



April 2, 2025

ADDENDUM #2

REQUEST FOR PROPOSALS (RFP) NUMBER: 24-06 PRE-CONSTRUCTION AND LEASE-LEASEBACK SERVICES FOR RANCHO SONADO

IMPORTANT NOTICE

Please note the following responses to questions asked by prospective contractors to RFP Number 24-03:

Question 1:

Section VI Pre-Construction Services states that the Contractor is to prepare a cost estimate based on the final construction documents. Please confirm that the Architect is preparing all estimates prior to final CD's and that the awarded Lease-Leaseback Contractor is only to provide 1 estimate at the final CD drawings?

Answer:

The Architect has provided a DD cost estimate that was made available to all proposers. The Architect will update this upon submittal of any increment of drawings to DSA. The selected LLB team will review and comment on the DD estimate and will provide value engineering proposals. Additionally, the LLB Contractor will provide its own estimate based on each set of DSA submittal drawings, and will update said estimates when drawings receive final approvals.

Question 2:

Attachment 3 requests the designation of subcontractors for the project to be submitted with the proposal. Per the schedule provided in the SD drawings dated 03/18/2025 the project is not scheduled to bid until November 2025. Designating subcontractors at this time will limit the ability to receive competitive pricing. Will subcontractors be able to prequalify prior to the projected November bid time for the project?

Answer:

Listing of Subcontractors will not be required at this time. Per Public Contract Code section 20111.6 pre-qualification of MEP subcontractors will be required. Once an LLB team is selected, the Superintendent will conduct this pre-qualification process. The selected LLB team will assist the Superintendent with recruitment and outreach to be sure an ample MEP subcontractor bid pool is available for the project when it does bid.

Question 3:

Attachment 2, item 2 requests a Lease-Leaseback Fee as a % of the construction budget. Is this Fee to include the costs for Payment and Performance Bonds, General Liability and Workers Compensation Insurance or should these costs be included in the General Conditions costs?

Answer:

Replace Attachment 2 Fee Proposal from Addendum #1 with the attached documents, labeled Addendum Two. Sealed envelope submittals shall include both the Addendum Two Fee Proposal and the Supplementary Conditions and General Conditions Breakdown sheets.

Question 4:

Sections 35.6 and 35.7 of the Construction Services Agreement calls for the Lease-Leaseback Contractor to carry a Builder's Risk and Fire Insurance policy. Due to recent wildfires and the location of the project, pricing for these policies will fluctuate over time. Is it the intent to have the costs for these policies to be included as a part of the Lease-Leaseback Contractors fee in Attachment 2 or can the pricing for these policies be completed when developing the final GMP pricing?

Answer:

Replace Attachment 2 Fee Proposal from Addendum #1 with the attached documents, labeled Addendum Two. Sealed envelope submittals shall include both the Addendum Two Fee Proposal and the Supplementary Conditions and General Conditions Breakdown sheets.

Question 5:

Construction Services Agreement Section 3.6 Liquidated Damages is not identified. Please confirm what the Liquidated Damage rate is per calendar day.

Answer:

The liquidated damage rate is One thousand five hundred dollars (\$1,500.00) for each consecutive calendar day of delay until completion of the work is achieved. Such damages shall be deducted from any payments due or to become due to the contractor. Government Code Section 53069.85, Civil Code Section 1671.

Question 6:

Attachment 2 – Fee Proposal of the RFP does not have line items for Payment and Performance Bon Rate %, GL Insurance %, rate per contract requirements, and for Builders Risk (Course of Construction) Rate % per contract requirements, should we add our rate percentages for these items at the bottom of the List of General Conditions you are requesting in Item 3 in the same attachment?

Answer:

Replace Attachment 2 Fee Proposal from Addendum #1 with the attached documents, labeled Addendum Two. Sealed envelope submittals shall include

both the Addendum Two Fee Proposal and the Supplementary Conditions and General Conditions Breakdown sheets.

