Joint Venture

TO: ALL INTERESTED PARTIES – VIA EMAIL DISTRIBUTION

FROM: URS/BLL Joint Venture - Contracts and Procurement Manager

REGARDING: **ADDENDA #6: FINAL ADDENDUM**

REQUEST FOR QUALIFICATIONS/PROPOSAL FOR
INTEGRATED PROJECT DELIVERY ("IPD") & DESIGN BUILD SERVICES
WWW.CPRINC.ORG

DATE: May 30, 2008

Please find below the questions submitted by the deadline for questions on the RFQP with their accompanying answers.

Q1: In order to minimize overall costs and start-up cost and schedules, it appears to make sense that the CPR provides telephone and data networks including phones, network space, required software platforms with appropriate licenses (Revit, Primavera, Navis (With all add ons) etc. If CPR will not provide these systems, are the IPD teams to include budgets in their NTE proposal for these costs or will costs for phones, data and software be considered a reimbursable expense once all three IPD teams come together and strategize on how to accomplish the overall goal while minimizing costs. Based on responses provided to this question at the mandatory pre-bid, these decisions may be held until the 3 IPD teams are selected. Are the IPD teams NTE proposals to be for labor only and all other soft costs to be paid on an cost basis?

A1: Reference Mandatory Pre-Submittal Conference Q&A PowerPoint presentation posted on CPR website, Slide 3: A meeting of the three successful IPD team's IT representatives will be scheduled for several weeks prior to the start of the Co-Opetition. IT Infrastructure will be provided comprised of a common 1gb Ethernet network behind a firewall. VPN ports will be open with a data jack at each cubicle. Meeting rooms and other common areas will have at least two data jacks. There will be a DHCP server. Static TCPIP addresses will also be provided as needed. Teams will be free to place routers, additional switches and servers on the network. A Common Data room will also be accessible by each team with controlled access. Common Server and Data storage as well as print, copy and fax service will be determined during the initial Planning meetings. CPR will not provide software licenses – see pg. 17-18 of the RFQP. As to remainder of question, see answers to questions 3 and 9 below.

Q2: Will plans have to be developed and building permits received for improvements required for temporary tenant space?

A2: No.

Q3: Will CPR issue a template for the IPD teams to use to present their NTE cost proposal for the Agreement for Preliminary IPD Services? There are several logistical aspects that each team may view differently which will make the evaluation very difficult for the CPR to analyze unless there is a standardized template. Items to consider for identification may include: Software (Navis, Revit, Bentley, Archicad, Primavera, Timberline etc with # of necessary licenses - unless provided by CPR as recommended), Computer Network (If not provided by CPR), Phone systems (If not provided by CPR), equipment & furniture (Plotters, printers, scanners - all of which could be common to reduce overall costs), Office furniture (CPR could reduce the costs and time by obtaining pricing for all office suites from one

vendor based on office suite designs submitted with the RFP/Q as an option), management vehicles (are these in rates?), personal computers (are these in rates), etc.?

A3: NTE cost proposal is not requested by the RFQP, only an estimated budget. See Section 11, item 3 – Fees, p. 24. The not to exceed amount mentioned in Section 11, item 3 will not be set until after the proposals are evaluated by the CPR team and will take into account each selected team's estimated budget.

Q4: Article 1.6 of the Agreement for Preliminary IPD Services states "Neither CPR nor CPR's consultants shall perform any duties of the members of the IPD team, or assume any responsibility or liability for the professional or technical adequacy of the documents (Defined below) prepared by the design or construction professionals on the IPD team." However in article 3.6, CPR "... may issue directions that it believes to be in the best interest of the Project." Per Article 1.6, CPR would not have any liability for these directions. Please confirm what responsibility CPR will assume for their directives.

