

S. HRG. 113-473, VOL. II

**FEDERAL RESERVE'S SECOND MONETARY POLICY
REPORT FOR 2014**

HEARING
BEFORE THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

VOLUME II

ON

OVERSIGHT ON THE MONETARY POLICY REPORT TO CONGRESS PURSU-
ANT TO THE FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978

JULY 15, 2014

Printed for the use of the Committee on Banking, Housing, and Urban Affairs



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Name of individual: AIA (Peer Review Team Leader)
PEER REVIEW TEAM - BUILDING ENVELOPE

Years of Experience
38

Name: is an experienced architectural manager with 38 years of professional experience in all aspects of architectural design. His strong design and technical background enables him to efficiently complete renovation and new design projects from programming through construction administration.

Education
Architecture Coursework, 1970

Professional Registrations
Registered Architect:
VA **INDIVIDUAL DETAILS**
DC
MC
NY
CT,
NCARB Certified

Sample Experience

- **Federal Reserve Board, Emergency Generator Cooling System Review, Washington, DC; Project Manager.** Provided design services to evaluate the generator system.
- **Market Square, Washington, DC; Project Architect.** Responsible for the detailing of the exterior façade. The project consisted of two buildings totaling 1.3 million SF.
- **Miami ARTCC Administration Wing Rehabilitation.** **Name:** provided technical oversight for the programming, design and construction documents for the rehabilitation and expansion of the administration wings. The design also included HAZMAT abatement, hurricane and blast resistant curtainwall detailing, communications wiring, and phased roof construction plans to maintain water proof integrity.

Name of individual:

Jr., PE, CVS, FIES
PEER REVIEW TEAM - EMERGENCY POWER

Years of Experience
47

Name: has extensive knowledge in electrical power distribution, lighting design, energy conservation techniques, emergency lighting and power, and value engineering, including in-depth government experience.

Education
Bachelor of Science, Electrical
Engineering, 1964, Clarkson
University

Professional Registrations
Professional Electrical Engineer,
14 states, DC, Guam,
Northern Mariana Islands
National Certification of Examiners
of Engineers and Surveyors
INDIVIDUAL DETAILS
197

Sample Experience

- **Federal Reserve Board, Electrical Malfunction Investigation, Washington, DC; Project Manager.** Provided support services after the FRB experienced a sudden power crash. **Name:** The system was back on line several hours later by a cell phone telecom. **Name:** also performed, a field survey and forensic study as well as a report of the findings and recommendations of the generator failure, several months later.
- **Federal Reserve Board, Emergency Generator Cooling System Review, Washington, DC; Electrical Engineer.** Provided design services to evaluate the generator system.
- **Federal Reserve Board, Synchronization of Uninterruptible Power Supply (UPS) system, Washington, DC; Electrical Engineer.** Provided O.C. of the electrical design, peer review and site visit to determine electrical malfunction and commissioning of **Name:**

Value Engineer (VE), 1974, 1994
 Certified Value Specialist (CVS),
 1997
 Certified Fall-out Shelter Analyst,
 1970

name of individual

PE

PEER REVIEW TEAM - SANITARY SEWER

Years of Experience
14

Education
Bachelor of Science, Civil
Engineering Technology, 1997,
Rochester Institute of Technology

Professional Registration
Professional Engineer:
PA, individual
MD details
RI,

name has 14 years of experience in numerous market sectors. He is responsible for overseeing the civil design efforts of the staff and for performing quality control and discipline coordination reviews of other discipline leaders in the civil engineering division. His responsibilities have included civil design, project management, consulting services, and construction administration.

Sample Experience

- **The George Washington University, Washington, DC; Lead Designer.** Specific tasks included site layout, grading, storm and sanitary sewer design, sediment and erosion control design, obtaining permit approval from the District of Columbia, coordinating design efforts with the architectural team, shop drawing review and construction inspection.
- **Virginia Commonwealth University, Richmond, VA; Lead Designer.** Specific tasks included site layout, grading, storm and sanitary sewer design, design of track and field systems, sediment and erosion control design, obtaining permit approval from the Commonwealth of Virginia, coordinating design efforts with the architectural team, shop drawing review and construction inspection.

name of individual, PE

PEER REVIEW TEAM - STRUCTURAL

Years of Experience
22

Education
Master of Business Administration,
1999, Georgia State University
Master of Science, Civil
Engineering, 1988, Texas A&M
University
Bachelor of Science, Civil
Engineering, 1986, Texas A&M
University

Professional Registration
Professional Engineer:
GA, individual details
NJ,
NY,
RI,
DC,

name serves as senior structural engineer for facilities-related projects. He has 22 years of structural engineering experience on a wide variety of commercial, government, communications and military projects. His experience includes investigation, analysis, and strengthening of existing structures.

Sample Experience

- **Federal Reserve Board, CM Services for Multiple Projects, Washington, DC; Structural Engineer.** Our scope on this project is the development of the scope of work for the Martin Building renovation design, to assist with the design to replace the electrical system in the Martin and Eccles Buildings, and to provide CM services and coordination of structural repairs for the Martin North Garage.
- **Maryland Procurement Office IDIQ.** Provided input and QC for FEDS Project, and for FANX Building 6th Floor structural assessment and strengthening project. Also provided site survey for Promenade and Green Roof Project.

name of individual, PE
**POTENTIAL MATERIALS TESTING SUBCONSULTANT
 FIRM: SPECIALIZED ENGINEERING**

Years of Experience:
26

Education
 Master of Science, Engineering
 Management, George Washington
 University
 Bachelor of Science, Civil
 Engineering, West Virginia
 University

Professional Registration
 Professional Engineer:
 WV, MD, VA, DC, PA

name offers 26 years experience (15 with Specialized Engineering) in materials testing and inspection, with work on over 3,000 projects in the Washington, DC metropolitan area. He is highly experienced in the technical oversight of construction materials testing and inspection along with the diversified areas of construction quality control.

Sample Experience

- **Bartholdi Park Utility Upgrades Phase 3, Washington, DC; Principal-in-Charge.**
- **E. Barrett Prettyman U.S. Courthouse, Washington, DC; Principal-in-Charge.**
- **IRS HQ Building Modernization, Washington, DC; Principal-in-Charge.**
- **National Archives and Records Administration, Washington, DC; Principal-in-Charge.**
- **U.S. Department of Agriculture HQ, Washington, DC; Principal-in-Charge.**
- **U.S. Department of Justice HQ, Washington, DC; Principal-in-Charge.**

name of individual, PE
**POTENTIAL MATERIALS TESTING SUBCONSULTANT
 FIRM: ECS**

Years of Experience:
8

Education
 Bachelor of Science, Civil
 Engineering, 2002, University of
 Maryland

Professional Registration
 Professional Engineer:
 DC, MD, VA

name serves as a Senior Project Engineer and the District of Columbia Area Manager. **name** is part of a team responsible for performing geotechnical studies, testing and inspection services, adjacent structure and support of excavation (SOE) monitoring, and related services on a variety of different project types in the District of Columbia.

Sample Experience

- **DC Court of Appeals Addition and Renovation, 430 E Street, NW, Washington, DC; Senior Review Engineer.** Materials testing and inspections for the underpinning of the DC Court of Appeals structure below grade excavation, and construction of a new underground level beneath the existing court building.
- **Constitution Square – 1st and M Streets, NE, Washington, DC; Geotechnical Engineer of Record.**

name is currently managing the deformation monitoring of the SOE and materials testing and inspections portion of the projects.

name of individual, ScD, PE, LEED AP
POTENTIAL MATERIALS TESTING SUBCONSULTANT
FIRM: ECS

Years of Experience
 31

Education

Doctor of Science, Metallurgy, 2007,
 University of Maryland
 Master of Science, Metallurgical
 Engineering, 1981, Rice University
 Bachelor of Science, Metallurgy,
 1979, University of Alabama

Professional Registration

Professional Engineer:
 DC, TX, VA
 LEED Accredited Professional

name serves as Specialty Services Manager in the Chantilly, Virginia office. Responsibilities include managing projects, developing and implementing specialty testing protocols, and designing testing apparatus as required for client-specified specifications and testing projects.

Sample Experience

- **Corcoran Gallery of Art, Washington, DC.** Oversight of a series of construction materials assessments on various building systems at the Corcoran Gallery. The assessments performed included mechanical documentation of structural trusses in the roof systems and a schematic assessment of the system for the suspension of metropolitan plaster throughout the gallery roof features and walls.
- **The Pentagon, Project Phoenix, Arlington, VA.** This project consisted of the rebuilding of approximately 450,000 SF of the Pentagon destroyed or in need of demolition because of the September 11, 2001 terrorist attack. The highly accelerated rebuilding project consisted of five-stories of reinforced concrete construction of the three outer rings of the west face of the Pentagon.

competitive harm



competitive harm



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COMMISSIONING PLAN:

Written by [name of individual](#) for the Department of Commerce Herbert C. Hoover Building Modernization project.

COMMISSIONING SPECIFICATIONS:

Written by [name of individual](#) for the Department of Commerce Herbert C. Hoover Building Modernization project.

EXECUTED FUNCTIONAL PERFORMANCE TEST PROCEDURE

Written by [name of individual](#) for the Department of Commerce Herbert C. Hoover Building Modernization project.



**General Services Administration
Department of Commerce
National Capital Region
Herbert C. Hoover Building Modernization
Washington, DC**


**Commissioning Plan
November 12, 2008**

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General Services Administration
Department of Commerce

National Capital Region
Washington, DC

The Commissioning Plan Jacobs Drafted for an Unrelated Project for Another Agency was Withheld because it is considered the Property of that Other Agency and Jacobs' Commercial Work Product



Herbert C. Hoover Building Modernization
Commissioning Plan Rev 3

GS11P06MKC0030

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PEER REVIEW STAFF

Below is a table summarizing the qualifications and references of our peer review team members. None of these team members will be employed as a consultant; they are all Jacobs employees.

Team Member	Assigned Role	Total Years Experience	Registration/Certifications	Education/Training	REF Experience
name of individ	Peer Review Team - HVAC/BAS/Controls	16	Professional Engineer, Certified in Plumbing Engineering; Construction Documents Technologist; LEED Accredited Professional; Certified Energy Manager	BS, Mechanical Engineering	X
	Peer Review Team - Lighting/Daylighting Controls & Power Distribution	13	Professional Engineer, Registered Communications Distribution Designer	BAE, Lighting and Electrical Emphasis	
	Peer Review Team - Domestic Hot Water & Water Filtration	25	Certified in Plumbing Engineering (CIPE) ASPE	Certification in Plumbing Design; Mechanical Engineering Studies; Dip. Mechanical Engineering Technology; Dip. Architectural Engineering; Certificate, Automatic Sprinkler Systems; Certificate, Value Engineering	
	Peer Review Team - Renewable Energy	15	Professional Engineer	BS, Electrical Engineering	
	Peer Review Team - Security	14	N/A	N/A	X

Team Member	Assigned Role	Total Years Experience	Registration/Certifications	Education/ Training	FBI Experience
Name of Individual	Peer Review Team - Life Safety	38	Professional Engineer	MS, Admin, Quantitative Analysis for Decision-making; BS, Fire Protection Engineering	X
	Peer Review Team - Kitchen Equipment	47	N/A	BS, Mechanical Engineering	
	Peer Review Team - Audio/ Visual Systems & Information Technology	30	Registered Communications Distribution Designer, 1997	AAS, Drafting	
	Peer Review Team - Elevators/ Escalators	17	Registered Architect; Security Clearance: Top Secret	BS, Architectural Studies	X
	Peer Review Team - Building Envelope	38	Registered Architect, NCARB Certified	Architecture Coursework	X
	Peer Review Team - Emergency Power	47	Professional Electrical Engineer; National Certification of Examiners of Engineers and Surveyors; Value Engineer; Certified Value Specialist; Certified Fall-out Shelter Analyst	BS, Electrical Engineering	X
	Peer Review Team - Sanitary Sewer	14	Professional Engineer	BS, Civil Engineering Technology	
	Peer Review Team - Structural	22	Professional Engineer	MBA; MS, Civil Engineering; BS, Civil Engineering	X

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OFFEROR'S EXPERIENCE

PROVIDING COMMISSIONING SERVICES TO THE FEDERAL GOVERNMENT, FEDERAL RESERVE SYSTEM, OR CLIENTS OF A SIMILAR-SIZED WORKFORCE

We are currently providing construction management services to the Federal Reserve System, including commissioning of the UPS system in the Eccles Building. Our commissioning services with the Federal government and other similar-sized private clients is extensive. Below are a few examples of such experience.