Question 7:

The Construction Services Agreement states the below regarding “price fluctuations”. Given the current political and economic climate, things are changing daily. The Contractor, once the project is bid at a certain time, may have no control over price fluctuations due to “tariffs” not yet known. We understand that at bid time, we can try to lock in prices, order ASAP, and store materials (pricy), however if a government act causes a price increase, this would be considered “Force Majeure” and out of our control. Will the Superintendent consider the use of contingency funds for such increases, if the Contractor has shown and proven due diligence in early contracting and procurement, and if a price increase is due to a Government act? Or alternatively, would the Superintendent consider an additional allowance in the GMP for said potential increases?

- 5.3.7 *Price Fluctuations.* As part of Contractor’s Due Diligence responsibilities, Contractor is required schedule and plan to order, obtain, and store materials and equipment sufficiently in advance of its Work at no additional cost to assure that there will be no delays. Contractor understands that this may be a multi-year contract and that materials fluctuate in value and shall have adequately addressed market fluctuations through agreements with Contractor vendors or by other means. Contractor further understands and incorporates into Contractor’s proposal cost any wage rate increases during the Project for the Contractor’s labor force as well as all other subcontractor and vendor labor forces. Contractor also understands the length of the Project schedule and has incorporated an appropriate budget to include labor, material, and equipment escalation costs into the GMP. At no time will the Superintendent accept any costs associated with these increases. Superintendent shall not be responsible for market fluctuations in costs or labor rate increases during the Project. Contractor further has incorporated any and all cost increases in areas of Work where there may be schedule variations so that cost increases are not passed through to the Superintendent.

Answer:

Section 57. Pricing Adjustment Due to Tariffs will be added to the CSA as follows:

If after Board approval and full execution of all lease-leaseback Contract Documents by the parties, the federal government executes and implements any tariffs that result in an overall increase in the Contractor’s pricing for specific raw materials or fabricated materials required for the Project, the Contractor may request a price adjustment for the actual cost increases incurred only if the Contractor and all applicable Subcontractors comply with all of the following requirements:

1. The Contractor fully complied with the requirements in the Contract Documents for timely submitting and obtaining approvals of: (1) all schedules including, but not limited to, Baseline Schedule, Construction/ Project Schedule, and schedule updates; and (2) all other required documents and submittals including those set forth in Article 9 of the Construction Services Agreement (CSA);

2. The Contractor provides documents including, but not limited to, quotes, invoices, receipts, and any other documents reasonably requested by the Superintendent showing the original cost of the impacted materials required for the Project and the revised costs due to the applicable executed and implemented tariffs which results in an increase by a net amount of more than fifteen percent (15%);
3. All data and documents used by the Contractor to establish costs pursuant to this Article are consistent with the approved Schedule of Values;
4. The Contractor provides the Superintendent with all documents used by the Contractor and its Subcontractors to prepare the Guaranteed Maximum Price (GMP) for the Project including all electronic files with all associated original unaltered metadata;
5. The Contractor provides the Superintendent detailed job cost reports for the Project;
6. The Contractor timely provided submittals and obtained approvals of submittals for all impacted materials the Contractor is seeking a price adjustment for;
7. The Contractor provides documents to show it made reasonable efforts to obtain the materials subject to tariffs from other sources including domestic sources or other sources not subject to tariffs;
8. The Contractor provides documents to show that there are no equivalent materials that are not subject to tariffs;
9. The Contractor provides documents to show all impacted materials the Contractor is seeking a price adjustment for were ordered and procured timely by the Contractor as required by the Contract Documents, and that the timing of such orders by the Contractor did not, or will not, impact the progress of the Project and not impact the approved critical path shown in the approved Construction Schedule.