A4: The questioner seems to suggest that CPR's ability to make impasse-breaking decisions in the Core Group should result in CPR assuming liability for the professional responsibility of members of the IPD Team. We do not agree. If, in the event the Core Group were unable to reach consensus, CPR were to issue a directive that the Design Builder felt would cause a member of the IPD Team to breach its professional standard of care, Article 22 of the Agreement provides a dispute resolution section for the parties to resolve the matter. However, as the Agreement makes clear, CPR seeks to have a highly collaborative relationship with the IPD Teams throughout the Project and we find it unlikely that a situation would arise where CPR would direct an IPD Team member to take an action that would breach a professional standard of care. Rather, in such a situation, we would expect that the IPD Team member would inform CPR and the rest of the team of the perceived conflict with a professional obligation, be prepared to test the validity of its position, explore alternatives with the team, and mutually arrive at a solution acceptable to everyone. Only if that process failed to produce a consensus would the dispute resolution process be necessary.

Q5: Referencing the Agreement for Preliminary IPD Services, article 2.3, ".... CPR will select and award the first fastest Facility for design and construction to one of the IPD teams according to selection criteria to be established by CPR and URS/BLL." Please confirm when the selection criteria will be available for review.

A5: The First-Fastest IPD Team selection criteria will be developed by consensus among all participants early in the Co-opetition. Reference RFQP, Section 8.3.3.1 – Project Goals Confirmation.

Q6: Referencing article 4.3 of the Agreement for Preliminary IPD Services, when will the agreement for Phase II be available for review?

A6: We anticipate that the form of Agreement for Integrated Project Delivery Design-Build Services for the First Fastest Facility will be provided to the selected IPD Teams prior to the start of the Co-Opetition.

Q7: In accordance with article 6.1 of the Agreement for Preliminary IPD Services, it is assumed each IPD team will provide their own Last Planner / LEAN Coordinator to manage their IPD team. Will URS/BLL provide a Last Planner consultant and management software for the duration of Phase I to coordinate the 3 IPD teams with CPR? If CPR does provide management software, are IPD teams going to have access to the software or do we need to provide our own?

A7: The Agreement For Preliminary IPD Services, Article 6.1, allows a pull-based planning and scheduling system that is equivalent to the Last Planner System and does not mandate Last Planner itself. CPR is not providing Last Planner software to the IPD teams in the Co-opetition either directly or through URS/BLL. Other than the requirement for each IPD Team to utilize a Core Group and a Senior Management Group, IPD Teams may propose to organize the management of their team as they best determine.

Q8: Referencing article 9.4 of the Agreement for Preliminary IPD Services and Appendix 5 of the RFPQ, when will the Facility Program Statement be made available? For planning purposes, what level of program documents will be made available (Room by room programs, space plans, relationship plans etc?).

A8: Reference RFQP, Section 8.3.2, p. 13, for when the FPS will be provided to the IPD Teams selected to participate in the Co-opetition. See Appendix 5 of the RFQP for the draft table of contents of the FPS.

Q9: Referencing article 13.2 of the Agreement for Preliminary IPD Services, "... and subject to the not-to-exceed amount (if any) set forth in Exhibit B,....". Are reimbursable expenses to be included as an estimate in the NTE proposal or will they be paid at actual cost as incurred?

A9: See answer to Question 3. Please include reimbursable expenses in your estimated budget.

Q10: Referencing article 13.3 of the Agreement for Preliminary IPD Services, it appears as though a timely invoice can take 30 days to pay, 10 days at URS/BLL and 20 days at CPR, however the paragraph further states for incomplete or improperly documented invoices, payment may be delayed until the thirtieth day. Please confirm what an expected payment turn around period should be provided all paperwork is in order.

A10: CPR expects to pay within thirty days of URS/BLL's receipt of a properly completed and documented invoice. If Design Builder submits an incomplete invoice, URS/BLL will notify Design Builder and once a properly completed and documented invoice is received, CPR would expect to pay within thirty days of URS/BLL's receipt of such proper invoice (perhaps sooner, depending on why the original invoice was improper).

Q11:Referencing article 18 of the Agreement for Preliminary IPD Services and Exhibit G last sentence of Item No. 4 - Professional Liability, we are being told by our Insurance Broker that no professional liability policy will have this endorsement. Our Broker and Risk Manager recommend Owner's Protective Professional Insurance (OPPI). This is a policy the Owner can purchase as excess liability protection against design exposure from the Design Builder and other design professionals they might hire for the project(s), in the event that their policies didn't respond or provide adequate coverage. Since most design professionals only carry $1 - $2 million in liability insurance, many owners find this to be a good solution to managing their design exposure.