GSA Cedar Rapids Courthouse, Cedar Rapids, Iowa competitive harm
GSA Confidential Federal Office Building and Courthouse, Confidential Location competitive harm
Oklahoma Medical Research Foundation (OMRF), Oklahoma City, OK competitive harm

GSA Mary E. Switzer Building, Washington, DC
competitive harm

Grand Rapids Art Museum, Grand Rapids, MI
competitive harm

Department of State "Old War"/Main Building, Washington, DC
competitive harm

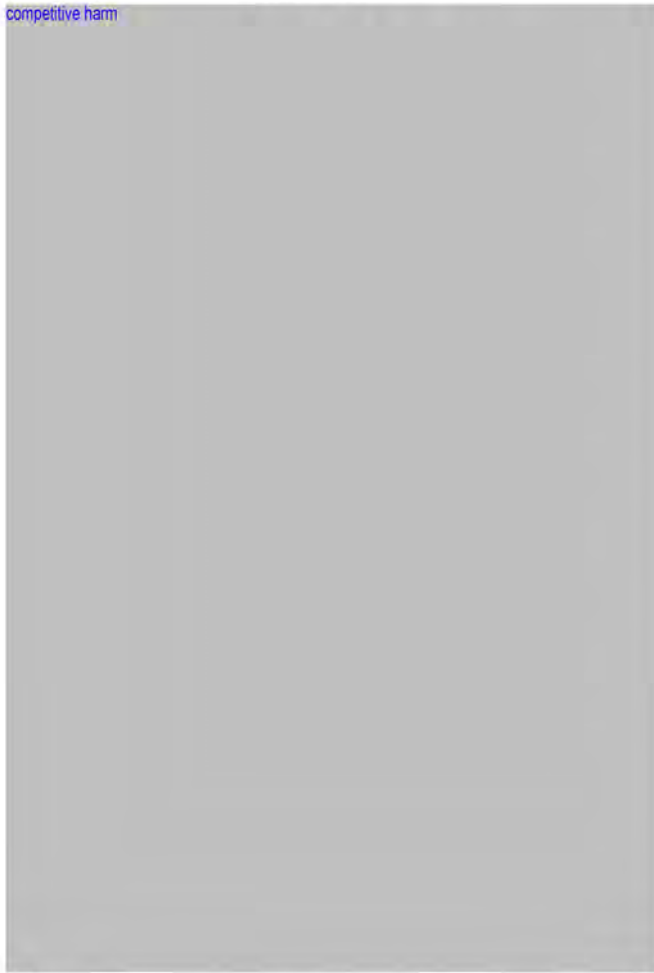
competitive harm

competitive harm

System	CV Project Experience
competitive harm	

**Social Security Administration Headquarters
Campus/Operations Building
WOODLAWN, MD**

competitive harm



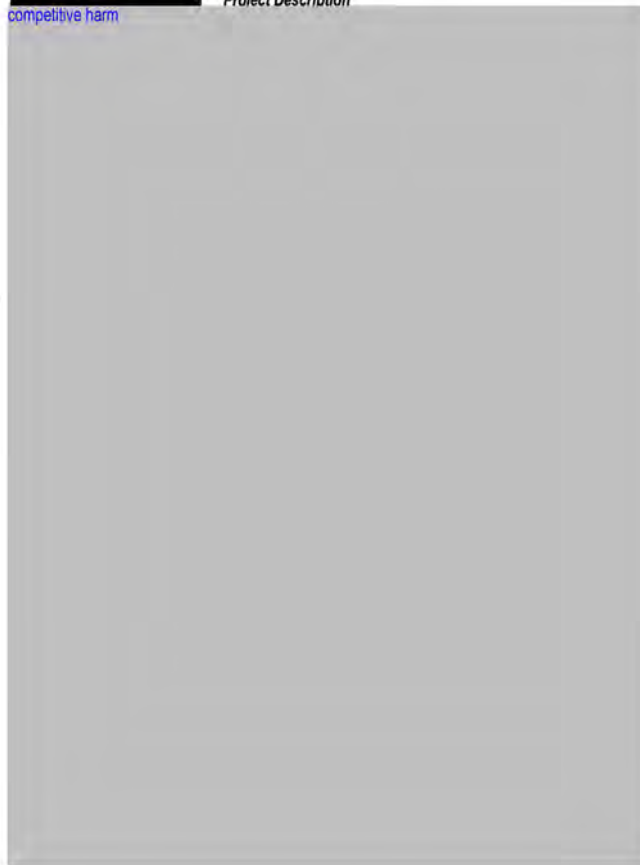
**Department of the Interior Modernization, Phase IV
WASHINGTON, DC**

competitive harm



Confidential Office Building, Phase I
WASHINGTON, DC

Project Description
competitive harm



Art Institute of Chicago New Modern Wing
CHICAGO, IL

Project Description

competitive harm



**GSA Little Rock Federal Courthouse Annex
LITTLE ROCK, AR**

Completion Date: 2008
competitive harm

Project Description



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Management Approach
Part A. Approach to Requirements

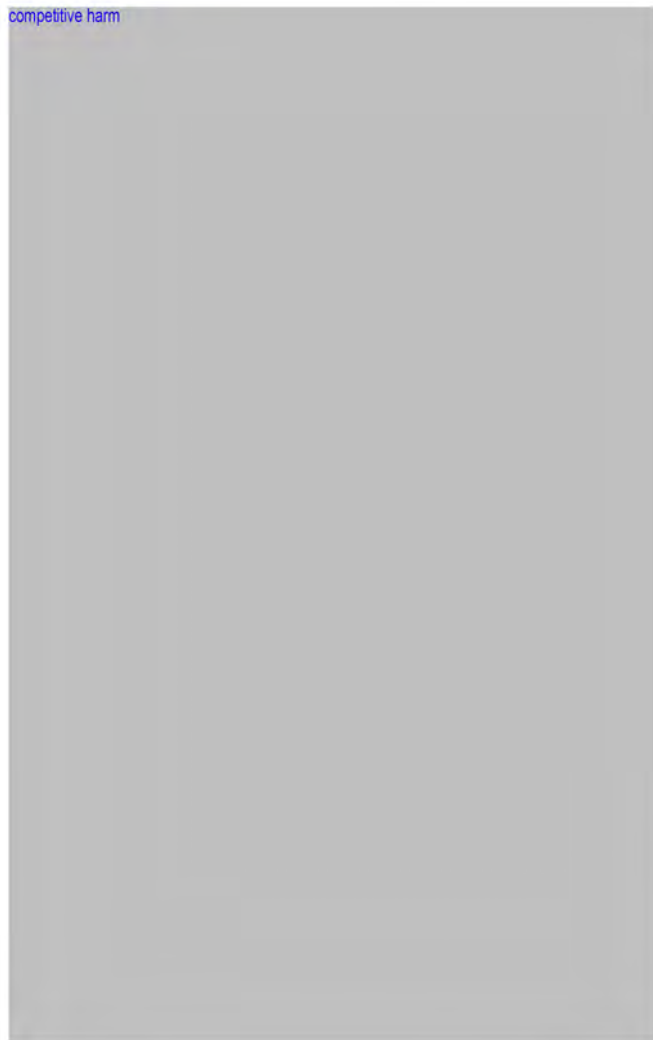
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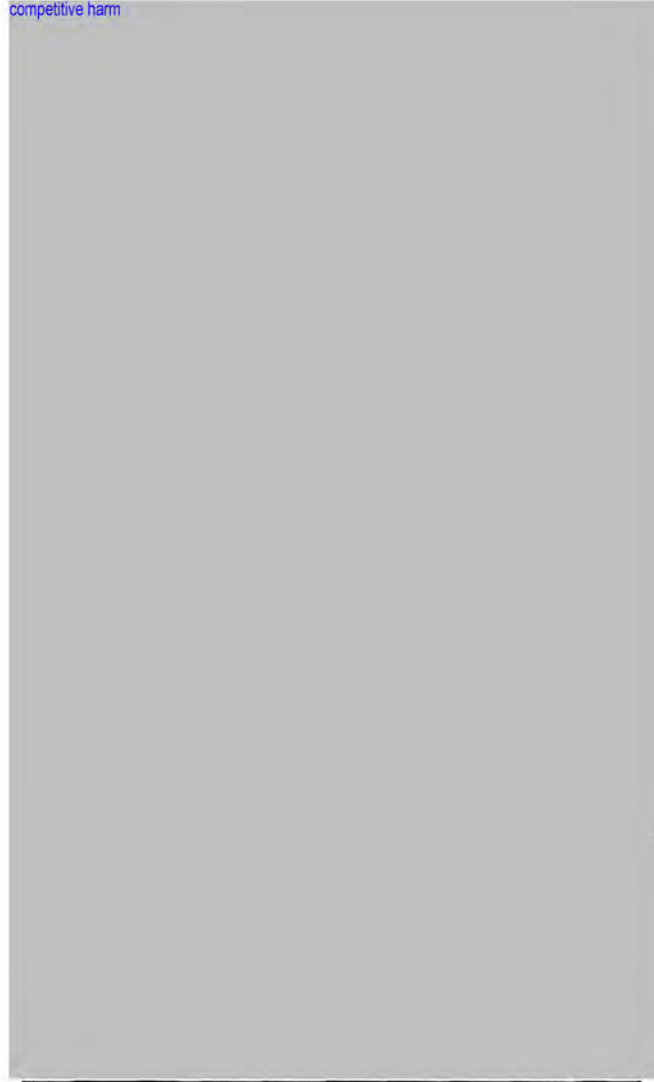
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competitive harm



competitive harm



competitive harm



competitive harm

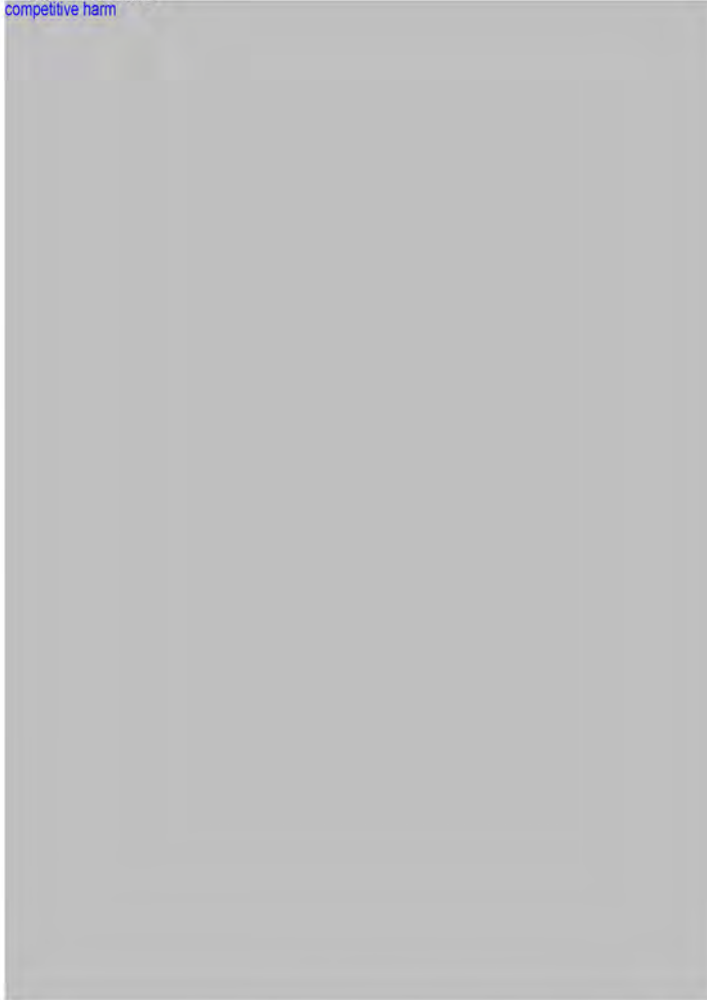


competitive harm



STAFF TRAINING

competitive harm



ITEMS-MILESTONE EVENT	2010		2011							
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
DESIGN										
Cx Plan										
LEED Workshop										
Review OPR and BOD										
Peer Rev										
Peer Rev										
Peer Rev										
Peer Rev										
Cx Specs										
100% Design Check										
Bid-Pre Bid meeting										
AWARD										
LEED Review										
Cx KO										
CONSTRUCTION										
Construction Schedules-MTGS										
Submittals										
Admin Pre-test										
YAB										
Equip Functional Tests										
BAS Functional Tests										
Punch lists										
Training										
Cx Report										
LEED Const Submittal										
Systems Manual										
12 Month reviews										

Note: See Estimated Timeline and Milestone Dates section, page 57.

