated from the list, or whether any Non-trade Contractors should be added to the list, all in accordance with the provisions of G.L. c. 149A, § 8(j).

8.6.3.2 Non-Trade Contractor Bidding

The Owner's Project Manager shall review the detailed bidding information developed by the CM at Risk in accordance with G.L. c. 149A, § 8(j), for accuracy, completeness, and coordination of scope.

8.6.3.3 Non-Trade Contractor Bid Review and Award

Where permitted by agreement between the Owner and the CM at Risk or where otherwise permitted by law, the Owner's Project Manager shall attend all bid openings and, in conjunction with the Designer and CM at Risk, the Owner's Project Manager shall review all Non-Trade Contractor bids for responsiveness and completeness and advise the Owner on the acceptance or rejection of any Non-Trade Contractor bids by the CM at Risk. The Owner's Project Manager shall review and report on all tabulations of bids as presented by the CM at Risk in accordance with G.L. c. 149, § 8(j), and ascertain that the tabulations and final awards are consistent with the bids.

8.6.3.4 Non-Trade Contractor Alternate Selection Procedure

With respect to Non-Trade Contracts with an award value that does not exceed the threshold sum identified in G.L. c. 149, § 44(F)(1), the Owner's Project Manager shall review the selection method proposed by the CM at Risk to select this class of Non-Trade Contractor and advise the Owner as to whether the Owner should approve the proposed selection method in accordance with G.L. c. 149A, § 8(j).

The Owner's Project Manager shall attend all bid openings and, in conjunction with the

Designer and CM at Risk, the Owner's Project Manager shall review all such Non-Trade Contractor bids for responsiveness and completeness and advise the Owner on the acceptance or rejection of any Non-Trade Contractor selected by the CM at Risk.

8.7 Construction Phase

The Owner's Project Manager shall provide supervisory staff for each of the following activities, from a Notice to Proceed to contract close-out.

8.7.1 The Owner's Project Manager shall monitor the Designer's administration of the Owner - CM at Risk Agreement including the processing of submittals, issuance of timely decisions and directives and consultant's or subconsultants' visits to the Project as necessary during the time that construction is occurring on the portions of the work to which the consultant's services relate.

8.7.2 The Owner's Project Manager shall provide a full-time (40 hours per week minimum) on-site Project Representative, who shall be dedicated exclusively to the Project, either as an employee of the Owner's Project Manager or as a Subconsultant to the Owner's Project Manager.

8.7.2.1 The Project Representative shall be subject to the approval of the Owner and the Owner reserves the right to require the Owner's Project Manager to replace the Project Representative at any time during the course of the Project.

8.7.2.2 The Project Representative shall have at least five years experience in on-site supervision of projects similar in size and complexity to the Project.

8.7.2.3 Unless otherwise directed, the Project Representative shall be present at all times when the CM at Risk is conducting operations at the site starting from issuance by the Owner of a Notice to Proceed to the CM at Risk and continuing until issuance to the CM at Risk of a Certificate of Substantial Completion by the Owner and thereafter on an, as needed basis, until issuance to the CM at Risk of a Certificate of Final Completion by the Owner.

8.7.3 The Owner's Project Manager shall review the CM at Risk's schedule of values to determine if it represents a reasonably balanced payment schedule for work to be performed with no items front-end loaded or artificially inflated. The schedule of values shall include line items for all deliverables, testing requirements and specified operations and maintenance materials.

8.7.4 The Owner's Project Manager shall review the CM at Risk's submitted baseline schedule. The Owner's Project Manager shall be responsible for monitoring the timeliness of these submittals and enforcing compliance with schedule submittal requirements of the construction documents. The Owner's Project Manager shall evaluate the CM at Risk's planning for the execution of the work, evaluate the reasonableness of the proposed schedule and determine if the submitted schedule meets the requirements of the

construction documents.

8.7.5 The Owner's Project Manager shall provide daily observation and monitoring of construction activities such that all shifts and work activities are observed and documented. Responsibilities shall include:

8.7.5.1 The Owner's Project Manager shall keep a daily log containing a record of weather, the CM at Risk's work on site, number of workers, visitors to the site, safety status of the Project, equipment and equipment utilization, material and equipment deliveries, non-compliance with safety procedures and issuance of any safety violation notifications, accidents, general description of work performed and quality of work, visits of code enforcement officials and any resulting reports or orders, verbal instruction to interpretations given to the CM at Risk, pay items, and any observed delays, deficiencies and field problems;

8.7.5.2 The Owner's Project Manager shall prepare weekly progress reports for submittal to the Designer and the Owner that summarize the progress achieved, provide a concise description of problems and include a copy of the daily log;

8.7.5.3 The Owner's Project Manager shall assist the Designer in determining if construction and construction related activities are performed in accordance with plans and specifications and the approved shop drawings and are consistent with Massachusetts public construction laws;

8.7.5.4 The Owner's Project Manager shall monitor on a daily basis Time and Materials work on change orders for less than \$50,000, including work installed, volume measurements, time sheets, crew sizes and mixes, and equipment utilized;

8.7.5.5 The Owner's Project Manager shall evaluate actual quantities and classification of Unit Price work performed by the CM at Risk;

8.7.5.6 The Owner's Project Manager shall evaluate field problems, using the proper channels for solution and communication of the information to the Designer and the Owner;

8.7.5.7 The Owner's Project Manager shall coordinate and track requests for clarification on drawings/specifications, design changes and proposed change orders;

8.7.5.8 The Owner's Project Manager shall prepare responses to CM at Risk correspondence for the Owner;

8.7.5.9 The Owner's Project Manager shall monitor and coordinate the scheduling and activities of independent materials testing functions at the site, including distribution of reports and any necessary actions resulting;

8.7.5.10 The Owner's Project Manager shall maintain at the Project site, on a

current basis, a record copy of Construction Contract Documents, including, but not necessarily limited to, drawings, specifications, addenda, change orders, and directives as well as all approved shop drawings, product data, samples, submittals, operations and maintenance manuals and all other relevant documents relating to the construction of the Project;

8.7.5.11 The Owner's Project Manager shall monitor the CM at Risk's compliance with Massachusetts prevailing wage requirements pursuant to G.L. c. 149, §§ 26 to 27H, inclusive including assisting the Owner in cataloging and filing payroll affidavits; and

8.7.5.12 The Owner's Project Manager shall shoot and maintain Project progress photographs showing construction progress at a frequency sufficient to document major activities or to document safety incidents, differing site conditions and quality issues. The Owner's Project Manager shall maintain a descriptive log and captioning of the photographs on CD.

8.7.6 The Owner's Project Manager shall monitor the CM at Risk's compliance with the construction schedule, identify potential problems, include problem identification on the Monthly Progress Report and make recommendations to the Owner when, in the opinion of the Owner's Project Manager, requirements of the CM at Risk in the Owner - CM at Risk Agreement are not being fulfilled.

8.7.7 The Owner's Project Manager shall attend weekly job meetings on progress, coordination and problem resolution and negotiations. The Owner's Project Manager shall review the meeting minutes that are submitted to the Owner by the CM at Risk and shall advise the Owner as to the completeness, accuracy and general acceptability of the minutes.

8.7.8 The Owner's Project Manager shall monitor, review and analyze proposed change orders, and claims recommending appropriate action and resolution to the Owner in accordance with Section 8.1.4.

8.7.9 The Owner's Project Manager shall review and coordinate its review with the Designer to recommend approval of the CM at Risk's monthly payment requisitions. The Owner's Project Manager shall review each Trade Contractor's or Non-Trade Contractor's payment requisition and the CM at Risk's requisition of costs to ascertain that the Owner is paying for actual costs and fees in accordance with the Owner-CM at Risk contract.

8.7.10 The Owner's Project Manager shall oversee and monitor the procurement of furniture, fixtures, equipment and technology that is not included in the construction contract.

8.7.11 After the Owner and the CM at Risk have agreed on a Guaranteed Maximum Price ("GMP") in accordance with G.L. c. 149A, § 7, the Owner's Project Manager shall promptly notify the Owner when actual costs exceed the detail line item cost breakdowns set

forth in the GMP amendment and otherwise comply with Section 8.1.2.1.

8.7.12 The Owner's Project Manager shall verify substantial completion of work; assist the Designer in the Designer's final inspection and receipt of documents, manuals, receipts, certifications, and all other materials required for final closeout as described in the Owner-CM at Risk contract, including, but not limited to, the GMP amendment and any other amendments thereto. The Owner's Project Manager shall coordinate the detailed punchlist with the Designer, including a subsequent walk-through with the Designer and CM at Risk. The Owner's Project Manager and the Designer shall then coordinate a walk-through with the Owner to finalize the punchlist. The Owner's Project Manager shall then be responsible for tracking and confirming the completion of the punchlist items.

8.8 Completion Phase

8.8.1 The Owner's Project Manager shall monitor the activities and responsibilities of the Designer and the CM at Risk in the close-out and commissioning of the Project.

8.8.2 The Owner's Project Manager shall assist in securing and reviewing and recommending approval of all project completion forms and documentation necessary for occupancy and full operation of the facility including, but not necessarily limited to, inspection certificates of local building authorities, Certificate of Substantial Completion, Certificate of Final Completion, Occupancy Permit, shop drawings, as-built drawings, operations and maintenance manuals, warranties, guarantees and any and all documentation as required by the contract documents and the City.

8.8.3 The Owner's Project Manager shall assist the Owner in completing the written evaluation of the Designer(s) pursuant to G. L. c. 7, § 38E, and prepare, sign and provide to the Owner for its signature the written evaluation of the Contractor(s) or CM at Risk, and subcontractors in accordance with the provisions of G.L. c. 149, § 44D.

ARTICLE 9: EXTRA SERVICES

9.1 General

9.1.1 Extra Services are those services requested by the Owner to be performed by the Owner's Project Manager but which are additional (or "extra") to the services performed as Basic Services. Such services are not included in the Fee for Basic Services and shall be invoiced and paid for separately. Extra Services shall not be deemed authorized until a written Approval is received from the Owner.

