

MEMORANDUM OF UNDERSTANDING  
REMODEL OF MORRO BAY LIBRARY

This Memorandum of Understanding ("Memorandum") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between the County of San Luis Obispo, a political subdivision of the State of California, (hereinafter referred to as "the County") and the Friends of the Morro Bay Library, a 501(c)(3) charitable corporation organized under the laws of the State of California (hereinafter referred to as "the Friends").

RECITALS

WHEREAS, the County leases the Morro Bay Library facility and underlying real property (the "Harbor Street Property") from the City of Morro Bay, under a 25 year lease agreement, which commenced on July 1, 2010.

WHEREAS, the County currently operates a free public library in the City of Morro Bay, assisted by the volunteer efforts of the Friends, located at 625 Harbor Street ("the Morro Bay Library").

WHEREAS, the County and the Friends desire to remodel the Morro Bay Library within the existing footprint in order to unify the interior space and improve the overall experience of library patrons.

WHEREAS, there is substantial community support and interest in remodeling the interior of the Morro Bay Library so it reflects a more updated design with increased square footage for the public (the "Project").

WHEREAS, the vision of the Friends and the County is ultimately to create a library that is welcoming, open, flexible, inclusive, technologically current and reflective of the community of Morro Bay.

WHEREAS, in April of 2012, the County Administrative Officer authorized the Friends to hire an architect, at the sole cost of the Friends, and proceed with a conceptual design for remodel of the Morro Bay Library.

WHEREAS, in June, 2012, the Friends hired Reiss Design Studio to serve as the Architect for the remodel of the Morro Bay Library.

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WHEREAS, the County and the Friends desire to enter into this Memorandum to document their respective roles and responsibilities in connection with the remodel of the Morro Bay Library.

NOW, THEREFORE, the parties agree as follows:

1. RECITALS. The recitals as set forth above are incorporated herein by reference, as though set forth at length.
2. PURPOSE. The purpose of this Memorandum is to memorialize the roles and responsibilities of the County and the Friends with respect to remodeling the Morro Bay Library and funding responsibilities.
3. PROJECT FUNDING. The total Estimated Project Cost is estimated to be \$743,725 ("Estimated Project Cost".) The County and the Friends agree to share in the funding of the Project as follows:
  - 3.1 The County shall fund the expenses directly related to the remodel of Library restrooms to meet accessibility requirements for local public/government facilities, as set forth in the California Building Code and Americans with Disabilities Act through the use of a CDBG program grant. The total cost is estimated to be \$80,000 for this portion of the project.
  - 3.2 The County shall also fund expenses related to the remodel to meet accessibility requirements for local public/government facilities, as set forth in the California Building Code and Americans with Disabilities Act. The total cost is estimated to be \$67,039.
  - 3.3 The Friends shall fund all other expenses necessary to design and complete the Project, including any costs associated with the design, contract documents, bidding, construction administration, and close out. Items funded shall include reasonable assumptions for construction change orders, inflation, and overall project contingency are subject to County review and approval. The total cost to the Friends is estimated to be \$561,686.
  - 3.4 Both parties recognize and acknowledge that new furniture, fixtures and equipment are not included in the Estimated Project Cost and are outside the scope of this Project.
  - 3.5 The Library will contribute up to \$35,000 from the Library's Facilities Planning Reserve for Project Administration fees, if needed.

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4. PROJECT DESIGN.

- 4.1 The Friends shall be responsible for hiring an architect ("Architect") for the Project, at the Friends' sole cost. As the leaseholder of the Harbor Street Property, the County shall retain the final decision-making authority regarding the project design, in consultation with the Friends.
- 4.2 Upon completion of the design documents, the County will review the design and project cost estimate to determine the feasibility of the Project and whether it is in the best interest of the County and the public to proceed with the Project.
- 4.3 If the County is satisfied that the Project is feasible and in the best interest of the County and the public, the Project will be recommended to the Board of Supervisors for approval.