ITEMS-MILESTONE EVENT	2012												2013			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
DESIGN																
Cx Bid																
LEED Workshop																
Review OPR and BOD																
Peer Rev 30% Design																
LEED Workshop																
Peer Rev 60% Design																
Peer Rev 90% Design Review																
Cx S																
100% Design Check																
Bid-Free Bid meeting																
Construction AWARD																
LEED Review																
Cx NO																
CONSTRUCTION																
Construction Schedules-MTGS																
Submittals																
System Pre-test																
TAB																
Equip Functional Tests																
Equip Functional Tests																
Punch lists																
Training																
Cx Report																
LEED Const Submittal																
Systems Manual																
12 Month reviews																

TRAINING DOCUMENTATION

Following this page are samples of our training documentation that was developed for the LEED Gold North Lake College Workforce Development Center.

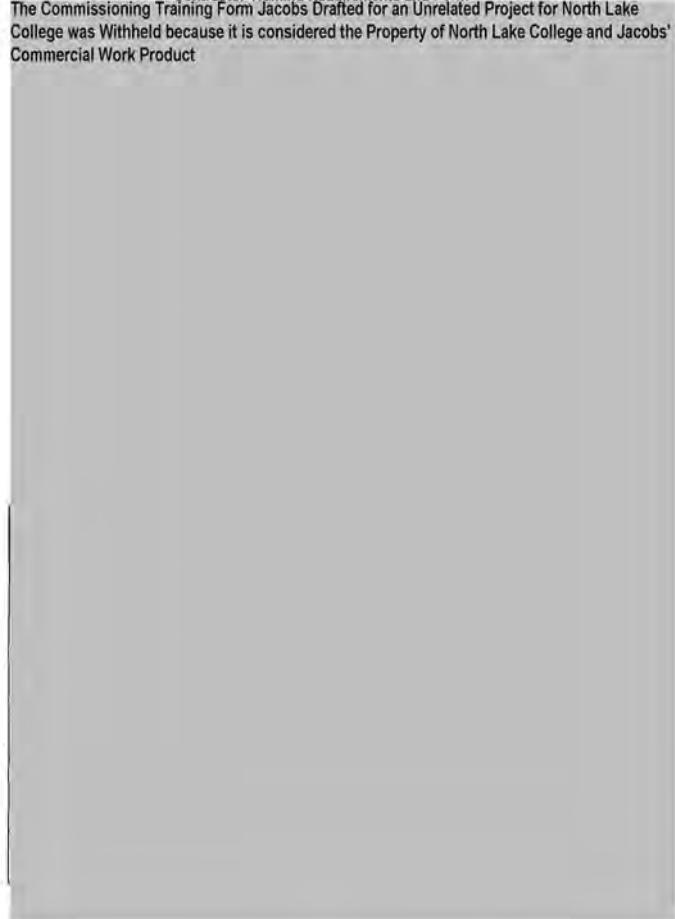


North Lake College
Workforce Development Center
Commissioning - Training Form

OPERATIONS AND MAINTENANCE TRAINING

Contractor Training Requirements and Form

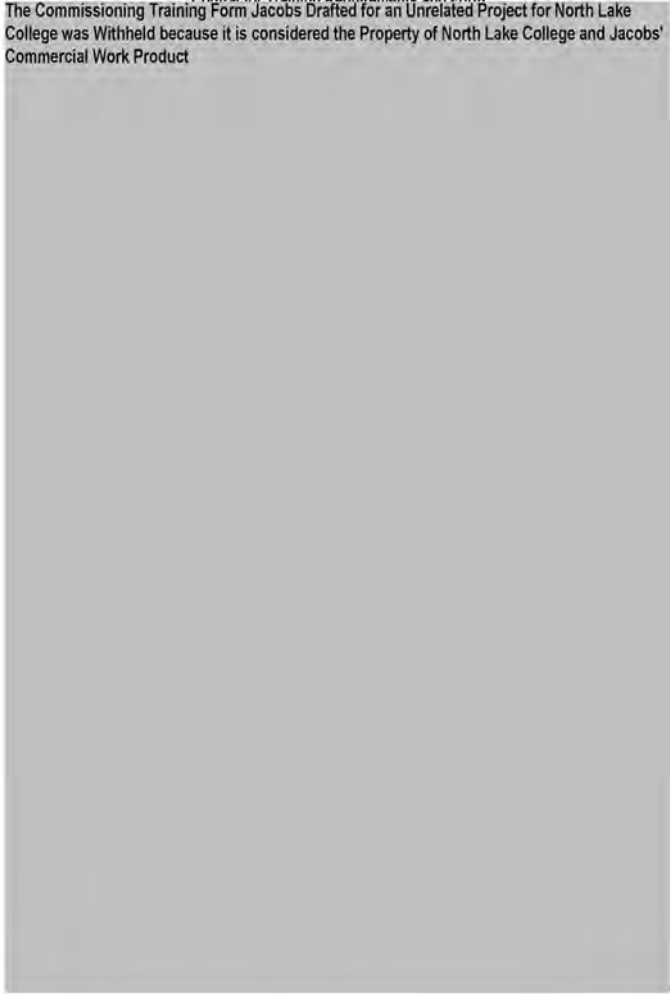
The Commissioning Training Form Jacobs Drafted for an Unrelated Project for North Lake College was Withheld because it is considered the Property of North Lake College and Jacobs' Commercial Work Product





North Lake College
Workforce Development Center
Commissioning - Training Form


~~Contractor Training Requirements and Form~~
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Workforce Development Center
Commissioning - Training Form

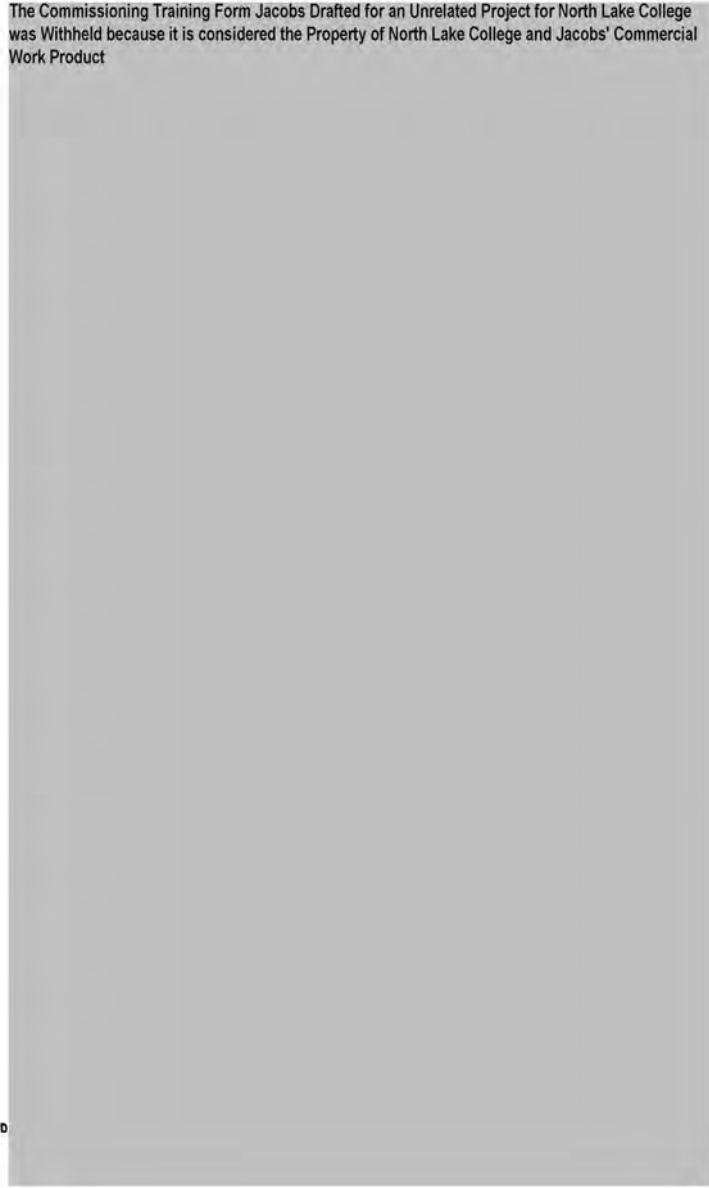
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SATTERFIELD & PONTIKES CONSTRUCTION, INC.
GENERAL CONTRACTORS / CONSTRUCTION MANAGERS

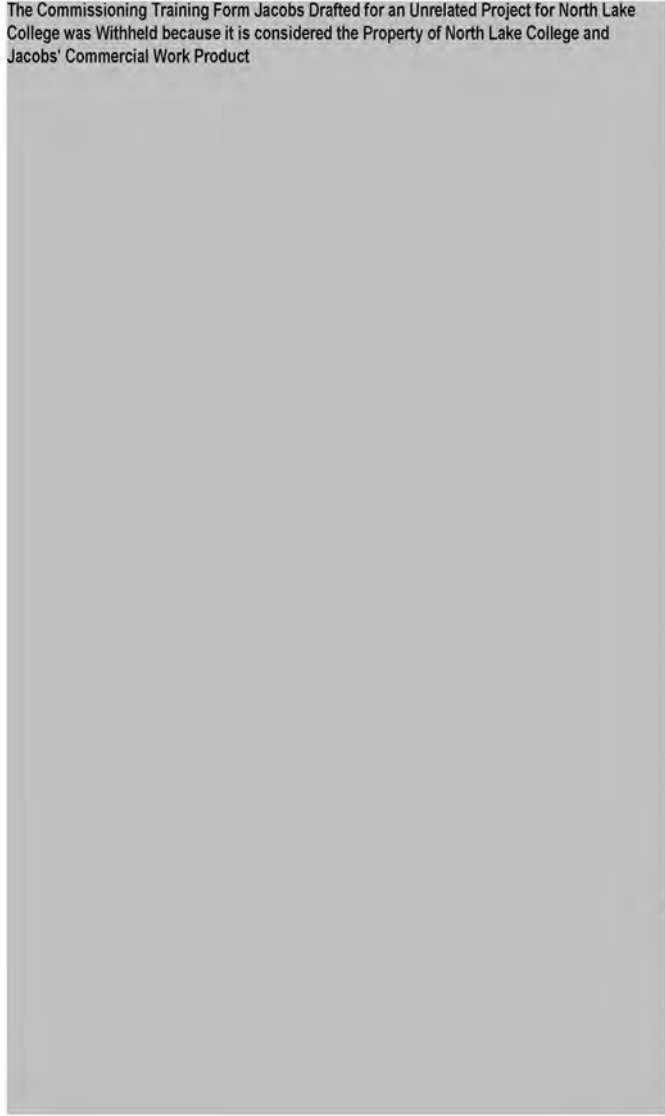
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North Lake College
Workforce Development Center
Commissioning - Training Evaluation