9.1.2 The proposed cost, scope and schedule of all Extra Services shall be presented to and approved by the Owner in writing prior to the performance of any Extra Services.

9.1.3 Cost proposals for Extra Services shall be computed in accordance with the Hourly Rate Schedule established in Attachment A.

9.2 Invoices for Extra Services shall be accompanied by a complete breakdown listing the name, payroll title, date, number of hours by day, hourly rate and extended amount, per specified task of Extra Services performed. Hourly rates shall be in accordance with the Hourly Rate Schedule in Attachment A.

ARTICLE 10: RESERVED

ARTICLE 11: RELEASE AND DISCHARGE

11.1 The acceptance by the Owner's Project Manager of the last payment under the provisions of Article 7 or Article 12 in the event of termination of the Contract, shall in each instance, operate as and be a release to the Owner and their employees and agents, from all claims of the Owner's Project Manager and its Subconsultants for payment for services performed and/or furnished, except for those written claims submitted by the Owner's Project Manager to the Owner with, or prior to, the last invoice.

ARTICLE 12: ASSIGNMENT, SUSPENSION, TERMINATION

12.1 Assignment

12.1.1 The Owner's Project Manager shall not assign or transfer any part of its services or obligations under this Contract without the prior written approval of the Owner. Likewise, any successor to the Owner's Project Manager must first be approved by the Owner before performing any services under this Contract. Such written consent shall not in any way relieve the Owner's Project Manager or its assignee from its responsibilities under this Contract.

12.2 Suspension

12.2.1 The Owner may, at any time, upon seven (7) days written notice to the Owner's Project Manager, suspend this Contract. If the Owner provides such written notice, the Owner's Project Manager shall be compensated solely for work satisfactorily performed in accordance with the Contract terms prior to the effective date of such suspension for which invoices have been properly submitted.

12.3 Termination

12.3.1 Termination for Cause. If either party fails to fulfill in a timely and proper manner its obligations under this Contract for any cause, or if either party violates any of the terms, covenants and conditions of this Contract, then the offended party shall have the right to terminate this Agreement by giving written notice to the breaching party of such termination and specifying the effective date thereof, said written notice to be given at least thirty (30) days before the effective date of such termination. In such event, all records, documents, assets, property and equipment, of any nature whatsoever, or wheresoever situated, prepared, or purchased by the Owner's Project Manager with

federal, state or Owner funds under this Contract shall, at the option of the Owner, become its property.

Notwithstanding the above, the Owner's Project Manager shall not be relieved of liability to the Owner for damages sustained by the Owner for personal injury, property damage or otherwise by virtue of any termination of the Agreement, and the Owner may withhold any payments to the Owner's Project Manager for the purpose of set off until such time as the exact amount of damages to the Owner from the Owner's Project Manager is determined.

12.3.2 Termination for Convenience of the Owner. The Owner may terminate this Contract at any time by giving not less than thirty (30) day notice in writing to the Owner's Project Manager. In such event, all records, documents, assets, property and equipment, of any nature whatsoever, or wheresoever situated, prepared, or purchased by the Owner's Project Manager with federal, state or Owner funds under this Contract shall, at the option of the Owner, become its property.

Notwithstanding the above, the Owner's Project Manager shall not be relieved of liability to the Owner for damages sustained by the Owner for personal injury, property damage or otherwise by virtue of any termination of this Contract, and the Owner may withhold any payments to the Owner's Project Manager for the purpose of set off until such time as the exact amount of damages sustained by the Owner is determined.

12.3.3 Termination Expenses. In the event of any termination of this Contract, the Owner's Project Manager shall be paid in accordance with the appropriate invoicing procedure defined herein, for all authorized services performed to the termination date. No other termination expenses shall be allowed.

ARTICLE 13: NOTICES

13.1 Any notice required to be given by the Owner to the Owner's Project Manager, or by the Owner's Project Manager to the Owner, shall be deemed to have been so given, whether or not received, if mailed by certified or overnight delivery by U.S. Express Mail or Federal Express, to the Owner's Project Manager or the Owner, as applicable, at the addresses indicated on page one of this Contract.

ARTICLE 14: INDEMNIFICATION OF OWNER AND AUTHORITY

14.1 For claims arising out of or relating to negligent errors and omissions in the performance of professional services rendered by the Owner's Project Manager, to the fullest extent permitted by law, the Owner's Project Manager shall indemnify and hold harmless the Owner and its officers, officials and employees from and against all third party claims, damages, liabilities, injuries, costs, fees, expenses, or losses, including, without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever which may be incurred by the Owner to the extent caused by the negligence of the Owner's Project Manager, its Subconsultants, its officers, or any person employed by the Owner's Project Manager, or any

consultant for whom the Owner's Project Manager is responsible under this Agreement.

For all other claims, to the fullest extent permitted by law, Owner's Project Manager shall defend, indemnify and hold harmless the Owner and its officers, officials and employees from and against all claims, damages, liabilities, injuries, costs, fees, expenses, or losses, including, without limitation, reasonable attorney's fees and costs of investigation and litigation, whatsoever brought by a third party because of any injury (including death) or damage received or sustained by any person, persons or property arising out of, or resulting from the Owner's Project Manager's breach of any provision of this Agreement or any asserted negligent act, error or omission of the Owner's Project Manager, its Subconsultants, officers, employees, consultants or other person for whom the Owner's Project Manager is responsible under this Contract.

The Indemnifications required hereunder shall not be limited by reason of the specification of any particular insurance coverage under this Agreement. Further, the Owner's Project Manager's obligations hereunder shall not terminate with the expiration or termination of this Agreement, but shall survive it.

The indemnification obligation in this Article shall be in addition to, and not a limitation of, any other rights and remedies available to the Owner under this Contract or at law.

ARTICLE 15: INSURANCE

15.1 The Owner's Project Manager shall obtain and maintain at its sole expense all insurance required by law and as may be required by the Owner under the terms of this Contract. The insurance required hereunder shall be provided at the sole expense of the Owner's Project Manager or its Subconsultant, as the case may be, and shall be in full force and effect for the full term of this Contract between the Owner and the Owner's Project Manager and for such longer period as otherwise required under this Contract.

15.2 All policies shall be issued by companies lawfully authorized to write that type of insurance under the laws of the Commonwealth of Massachusetts with a financial strength rating of "A" or better as assigned by A.M. Best Company, or an equivalent rating assigned by a similar rating agency acceptable to the Owner.

15.3 The Owner's Project Manager and its Subconsultants shall submit to the Owner original certificates of insurance evidencing the coverage required hereunder, together with evidence that all premiums for such insurance have been fully paid simultaneously with the execution of this Contract. Certificates shall show each type of insurance, insurance company, policy number, amount of insurance, deductibles/self-insured retentions, and policy effective and expiration dates. The Owner's Project Manager shall submit updated certificates to the Owner prior to the expiration of any of the policies referenced in the certificates so that the Owner shall at all times possess certificates indicating current coverage. Original certificates shall be provided to the Owner by the Owner's Project Manager upon the Owner's request. Failure by the Owner's Project Manager to obtain and maintain the insurance required by this Section, to obtain all policy renewal, or to provide the respective insurance certificates, as required shall constitute a material breach of the Contract and shall be just cause for termination of the

services of the Owner's Project Manager under this Contract.

15.4 Termination, cancellation, or material modification of any insurance required by this Contract, whether by the insurer or the insured, shall not be valid unless written notice thereof is given to the Owner at least thirty (30) days prior to the effective date thereof, which shall be expressed in said notice.

15.5 The Owner's Project Manager shall require by contractual obligation, and shall ensure by the exercise of due diligence, that any Subconsultant hired in connection with the services to be provided under this Contract shall obtain and maintain all insurance required by law and as may be required by the Owner under the terms of this Contract.

15.6 The Owner's Project Manager or its Subconsultant, as the case may be, is responsible for the payment of any and all deductibles under all of the insurance required by this Contract. The Owner shall be responsible for the payment of deductibles, self-insured retentions or any portion thereof.

15.7 The Owner's Project Manager shall purchase and maintain in force at all times during the term of this Contract, occurrence basis insurance coverage pertaining to commercial liability, property damage and motor vehicle in at least the following amounts:

- a. Commercial General Liability - \$1,000,000 per occurrence/\$2,000,000 aggregate;
- b. Excess/Umbrella Liability - \$2,000,000; and
- c. Automobile Liability/Combined Single Limit - \$1,000,000
(all owned, scheduled, hired, and non-owned autos).

The Owner's Project Manager shall also obtain professional liability insurance covering the negligent acts, errors and omissions of the Owner's Project Manager, and of any person or business entity for whose performance the Owner's Project Manager is legally liable arising out of the performance of this Contract. The amount of this coverage shall equal to the greater of one million dollars (\$1,000,000) or ten percent (10%) of the Project's estimated cost of construction for the applicable period of limitations. If the coverage is on a "claims made" basis (rather than occurrence basis), the Owner's Project Manager shall obtain from its insurer a six year extending reporting coverage ("tail") policy covering continuing such coverage.

Additionally, the Owner's Project Manager shall obtain and maintain in force at all times during the term of this Agreement Workers Compensation insurance satisfying the Massachusetts statutory requirements. The Owner shall be named as an additional insured on said coverage certificates, except professional liability coverage and workers compensation coverage.

15.8 Liability of the Owner's Project Manager

Insufficient insurance shall not release the Owner's Project Manager from any liability for breach of its obligations under this Contract. Without limitation, the Owner's Project Manager shall bear the risk of any loss if its valuable papers insurance coverage is insufficient to cover

the loss of any work product covered by this Contract.

