NOTICE TO VENDORS:

Addendum #1 is hereby issued to “Request for Proposal PB04-09 “Building Development and Management” services to answer specific questions from the inquiry period.

Question 1: Section 2.1 of the RFP (and the cover letter) indicates a date for submission of proposals of November 16, 2004. Section 2.4 indicates the date is December 1, 2004. Please clarify

Answer: The correct date/time is November 16, 2004 2 P.M. Pacific Standard time. Section 2.4 is hereby changed to reflect the correct dat/time for submission.

Question 2: Paragraph 2 in Attachment A suggests that the operating lease might be entered into after the project has been paid for through bond proceeds and University equity. Please confirm that the operating lease will be entered into on or before bond closing.

Answer: Operating lease will be entered into on or before bond closing to facilitate the financing.

Question 3: Section 5.1 of the RFP indicates that the University will assign to the nonprofit “design build oversight responsibility…who will then manage the completion of the design and construction”. Section 5.1 further states that the nonprofit will not be asked to engage or partner with a private project manager. Accordingly please clarify what, if any, contractual relationship is anticipated between the non-profit, as owner, and the UW Capital Projects Office with regard to project management.

Answer: In response to your question, we have rewritten section 5.1 as follows:

5.1 DESIGN AND CONSTRUCTION

The Project will be conducted as a public work. The University will conduct a design-build competition in accordance with the alternative public works statute, RCW 39.10. The nonprofit will have the opportunity to participate on a consultative basis in the design-build proposal review and
selection process. Upon completion of the selection process specified in RCW 39.10, the University will award a design-build contract to the selected design-builder. The design-build contract will provide that the design-builder will be fully responsible for construction and completion risk, including force majeure risks. Liquidated damages for late completion shall be sufficient to pay the debt service until such time as the operating lease takes effect.

Immediately upon award of the design-build contract, the University intends to assign the contract to the nonprofit, who will take on all of the contractual rights and obligations of the owner. The nonprofit will be responsible for providing comprehensive project management services, which will include, but are not limited to: ensuring that the design meets the University's requirements as stated in the design-build performance specification; monitoring the design-builder's progress during design and construction; coordination of design review and approval; review and approval of design and construction draws; coordination with University and community entities; and other activities as are necessary to ensure successful completion of the project. The University shall be given the opportunity to review the design and will retain the authority to approve the design. The University may withhold its approval of the design if it determines that the design does not meet the overall character and quality of the development sought by the University. Construction shall not begin without the University's approval.

The University's Capital Projects Office is prepared to provide project management services to the nonprofit for a fixed fee that is within the current project budget. The nonprofit may engage the Capital Projects Office for this purpose or it may engage the services of a private project manager. The nonprofit shall determine which approach will provide the best overall value for the project. In either case, the University expects to retain a role in tenant representation and design approval. If the nonprofit decides to engage a private project manager, the total cost of all project management services, including the University's costs for the functions it will retain, may not exceed the amount designated for this purpose in the current project budget. If the nonprofit chooses to engage the Capital Projects Office for project management services, the terms, conditions and scope of services will be stipulated in an agreement negotiated between the nonprofit and the University and made a part of the design-build contract assignment agreement.

**Question 4:** Section 1 of the RFP specifies that the nonprofit will be responsible for the actual costs and financing of the project. We assume that the design-build contract will include a guaranteed maximum price (“GMP”). Since the nonprofit will not engage a developer to separately guarantee completion of this project within budget and on schedule, does the University require any guarantee other than the GMP contract?

**Answer:** The design-build contract will be a lump sum contract, which will contain obligations on the part of the design-builder to provide payment and performance bonds. The non-profit will not be asked to separately guarantee completion of the project within budget and on schedule, but may rely on the guarantees of the design-builder.

**Question 5:** Please clarify the timing and mechanism for the contribution of University funds to the completion of the project.

**Answer:** Under the terms of the ground lease, the university expects that university funds will
be available for completing the design and for initial demolition and construction activities up to the point that the office building construction commences. Beyond that point, university funds cannot be used until occupancy. Upon occupancy, a lump sum rent payment under the facility lease will be made to cover the remaining up-front contribution.

All other terms and conditions remain the same

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