5. PROJECT CONSTRUCTION.

- 5.1 The County intends to complete the construction of the Project through the use of the County's Job Order Contract vendor ("JOC Contractor"), although the County, in its sole discretion, after consultation with the Friends, may proceed with construction through other public contracting methods as laid out in the Public Contract Code. The method of construction and schedule are at the County's discretion, in consultation with the Friends.
- 5.2 The Architect shall submit construction documents to the County for cost estimating and planning purposes. The Architect shall submit final design documents as may be necessary to obtain the proper permitting for the Project. The County will be the primary contact with any permitting agencies regarding the Project, including any permits required by law, and permission required under its lease with the City of Morro Bay.
- 5.3 If the method of construction is through the use of a JOC Contractor, the County will provide the Architect with an opportunity to review the cost proposal from the JOC contractor for deviations from the design. A pre-construction meeting shall be held by the County that includes the Architect and the JOC Contractor.
- 5.4 If a conflict arises during any stage of the Project, including a conflict between the Architect and the contractor (including the JOC Contractor if the job order contract method of construction is utilized), the County, in consultation with the Friends, will make the final determination with respect to the Project.

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- 5.5 The County shall be responsible for review of and decisions regarding construction progress. The JOC Contractor (or other Project contractor) will submit certifications for payment to the County, and the County will promptly forward those certifications to the Architect. The Architect shall have five (5) business days from receipt of those certifications to review them for payment to the JOC Contractor (or other Project contractor) and will notify the County of any discrepancies, for County's consideration. If feedback from the Architect is not received by the County within this time period the County may proceed to payment.
- 5.6 The County shall ensure the JOC Contractor, or other contractors if the job order contracting method is not used, provide material, finish, and equipment submittals for review and approval prior to purchasing, in order to enable the County and the Architect to review compliance with the design intent of the plans. The Architect (and Architect's consultants, as applicable) will promptly review all submittals and mark them as "approved," "approved with changes noted," "revise and resubmit," or "rejected." The County will review all submittals following the Architect's timely review. The County retains the right to reject any submittal or resubmittal, including those approved by the Architect, at its sole discretion.
- 5.7 The County shall be responsible for all documentation of the Project and will ensure distribution of documentation to the Architect and the JOC Contractor (or other contractor, as applicable), on an as-need basis.

## 6. PROJECT MANAGEMENT.

- 6.1 The County is responsible for completion of the construction phase of the Project. Specific responsibilities are outlined in Attachment A--Responsibility Matrix.
- 6.2 The County commits to working collaboratively with the Friends to manage the Project. However, as the leaseholder of the Harbor Street Property, the County shall retain the final decision-making authority with respect to the design, project management, bidding, and construction of the Project.

## 7. RESPONSIBILITIES OF THE COUNTY.

- 7.1 The County will be responsible for the removal and storage of all furniture and equipment from the Morro Bay Library, as necessary, during the construction phase of the project. The County will likewise be responsible for the return of furniture and equipment to the Morro Bay Library, as appropriate, following the completion of construction. All costs related to the removal, storage and return of furniture and equipment, as well as any staff costs related to relocation during construction, will be the sole responsibility of the County and is not included in the Estimated Project Cost.

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- 7.2 The County intends to retain a library presence within the City of Morro Bay during the closure of existing library building for construction and will bear the sole responsibility for any related costs. The Friends understand that said presence would provide only limited services and that the scope of services would be at the sole discretion of the County.
- 7.3 The County will be responsible for keeping library staff informed of the status and progress of the Project.