15.9 Waiver of Subrogation

To the extent damages are covered by property insurance, the Owner and the Owner's Project Manager waive all rights against each other and against the CM at Risk, Subcontractors, Trade Contractors, Non-Trade Contractors, consultants, agents, and employees of the other for damages caused by fire or other causes of loss, except such rights as they may have to the proceeds of such insurance as set forth in the Owner-Contractor Agreement or the Owner-CM at Risk Agreement. The Owner shall require of the CM at Risk, Trade Contractors, Non-Trade Contractors, Owner's Project Manager, consultants, Subconsultants, and agents and employees, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

ARTICLE 16: OWNERSHIP OF DOCUMENTS

16.1 Unless provided otherwise by law, ownership and possession of all information, data, reports, studies, designs, drawings, specifications, materials, documents, models, and any other documentation, product or tangible materials authored or prepared, in whole or in part, or purchased, obtained, created by the Owner's Project Manager pursuant to this Contract (collectively, the "Materials"), other than the Owner's Project Manager's administrative communications, records, and files relating to this Contract, shall be the sole property of, and shall vest in, the Owner as "works made for hire" or otherwise. The Owner will own the exclusive rights, worldwide and royalty-free, to and in all Materials prepared and produced by the Owner's Project Manager pursuant to this Contract, including, but not limited to, United States and international patents, copyrights, trade secrets, know-how and any other intellectual property rights, and the Owner shall have the exclusive, unlimited and unrestricted right, worldwide and royalty-free, to publish, reproduce, distribute, transmit and publicly display all Materials prepared by the Owner's Project Manager. At the completion or termination of the Owner's Project Manager's services, all original Materials shall be promptly turned over to the Owner.

ARTICLE 17: REGULATORY AND STATUTORY REQUIREMENTS

17.1 Truth-in-Negotiations Certificate: If the Owner's Project Manager's fee is negotiated, by signing this Contract, the Owner's Project Manager hereby certifies to the following:

17.1.1 Wage rates and other costs used to support the Owner's Project Manager's compensation are accurate; complete, and current at the time of contracting; and

17.1.2 The Contract price and any additions to the Contract may be adjusted within one (1) year of completion, or such greater time as may be provided by applicable law, of

the Contract to exclude any significant amounts if the Owner determines that the fee was increased by such amounts due to inaccurate, incomplete or non-current wage rates or other costs.

17.2 The person signing this Contract certifies, as a principal or director of the Owner's Project Manager, that the Owner's Project Manager has not given, offered or agreed to give any person, corporation, or other entity any gift, contribution or offer of employment as an inducement for, or in connection with, the award of this Contract; no consultant to or Subconsultant for the Owner's Project Manager has given, offered or agreed to give any gift, contribution or offer of employment to the Owner's Project Manager, or to any other person, corporation, or entity as an inducement for, or in connection with, the award to the Owner's Project Manager or Subconsultant of a contract by the Owner's Project Manager; and no person, corporation or other entity, other than a bona fide full-time employee of the Owner's Project Manager, has been retained or hired by the Owner's Project Manager to solicit for or in any way assist the Owner's Project Manager in obtaining this Contract upon an agreement or understanding that such person, corporation or other entity be paid a fee or other consideration contingent upon the award of this Contract.

17.3 Revenue Enforcement and Protection Program (REAP): Pursuant to G.L. c. 62C, § 49A, the undersigned certifies under the penalties of perjury that to the best of his/her knowledge and belief that the Owner's Project Manager and the principals thereof are in compliance with all laws of the commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

17.4 Interest of Owner's Project Manager: The Owner's Project Manager hereby certifies that it is in compliance with the provisions of G.L. c. 268A whenever applicable. The Owner's Project Manager covenants that 1) he/she presently has no financial interest and shall not acquire any such interest direct or indirect, which would conflict in any manner or degree with the services required to be performed under this Contract or which would violate G.L. c. 268A, as amended from time-to-time; 2) in the performance of this Contract, no person having any such interest shall be employed by the Owner's Project Manager; and 3) no partner or employee of the firm is related by blood or marriage to any officer, official, or employee of the Owner, unless approved by the State Ethics Commission.

17.5 Equal Opportunity: The Owner's Project Manager shall not discriminate in employment against any person on the basis of race, color, religion, national origin, sex, sexual orientation, age, ancestry, disability, marital status, veteran status, membership in the armed forces, presence of children, or political beliefs and shall take affirmative action to ensure that applicants are employed, and the employees are treated during employment, without regard to their race, color, religion, sex, age or national origin. The Owner's Project Manager shall comply with all provisions of Title VI of the Civil Rights Act of 1964 and G.L. c. 151B.

17.6 Certification of Non-Collusion: The Owner's Project Manager certifies under penalties of perjury that its proposal has been made in and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any

natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

17.7 Governing Law: This Contract shall be governed by the laws of the Commonwealth of Massachusetts. The Parties agree to the personal jurisdiction of any federal or state court located in Worcester County, Massachusetts and waive any objection based on forum non conveniens with respect to any action arising out of or relating to this Contract.

17.8 The Owner's Project Manager shall maintain records with respect to all matters covered by this Agreement for a period of six (6) years after receipt of the final payment under this Contract.

17.9 At any time during business hours and as often as the Owner may deem necessary, the Owner's Project Manager shall make available to the Owner or its representatives for examination all non-confidential records with respect to all matters covered by this Contract and shall permit the Owner or its representatives to audit, examine and make excerpts of transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Contract.

17.10 In the performance of this Contract, each party shall comply with all applicable federal, state and local laws, rules, ordinances and regulations, as well as all administrative and judicial positions known to it, except for such period as it may in good faith be contesting the validity or application thereof.

17.11 If any provision of this Contract is held invalid by any court or body of competent jurisdiction, the remainder of this Contract shall remain in full force and effect.

17.12 This Contract may be amended or modified only by written instrument duly executed by the parties.

17.13 This Contract contains the entire understanding of the parties and supersedes all prior agreements, representations, proposals and undertakings of the parties.


[remainder of page intentionally blank/signature page to follow]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Contract to be executed as a sealed instrument by their duly authorized representatives the day and year first above written.

RECOMMENDED FOR APPROVAL:

ARCADIS U.S., INC:

Thomas F. Zidelis
Chief Financial Officer



By: Sean Sweeney
Title: Vice President

Christopher J. Gagliastro, DSB Chairman
Purchasing Director

APPROVED AS TO FORM:

CITY OF WORCESTER

Karen A. Meyer
Assistant City Solicitor

Edward M. Augustus, Jr
City Manager

I certify that an appropriation of funds in the amount of this Agreement is contained in Account # _____

Robert V. Stearns
City Auditor

Attachment A

The Owner's Project Manager shall be paid by the Owner for all professional services authorized and rendered pursuant to this Contract in the not to exceed amount of **One Million Three Hundred Thousand Six Hundred and Twenty-two Dollars (1,300,622.00)**. The Owner's prior written Approval is required for the Owner's Project Manager to proceed to the next Phase or approving the scope and payment for Extra Services by written amendment, fully executed by the Parties.

The proportion of the lump sum amount set forth above shall be allocated to each Phase, as follows:

<u>Phase</u>	<u>Amount</u>
1. Schematic Design	\$ 130,062.00
2. CM at Risk Prequalification and Selection	\$ 130,062.00
3. Design Development	\$ 195,094.00
4. Construction Documents	\$ 130,062.00
5. Bidding Phase	\$ 130,062.00
6. Construction Phase	\$ 520,249.00
7. Completion Phase	\$ 65,031.00
TOTAL	<u>\$1,300,622.00</u>

Note: Our engagement represents the management of multiple capital projects over a 30-month period. The proposed distribution listed above is meant to be instructive rather than absolute as the projects and timing have not been fully defined.

PROJECT SCHEDULE

<u>Phase</u>	<u>Completion Date</u>
1. Schematic Design	Feb. 2020 / Nov. 2020
2. CM at Risk Prequalification and Selection	Mar. 2020 / Jan. 2021
3. Design Development	May 2020 / Mar. 2021
4. Construction Documents	Jun. 2020 / Apr. 2021
5. Bidding Phase	Jul. 2020 / May 2021
6. Construction Phase	Jul. 2020 / Jun. 2021
7. Completion Phase	Oct. 2020 / Oct 2021 & Jul. 2022

Note: These dates represent the first grouping of projects that will occur in 2021. Due to access limitations due to scheduled events the timing of projects may need to be delayed, or phased, in such a way that the above dates might only represent a portion of the projects. The building is generally available from late-May to September which means most projects will be in the construction phase either May-September 2020 or May-Sept 2021. Some construction may also occur in May/June 2022. Design and bidding for each project will generally occur in the months prior to the proposed construction phase of each project.

Attachment B
Subconsultants

Owner's Property Manager is authorized to retain the following subconsultants for this Project.

Name of Person/Firm

Andrea Jones/**Coast & Harbor**

James Stetson/**City Point Partners**

Attachment C

In addition to the services set forth in Article 8 of the Contract the Owner's Project Manager shall furnish the services set forth in the City's RFP, including but not limited to the services set forth below.

Project Description, Objectives and Scope of Services

The selected OPM will coordinate all aspects of the construction of the \$25M worth of facility improvements throughout the facility. A list of probable projects is attached as Exhibit A. The OPM will be responsible for overseeing the project budget and schedule and coordinating the input and designs created by the Architect, Populous.