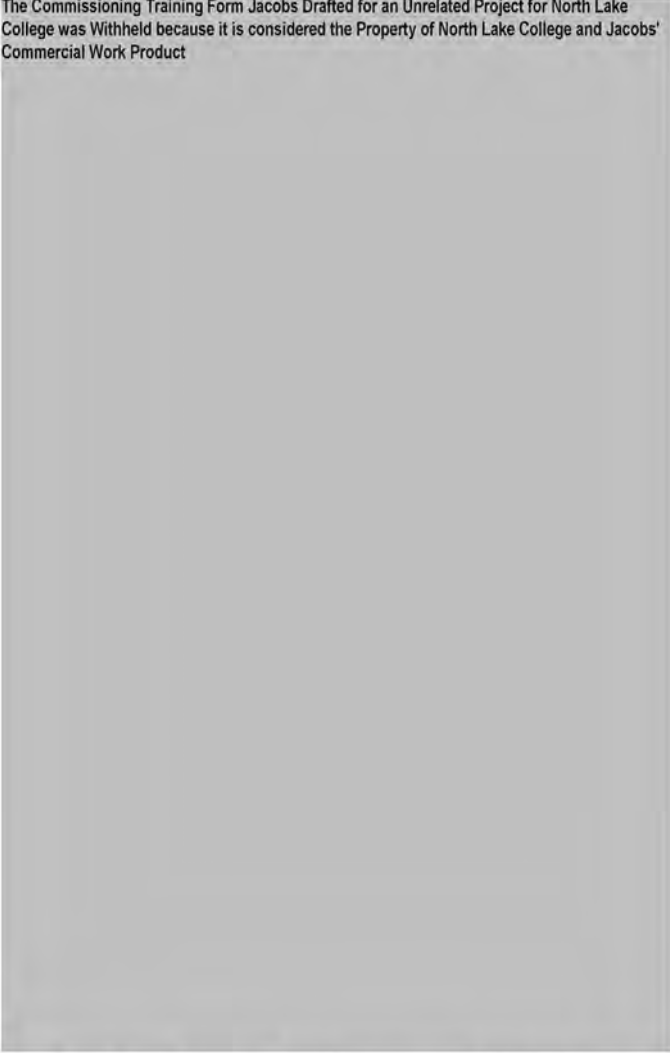
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Workforce Development Center
Commissioning - Training Evaluation

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Commissioning - Training Evaluation

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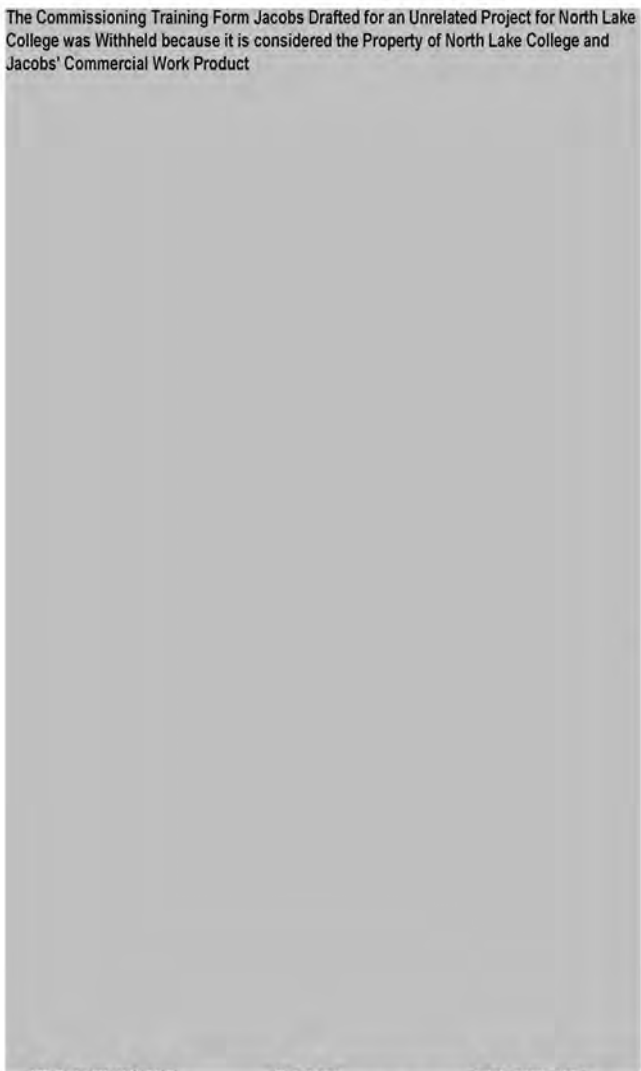
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Commissioning - Training Evaluation

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	References and Corporate Qualifications <small>Part B - References</small>
--	--

PROVIDE SIX REFERENCES OF PAST OR PRESENT CLIENTS, WITHIN THE PAST FIVE YEARS, WHO CAN VERIFY:

OUR ABILITY TO MANAGE COMPARABLE PROJECTS (2):

Reference Name, Organization, Address, Phone	Brief Description of Services, Size, Scope	Currently Providing Services?	Total Contract Value
competitive harm			

WE HAVE PROVIDED, OPERATED AND MANAGED COMPARABLE CONTRACTS (4):

Reference Name, Address, Phone	Brief Description of Services, Size, Scope	Currently Providing Services?	Total Contract Value
competitive harm			

Reference Name, Address, Phone	Brief Description of Services, Size, Scope	Currently Providing Services?	Total Contract Value
competitive harm			

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References and Corporate Qualifications

Part B: Corporate Qualifications

Jacobs Engineering Group Inc. is one of the world's largest and most diverse providers of professional, technical, and construction services, including all aspects of architecture, engineering and construction, operations and maintenance, as well as scientific and specialty consulting. We serve a broad range of companies and organizations, including industrial, commercial, and government clients across multiple markets and geographies.

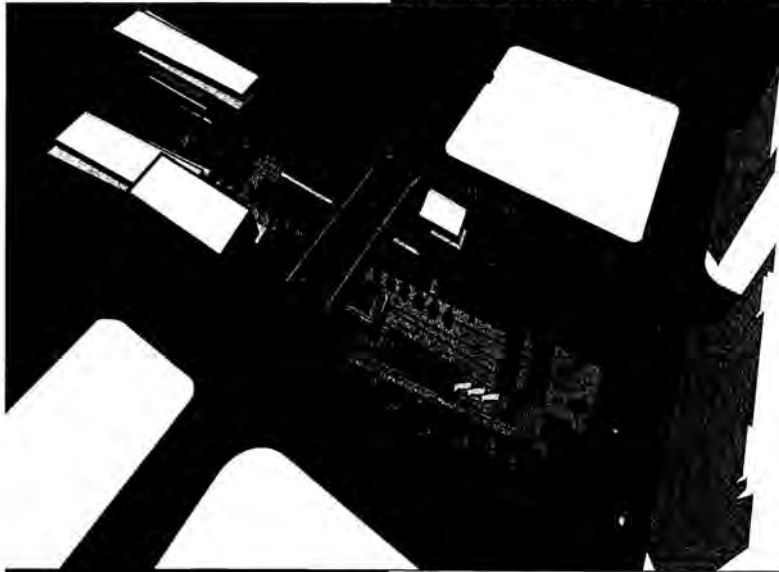
Our global network includes more than 160 offices in more than 20 countries, with operations in North America, the United Kingdom, mainland Europe, the Middle East, India, Australia, Africa, and Asia.

Jacobs was founded in 1947, and our headquarters are in Pasadena, California.

Worldwide Offices

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COMMISSIONING SERVICES



**Owner's Project
Requirements**

**TARRANT COUNTY
COLLEGE DISTRICT**

**EAST TRINITY
CAMPUS**



FEBRUARY 1, 2010



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Owner's Project
Requirements

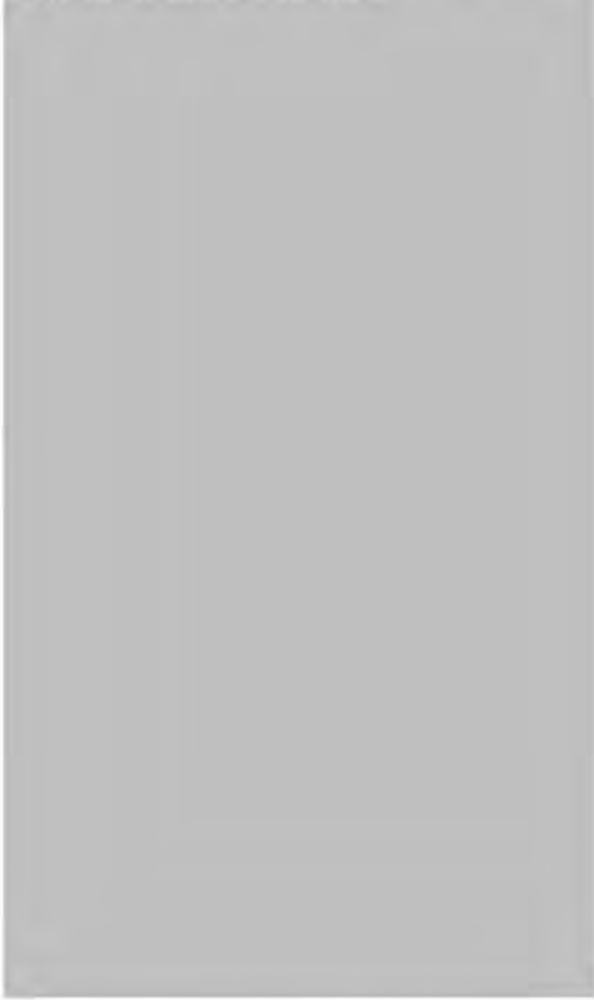
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**Owner's Project
Requirements**

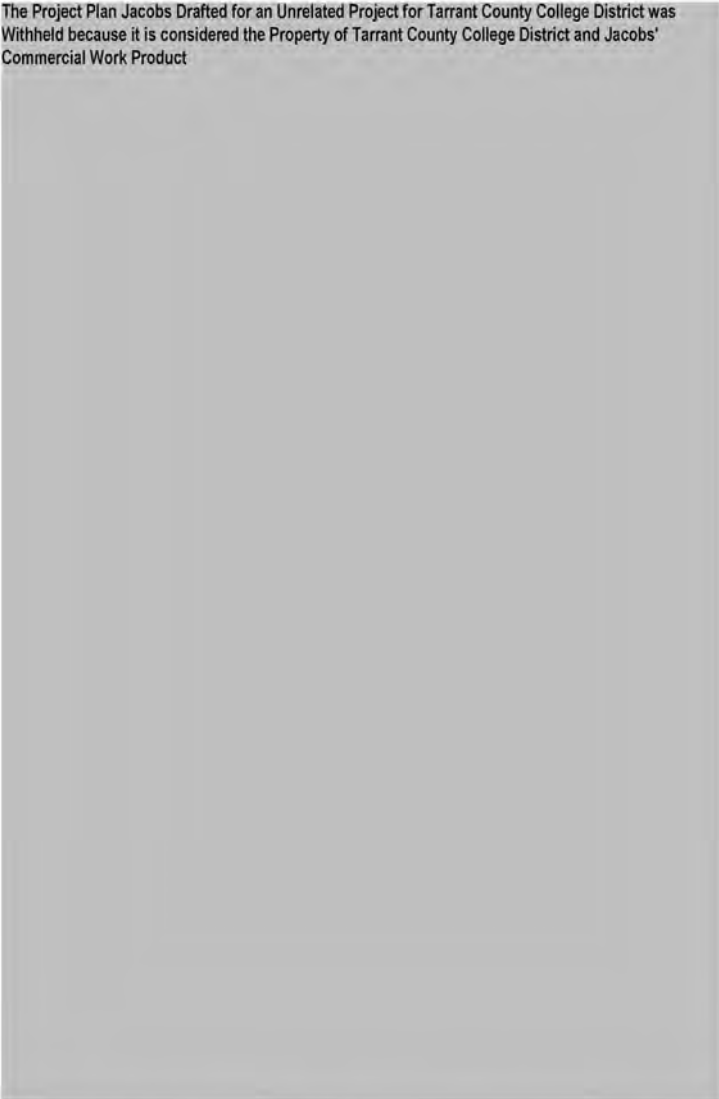
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**Owner's Project
Requirements**