8. RESPONSIBILITIES OF THE FRIENDS.

- 8.1 The Friends may maintain the funds raised for the Estimated Project Cost in one or more interest-bearing accounts. The Friends shall be responsible for depositing with the County the entire amount of the Estimated Project Cost listed in paragraph 3.4 before the County will begin the construction phase of the Project. These funds shall be in cash. The County will not accept pledges as a contribution toward the total funds the Friends must raise for the Project.
- 8.2 In lieu of a cash deposit with the County, the Friends may choose to obtain a loan guarantee to fund any portion, up to and including the full amount, of the construction change order allowance amount and project contingency amount included in the Estimated Project Cost. The amount of the construction change order allowance is estimated to be \$59,937. The amount of the project contingency is estimated to be \$23,574. The total is \$83,511. Any loan guarantee program must ensure that, should funds be needed, said funds will be transferred to the County treasury within ten business days of written notice from the County. The Friends use of this option is contingent on the advanced written consent of the County, including approval of the loan guarantee program.
- 8.3 Following completion of the Project, any unspent funds donated by the Friends will be refunded to the Friends.
- 8.4 Should the Project construction cost more than what has been estimated, the Friends shall be solely responsible for paying any construction overruns within 18 months of the end of the project.

9. COUNTY AND THE FRIENDS JOINT RESPONSIBILITIES.

- 9.1 The appointed liaisons for the project will be the Director of Libraries and Morro Bay Friends of the Library President.

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9.2 A Steering Committee comprised of an equal number of representatives from the County and the Friends shall be responsible for reviewing and providing input regarding any issues brought to the Committee for consideration during the construction phase of the Project. The Steering Committee shall meet on an as-needed basis.

10. DONOR RECOGNITION. All donor recognition shall be consistent with the Donor Recognition Policy for the San Luis Obispo County Library Capital Campaign adopted on November 2, 2010. If/when the Board of Supervisors develops and approves a Countywide Recognition Policy for Library and/or other County buildings, the Library's Donor Recognition Guidelines shall be in agreement with that countywide Policy.
11. GENERAL UNDERSTANDING, AMENDMENTS. This Memorandum constitutes a general understanding by the parties about their respective roles and responsibilities regarding a renovated library. The parties have entered into this Memorandum in good faith and fully intend to carry out the responsibilities described herein. This Memorandum may only be amended by written agreement signed by all parties.
12. INDEMNIFICATION. The Friends shall indemnify, defend and hold harmless the County, its officers, agents, employees, and supervisors, from and against any and all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages, and liabilities of any kind ("Claims") arising in any manner out of the negligent or willful misconduct of the Friends or its agents in the performance of this Memorandum, except to the extent of Claims that result from the sole negligence or willful misconduct of the County.

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Approved by the Board of Supervisors this  
\_\_\_\_\_ day of \_\_\_\_\_, 2013.

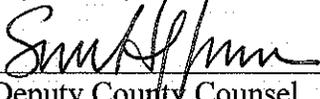
ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL, COUNTY COUNSEL