In addition to project administration, the OPM will be required to perform the following in coordination with the Owner:

- Participate in CM selection
- Provide an independent cost estimate at the end of the schematic and design development phase and provide the necessary reconciliation of the budget based on this independent estimate, the Designer's estimate and the CM estimate
- Ensure that the CM provides ongoing cost estimates at appropriate points based on agreement of the budgets established at previously established benchmarks
- Continually track estimates of construction, soft costs, direct purchase items and other FF&E required
- Participate in design reviews with Populous and coordinate meetings with appropriate government agencies
- Oversee value engineering studies and work with CM to develop alternative solutions for scheduling and budgeting purposes
- Review the life cycle cost of facility operations as it relates to future operational budgets including a reduction in daily operating costs through low maintenance, durable finishes, materials, and construction details; optimal energy efficiency of mechanical, electrical, and plumbing fixtures and equipment; cost/benefit and environmental impact analysis of switching from gas HVAC to electric Heat Pumps
- Provide construction oversight
- Oversee weekly meetings with Populous, Owner, and CM (when contracted) and produce minutes of these meetings
- Provide independent review of critical shop drawings and details as may be required by the Owner
- Work with the Owner to maintain a Proposed Change Order log to include both work within the CM contract and the supporting elements of the project
- Evaluate claims, change orders, and pay applications on behalf of the owner
- Assist the owner in pre-qualifications and procurement of trade contractors
- Oversee commissioning and resolution of punch-list items
- Project closeout



architecture

engineering

management

December 3, 2019 (*Revised Dec. 6, 2019*)

Mr. John Odell
Energy & Assets Director
City of Worcester
455 Main Street, Room 108
Worcester, MA 01608

Re: DCU Convention Center Electric Vault Upgrade Construction Documents
Proposal #COW-5295P (*Revised*)

Dear Mr. Odell:

edm is pleased to propose our mechanical, electrical, structural and civil/survey engineering services for the DCU Convention Center Electric Vault Upgrade Construction Documents on Commerce Street in Worcester, MA.

The City of Worcester has decided to move forward with the upgrade of the existing underground electrical vault, Option 1 of the report by **edm** dated November 8, 2019, at the DCU Convention Center. The purpose of this upgrade is to eliminate or minimize storm water infiltration that occurs during rain events.

Scope of Services

The following scope of services will be provided by our office for mechanical, electrical, structural and civil/survey, engineering services:

Design Development

1. Meet with you to further review the scope of the project, understand any additional requirements and obtain any final design data.
2. Conduct a review of the applicable codes, National Grid requirements and standards to determine the requirements for this project. We will discuss the initial project scope and design assumptions with the authority having jurisdiction and National Grid and obtain preliminary feedback and guidance.
3. Perform property research at the City of Worcester (the City) offices, the County Registry of Deeds, and the Massachusetts Land Court for record data on the locus property, abutting properties, and easements.
4. Perform GPS observations to establish Massachusetts State Plane for use in survey documentation.
5. Perform one day of survey work to obtain existing conditions within the existing vault and site/civil information within the project scope of work area including locations of the sidelines, pavement extents, markings, sidewalks, driveways, entrances, underground structures and inverts and pipe materials, and visible utilities of the pertinent portions of Commercial Street and Martin Luther King Jr. Blvd. Perform one (1) additional engineering site visit to confirm existing conditions and Design Development criteria and review the design concept with the City of Worcester.

pittsfield, ma
unionville, ct
troy, ny

888.336.6500

www.edm-ae.com

6. Create additional structure and site/civil existing conditions drawings and details associated with the scope of work as may be required in AutoCAD 2d format.
7. During the initial stage of Design Development, we intend to prepare a single design concept for your review consisting of drawings of the work required.
8. Assist you in preparing an overall project schedule.
9. Based on a mutually agreed upon program and schedule, we intend to proceed in developing the Design Development documents. The documents will establish the Construction Documents for the project illustrating the scale and relationship of the project/program components. They will include preliminary building plans, sections and elevations describing the major building systems and construction materials for the project.
10. Discuss with the local building official, the City of Worcester DPW and communicate with National Grid to review the design.

Construction Documents

1. Based on the approved Design Development, prepare a Construction Document Package consisting of structure and site/civil and engineering plans, details, schedules, and book specifications in CSI Masterformat.
2. Discuss the results of the Construction Documents phase (50%) **via video conference** and discuss any questions or concerns that may arise.
3. Make final modifications to the construction documents and provide you with a final Construction Document Package (100%) signed and sealed by the engineers of record.
4. Provide Initial Construction Control Document.
5. During this phase, we intend review and finalize the estimate of probable construction costs.

Bidding

1. Assist with bid review and recommendations
2. Issue addenda in regards to revisions.
3. Answer questions, as required.
4. **edm** anticipates that approximately 12 hours will be required for this phase and have included a budgeted amount for these services.

Construction Administration

Based on our understanding of the project, we anticipate eight (8) weeks of construction. During these weeks, we anticipate the following scope of services:

1. Attend two (2) progress meetings/site visits during the course of construction and include follow up field reports. Additional visits will be subject to additional fee.
2. Address questions and RFI's and issue clarifications

3. Review submittals and shop drawings.
4. Provide assistance on change orders.
5. Create punch list at the end of the project.
6. Provide a Final Construction Control Affidavit at the completion of the project.
7. Review as-builts and Operations and Maintenance Manuals. Transfer provided changes to the CAD files.
8. Work with you to assist in the procurement of contractors and other consultants that may be required.
9. Collect and maintain all project documents including submittals, shop drawings, O&M manuals and closeouts.
10. Provide assistance and consultation to make sure RFI's are reviewed and responded to in a timely manner by engineers of record.
11. **edm** anticipates that approximately 80 hours will be required for this phase and have included a budgeted amount for these services.

Assumptions

The following assumptions have been made in preparation of this proposal:

1. **edm** will need access to the vault for an initial field investigation and to gather existing conditions information. **edm** will contact National Grid to arrange for access to the vault and coordinate site visit with City of Worcester. It is important that the date of the access will be at the beginning of the contract award. National Grid will provide the personnel and Confined Entry Permit and equipment for access into the vault. Any associated fees for this National Grid involvement will be paid for by the City of Worcester.
2. At the client review of each deliverable, we intend to make limited coordination modifications to this package as a result of this meeting. Substantial changes or revisions may be subjected to additional engineering fees and schedule extensions.
3. Design will be based on the summary report dated November 8, 2019 prepared by **edm**.
4. Existing electronic drawings will be provided of the existing building systems.
5. Existing structure generally complies with the code in effect at the time of construction and does not contain any hazardous conditions or violations.
6. Invasive (internal) testing is not part of this proposal.
7. Asbestos or other hazardous materials are not present.
8. Bidding documents will be prepared, reproduced and processed by the City of Worcester. **edm** will provide technical sections only.
9. Access to the site for fieldwork is available during normal business operating hours and will include a ladder and man-lift with operator (if required).

10. Contractor will prepare, maintain and deliver accurate red-line markups of as built conditions.
11. Drawings will be prepared in AutoCAD 2d format.
12. Start up and commissioning of the systems will be performed by others. **edm** can be onsite and assist in these efforts, if requested, for an additional service fee.
13. There will be no change of the existing electrical service.
14. All permitting fees will be paid by the City of Worcester.
15. Opening of manholes, catch basins or other structures requiring Police details will be performed within the 4-hour minimum charged by Police details and is included in the lump sum cost. Additional details, if required, will be paid by the Client. The estimated cost of the police detail is \$225 per 4-hour minimum charge.
16. City of Worcester will have a project manager available to answer field questions from the contractors and communicate with **edm** for RFI's.
17. Only one cost estimate will be submitted at the end of the Construction Document phase.

Exclusions

The following scope of services have not been included in this proposal:

1. Renderings and Models-Three-dimensional renderings or models of the design including BIM, Revit, etc.
2. Any architectural or engineering services not described specifically in this proposal.
3. Services necessitated by a change in the initial information, previous instruction or approvals given by the owner, or a material change in the project.
4. Changing or editing previously prepared designs necessitated by the enactment or revision of codes, laws or regulations or official interpretations not reasonably anticipated.
5. Material testing or hazardous material identification.
6. Process applications for payment.
7. Conformed set of drawings prior to construction including all addendums and revisions for each discipline; if requested, for an additional service fee.
8. Additional meetings/site visits beyond those stated above.
9. Value analysis of contractor bid alternates or scope changes.
10. Witness testing.
11. Pursuit of utility incentives or rebates.
12. Creating measured drawings of the existing building and systems outside the scope of the project.

13. Providing professional services made necessary by the default of the contractor in performance of the construction contract.
14. Providing services after final payment to the contractor.
15. Destructive demolition for determining existing concealed structural elements.
16. Electrical
 - a. Design of new service.
 - b. Generator design.
 - c. Security/access control design.
 - d. Lightning Protection Design.
 - e. Short circuit and arc-flash coordination study.
17. Civil/Survey:
 - a. Preparing Massachusetts Environmental Policy Act (MEPA) submittals or other permit applications.
 - b. Preparing a United States Environmental Protection Agency (EPA) National Pollutant Discharge Elimination System (NPDES) Notice of Intent (NOI) and Stormwater Pollution Prevention Plan (SWPPP). These are not required because the area of disturbance will be less than one (1) acre.
 - c. Performing design of utility infrastructure improvements outside the project limits.
 - d. Drainage design for the site improvements does not include evaluation of offsite watersheds or evaluation of the adequacy of the existing street(s) system's capacity or its design. The connections will not require onsite pump stations.
 - e. A traffic study.
 - f. Performing a property line survey of the entire property.
 - g. Creating new property lines, easements, etc.
 - h. Construction layout.
 - i. Subsurface investigation.
 - j. Design of utility infrastructure improvements outside the project limits.

Fees

We propose to provide the above Scope of Services for the following fees plus reimbursable expenses:

Phase

Design Development	fixed fee	\$28,000
Construction Documents	fixed fee	\$32,000

Bidding	hourly	\$3,300
Construction Administration	hourly	<u>\$10,400</u>
Total		\$73,700

Additional Services (unit prices)

Construction Observation Site Visits	each	\$700
Construction Meeting Attendance	each	\$700
Drawing Revisions	hourly	per fee schedule

Schedule

We are prepared to commence work approximately two to four weeks after your authorization to proceed and anticipate the following schedule:

<u>Phase</u>	
Design Development	2 weeks
Construction Documents	5 weeks
Bidding	4 weeks
Construction Administration	8 weeks

Additional Services

Additional services requested, that are not included in the scope of services, will be submitted for approval prior to commencing any additional work.