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**Owner's Project
Requirements**

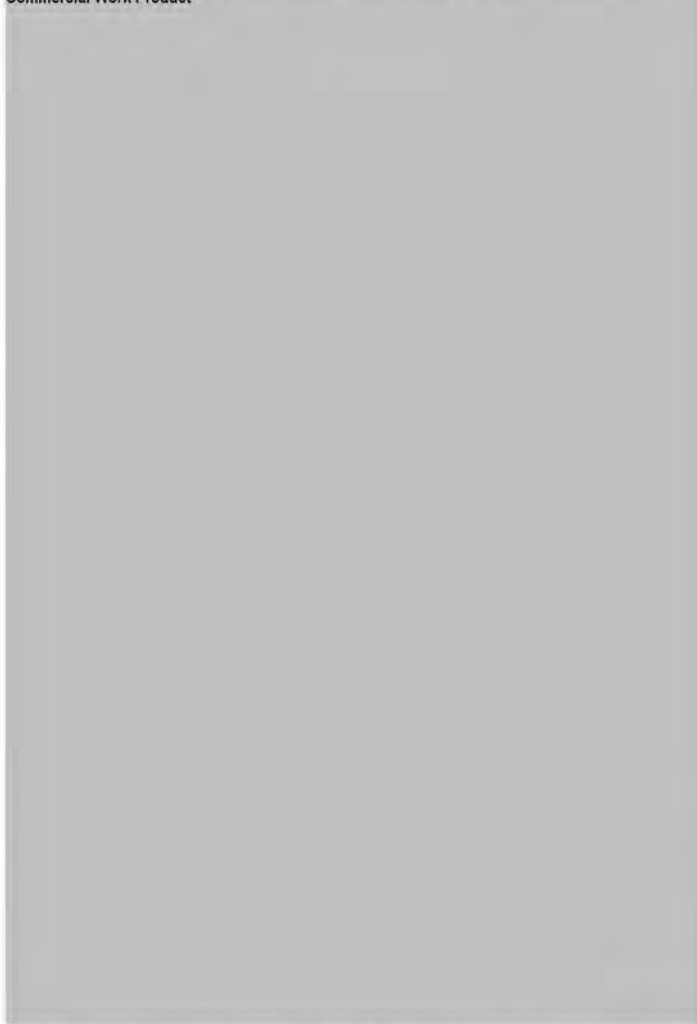
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Owner's Project
Requirements

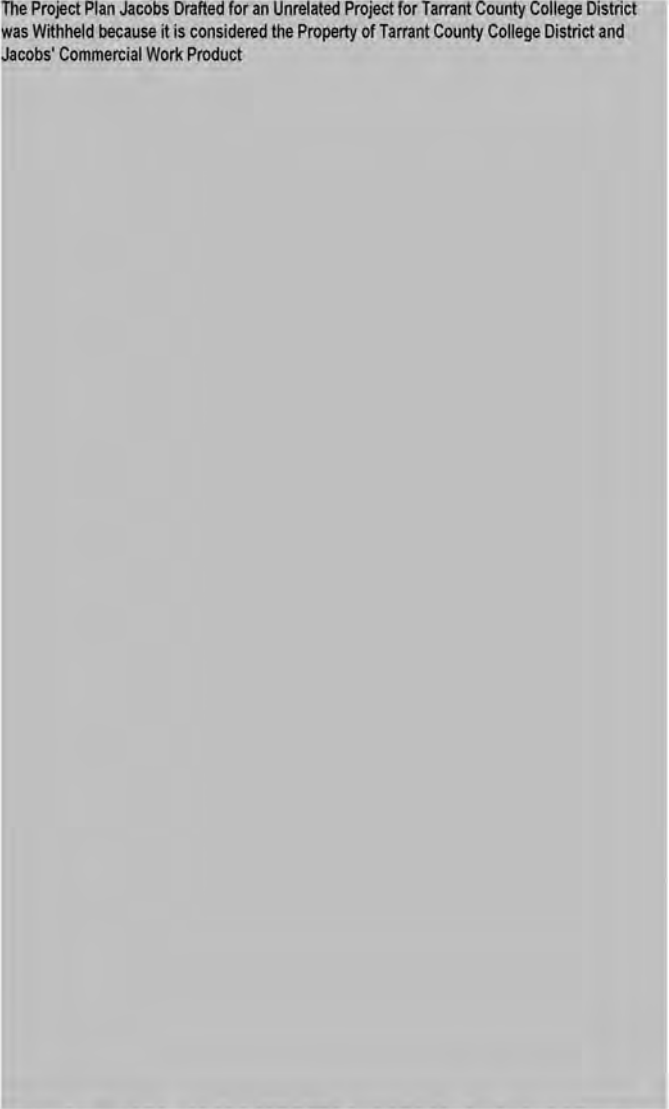
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**Owner's Project
Requirements**

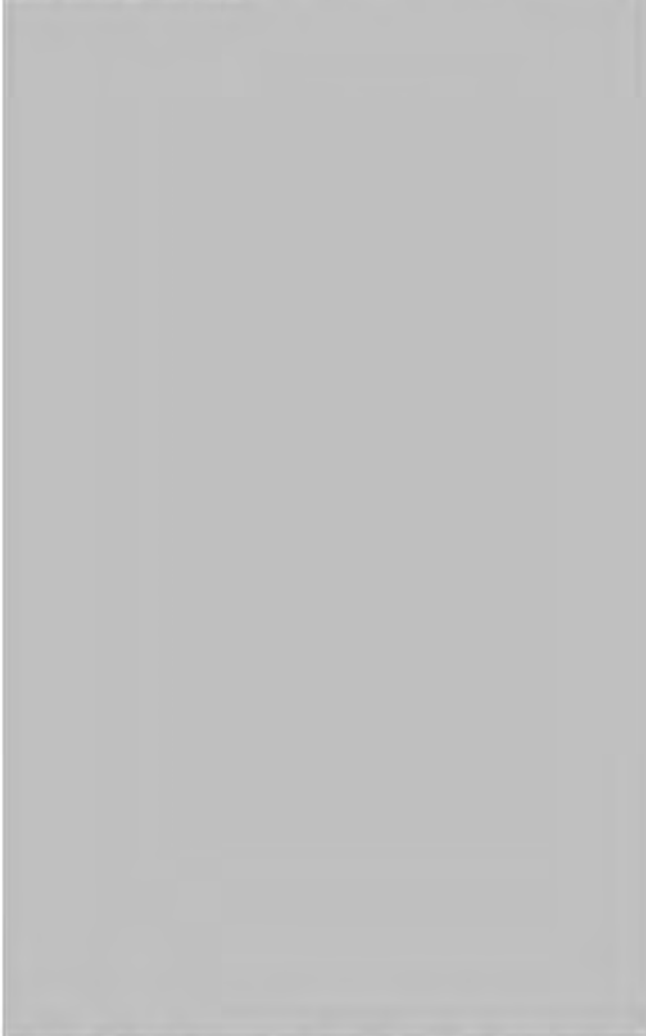
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**Owner's Project
Requirements**

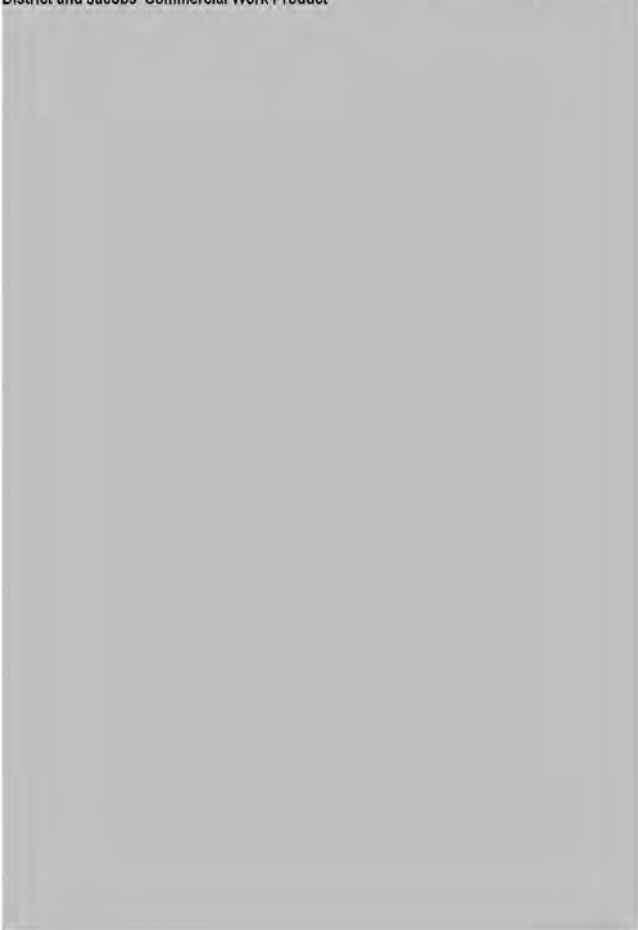
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**Owner's Project
Requirements**

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**Oklahoma Medical Research Foundation
Research Tower**

Oklahoma City, Oklahoma

Basis of Design

Issued 12/11/2008



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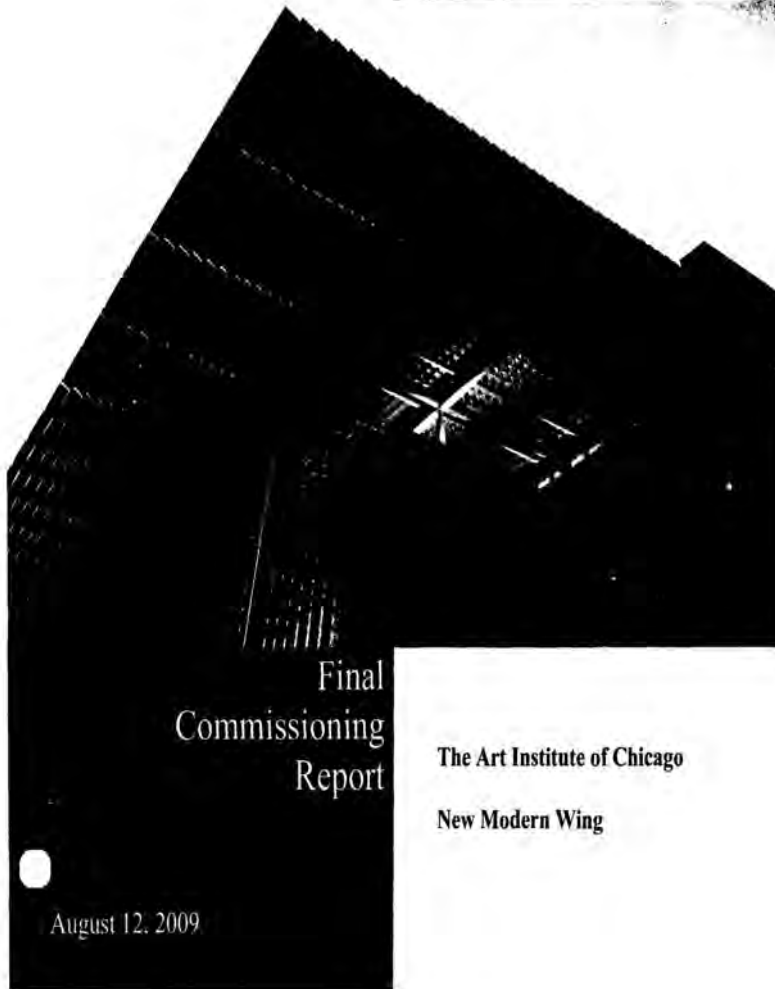
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Basis of Design

