

WALNUT VALLEY WATER DISTRICT

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**SPECIAL BOARD MEETING
THURSDAY, SEPTEMBER 24, 2026
4:00 P.M.**

**WALNUT VALLEY WATER DISTRICT
235 South Brea Canyon Road
Walnut, CA 91789**

Agenda materials are available for public review at <https://walnutvalleywater.gov/about-us/meetings-minutes-and-agendas/>.

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review during regular business hours at the District office, located at: 235 S. Brea Canyon Road, Walnut, CA.

1. Flag Salute
2. Roll Call: Mr. Hilden_____ Ms. Lee_____ Mr. Lin_____ Mr. Tang_____ Mr. Woo_____
3. Public Comment President Tang

The Presiding Officer of the Board of Directors may impose reasonable limitations on public comments to assure an orderly and timely meeting.

A. Agenda Items - Any person desiring to address the Board of Directors on any Agenda item may do so at the time the item is considered on the Agenda by requesting the privilege of doing so at this time and stating the Agenda item to be addressed. At the time the item is discussed, those requesting to speak will be called to do so.

B. Non-Agenda Items - At this time, the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the District. Reasonable time limits on each topic and on each speaker are imposed in accordance with Board policy.

4. [Authorization of Guaranteed Maximum Price Contracting Method for the Operations and Maintenance Building Remodel Phase 2 Project \(P.N. 19-3569-2\)](#) Mr. Macias
A. Discussion B. Action Taken
5. [Overview of Financial Plan and Rates](#) (Information Only) Mr. Ning

Adjournment

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation to participate in a meeting may request such modification or accommodation from the District's General Manager's Office at (909) 595-1268 Ext. 201.

I, Lucie Cazares, MMC, Walnut Valley Water District, do hereby certify, under penalty of perjury under the laws of the State of California that a full and correct copy of this agenda was posted pursuant to Government Code Section 54950 et. seq., at 235 S. Brea Canyon Road, Walnut, CA., and uploaded to the Walnut Valley Water District website <https://walnutvalleywater.gov/about-us/meetings-minutes-and-agendas/>

Date Posted: September 23, 2026

Lucie Cazares, MMC, Executive Services Administrator

WVWD – Staff Report



TO: Board of Directors
FROM: Interim General Manager
DATE: September 24, 2026
SUBJECT: Authorization of Guaranteed Maximum Price Contracting Method for the Operations and Maintenance Building Remodel Phase 2 Project (P.N. 19-3569-2)

☒ **Action/Discussion**

☐ **Fiscal Impact**

☐ **Resolution**

☐ **Information Only**

Recommendation

That the Board of Directors authorize the use of a Guaranteed Maximum Price (GMP) contracting method and competitive, best-value contractor selection process for the Operations and Maintenance Building Remodel Phase 2 Project in a form acceptable to General Counsel.

Background

On May 18, 2026, the Board of Directors approved a \$12 million budget for the Operations and Maintenance Building Remodel Phase 2 Project (Project) and authorized the General Manager to oversee, award, and execute project-related contracts. The Project involves renovating and repurposing the former District Headquarters building to accommodate Operations and Maintenance staff.

The District previously utilized a GMP contracting approach for its new District Headquarters Building Project. Based on that experience, staff and the District's construction management consultant, Searock + Stafford CM, recommend utilizing a similar approach for the O&M Building Remodel Project.

The District has issued a Request for Proposals (RFP) to qualified general contractors, with proposals due September 25, 2026. The RFP provides for a competitive, best-value selection process that considers contractor qualifications, relevant experience, proposed staffing, construction approach, schedule, and overall project cost.

A GMP contract establishes a maximum price for completing a defined scope of work, subject to authorized contract adjustments. The proposed agreement utilizes an open-book cost structure, allowing the District to review actual construction costs while limiting the contractor's reimbursement to the established maximum price.

Staff recommends utilizing this approach for the Project due to the following benefits:

- **Cost Certainty and Budget Control:** The GMP establishes a maximum contract price and includes a contractor contingency to address certain unanticipated construction costs. The contractor is responsible for costs exceeding the GMP unless an adjustment is authorized under the contract.

- **Transparency and Cost Savings:** The open-book structure allows the District to review construction costs and subcontractor pricing. The proposed agreement also provides for the District to receive 75% of eligible cost savings below the GMP, with the contractor receiving 25%, capped at \$250,000. This arrangement encourages cost efficiency while allowing the District to benefit from project savings.
- **Management of Existing Building Conditions:** The GMP agreement requires the contractor to account for reasonably discoverable existing conditions in its proposed price. The contractor contingency provides a mechanism for addressing certain unforeseen costs while maintaining District oversight of contract changes.
- **Contractor Qualifications and Project Delivery:** The competitive, best-value selection process allows the District to consider contractor qualifications, relevant renovation experience, staffing, construction approach, schedule, and cost rather than relying exclusively on the lowest proposed price.

The District's Purchasing and Procurement Policy allows the Board of Directors to authorize alternative procurement and contracting procedures for District public works projects. Although the Board previously approved the Project and authorized the General Manager to oversee, award, and execute project-related contracts, the Board has not specifically authorized the GMP contracting method and competitive, best-value selection process currently being utilized.

Staff recommends that the Board formally authorize this approach, consistent with its May 18, 2026 authorization and the previously approved project budget.

Following receipt and evaluation of the contractor's proposals, staff anticipates selecting and awarding the construction contract in accordance with the Board's authorization and providing an informational update regarding the contract award at the October 2026 Board meeting.

Fiscal Impact

Approval of the recommended action will not increase the previously approved \$12 million project budget or authorize additional expenditures. The GMP contracting method is intended to provide greater cost certainty and transparency while establishing a framework for managing construction costs within the approved budget.