Terms & Conditions

If you find this proposal acceptable, work will be scheduled upon receipt of a Purchase Order, signed copy of this proposal, or a mutually acceptable contract document. Invoices will be issued monthly with payment terms net 30 days. Accounts with overdue balances risk the possibility of having their work delayed until payments are brought current.

Thank you for the opportunity to submit this proposal. We look forward to working with you on this project. If you have any questions or comments, please do not hesitate to call.

Sincerely,

edm



Timothy J. Puntin, CSL, LEED AP
Project Manager

DCU Center - Capital Project Update 12-9-2019

Funding Source	Projects	Assignment	Estimated Value	Current/Actual Value	Status	Expected Completion	Comments
1 DCU - Special District	Vault Upgrade	JO/RT	\$ 790,000	\$ 790,000	Design	Fall 2019	EDM has provided draft report, but is waiting on Ngrid cost estimates before issuing final report
3 DCU - Special District	DCU - Barricade Parts	RT	\$ 10,000	\$ 10,000	Pending	Fall 2019	Proprietary -Requisition Bid processing
4 DCU - Special District	DCU - 1 Man Mini Lift	RT	\$ 25,000	\$ 12,885	BID	10/31/2019	Proprietary -Requisition Bid processing
5 DCU - Special District	Telephone System	Tech Services	\$ 175,000	\$ 262,000	Pending	Fall 2019	Presidio - Pricing and SOW provided. Under review by ASM/City
7 DCU - Special District	Pipe/Drape and Table Skirting	RT	\$ 25,000	\$ 25,000	Pending	Fall 2019	Proprietary -Requisition Bid processing
9 DCU - Special District	Exterior DCU Signs - Interior LEDs (5)	RT	\$ 110,000	\$ 110,000	Pending	Fall 2019	Design work underway SMG to participate - Working with Ngrid Expditer Program
10 DCU - Special District	DCU - Hockey Net Replacement	RT/LLB	\$ 10,000	\$ 10,000	Pending	Fall 2019	Proprietary -Requisition Bid processing
11 DCU - Special District	DCU - Iceplant Control System	RT/LLB	\$ 12,000	\$ 12,000	Pending	Fall 2019	TBD
12 DCU - Special District	Parapet Netting System - Full Cap remove & Replace	RT/LLB	\$ 49,000	\$ 49,000	Design @ 95%	Fall 2019	Bid delayed - Remove & Replace- New Metal Cap to match existing
13 DCU - Special District	Ride on Vacuum	RT	\$ 16,000	\$ 16,000	BID	11/8/2019	Verify Sole Source and/or State contract
14 DCU - Special District	Wide Area Vacuums (4)	RT	\$ 17,000	\$ 17,000	Pending	Fall 2019	Verify Sole Source and/or State contract
15 DCU - Special District	Ballroom Chairs	RT	\$ 240,000	\$ 240,000	Pending	Fall 2019	Requisition Bid processing w/comparative pricing and construction- Virco and MityLite bidding options defined to include samples as deliverable. QTY TBD
16 DCU - Special District	Door Controls S Elevator - Replace	RT	\$ 25,000	\$ 25,000	Pending	Fall 2019	Per SMG Specs
17 DCU - Special District	Security Cameras	Tech Services	\$ 250,000	\$ 250,000	Pending	Fall 2019	Siemens and the City's Tech Services Dept. are evaluating the building in order to put together a scope and then a cost estimate
18 DCU - Special District	Convection Oven SHO-100E	RT	\$ 7,895	\$ 15,000	Complete	Installed	Received and Installed
		Total =	\$ 1,761,895	\$ 1,843,885			

	Description of Project	Priority	Estimated \$ Amount	Funding Available		Net Cost	Annual Amount
2018	Hockey Net Replacement	1	\$ 10,000				
	Nets are 10+ years old. Recommend replacement prior to failure. Critical safety item for						
2018	Ice Plant Control System	1	\$ 12,000				
	Ice Plant computer control system failed after plant failed. New program & data needs to						
2018	Ice Maker - Primary facility system	1	\$ 12,000				
	Primary facility ice machine failed in 2016. Tried to utilize smaller machines this past						
2018	Concert Barricade Miscellaneous Parts	1	\$ 10,000				
	Approved in 2016 but never executed. Still a very high priority. - Parts = certain gates,						
2018	Snow Blower Replacement (2)	1	\$ 7,000				
	Snow Blower normal replacement cycle.						
2018	Desktop/L aptop Computer Replacement	1	\$ 20,000				
	Three year program for full replacement of 40 computers - all of which are over 5 years						
2018	Dasher Glass System	2	\$ 120,000				
	NHL has moved back to plexi as the preferred glass system due to high incidence of						

2018	150 Kw portable transformers	2	\$ 50,000	Needed to move power out to areas & spread out for shows
2018	Power Distribution Pannels	2	\$ 12,000	Needed to assist with distribution of power as older pannels are failing
2018	Nypro Pipe Press	3	\$ 4,500	Older Pipes are corroding. Need for repairs
2018	1 Man Lift	2	\$ 25,000	Older model taken out of service. Needed to keep up with all maintenance & shows
2018	Ballroom Chairs	2	\$ 240,000	Current chairs are beginning to break and wear. Inventory depleting to a level below
2018	Television s	2	\$ 30,000	Replacing older models that are starting to fail
2019	Desktop/Laptop Computer Replacement	1	\$ 20,000	Three year program for full replacement of 40 computers - all of which are over 5 years
2019	Telephone System	2	\$ 125,000	Replacement telephone system transferring to VOIP. 200 lines with 160 handsets -
2019	Folding Chairs & Carts	2	\$ 130,000	Replacing older arena floor chairs that have had damage from shows & patrons. Current
2019	Ride On Bu	2	\$ 21,000	More efficient method of keeping convention center lobby buffed. Reduction in manpower. Reduction

2020	Desktop/Laptop Computer Replacement	1	\$ 20,000
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Three year program for full replacement of 40 computers - all of which are over 5 years



PCMA – Professional Convention Management Association (www.pcma.org)

PCMA represents nearly 3,000 meeting industry leaders responsible for the development, organization, and management of meetings, conventions, exhibitions, and seminars. Held in January each year, the annual convention is one of the most important face-to-face opportunities for suppliers (convention centers, bureaus and hotels) and planners. These planners typically include coveted city-wide hotel room blocks in addition to convention center needs.

ASM GLOBAL Strategy – As there is no trade show at this event, we typically attend periodically to keep the company name top of mind. When the event is held in an ASM GLOBAL venue/market, we seek out host sponsor and social opportunities to leverage the relationships that much more.

In addition to hosting PCMA Convening Leaders at our McCormick Place (Chicago, IL), Cobo Center (Detroit, MI) and David L Lawrence Convention Center (Pittsburgh, PA) in 2015, 2018 and 2019 respectively, we are proud to once again host the next meeting at our incredibly re-imagined Moscone Center (San Francisco, CA) in 2020.

Connect



Connect Marketplace is the premier hosted-buyer event for meetings industry. Featuring five different tracks, Connect Marketplace allows suppliers the opportunity to target Association, Corporate, SMERF, Sports and Expo meeting professionals. The appointment-based format of Connect guarantees valuable facetime with these planners and allows you to make appointment selections based on your specific needs. All planner attendees have been thoroughly vetted and are participating with the need to source open business. You can expect an effective use of your time as you have meaningful business-to-business conversations at Connect Marketplace.

ASM GLOBAL Strategy – ASM GLOBAL has been a long-time friend of the Colinson family and their uniquely targeted market segment events. We were early supporters of their original flagship “Rejuvenate” event, focused on faith-based meetings. The Connect Marketplace creates an appointment-based sales opportunity where you pick the segments (tracks) that make the most sense for you. This is ASM GLOBAL’s first year as a corporate partner, as we also will be host venue at our Salt Palace Convention Center in Salt Lake City. Our co-op effort provides a \$400 discount per track from regular pricing.

We look forward to seeing you at any or all of these key face to face sales co-opportunities!



2020 ASM Global National Sales Co-Op Event Menu

10/23/2019

DATE	EVENT	Location	Cost Per Venue '20	Cost per XP '20
3/18 - 19/20	Experient EnVision	Los Angeles, CA	\$4,200	\$1,900
TBD	Experient - Chicago Mission	Chicago, IL	\$200	-
TBD	Experient - Twinsburg Mission	Twinsburg, OH	\$200	-
3/30 - 4/2/20	Society of Independent Show Organizers (SISO) CEO Summit	Irving, TX	\$6,000	-
5/13 - 15/20	Trade Show Executive Fastest 50	Las Vegas, NV	\$7,500	-
6/23 - 6/25/20	National Association of Consumer Shows (NACS)	Dallas, TX	\$1,950	\$500
4/8 - 10/20	Association of Chief Executives of Sport (ACES)	Colorado Springs, CO	\$750	-
7/21-23/20	Council of Engineering & Scientific Society Executives (CESSE)	Detroit, MI	\$3,400	\$500
8/11-13/20	Society of Independent Show Organizers (SISO) Leadership Conference	Dallas, TX	\$6,000	-
9/15 - 17/20	IMEX America	Las Vegas, NV	\$6,400	\$1,500
10/19-22/20	Travel, Events And Management in Sports (TEAMS)	Houston, TX	\$4,200	\$1,500
8/17-19/20	Connect Marketplace - Connect Association	New Orleans, LA	\$4,100	-
8/17-19/20	Connect Marketplace - Connect Corporate	New Orleans, LA	\$4,100	-
8/17-19/20	Connect Marketplace - Connect Expo	New Orleans, LA	\$4,100	-
8/17-19/20	Connect Marketplace - Connect Specialty	New Orleans, LA	\$4,100	-
8/17-19/20	Connect Marketplace - Connect Sports	New Orleans, LA	\$4,100	-
6/16/18/20 (T)	eSports Travel Summit	Arlington, TX	\$1,800	\$995
12/8-10/20	International Association for Exhibitions & Events (IAEE) Expo!Expo! & ASM Global Annual Sales Meeting (Option A)	Louisville, KY	\$2,950	\$300
12/8-10/20	IAEE Expo! Expo! - Co-locate your booth (Option B)	(Pay ASM Global Carpet Only)	\$700	-