The Design Document that Jacobs Drafted for OMRF for an Unrelated Project was Withheld because it is considered the Property of OMRF and Jacobs' Commercial Work Product




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The Commissioning Report that Jacobs Provided to the Art Institute of Chicago for an Unrelated Project was Withheld because it is considered the Property of the Art Institute of Chicago and Jacobs' Commercial Work Product



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The Commissioning Report that Jacobs Provided to the Art Institute of Chicago for an Unrelated Project was Withheld because it is considered the Property of the Art Institute of Chicago and Jacobs' Commercial Work Product



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The Commissioning Report that Jacobs Provided to the Art Institute of Chicago for an Unrelated Project was Withheld because it is considered the Property of the Art

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SECTION C STATEMENT OF WORK

1. PROJECT BACKGROUND

The Board of Governors of the Federal Reserve System (the "Board") intends to renovate its Martin Building (the "building") located at 20th and C Streets, NW, Washington, DC (the "Renovation") and to construct a new visitors' and conferencing center ("VC/CC") on the building's podium level (the "Project"). The Board, therefore, is soliciting proposals for a professional services contract to lead and coordinate the commissioning process and to perform the services required of the Commissioning Authority ("CxA") by Energy & Atmosphere Credit No. 3 ("EAc3") of the United States Green Building Council's 2009 Leadership in Energy and Environmental Design rating system for New Construction, Core & Shell and Schools ("LEED®-NC"). In addition, the successful Offeror (also hereinafter referred to as the "Contractor" or "CxA") will be engaged to perform a peer review of the Project's Design Documents at three stages in their development and the tests and inspections of construction materials required by the Construction Documents and by Applicable Law.

The Renovation will be comprehensive in scope including mechanical and electrical upgrades, civil engineering components, [REDACTED] and elements, roof replacement, complete demolition and replacement of interior partitions and wall systems. [REDACTED]

[REDACTED] (The Eccles building does have its own air handler units). The design, phasing, construction and commissioning of the Martin Building systems, therefore, will need to take the interrelationship between the Martin and Eccles buildings into account. A description of the Board's requirements, criteria and expectations for the Renovation and for the VC/CC are set forth, respectively, in Appendix 1 and Appendix 2.

The Board has engaged Karn Charuhaus Chapman & Twohey ("KCCT," the "A/E" or the "Architect") as its architect and engineer of record for the Project. The Board's proposed re-design of the Building's exterior has been approved by the United States Commission of Fine Arts. The Board expects the design of the Project to be completed by the end of the second quarter of 2011. The Board expects the design and construction of the Project to comply with District of Columbia law and regulations applicable to similar projects even though legally District of Columbia law does not apply to the building.

The Board requires a design solution suitable for employees of the central bank of the United States, similar to other Class A office buildings in the Washington, DC area, but is also fiscally responsible. The Board expects to establish its Construction Cost budget for the Project (referred to as the "Stated Cost Limitation") after receiving Design Documents representing

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completion of 30% of the Construction Documents. Thereafter, the Design Services should be performed so that the Construction Cost of the Project shall not exceed the Board's most recently approved Stated Cost Limitation.

The Board also has directed the A/E to design the Project so as to achieve no less than a Silver level rating under the LEED®-NC rating system. It is also the Board's expectation for the Project to achieve at least a silver rating under the LEED® 2009 for Existing Buildings: Operations & Maintenance rating system ("LEED®-EBOM") once the Project is completed. The Board also believes that the design and construction of the Project will benefit from utilizing the USGBC's two phase review process and obtaining the USGBC's review of the targeted LEED®-NC design phase credits upon completion of the Construction Documents.

The Board anticipates awarding construction of the Project to one general contractor (the "Construction Contractor") on a fixed price basis utilizing a competitive bidding process. The Board expects construction of the Project to be substantially completed within thirty-one (31) months of its commencement. The Project must be phased with only one office floor of the building under construction at a time. The floors not under construction must remain occupied and operational.

In addition to the A/E, Construction Contractor and CxA, the Board intends to retain a Construction Administrator to provide the Board with comprehensive construction management services in connection with the design, estimating, scheduling, permitting, procurement, construction, commissioning and certification of the Project under LEED®-NC. A summary of the Construction Administrator's role and responsibilities is included in Section J.5 of this Contract. The Offeror is expected to work closely, and in a collaborative manner, with Board personnel, the A/E, the Construction Administrator and the Construction Contractor (collectively, "Project Team").

2. SCOPE OF CxA'S SERVICES

2.1. Generally

2.1.1. **Scope of Basic Services.** The CxA shall provide all professional services, materials, tools, equipment and labor (skilled and unskilled), including management, supervision and support staff, necessary or required for the CxA to perform, in a diligent, careful and vigilant manner, the services for the Project set forth in this Section C (and set forth elsewhere in this Solicitation) and all other usual and customary professional services incidental to performance of the described services (hereinafter referred to collectively as "Basic Services"). The Basic Services and Additional Services (as defined in Section M.15(d)) are referred to collectively as the "Services." In the event of inconsistencies within or between parts of the Contract or between the Contract and Applicable Law, Applicable Codes and Standards, and/or the requirements of LEED®-NC, the CxA shall notify the CO and, if directed by the CO, shall: (i) provide the better quality or greater quantity of Service; or (ii) comply with the more stringent requirement; either or both.

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2.1.2. Organization. The CxA shall provide a sufficient and competent organization, including project managers, engineers and field staff, reporting and logistics personnel, administrative, communications, document control and clerical personnel, and others, as the Services may require. CxA may delegate the performance of all or part of the Services to independent contractors, agents or subcontractors ("Consultants"). The Board shall have the right to review the qualifications of, interview and approve CxA's personnel and Consultants that the CxA proposes to use to perform Services. If, at any time during the course of the Project, the Board determines in its sole discretion that an employee, agent or subcontractor of the CxA or Consultant performing Services is unqualified or that his, her or its performance is unsatisfactory to the Board, the Board may require the CxA to replace such employee at no cost or penalty to the Board, including for resulting delays, inefficiencies or increased costs of performance; provided, however, if the Board exercises this authority within the first ten (10) days of a person's involvement on the Project, the Board shall not be invoiced for such person's time or the expenses associated with such person's involvement. Any such personnel shall be replaced with personnel reasonably satisfactory to the Board. CxA shall furnish efficient business administration and superintendence, and shall use its best efforts to furnish at all times an adequate supply of workers and materials and to perform the Services in the best, most expeditious and most economical manner consistent with the interests of the Board. The CxA shall be liable to the Board for the acts, omissions and performance of the employees, agents, and subcontractors of the CxA and any Consultant of the CxA.

2.1.3. CxA and Independent Contractors. All persons employed by the CxA in connection with the Services shall be employees, agents or independent contractors of either the CxA or a Consultant, and shall not be employees of the Board. The CxA shall be solely responsible for the salaries of its employees, and for the compensation of any employee, agent or independent contractor of any Consultant, along with any employee or other benefits, including without limitation, wages, worker's compensation benefits, employment and social security taxes and fringe benefits, to which such employees may be entitled. The CxA shall fully comply with, and shall cause its Consultants to fully comply with, Applicable Law having to do with worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related subjects. Should the Board be required by any governmental agency to withhold income tax, pay Social Security or employment tax, provide medical coverage or pension benefits, etc., on account of any employee, agent or independent contractor of the CxA or any Consultant or their dependents, then the actual sums so paid shall be deducted from CxA's compensation.

2.1.4. Standard of Care. CxA represents that it is skilled in the professional callings necessary to perform the Services and acknowledges that the Board, not being skilled in such matters, is relying upon the skill and knowledge of the CxA. CxA accepts the relationship of trust and confidence established by this Contract and shall exercise its professional skill and judgment, and shall cooperate with the Board, to further the interests of the Board. CxA shall perform, and shall cause the Consultants engaged by CxA to perform, the Services in accordance

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with the professional standard and quality which prevails among licensed, reputable, well-qualified and nationally recognized architectural and engineering firms performing services in the Washington, DC metropolitan area of the nature encompassed within this Contract. CxA shall not conduct, contract or direct business to any affiliate of CxA without the prior written consent of the Board, which consent may be granted or withheld in Board's sole and absolute subjective discretion. The CxA's Services shall be provided and completed promptly to avoid hindrance, interruption or delay to the orderly progress and timely completion of the design, permitting and construction of the Project. Unless otherwise agreed or specified in the Project Schedule, the CxA is expected to respond to requests for information or comments in writing within five (5) business days of their receipt. If the nature of the request or service precludes a response in this time, the CxA shall give a completion day within three (3) business days.

2.1.5. Examination and Audit of Records and Document Retention. All Services shall be performed by the CxA and its Consultants on an "open book" basis. CxA shall keep, and shall cause each Consultant to keep, full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles consistently applied. CxA shall retain, and shall cause its Consultants to retain, paper documents and electronically stored information in accordance with the terms of Appendix 4. In addition and without limitation to the audit and inspection rights set forth in Section M.9, the Board and its authorized representative shall have the right, during the performance of the CxA Services and for a period of three (3) years after Final Payment has been made, to be given access to, and to copy, CxA's and each Consultant's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data and documents relating to the CxA Services and to interview employees of CxA and its Consultants in connection with such audit. CxA shall provide adequate and appropriate work space for the Board or its representatives to conduct audits in compliance with this Section. CxA shall cooperate with all audit procedures including the furnishing of a management representation letter upon request of the auditor. CxA's Consultants, if any, shall have the same obligations to retain records and cooperate with audits as are required of the CxA under this Section. If any audit by the Board reveals that the amounts charged to the Board by CxA, or by any Consultant, exceeded the actual compensation to which CxA or the Consultant was entitled for CxA Services, then CxA shall pay the Board, or cause the Consultant to pay the Board, an amount equal to (a) the amount overcharged; plus (b) interest at the rate fixed by the Secretary of the Treasury pursuant to Pub. L. 92-41 (85 Stat 97), which is applicable from the date of the overcharge to its payment; and (c) the cost of the audit if the amount overcharged exceeds Ten Thousand Dollars (\$10,000.00). The requirements of this Section 2.1.7 shall not apply to any portion of an overcharge that is subject of a good-faith dispute between the Board and the CxA

2.1.6. Time is of the Essence. Time is of the essence as to performance of the Services by the CxA (and its Consultants) under this Contract. The CxA shall complete performance of the Services by the Milestone Dates set forth below and in the Project Schedule applicable to the performance of the CxA's Services; provided, however, under no circumstances

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is the CxA authorized to perform its services below the applicable standard of care. The CxA shall notify the COTR in writing in advance in the event that it cannot perform the Services in accordance with the applicable standard of care while, at the same time, conforming to the existing Project Schedule and shall make recommendations to the Board for completing its Services as required by this Contract as expeditiously as possible. The CxA shall be entitled to an extension of time to complete its services under the Project Schedule if the circumstances upon which the CxA relies for the requested extension (1) were not caused, or could not have been reasonably anticipated, by the CxA; and (2) could not have been limited or avoided by the CxA's timely notice to the Board of the delay or reasonable likelihood that a delay will occur. In the event any progress report indicates a delay in the performance of the CxA's Services, the CxA shall propose an affirmative plan to correct the delay, including overtime and/or additional labor, if necessary.