Upon compliance with all of the requirements set forth above, the Superintendent will evaluate the information and documents provided, and any cost adjustment approved by the Superintendent shall be made pursuant to a Change Order issued to the Contractor in accordance with the CSA. Any approved costs shall be paid to the Contractor using the Superintendent's Contingency. Any price adjustment pursuant to this Article shall not automatically result in an increase in the Contract Time. However, if the Contractor is able to establish a delay pursuant to the requirements of the Contract Documents due to a tariff executed and implemented by the federal government, such established delay shall be subject to the requirements and conditions set forth in Article 20 of the CSA. If the Contractor disputes any Contract Price or Contract Time adjustment pursuant to this Article, it shall timely proceed in accordance with the Disputes and Claims procedures set forth in Article 20 of the CSA including providing all required timely written notices.

Question 8:

Article 6.3.6 of the CSA states that there shall be a DVBE participation goal, and refers to Exhibit C, which is blank. What is the actual DVBE outreach effort and documentation that is required to be submitted? Can forms be provided by OCDE prior to bidding?

Answer:

DVBE participation is not required for this project.

Question 9:

Article 9 of the CSA addresses "float" in 3 categories – including inclement weather but defined as "rain days". Given that it is anticipated that the project may experience "wind days" as expressed at the job walk, will these wind days be considered as "Inclement Weather" days?

Answer:

The Superintendent will allow the contractor to consider extreme wind days in the classification of inclement weather. The same burden of proof for impact to the critical path schedule will apply to extreme wind days.

Question 10:

Article 17.5 of the CSA addresses change order format and markups and is a typical format for most L/LB projects. What is not typical is the statement about subcontractors not being able to markup their work on a change order if an allowance is being utilized. We understand as the GC, that we will have markups included on the overall project value including contingencies and allowances, but subcontractors may not even know what that value is (of contingencies and allowances) to include markup in their base bid, because it is usually a percentage of the overall bids and is determined between the Superintendent's representatives and the GC. The same should be said for the bonds & Insurance for subcontractors. Can this be stricken out of the CSA? If not, it could add substantial "undetermined" costs to the project, and/or will deter bidders from the project.

- (e) For work performed by Subcontractor, add Subcontractor's overhead and profit not to exceed 10% of Item (d). Contractor may include 5% of Item (d) for its overhead and profit.

Note: Do not include any costs covered in this Item (e) if Change Order will be paid using an Allowance or Contingency that is within or included in the GMP- see Item (o) below.

- (f) Bond and insurance costs not to exceed one percent (1%) of Item (d). Do not include any costs covered in this Item (f) if Change Order will be paid using the Superintendent's Allowance- see Item (o) below

- (g) **SUBCONTRACTOR'S TOTAL COST:**

Answer:

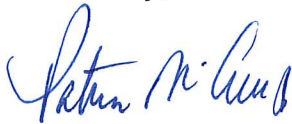
The Superintendent will revise Article 17.5, items (e) and (f) of the CSA to read as follows: Sub-Contractor and Contractor mark ups for overhead and profit WILL be permitted for items paid using a contingency or allowance within the GMP. Bond and Insurance Sub-Contractor and Contractor mark ups will NOT be permitted for items paid using a contingency or allowance in the GMP, (as those costs should already be included in the GMP).

All Project Documents remain unchanged except sections or parts of sections added to, revised, deleted or clarified by this Addendum.

This Addendum shall be considered part of the Project Documents for the above-mentioned project as though it had been issued at the same time and shall be incorporated integrally herewith. Where provisions of the following supplementary data differ from those of the original Project Documents, this Addendum shall govern and take precedence.

Firms are hereby notified that they shall make any necessary adjustments in their proposal on account of this Addendum. It will be construed that each Firm's proposal is submitted with full knowledge of all modifications and supplemental data specified herein.

Sincerely,



Patricia McCaughey
Director, Business Operations

ATTACHMENT 2 – FEE PROPOSAL (ADDENDUM TWO)

This “Attachment 2” must be submitted with your proposal in a separate, sealed envelope with your company name, Proposal title, “Fee Proposal, Attachment 2”, labeled on the outside of the envelope.

The Firm proposes the following fees:

1. The pre-construction fee should be expressed as a lump sum firm fixed price based on the construction budget, schedule, and descriptions in Sections II and VI of this RFP, and the attached form Pre-construction Services Agreement.