No. of Events	OCT	YTD FY2020
Assemblies	1	1
Banquets	1	2
Entertainment		0
Concerts	2	2
Consumer Shows	6	19
Conventions	16	22
Family Shows	6	6
Meetings	2	16
Performing Arts	2	2
Sporting Events		1
Railers Hockey	2	2
Trade Shows		14
Arena Football		2
Total Actual	38	89
Budget	39	79
Variance	-1	10

Total Event Income	OCT	YTD FY2020
Actual	737,826	1,294,991
Budget	678,567	1,630,821
Variance	59,259	(335,830)
Other Operating Income		
Actual	78,001	266,430
Budget	70,888	291,777
Variance	7,113	(25,347)
Indirect Expenses		
Actual	539,462	1,973,789
Budget	519,424	2,053,740
Variance	20,038	(79,951)
Net Income		
Actual	276,365	(412,368)
Budget	230,031	(131,142)
Variance	46,334	(281,226)

Through October 2019, total number of events is ahead of budget. October provided slight gains in event income and overall net income.

EVENTS & MARKETING





**CIVIC CENTER COMMISSION
MONTHLY HIGHLIGHTS
December 2019**

FINANCE AND HUMAN RESOURCES DEPARTMENTS

Human Resources

Two full time positions are currently available -- the Administrative Assistant to the GM and the Director of Food and Beverage has been reposted. In addition, Melissa Bishop is on a Leave of Absence after breaking her hip. As we are in the middle of our season, staff is working hard to keep up with the flow of information and reporting.

In addition to the full time positions, 17 part time positions remain posted with openings in every department. The healthy economy and unique scheduling of our employees continue to make hiring a challenge. Several temporary staffing agencies are utilized to fill the need but these individuals do not have the same level of training as our own employees and are only utilized in certain areas of the operation.

full time IT Manager. He is integrating with the City IT offices as it relates to the new wifi systems and the upcoming telephone system upgrade. Matt brings a wealth of knowledge in IT systems and will be a significant asset moving forward.

Box Office

Makayla Michalowski will, once again this year, be managing the Oval staff for admissions and skate rentals. In addition, she handles group sales when applicable. In addition to selling admissions, rentals and hand warmers, DCU Center event tickets will also be available for sale at the Oval thanks to new technology implemented by TicketMaster. The sales mechanism is an Ipad and the ticket is delivered to the purchaser's smart phone which is then scanned upon entry. This has allowed us to be much more mobile for group sales as well.

Monthly Financials – October 2019



GHOST

On October 21st, swedish rock band GHOST performed with the band, Nothing More as opening act. Though one could say Ghost was more theatrics than heavy metal, the band was dressed in costumes and had the crowd on their feet through the duration of the evening.



The Return of Trans-Siberian Orchestra

On November 18, Trans-Siberian Orchestra returned to the DCU Center to kick off the holiday season with two shows. \$1 from each ticket sold per show was donated to two different radio station's charity of choice. 96.1 SRS donated to the Julie Benson Flynn Hope Fun, and 100 FM The Pike, with a last minute switch, donated to the LT. Jason Menard, Worcester Firefighter foundation.



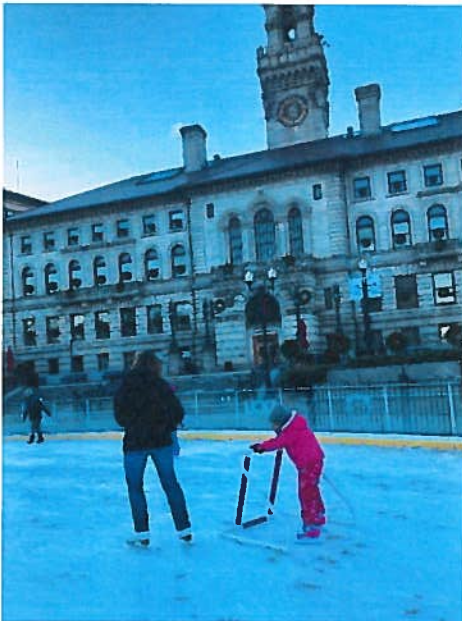
Time to Lace Up the Skates



The ASM Global/ DCU Center Marketing team has taken over the marketing responsibilities for the Worcester Common Oval Ice Rink which opened on November 29th for the season. We began with 'Skate on Cirque', a weekend sponsored by Cirque du Soleil AXEL (playing at the DCU Center 12/5-12/8) where admission was free and every skater got an exclusive pin designed by a local artist inspired by the show.

As an addition of offerings this year, we now have assisted skate guides. One is a seal that a child (or adult) can sit on or push, and the other is a walker-style guide that helps guide a child (or adult) who is not yet confident in their skate skills. We have nearly three full months of activity planned, with many of them tying into local businesses and sponsors. Our goal is to make the Oval Ice Rink the ultimate downtown Worcester Destination. This would not be possible without a long list of sponsors that we hope to add to in future years including: AC Marriott, Bay State Savings Bank, Worcester Bravehearts, Country Bank, Cirque du Soleil, Commerce Bank, Digital Federal Credit Union, Discover Central MA, Fidelity Bank, Grid District Hospitality, Harvard Pilgrim Health Care, Hanover Insurance, Holy Cross, MA Pirates, MassLive, MCPHS University, Mercantile, Worcester Railers, HC, Saint Gobain, UMass Medical, WBDC, Worcester Woo Sox. We continue to work with HECCMA on a college night as well.

Friday, December 6th, the City will have their annual Festival of Lights!



OPERATIONS

Preparing for the new Tenant!

For the months of October and November the technicians and the housekeeping staff were hard at work preparing for the new tenant of Figs & Pigs.

The technicians removed all of the exterior glass signage and banners as well as interior banners interior shelving. By the request of the new tenants, they removed the existing electric and ran all new feeds for the upcoming service requirements and equipment. The dividing wall by the grill was removed and refinished as well as the wall recapped.



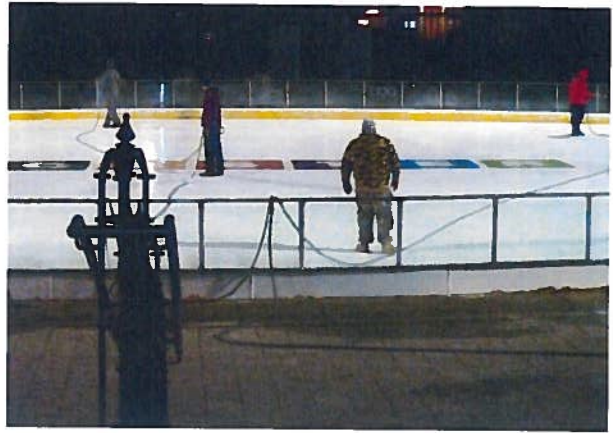
Once this work was complete, housekeeping did an outstanding job deep cleaning the space.



Change Over Getting it Done!

The DCU Center has some excellent team members on our change-over crew. In addition to smoothly handling all the various changeovers including the extremely challenging TSO concert seat set and knockdown, they were also helpful in prepping the facilities snow fighting gear for upcoming season and tackling the 17" storm without a hitch.

Members of this unit also successfully installed the ice at the outdoor skating Oval allowing it to open as scheduled on 11/29. In addition to building the ice, they move and organize all of the equipment for operating the Oval.



Technicians On The Move!

Energy Savings -

The Convention Center Exterior Back lit signs (marquee) was rewired and reconfigured for LED lighting. Due to the multiple ballast needing to be replaced the payback should be a short time recovery, approximately six to eight months. The lighting is a greatly improved look with higher lumen output at a lower wattage cost. The bulb life should exceed ten plus years.



Winterization -

With the Oval opening this month, materials were transferred to City Hall for trouble shooting issues. Parts were added to the Zamboni which replaced the old unit. This newer unit needed winterization for the outdoors and a drain down system added to the water tanks to be used after each use. In addition, a battery charger, charging circuit and a block heater were added. Oil was changed out to a lighter blend and all filters changed. – He's ready to go!

Installation –



Food Service's two new ovens arrived this month, the technicians installed the unit for the Grandstand reducing the overall cost to the City by utilizing in house staff. They had to remove and upsize the existing wiring to a three-phase system. The breaker also needed to be and upsized. The units did not fit through the doorway assembled, the old unit was disassembled and relocated to EX1 and the new unit was disassembled then reassembled in the Grand Stand.



SALES

Co-ops from ASM Global -

ASM Global issued the annual listing of the 2020 Sales Co-opportunities at industry trade shows that are available to the ASM Global family of facilities, as well as their marketing partners, which in our case is Discover Central Mass. These opportunities range in scope from Association and Consumer Shows to Sporting event and Industry specific trade shows. With or without the direct participation of the venue or the City marketing organization, ASM Global represents family of cities/venues and forwards leads to the specific location during and after the event takes place. A full listing of the opportunities is attached. Depending on the year, budget considerations and specific areas of focus, Discover Central Mass has or has not chosen to participate in the offerings.

Selling at Cirque -

The DCU Center sales staff in partnership with Discover Central Mass hosted 6 potential meeting planners that would be new to Worcester including a tour of the facility and a performance of Cirque Du Soleil. Along with the show the hospitality community also offered the clients overnight stays in Worcester hotels all to showcase what our city has to offer.