2.1.7. Meetings. In addition to attending meetings prescribed herein, the CxA shall attend (i) focus groups with building occupants and staff arranged by the A/E; and (ii) weekly progress meetings with the COTR, Construction Administrator, and other individuals involved with the Project to discuss procedures, progress, problems, scheduling, and other pertinent matters. The CxA will maintain a Log of all items associated with its Services including the party responsible and disposition of all issues and provide the Log to the COTR and Construction Administrator. The CxA shall issue written comments to the CO concerning comments of Board personnel and make recommendations as to whether comments should be incorporated into the design.

2.1.8. Contract Closeout. The CxA shall submit a written request for a Certification of Completion of the Services for each phase and for each component of the Services, to the COTR for acceptance and acknowledgement. If the certification does not accurately reflect the condition of the Services, or applicable phase of the Services, the COTR will reject it until the Services or phase of Services is complete. The COTR must sign all certifications of completeness as a prerequisite for accepting the completed work; provided, however, the COTR's acceptance shall not constitute an acceptance of Services that fail to conform to the requirements of the Contract, unless the Board expressly accepts such non-conforming Services in writing. Before submittal of the request, the CxA shall complete the following tasks, as applicable:

- 2.1.8.1. Show 100 percent completion for the phase of the work claimed as complete in the application for payment that coincides with, or first follows, the date completion is claimed; and
- 2.1.8.2. Include supporting documentation for completion as indicated in these contract documents and a statement showing an accounting of any cost changes.

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2.1.9. On receipt of a written request for Certification of Completion, the COTR will either advise the CxA, in writing, of unfilled requirements reasonably known to the COTR and required actions or proceed with issuance of the requested certificate.

2.1.10. Upon completion of all work and transmission of all required submittals, the CxA shall submit a written request for final acceptance. This request will be accompanied by the final payment request.

2.1.11. Personnel and Conduct

2.1.11.1. The CxA's personnel shall conduct themselves in a professional manner at all times and are strictly forbidden from disturbing papers on desks, opening desk drawers or cabinets, or using telephone or office equipment, other than what is specifically provided to the CxA for official business use.

2.1.11.2. The CxA will be working on the premises of the central bank of the United States and shall dress neatly, commensurate with the task being performed. The Board reserves the right to deny entry or access to its premises to any personnel of the CxA or its consultants whose presence, dress, or conduct the Board deems detrimental to the good order and productivity of its operations and staff. Such personnel shall be replaced by the CxA immediately upon notification by the COTR, or his designee, that a problem exists with the CxA's personnel. This replacement shall be made at no additional cost to the Board.

2.1.11.3. The CxA and its consultants are not authorized to accept any instructions, interpretations, or requests for work; honor any changes or revisions to the Contract which may incur expenditures or affect price; or take actions not required by the Contract without the express written approval of the CO.

2.1.11.4. The CxA and its consultants are required to assign only senior professional personnel who are registered in the District of Columbia to recommend approval of any services or work performed by professional personnel themselves registered in the District of Columbia.

2.1.11.5. In the event that any approved personnel and/or consultants are unable to perform, the CxA shall promptly submit to the COTR detailed written explanations of the circumstances necessitating the proposed substitutions, complete resumes for the proposed substitutes, and any other information the COTR deems pertinent for the approvals of substitutions. No substitutions shall be made without the prior written approval of the Board. No increases in contract pricing will be allowed when the Board authorizes substitutions.

2.1.11.6. Substitutions of subcontracted or consultant support included in the original contract are subject to the written approval of the CO. This

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Contract must be modified before the substitute commences work. Changes in individuals employed by these firms will be processed administratively by letter between the CO and the CxA. Personnel possessing unique technical specialties may be required for supplementary expertise related to project services. Such personnel shall have qualifications as required and approved by the COTR which are appropriate to the nature of the services that will be provided.

2.1.11.7. Repeated failure or excessive delays by the CxA to provide qualified personnel, who meet the stated requirements, may be reason for COTR to recommend termination of this contract by the CO due to default by the CxA.

2.1.12. Design Phase Milestones. Unless otherwise agreed, Design Phase of the Project shall include, but not be limited to, the Deliverables and Milestones set forth below:

PROJECT DESIGN PHASE	DESIGN DELIVERABLE	CxA MILESTONE
Schematic Design Phase	Commissioning Plan (Section C.2.2.2.1)	30 days from receipt of Board approved Program Review & Verification Report prepared by A/E ("PRVR")
Design Development Phase	Commissioning Review and Peer Review of 30% Submission (Sections C.2.2.2.3; and 2.3.1)	30 days from receipt from A/E
Construction Documents Phase	Peer Review of 60% Submission (Section C.2.3.2)	30 days from receipt from A/E
	Commissioning Review and Peer Review of 95% Submission (Section C.2.3.2)	30 days from receipt from A/E

2.1.12.1. To facilitate the CxA's commissioning and peer reviews of the A/E's submissions and to prevent unnecessary work by the A/E, the A/E will provide the CxA with the opportunity to perform "over-the-shoulder" reviews of the design and engineering of the Project in progress. CxA shall schedule such reviews as it deems appropriate to maintain the Project Schedule. Such reviews may be conducted at A/E's offices, at any of the A/E's Consultants' offices or remotely by electronic internet access. The reviews may be of progress prints,

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computer images, draft documents, working calculations, draft specifications or reports, drawings, specifications or other Design Documents determined by the CxA and A/E.

2.2. Commissioning Services

The CxA shall lead, review and oversee the completion of all commissioning activities set forth in Section 2, below, and required by LEED®-NC EAp1 and EAc3 as described in the LEED® Reference Guide for Green Building Design and Construction, 2009 Edition in effect at such time as the Project is registered with the USGBC as such Reference Guide may be modified by the USGBC in Credit Interpretation Rulings or otherwise (hereinafter the "Reference Guide"). The CxA is expected to coordinate its activities with the activities of the members of the Project Team and in accordance with the approved Project Schedule.

2.2.1. Commissioned Systems

The following systems, equipment and assemblies will be commissioned as set forth in this Section C.2.1; however, the Board reserves the right to select or add other systems, equipment or assemblies:

- 2.2.1.1. Heating, ventilation, air conditioning and refrigeration systems (mechanical and passive) including Building Automation System and associated controls
- 2.2.1.2. Lighting and daylighting controls
- 2.2.1.3. Domestic hot water systems
- 2.2.1.4. Renewable energy systems
- 2.2.1.5. Security systems including alarm and surveillance systems
- 2.2.1.6. Life safety systems including: fire safety, notification and suppression systems
- 2.2.1.7. Kitchen equipment
- 2.2.1.8. Audio/Visual systems
- 2.2.1.9. New and/or rehabilitated elevators and escalators
- 2.2.1.10. Building envelope systems including roof system
- 2.2.1.11. Normal power distribution systems
- 2.2.1.12. Emergency power systems
- 2.2.1.13. Water filtration systems
- 2.2.1.14. Sanitary sewer systems
- 2.2.1.15. Information Technology (data and office telecommunications)

2.2.2. Design Phase Commissioning Services

2.2.2.1. Commissioning Plan

The CxA shall develop, and oversee implementation of, a Commissioning Plan identifying the strategies, aspects and responsibilities within the commissioning process for each phase of the Project for all of the members of the Project Team. The CxA shall update the Commissioning Plan during the

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course of the Project to reflect changes in planning, the Project Schedule or other supplemental information added as warranted. The Commissioning Plan shall include, but not be limited to:

- 2.2.2.1.1. A brief overview of the commissioning process.
- 2.2.2.1.2. A list of all commissioned features and systems.
- 2.2.2.1.3. Identification of primary commissioning participants and their responsibilities.
- 2.2.2.1.4. A description of the management, communication, and reporting of the Commissioning Plan.
- 2.2.2.1.5. An outline of the commissioning process scope including submittal review, observation, start-up, testing, and training of Board personnel.
- 2.2.2.1.6. A list of expected work products.
- 2.2.2.1.7. An activity schedule.
- 2.2.2.1.8. A description of the specifics and scope of testing.

2.2.2.2.LEED® Workshop.

The CxA shall participate in the LEED® Workshop conducted by the A/E and provide its input and recommendations regarding, among other things, the LEED® points to be targeted, the impact of pursuing particular LEED® credits on the Board's program and budget, strategies for their implementation including identifying potential coordination issues, delays and sequencing conflicts of long lead-time "green" materials, identifying and recruiting subcontractors and suppliers that have validated experience and skills in "green" construction, avoiding "green washing" and unnecessary "green premiums" on materials and equipment, establishing processes and systems for collecting and maintaining LEED® submittal documentation and establishing milestones in the Project Schedule for the review of Design Documents by appropriate Project participants, Governing Authorities and the USGBC. The CxA shall review, and make recommendations to the Board, regarding the LEED® Certification Plan prepared by KCCT.

2.2.2.3.Review of OPR, BOD and 30% Submission.

The CxA shall conduct a commissioning design review of the Board's Project Requirements ("OPR"), the Basis of Design ("BOD") and the Design Documents prepared by the Design Team at such time as the A/E submits its 30% Submission to the Board. This review by the CxA will include, but not be limited to:

- 2.2.2.3.1. An evaluation of the clarity, completeness and adequacy of the OPR
- 2.2.2.3.2. Verification that all issues discussed in OPR are addressed adequately in the BOD

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- 2.2.2.3.3. Confirmation that each commissioned feature or system meets the Board's requirements relative to functionality, energy performance, water performance, maintainability, system cost, indoor environmental quality, and local environmental impacts.
- 2.2.2.4. The CxA will document these reviews in a written report to be submitted within thirty (30) days of receipt of the 30% Submission and shall back check the review comments in the subsequent design submission.
- 2.2.2.5. The CxA shall make recommendations to the COTR as to whether additional reviews during the design and construction phases are advisable depending on the Project's duration, phasing, complexity and OPR.
- 2.2.2.6. *Incorporating Commissioning Requirements into the Construction Documents; Review of 95% Submission.*
The CxA shall prepare, in accordance with the Project Schedule, commissioning-related specifications for incorporation by the A/E into the Construction Documents, drawings, bid documents and specification sections related to the systems to be commissioned. These requirements shall include, but not be limited to:
- 2.2.2.6.1. Commissioning team involvement
 - 2.2.2.6.2. Contractor's responsibilities
 - 2.2.2.6.3. Submittals and submittal review procedures for commissioned systems
 - 2.2.2.6.4. Operations and maintenance documentation, systems manuals
 - 2.2.2.6.5. Meetings
 - 2.2.2.6.6. Construction verification procedures
 - 2.2.2.6.7. Start-up plan development and implementation
 - 2.2.2.6.8. Functional performance testing
 - 2.2.2.6.9. Acceptance and closeout
 - 2.2.2.6.10. Training
 - 2.2.2.6.11. Warranty review site visit
- 2.2.2.7. The CxA shall thereafter review the Construction Documents at such time as the A/E submits the 95% Submission to the Board to ensure that (i) the design phase Commissioning Plan has been followed, (ii) commissioning is adequately specified including Construction Contractor requirements during the construction and testing phase of the Project so the Construction Contractor is prepared to support the commissioning effort, (iii) there are adequate devices included in the design to ensure the ability to properly test, balance, and adjust the

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systems, and (iv) that each commissioned feature can be commissioned and meets the design intent relative to functionality, energy performance, water performance, maintainability, sustainability, system cost, indoor environmental quality, and local environmental impacts. The CxA will document this review in a written report and shall back check the review comments in the 100% Submission.

2.2.2.8.Pre-Bid Meeting.

The CxA shall attend the pre-bid meeting with Construction Contractors and, if requested, assist the A/E in explaining to Bidders the differences between current standard construction means, methods, techniques and practices and LEED® principles, procedures, and requirements; and review, and comment upon, the A/E's responses to questions from prospective bidders.

2.2.3. Construction Phase Commissioning Services

2.2.3.1.Review Contractor Submittals.