Pre-construction Fee: [LUMP SUM] \$_____

2. The lease-leaseback fee shall include the Firm’s overhead, profit, and all other costs (excluding general and special conditions) that are necessary to fully complete the Project, and should be expressed as a percentage and shall be the same as the “Contractor’s Fee” as set forth in Article 3 of the Construction Services Agreement in Attachment 4 to this RFP.

NOTE: Should the Firm try to revise the Contractor’s Fee in the final Construction Services Agreement so that it exceeds the percentage below, the Firm agrees and acknowledges that the Superintendent has the right to deem the Firm’s proposal non-responsive, cancel the Lease-Leaseback Contract without owing any fees or costs to the Firm, and award a contract to another contractor/Firm.

Lease-Leaseback Fee: _____% of construction budget.

3. The special conditions shall include all bonds, insurances and initial project start up overhead costs, as opposed to on-going, monthly general condition costs. **Use the attached form to list all special conditions the firm requires for the project and submit with this attachment.** No other special conditions not provided with this attachment shall be allowed in the Lease Leaseback contract.

Special Conditions (Lump Sum): \$_____

4. The general conditions should be expressed as a monthly rate based on the construction budget, schedule, and description in Section II of the RFP. **Use the attached form to list all general conditions the Firm requires for the Project and submit with this Attachment.** No other general conditions not provided with this Attachment shall be allowed in the Lease-Leaseback Contract.

General Conditions: \$_____/month

5. Total Fee Proposal:

For purposes of scoring the fee proposals, the monthly fees will be multiplied by 18 months to calculate the total fee for evaluation purposes and the total fee will be used to calculate the Best Value Score. The actual Lease-Leaseback Fee, Special Conditions Price, and General Conditions price for the Firm awarded the contract will be based on the final construction budget and actual term of the Lease-Leaseback Contract.

1. Pre-construction Fee: = \$_____
2. Lease-leaseback Fee: _____ % x \$13,500,000 = \$_____
3. Special Conditions: = \$_____
4. General Conditions: \$_____/month x (18 months) = \$_____

* Current estimated duration of construction duration is subject to change; however, the monthly General Conditions cost submitted by the Contractor above shall not be adjusted if actual total number of months varies from the currently estimated eighteen (18) month duration.

TOTAL PROPOSED FEE: [1+2+3+4] State the total proposed fee in both numbers and words:

_____ (\$_____)

Executed this ____ day of _____, 20____

Company Name

Signature

Title

Print Name

ATTACHMENT 2 – FEE PROPOSAL (ADDENDUM TWO)

Special Conditions Breakdown

1. GC Bonds: _____ % x \$13,500,000 = \$ _____
2. GC Insurance: _____ % x \$13,500,000 = \$ _____
3. Builders Risk Insurance: _____ % x \$13,500,000 = \$ _____
4. Other: _____ = \$ _____
- _____ = \$ _____
- _____ = \$ _____
- _____ = \$ _____
- _____ = \$ _____
- _____ = \$ _____
- _____ = \$ _____
- Total Special Conditions Cost:** = \$ _____

Notes:

- 1) The Contractor may utilize this document for format, and submit a similar self-prepared document for ease of processing.
- 2) Once a LLB GC is selected, the Owner will entertain discussions about OCIP and other insurance issues due to the extreme fire danger rating of the property.

ATTACHMENT 2 – FEE PROPOSAL (ADDENDUM TWO)

General Conditions Breakdown

A. List Monthly Labor Costs/Positions:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

B. Lis Monthly Non-Labor Costs:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total Monthly General Conditions: \$ _____

- C. List any General Conditions that would be proposed to be included in pending subcontractor bid packages. Costs are not needed at this time:

Notes:

- 1) The Contractor may utilize this document for format, and submit a similar self-prepared document for ease of processing.
- 2) As part of preparation of the GMP on any contract, the Superintendent will require more detail and back up of General Conditions Costs to be included in both the GC scope and that included in all Sub-Contracts.