**Civic Center Commission
Monthly Sales Report November 2019**

Name	Banquet/ Social	Conference/Con- vention/Tr adeshow	Date of Event	# of Days	Anticipated Attendance	New Business	Repeat Business
Banquet/Social Contracts							
DCF Umass Childrens Holiday Party	1		12/29/2019	1	700		1
LGBT Asylum Gala	1		9/28/2020	1	770		1
Holy Cross Multi-family Banquet	1		5/22/2020	1	80		1
Abbie Holiday Appreciation Event	1		12/5/2020	1	500		1
	4			4	2030		4
Conference/Convention/Tradeshow Contracts							
Jane Doe Inc.		1	12/12/2019	1	200		1
MA Assoc. of Campus Law Enforcement		1	12/20/19	1	150	1	
Star City Games		1	4/25-26/20	2	1,000		1
FTF Behavioral Consulting		1	4/16-17/20	2	130	1	
Royal Dance Convention		1	10/25/20	1	500		1
A4LE New Eng. Furniture Expo		1	5/6-7/20	2	500	1	
BABAT Convention		1	10/7-9/20	3	2,000		1
WBJ Cannabis Forum		1	01/15/20	1	300		1
Pop Up Ministries		1	01/18/20	1	150	1	
MA Senior Care Conference		1	4/27-28/20	2	700		1
Country Bank Day of Giving		1	12/03/19	1	40		1
NE Knockout Cheer		1	12/11-13/20	3	15,000		1
City of Seven Hills Cheer		1	1/16-17/20	2	7,500		1
		13		22	28,170	4	9
Proposals							
Central MA Chapter of Women in Science		1	3/2/2020	1	200	1	
Geico Insurance		1	May 2020.	3	450	1	
MA Nonprofit Network Annual Conf.		1	10/14 or 28/20	1	800	1	
FTF Behavioral Consulting		1	4/16-17/20	2	130	1	
Hilli Meeting		1	1/29-30/20	2	75	1	
NECE 2020 Annual Meeting		1	10/24/20	1	225	1	
Sunovian Pharmaceuticals		1	09/01/20	1	700	1	
Entrepreneurship for All Conference		1	9/28-30/20	3	300	1	
NE Intelligent Transportation Society		1	Jan. 2020	1	250	1	
2020 NE Regional SASE Conference		1	Jan. 2020	1	1,000	1	
Community Health Link Holiday Lunch	1		12/11/19	1	100	1	
North High School Prom	1		05/08/20	1	250	1	
Graduate Program Dinner	1		Spring 2020.	1	100	1	
Dept. of Children and Families Holiday	1		Dec. 2019	1	75	1	
EDM Concert for Reginal Calde		1	Spring 2020.	1	4,000	1	
Eversource		1	1/30/2020	1	350	1	
LEAP Ambassador Dance		1	winter 20/21	3	2,000	1	
Family Health Center of Worcester		1	Various dates	4	1,200	1	
Holy Cross Post Graduation Family Party	1		05/22/20	1	50	1	
WPI Graduation		1	05/01/21	1	7,000	1	
New England Christmas Festival		1	11/5-8/20	3	10,000	1	
Umass Med School Program		1	03/01/20	1	200	1	
Nicole Nelson Umass Memorial		1	Winter 19/20	1	100	1	
McDonalds through Helms Briscoe		1	03/24/20	1	750	1	
Obed Konadu - Pop Up Workshp		1	11/18/20	1	150	1	
NERCC - Carpenters Council	1		05/02/20	1	300	1	
	6	20		39	30,755	26	



Site Visits & Appointments

Sunovian Pharmaceuticals Planning Committee
Madeleine Morgan - MA Nonprofit Network
Mahshid Ghaemmaghami - FTF Behavioral Consulting
Steve Mesrobian - Armenian Youth Olympics
Apparel Club Vendor Meeting
Joe Samm - Kenyan Religious Event
Obad Konadu - Pop Up Worship
Gregg Snody, WPI
Ken Wertz - Mass Facilities Assoc
Kristin Dykstra Bass Board of Building Mgr.
Kevin Kuros, Ma office of Bus Development
Framingham State U Staff
Mass Teachers Assoc.

Conf./On sale Arena Events

NCAA Hockey	3/27-28/20	2
PBR Worcester Rumble	2/22/2020	1
WAAF Big Gig	4/25/2020	1

Track able overnight room pick-up for Nov. 2019

<u>Event</u>	<u>Date</u>	<u># of Days</u>	<u>Rm Nights</u>
UCC Annual Meeting	11/1-2/19	2	
World Class Dance	11/3/19	1	
OSD Conference	11/6-7/19	2	
The Harvest Cup	11/8-10/19	3	
MA Senior Care Conference	11/13-14/19	2	
Trans Siberian Orchestra Concert	11/16-17/19	2	
MAHPERD Conference	11/18-19/19	2	
Pilgrim Gymnastics	11/22-24/19	3	
Islamic Circle of North America	11/29-12/1/19	3	





Experient – (www.experient-inc.com)

Experient is the source for integrated meeting and event services. From concept to completion, they partner with associations to find the best location for client events and to deliver exceptional experiences for attendees, exhibitors, sponsors, and internal stakeholders. Last year Experient provided world-class services to more than 3,000 events of all types and sizes ranging in size from 25 to over 100,000 persons.

Experient is the only company that can creatively and conveniently engineer and fully integrate the total event experience – one that is distinct, memorable and efficient and drives bottom line results to meet your goals. Experient is the largest demand generator for all major hotel chains, directly or indirectly placing over 6 million room-nights per year. The company was recently selected to manage events for Microsoft Corporation, with whom ASM GLOBAL also has a master License Agreement.

ASM GLOBAL is the only facility management firm to hold a preferred contractual relationship with Experient, including a national contract addendum providing pre-negotiated terms.

ASM GLOBAL Strategy - Experient’s annual *EnVision* event is the company’s annual meeting, educational forum and industry trade show. For many facilities and CVB’s this is the most important event and third-party planning organization, likely touching more convention centers than any other firm. In addition to the annual meeting and sales missions, we maintain relationships with all levels of executives and planners keeping ASM GLOBAL top of mind. We also host periodic in-plant meetings and presentations at strategic Experient office locations around the country, providing a more intimate setting for face to face dialogue.



SISO – Society of Independent Show Organizers (www.siso.org)

The membership roster of this group reads like the “who’s who” of the exhibition industry. The association is dedicated to meeting the needs of the for-profit show producers. SISO is the only place where the Presidents, owners, and CEOs of for-profit show producer companies exchange ideas, share experiences, launch industry wide projects, and learn from each other. SISO grew from a small group of 12 producers in 1990 to an organization of over 200 member companies. SISO members produce over 3,000 events all over the world. Trade and consumer shows, focused conferences, and other face-to-face events are represented. Members run their own shows and manage shows for others. The membership is a combination of large corporations and small entrepreneurial companies.

ASM GLOBAL Strategy – continued support through co-op sponsorships at both of SISO’s annual events, the CEO Summit (attended by top executives from companies like Reed, Informa Markets and Emerald Expositions) and the Leadership Conference that attracts the top three levels of trade show executives from member firms. This segment of trade and consumer shows falls into the traditional 18-month booking window for most of our venues. Though one of our higher investment opportunities, it is also a high exposure event that has yielded leads for many facilities of all sizes. ASM GLOBAL has held a prominent position with this organization for over fifteen years.



Trade Show Executive

Trade Show Executive Fastest 50 - (www.tradeshowexecutive.com)

Trade Show Executive's Fastest 50 Awards and Conference honors CEOs, presidents and show directors of the fastest growing trade shows across the United States. Show producers from these growing events are excited to receive the recognition they deserve for their contributions within our industry and the communities and industries they serve. TSE will select the fastest growing shows to be honored by association or for-profit company based upon the show's increase in net square footage, exhibitors or attendance. The Fastest 50 is done in true TSE style! Two days of networking with industry leaders while enjoying outstanding social events. Sessions focus on the most innovative products and services influencing the exhibition industry; including social media, virtual events and technology being used to enhance and grow events. Sessions are fast paced and interactive – often blurring the line between speakers and audience.

This is an exclusive event by invitation only, open to the honored show directors and their immediate leaders, the Presidents and CEOs of the companies. The goal is to build an intimate environment for networking and relationship building; while providing the perfect opportunity for us to meet with top customers and key prospects.

ASM GLOBAL Strategy – We see this as a strong opportunity to expand on our year-round relationship with the publication, as well as to stay in front of the major for profit and association trade show organizers who are the honorees. Similar target audience to SISO, with good face to face interaction with decision makers and influencers.



NACS – National Association of Consumer Shows (www.publicshows.com)

The primary purpose of a consumer (public) show is to bring buyers (consumers) together with sellers of goods and services. Consumers benefit from a diverse product mix, expert advice, education and entertainment. Sellers benefit by consumer purchases, product and brand awareness, public relations, research and development, and product testing. A consumer show or public show is an event that serves specific industries or interests that are open to the general public. They include home shows, car shows, sportsman shows, RV and boat shows, computer and technology shows, craft shows, and many others, large and small.

ASM GLOBAL Strategy – As with SISO, this segment is a key focus area for short-term revenue-generating events. ASM GLOBAL has been active in the association for over 20 years, and currently holds a seat on the Board of Directors. Annual co-op sponsorship is typically shared among 12-15 ASM GLOBAL venues and/or CVB's. Sponsorship gets ASM GLOBAL podium time and recognition for hosting the annual convention's closing reception ("NACS ASM GLOBAL Night Out"), as well as dominant exposure at the trade show. Our relationship has also helped ASM GLOBAL markets host this event in a number of ASM GLOBAL destinations and add consumer shows to their calendars.



CESSE – Council of Engineering & Scientific Society Executives (www.cesse.org)

The Council of Engineering and Scientific Society Executives (CESSE), incorporated in 1977, is an informal, not-for-profit international organization of chief executive officers and mid-to-senior level staff members of scientific and engineering societies. CESSE offers its members a forum for exchanging information about their experiences and a venue for addressing the problems, challenges, and opportunities they face in operating their societies. The objective of CESSE is to advance, in the public interest, the arts and sciences of the management of engineering and scientific societies.