A11: Revise item 4 of Exhibit G to read as follows:

> .4 Professional Liability. Professional Liability Insurance with limits of liability in amounts not less than $2,000,000 per occurrence and $2,000,000 aggregate, insuring Design Builder and all persons for whose acts Design Builder may be liable, against any and all liabilities arising out of or in connection with the negligent acts, errors or omissions of any of the foregoing in connection with the carrying out of their professional responsibilities for the Project, with a deductible not more than $50,000. The services provided under this Agreement shall not be excluded from coverage under such policy and the retroactive date on such policy shall be prior to the first date upon which Design Builder provided services under this Agreement. Such professional liability policy shall contain no contractual liability exclusion or limitation.

As to the recommendation to procure OPPI insurance, CPR is undergoing a comprehensive review of its insurance needs and will consider OPPI. However, CPR's insurance coverage will in no way relieve the IPD Teams of their own need to provide the insurance coverages required by the Agreement.

Q12: Has / will the proposed contract be submitted for a validation action? Will CPR indemnify the IPD team against all legal matters associated with the validity of this contract?

A12: It is unclear what the questioner means by a "validation action". Pursuant to a federal court order on February 14, 2006, the Receiver was granted the authority to exercise all powers vested by law in the Secretary of the California Department of Corrections and Rehabilitation as they relate to the administration, control, management, operation and financing of the California state prison medical health

care system. The Receiver operates under the federal court's jurisdiction and through a series of orders has been given special authority to procure certain goods and services under a court-approved procurement method.

However, CPR requires additional funding for the Co-Opetition and anticipates that new legislation will be passed; if not, CPR will need to explore other avenues for funding. CPR will not enter into any Agreement for Preliminary Integrated Project Delivery Services unless new legislation or a supplemental federal court order is in place to allow the Co-Opetition to go forward.

CPR will not agree to indemnify the IPD Teams against all legal matters associated with the validity of the contract. The party contracting with CPR would have whatever legal and equitable rights against CPR are available in the event the contract is found invalid. We know of no reason why the contract would be found invalid.

Q13: Please confirm whether Exhibits A & B are pages 14 & 15 respectively of the Agreement for Preliminary IPD Services as they are not numbered and the RFPQ document is inserted into the body of the contract.

A13: Exhibit A follows immediately after the signature page (which is numbered page 14) and Exhibit B follows immediately after the RFQP attached to Exhibit A and has a footer labeled "Exhibit B – Compensation."

Q14: Section 7.1 of the RFQ/P indicates Phase II design and construction of the First-Fastest Facility to be completed within 24 months after completion of the Preliminary Design and Validation Phase and issuance of notice to proceed. This time line was questioned due to the size, complexity, and unknown site requirements in the pre-proposal conference and the response give by URS/BLL was that the time line would likely be modified during the co-opetition. Could URS/BLL elaborate on what the time line for design and construction with site considerations would be?

A14: The schedule in the RFQP for the First Fastest facility remains 24 months from NTP.

Q15: Attached is a letter outlining various contractual issues with the proposed Agreement for Preliminary IPD Services. Please refer to the attached letter.

A15: The items noted in the letter dated May 22, 2008 from Andy Burdett to Bill Proctor are not questions regarding the RFQP but are instead requests for modifications to the form of Agreement for Preliminary Integrated Project Delivery Services. As per Section 11, item 4 (pg. 25) of the RFQP, proposed changes to the form of agreement are to be provided as part of the RFQP proposal submittal. Any such changes included in an IPD Team's proposal will be considered by the CPR team and evaluated along with the other parts of such team's proposal.

Please submit any questions regarding the Solicitation in writing to: CPR-IPD-RFQP@URSBLLJV.COM

If you have received this communication but did not receive the RFQP referenced above and would like to, please submit a request in writing to the email box listed above.

If you would like to be taken off the distribution list, please send a request to the email box listed above.