~~was~~ SUSAN HOFFMAN  
Deputy County Counsel

By:   
Deputy County Counsel

Date: 6/4/14

FRIENDS OF THE MORRO BAY LIBRARY

By:   
Signature

Date: 4 June 2014

Robert F. Davis, President  
Print Name, Title

Morro Bay Library Responsibility Matrix - 6/4/14

| Task Name  | Assigned         |
|--|------------------|
| 1 MORRO BAY LIBRARY  |                  |
| 2  |                  |
| 3 <input checked="" type="checkbox"/> Programming - N/A                                |                  |
| 29 <input checked="" type="checkbox"/> Design - N/A                                    |                  |
| 164 <input checked="" type="checkbox"/> Bidding - N/A                                  |                  |
| 222 <input checked="" type="checkbox"/> Construction                                   |                  |
| 223  |                  |
| 224 <input checked="" type="checkbox"/> Updates  |                  |
| 225 Bi-weekly update emails to stakeholders  | Library          |
| 226 Update schedule  | GSA              |
| 227 Update status report   | GSA              |
| 228  |                  |
| 229 <input checked="" type="checkbox"/> Hire inspector / GSA and City to inspect       | N/A              |
| 238  |                  |
| 239 <input checked="" type="checkbox"/> Manage contractor                              |                  |
| 240 <input checked="" type="checkbox"/> Generate or review site observations           |                  |
| 241 Attend preconstruction site meeting  | Arch/GSA         |
| 242 Respond to field orders / clarifications   | Arch/GSA         |
| 243 Respond to field reports   | Arch/GSA         |
| 244 Respond to inspection reports  | Arch/GSA         |
| 245 Submittal Review   | Arch/GSA         |
| 246 <input checked="" type="checkbox"/> Process progress payments                      |                  |
| 247 Process payments   | GSA              |
| 248 <input checked="" type="checkbox"/> Modifications to project                       |                  |
| 249 Respond to cost request bulletins  | Arch/GSA         |
| 250 Prepare change order and worksheet   | Arch/GSA         |
| 251 Review budget with respect to Mod  | Arch/GSA         |
| 252 Prepare Mod RFP  | Arch/GSA         |
| 253 Review Mod proposal  | Arch/GSA         |
| 254 Process NTP  | GSA              |
| 255 Signatures from GSA supervisor, management   | GSA              |
| 256 Send copies to contractor  | GSA              |
| 257 Accounting review  | GSA              |
| 258  |                  |
| 259 <input checked="" type="checkbox"/> Manage construction and inspections            |                  |
| 260 <input checked="" type="checkbox"/> Generate or review site inspections            |                  |
| 261 Prepare field reports / clarifications   | Arch             |
| 262 Coordinate inspections with City   | JOC              |
| 263 Determine and coordinate any independent inspections                               | JOC              |
| 264 Coordinate any utility shut-off with Library                                       | JOC              |
| 265 Review inspection reports  | Arch             |
| 266 Respond to RFIs  | Arch/Library/GSA |
| 267 Weekly site observations and inspections   | Arch             |
| 268 Review contractor payment requests   | Arch/GSA         |
| 269 <input checked="" type="checkbox"/> Develop punch list                             |                  |
| 270 Contractor to generate, architect & GSA  | Arch/Library/GSA |
| 271 <input checked="" type="checkbox"/> Substantial completion                         |                  |
| 272 Requested by contractor  | Arch             |
| 273 <input checked="" type="checkbox"/> Verify completion of as-built drawings         |                  |
| 274 Architect compiles from what contractor provides                                   | Arch             |
| 275  |                  |
| 276 <input checked="" type="checkbox"/> Manage architect / Library to manage architect |                  |

| Task Name  | Assigned         |
|--|------------------|
| 277 Process progress payments  | Library / FOL    |
| 278 <input type="checkbox"/> Change orders to Architects contract        |                  |
| 279 Review cost request bulletin   | Library / FOL    |
| 280 Prepare change order and worksheet                                   | Library / FOL    |
| 281 Signatures from supervisor, management                               | Library / FOL    |
| 282  |                  |
| 283 <input type="checkbox"/> Site visits by GSA                          |                  |
| 284 Oversight of construction / no construction inspection / site visits | GSA              |
| 285 GSA inspector  | Arch/GSA         |
| 286  |                  |
| 287 <input type="checkbox"/> Additional tasks                            |                  |
| 288 Schedule / attend preconstruction site meeting                       | Arch/GSA         |
| 289 GSA review of drawings   | GSA              |
| 290 Submittal reviews, stamp and return                                  | Arch             |
| 291 Shop drawing reviews, stamp and return                               | Arch             |
| 292 Regular meetings with project team                                   | Arch/Library/GSA |
| 293 Set up on-line submittal review page                                 | JOC              |
| 294  |                  |
| 295 <input type="checkbox"/> Project closeout - 3 months                 |                  |
| 296  |                  |
| 297 <input type="checkbox"/> Process Notice of Completion                |                  |
| 298 Contractor   | GSA              |
| 299 Architect  | Library          |
| 300 Draft staff reports  | Library          |
| 301 Close out documents  | Library / GSA    |
| 302 Review warranty documents for completeness                           | Arch/GSA         |
| 303 Review manual for completeness                                       | Arch/GSA         |
| 304 Request for final payment(s)   | Arch/GSA         |
| 305 Request and review as-built drawings                                 | Arch/GSA         |
| 306  |                  |
| 307  |                  |
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| 311  |                  |