ASM GLOBAL Strategy - given that this segment includes major associations in their given fields, they are also major convention planners that fulfill our facility and CVB goals of filling both convention centers and hotels. It has been under the radar for many suppliers, allowing ASM GLOBAL to be seen as a major supplier sponsor. A number of our DMO/CVB partners have found this a strong event to attend with us.



TEAMS – Travel, Events & Management in Sports (www.teamsconference.com)

The World's Leading Conference & Expo for the Sports-Event Industry

Conference program with leading experts who share the latest inside information on competitive events of all types that can occur in all types of venues. Informative trade show with more than 300 sports-event suppliers and destinations that provides new contacts and ideas. The trade show includes scheduled personal appointment sessions that allow quality time between event organizers and suppliers, as well as networking sessions and social functions that help build valuable relationships for today and tomorrow.

ASM GLOBAL Strategy – ASM GLOBAL venues/CVB's have played host to this event more often than not in the first 10 years of its existence. ASM GLOBAL cities like Detroit, Houston, New Orleans, Pittsburgh and Salt Lake City have fought to host and promote at this event. The nature of the planner attendees is a primary target for first tier and regional cities alike, based on the wide variety of competitive events represented. ASM GLOBAL's level of sponsorship guarantees participants in the **ASM GLOBAL Pavilion** an appointment with almost every rights holder at the event. This level of exposure could not be achieved by any individual exhibitor. At our pre-TEAMS sales meeting, each of our four appointment "teams" bids for which planners they'd like to meet with, knowing they can also jump to another group if there is a target prospect appointment. In any case, leads and bid books are shared with all of our co-op participants.



EsportsTravel Summit (<http://esportstravelsummit.com>)

Launched in conjunction with the TEAMS Conference & Expo in 2017. The Summit was an immediate success because it helped fill an information vacuum that exists for both organizers of esports events and those in the travel and tourism industry who want to understand and profit from the esports phenomenon. Globally, the number of esports enthusiasts is estimated at 191 million people—and growing.

While video games have been around for more than 40 years, a transformation is occurring in the video-gaming space that will elevate the players above the games. Live events are becoming the ultimate forum for skill and achievement for players. And spectators are flocking to the live events because of their interest in the games and the rising prominence of the players. It is this transformation that is creating many new opportunities, including record levels of investment in esports teams and the development of esports specific venues.

Just as the major sports leagues have identified esports as the best way to connect with the next generation of fans, visionary venues, destinations and sports organizations can leverage the esports phenomenon to attract the next generation of visitors and followers.

In 2018, Northstar Meetings Group held the first-ever stand-alone *EsportsTravel* Summit, July 17-18 in Las Vegas. The Summit's unique mission is to educate esports stakeholders on the nexus between venues, destinations, the travel industry and esports. The biggest names in the esports world will be included as presenters.

ASM GLOBAL Strategy – Just as with TEAMS, ASM GLOBAL was a charter sponsor of this revolutionary new event. This burgeoning industry has sparked new ways to look at our venues, and the need to engage and understand the unique needs of this new crop of esports planners. ASM GLOBAL has already forged strategic alliances with key experts in this sector and will continue to seek ways to leverage these relationships into content in our venues.



ACES – Association of Chief Executives for Sport (<http://www.acesport.org/>)

Over 50 National Governing Bodies (“NGBs”) in the US Olympic movement. Member groups are major users of convention centers including USA Fencing, USA Gymnastics, USA Wrestling, etc. This is the elite leadership of all the competitive sports represented in the Olympics. Their feeder systems use many of our venues. There are very few suppliers allowed at this event, and ASM GLOBAL has held a virtual exclusive spot for venues and destinations.

ASM GLOBAL Strategy – Our attendees typically mix with this group for 2-3 days of conferences and special events. Dollar for dollar, it is likely one of the best value propositions we offer, with tremendous exposure to the leaders in competitive events. It is a low-key event, allowing real dialogue between ACES members and our participants. Given our early participation and support of this event, the CEOs of these National Governing Bodies have become very familiar with the ASM GLOBAL brand, and the collective opportunity to work with our venues and destinations. When the event is hosted in Colorado Springs (NGB Mecca), it also affords the opportunity for personal sales calls.



IAEE – International Association for Exhibitions & Events + ASM GLOBAL Sales Meeting (www.iaee.com)

IAEE promotes the unique value of exhibitions and other events that bring buyers and sellers together such as road shows, conferences with an exhibition component, and proprietary corporate exhibitions. IAEE is the principal resource for those who plan, produce and service the industry. Organized in 1928 to represent the interests of tradeshow and exposition managers, the International Association of Exhibitions and Events is the leading association for the global exhibition industry, representing more than 8,000 individuals who conduct and support exhibitions around the world.

ASM GLOBAL Strategy – As with other organizations noted above, this segment falls within the typical booking window for most ASM GLOBAL managed venues. It has been our largest promotional effort for many years, establishing ASM GLOBAL as the dominant player in facility management in the eyes of show organizers in all sectors. Our *ASM GLOBAL* Pavilion allows all venues and/or CVB’s in our network to exhibit under the ASM GLOBAL banner, much like the major hotel chains. Participants can either buy into the national sales pavilion or maintain their own booth identity while co-locating within it.

Advanced direct or e-mail promotions are sent, enticing attendees to stop at our booth for both one-stop venue shopping and prize drawings. Prospects and leads are gathered and disseminated to all co-op participants post-show.

ASM GLOBAL National Sales Meeting – Given that IAEE is our most highly attended event, we typically hold our national sales meeting at the beginning. This allows us all to economize on travel costs as well as attract industry leaders as keynote speakers. This meeting is always jammed with useful content, interaction with your peers and CVB partners, and launches the sales and marketing co-op strategy for the following year.



The Magic of Mickey

Opening day of Disney on Ice, the DCU Center Marketing team escorted the Disney on Ice staff to the pediatric unit at UMass Memorial Hospital. In their play room, we arranged for a coloring station and backdrop to be set up, and each child got a Disney on Ice bag of goodies. Parents, family members, and all children on the floor were greeted by Mickey Mouse – a total of 34 visits. The UMass Memorial staff jumped in on the fun, with some of them even wearing Mickey ears to work! The Magic of Mickey was very much felt as he brought a smile to everyone's face.



Brew Woo – Harvest Fest with a taste of Fall

Brew Woo Harvest Fest returned for a second year of fall seasonal offerings on October 26. We hosted 70+ breweries, 17 vendors, a Silent Disco, and carnival games for our guests to enjoy. This year, we put a focus on adding more self-distributed breweries with a total of 16 rare-finds that captured beer-lovers palettes through the festival. A local band, Blue Light Bandits, was a highlight of the festival as well. This year our sponsors were Greater Good Imperial Brewing Co. and Harpoon Brewing, both of which poured exclusive tastings in our V.I.P section.





ASM GLOBAL National Sales Co-Opportunities Target Organizations & Events: Who They Are and Our Strategy

[Note photos show legacy SMG participation. All future events will be re-branded ASM GLOBAL.]



IMEX America (www.imexamerica.com)

The IMEX America trade show model is a standout in the U.S. market. Here are some key reasons that place IMEX America at the forefront of the meetings industry in North America:

- The largest in the industry in North America, this Hosted Buyer Program qualifies and brings key buyers to the show, with IMEX America covering travel and accommodations. This program guarantees thousands of highly qualified buyers from the association, corporate and agency sectors. Their unique Online Scheduling System lets you reach out before the show and get business lined up with people you want to see at IMEX America. With tens of thousands of appointments made in advance, everyone comes to the show focused on serious business. IMEX America registration, show entry and education sessions are all at no cost to the buyers, yet this show delivers matchless returns.
- Industry associations have shown unprecedented confidence in IMEX America. Examples include a Strategic Partnership with MPI, our Premier Education Provider, endorsement by DMAI, Site and ICCA, an Industry Partnership with PCMA and close ties with every major association including ASAE and the U.S. Travel Association. IMEX America hosts an unprecedented number of industry educational events. Participants can choose from hundreds of lively learning sessions and seminars throughout the trade show, all at no cost.
- IMEX provides dedicated attention to Association and Corporate Buyers. Association Focus, a “conference within a conference” on Smart Monday, is dedicated to educating association executives and is followed by Association Evening, a great event for socializing and networking. Senior corporate buyers are offered attendance at our invitation-only Executive Meeting Forum. IMEX America is committed to delivering “more than just a trade show.” IMEX Vision Initiatives—free and open to all—are groundbreaking programs that ensure you take away insights, inspiration and education to enhance your business and career. There are also a number of related industry functions scheduled around IMEX, by organizations like MPI, PCMA and others.

ASM GLOBAL Strategy – ASM GLOBAL has now participated in the last four IMEX America trade shows, with 8-12 co-op venues and/or CVBs at each. This is an absolute prospect and lead generating event, with scheduled appointments (at your branded work space!) – many with RFP in hand. In addition to your own individual appointments. Given the size of our 400 square foot pavilion, we also host between six and eight group presentations right in our own ‘theater.’ Clients are eager to learn about ASM GLOBAL’s parallels with the hotel industry and meet our individual venues and destinations. In total, this show has generated between 170-200 leads and 60-80 presentation guests. While CVBs, Centers & Hoteliers agree that this is an extraordinary event, it is also one of the most expensive. At approximately \$12,000 for a bare 10x10 exhibit, this event is unaffordable for many. In addition, like other appointment driven shows, some of our larger markets/venues benefit from having a presence both in a destination (CVB) booth, and under our corporate umbrella, with separate appointments driving additional leads. ASM GLOBAL’s co-op will cut your investment roughly in half and leverage the brand for more traffic and cross-selling opportunities.