The CxA shall review contractor submittals applicable to commissioned systems for compliance with the OPR, BOD and Construction Documents. The CxA will provide its comments to the A/E for inclusion in the submittal comments returned to the Construction Contractor, in a timely fashion. The CxA's review shall be concurrent with the A/E's reviews which requires comments to be returned within ten (10) days of receipt from the Construction Contractor. This review is intended to facilitate performance testing and to identify any issues that might otherwise result in re-work and/or change orders during construction.

2.2.3.2.Inspections and Testing.

2.2.3.2.1. The CxA shall verify the installation and performance of each of the commissioned systems including, but not limited to, the following steps:

2.2.3.2.2. The CxA shall execute the commissioning process through organization of all meetings, tests, demonstrations, training events, and performance verifications described in the contract documents and approved Commissioning process. Organizational responsibilities include preparation of agendas, attendance lists, arrangements for meeting facilities, and timely notification to participants for each commissioning event. The CxA shall act as chair at all commissioning events and ensure execution of all agenda items. The CxA shall prepare minutes of every commissioning event and send copies to all commissioning team members and attendees within five business days of the event.

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- 2.2.3.2.3. The CxA shall schedule the construction-phase coordination meeting within 14 calendar days of the initial job conference at the field office at a time suitable to the prime HVAC and electrical contractors, the A/E, and the Construction Administrator. This meeting will be for the purpose of reviewing the complete commissioning process and establishing tentative schedules for HVAC and electrical system orientation and inspections; O&M submittals; training sessions; system flushing and testing; job completion; Testing, Adjusting, and Balancing (TAB) work; and functional performance testing.
- 2.2.3.2.4. The CxA shall receive and review the operations and maintenance (O&M) manuals submitted by the Construction Contractor for completeness and applicability and to ensure that they follow the specified outline and format. The CxA shall insert systems descriptions as provided by the A/E in the Systems Manual.
- 2.2.3.2.5. The CxA shall check installation for adequate accessibility for maintenance and component replacement or repair.
- 2.2.3.2.6. The CxA must sufficiently observe installation of each commissioned system, subsystem, equipment and feature to ensure that they are properly installed according to the Construction Documents and manufacturer's instructions, and that other building components are not compromising the performance of the feature.
- 2.2.3.2.7. Prior to initiating the TAB work, the CxA shall meet with the Construction Administrator, HVAC contractor, HVAC design consultant, and TAB subcontractor. The TAB subcontractor will outline TAB procedures and get concurrence from the HVAC design consultant and Construction Administrator. The CxA shall ensure that the TAB subcontractor has all forms required for proper data collection and understands their importance and use.
- 2.2.3.2.8. Upon receipt of notification from the Construction Contractor that the HVAC system has been completed and is operational and the TAB report has been accepted by the HVAC design professional, the CxA shall proceed to verify the TAB report and the function of the control systems in accordance with the commissioning specification. The CxA shall prepare a verification report, including all test data and identification of deficiencies, and submit it to HVAC design consultant for review.
- 2.2.3.2.9. After the Construction Contractor completes the start-up and initial checkout of all items to be commissioned, the CxA shall apply appropriate techniques to verify that start-up and initial

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checkout of all commissioned systems and equipment are successfully completed. Based on these sampling techniques, the CxA shall confirm whether or not: the control system has successfully passed a complete point-to-point checkout; each control point is commanding, reporting, and controlling according to the intended purpose; all sensors have been calibrated to ensure that the reported value in the control systems represents the actual local value; all actuators have been adjusted to fully close and open dampers and valves; and reported values in the control system are correct by verifying through visual observation.

2.2.3.2.10. After the CxA has approved the initial checkout the following modes shall be tested:

2.2.3.2.10.1. Each sequence in the sequence of operations and other significant modes. Sequences and control strategies include start up, shutdown, unoccupied and manual modes, modulation up and down the unit's range of capacity, power failure, alarms, component (unit and pump) staging and backup upon failure, interlocks with other equipment, and sensor and actuator calibrations.

2.2.3.2.10.2. Test all larger equipment individually.

2.2.3.2.10.3. Heating equipment must be tested in the winter.

2.2.3.2.10.4. Air Conditioning equipment must be tested during summer.

2.2.3.2.11. The CxA shall review record drawings for accuracy with respect to the installed systems and request revisions to achieve accuracy.

2.2.3.2.12. The CxA shall coordinate the repairs, adjustment, or replacement of deficient equipment or systems by the Construction Contractor through the Construction Administrator. The CxA shall track and report on this effort to an acceptable conclusion.

2.2.3.2.13. It is expected that testing shall encompass not only specific pieces of equipment, but entire systems, including the operation and reliability of the Building Automation System (BAS). Unless the CxA determines that the interests of the Project require otherwise, the Board does not expect that the CxA's observation/reporting of such tests will be more than three (3) months beyond the date of Substantial Completion for the Project (or each phase thereof).

2.2.3.2.14. The CxA shall make a recommendation to the CO regarding whether to accept the commissioned systems or whether additional work is required before acceptance.

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2.2.3.3. Commissioning Report.

The CxA shall complete a Commissioning Report (and provide three (3) bound hard copies and one (1) electronic copy) tabulating and assembling the results of the commission testing, including:

- 2.2.3.3.1. an executive summary of the process and the results of the commissioning program—including observations, conclusions and any outstanding items;
- 2.2.3.3.2. A history of any system deficiencies identified and how they were resolved—including any outstanding issues or seasonal testing scheduled for a later date;
- 2.2.3.3.3. Systems performance test results and evaluation;
- 2.2.3.3.4. A summary of the design review process;
- 2.2.3.3.5. A summary of the submittal review process; and
- 2.2.3.3.6. A summary of the O&M documentation and training process.

2.2.3.4. Development of Systems Manuals

The CxA shall develop, and deliver to the Board with the Commissioning Report (five (5) bound hard copies and one (1) electronic copy) an indexed Systems Manual that provides future operating staff the information needed to understand and optimally operate the commissioned systems. The following list of components are to be included in the Systems Manual and must be organized into one compilation, although some parts may also be in the standard O & M manuals provided by the contractor:

- 2.2.3.4.1. Final version of the Owner's requirements and design basis narratives, including brief descriptions of each system.
- 2.2.3.4.2. As-built sequence of operation for all equipment; control drawings.
- 2.2.3.4.3. A list of time of day schedules and a schedule frequency to review them for relevance and efficiency.
- 2.2.3.4.4. A description and rationale for all energy and water saving features and strategies with operating instructions and caveats about their function and maintenance relative to energy use.
- 2.2.3.4.5. Guidelines for establishing and tracking benchmarks for whole building energy use and equipment efficiencies of cooling, heating and service hot water equipment.
- 2.2.3.4.6. Seasonal start-up and shut down, manual and restart operations procedures, recommendations regarding seasonal operational issues that affect energy use.
- 2.2.3.4.7. Recommended optimal settings (energy efficient while maintaining ASHRAE recommended comfort levels) for summer, spring/fall, and winter seasons, including the recommended

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settings for all dampers and control devices, and safety precautions.

- 2.2.3.4.8. Recommendations for recalibration frequency of sensors and actuators by type and use.
- 2.2.3.4.9. A list of all users adjustable set points and reset schedules with a brief discussion of the purpose of each and the range of reasonable adjustments with energy implications.
- 2.2.3.4.10. Plans for continuous commissioning or recommended frequency for re-commissioning, by equipment type, with reference to tests conducted during initial commissioning.
- 2.2.3.4.11. Include a schedule of frequency to review the various set points and reset schedules to ensure they are at current relevant and efficient values.
- 2.2.3.4.12. Guidelines for energy accounting including assurance that future renovations and equipment upgrades will not result in decreased energy efficiency and maintaining the Owner's requirements.
- 2.2.3.4.13. A list of diagnostic tools that use descriptions to assist facility staff.
- 2.2.3.4.14. Recommended tools, parts and materials list.
- 2.2.3.4.15. A chart and associated documentation showing the warranty coverage and periods for all new equipment along with contact information.
- 2.2.3.4.16. A copy of the Commissioning Report.

2.2.3.5. Building O&M Manual.

The CxA shall prepare a separate O&M Manual (five (5) bound hard copies and one (1) electronic copy) describing for building maintenance staff how to maintain, operate and clean building systems, equipment, finishes and grounds in accordance with the LEED®-EBOM credits targeted in LEED® Certification Plan. Pages of the O&M Manual shall be laminated and bound in a way that allows pages to be replaced as changes are made to systems.

2.2.4. Post Construction Services

2.2.4.1. Training of Board Personnel.

The CxA shall advise the Board of the training that the Construction Contractor is required to perform (including, for example, assisting the Board with drafting the training requirements for the Construction Contractor's statement of work). The CxA shall assemble written verification that training in accordance with the Commissioning Plan was conducted for all commissioned features and systems. Training will be required to address the following:

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- 2.2.4.1.1. General purpose of the system (design intent).
 - 2.2.4.1.2. Use and implementation of O&M and Systems Manuals.
 - 2.2.4.1.3. Review of control drawings and schematics.
 - 2.2.4.1.4. Start-up, normal operation, shutdown, unoccupied operation, seasonal changeover, manual operation, controls set-up and programming, troubleshooting, and alarms.
 - 2.2.4.1.5. Interactions with other systems, adjustments and optimizing methods for energy conservation, relevant health and safety issues.
 - 2.2.4.1.6. Special maintenance and replacement sources.
 - 2.2.4.1.7. Discussion of how the feature or system is environmentally responsive.
- 2.2.4.2. The Board expects systems training to include classroom and hands-on training of approximately thirty-eight (38) staff members, to include the operating engineers (20), the controls specialists (3), A/V specialists (3), Elevator Mechanics (3), Preventive Maintenance Mechanics (3), Refrigeration Mechanic (3), Plumbers (3), and the Electricians (3). The CxA shall recommend what quantity of hours of training is appropriate for each of the aforementioned categories of staff members.
- 2.2.4.3. The Board expects separate training of building maintenance personnel on the cleaning, care and maintenance of building systems, equipment, finishes and grounds in accordance with the LEED®-EBOM credits targeted in LEED® Certification Plan to include the appropriate number of hours of training for approximately twenty-five (25) staff members. The training is to include maintenance of all new systems such as "green roofs" and solar panels as applicable.
- 2.2.4.4. The Board shall provide an appropriate venue on site for all staff training. Copies of the training sessions are to be made available on video for future training and re-fresher training. At least two classes separated by two weeks shall be offered for each trade to insure uninterrupted operations and complete attendance of staff. The CxA shall provide one bound copy of appropriate training material to each staff member, one reproducible copy to the Section Manager and an electronic copy of all training documents in a Board approved format.
- 2.2.4.5. *Review of Building Operations.*
The CxA shall review the Project and the performance of commissioned systems with the O&M staff and occupants on two (2) separate occasions within the first twelve (12) months after Substantial Completion of the Project (or designated portion thereof) including developing a plan for resolution of

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outstanding commissioning related issues. The two CxA reviews and comments on the operation of the fully operational systems shall be performed at seasonal extremes (mid-summer and mid-winter). The CxA shall interview facility staff to identify problems or concerns they have in operating the building as intended. The CxA must provide suggestions for improvements and record these changes in the O & M and Systems Manuals. The CxA should identify problems that are covered under warranty or under the original construction contract. Except for deficiencies that arise from inadequacies in manuals or other materials prepared by the CxA, any other follow-up by the CxA in connection with deficiencies noted during these inspections including subsequent inspections or developing requests for service to remedy outstanding problems shall be compensable as an Additional Service.

2.3. Peer Review Services

2.3.1. Review of 30% Submission.

The CxA shall perform an independent, technical review of the Design Documents comprising the A/E's 30% Submission. Among other things, the CxA shall review and analyze the assumptions, calculations, layout and overall quality and constructability of the proposed design, and its consistency with the Board's Program, LEED® Certification Plan and Applicable Law. The CxA shall provide specific comments and recommendations that will assist the Board in providing feedback and direction to the Design Team.

2.3.2. Reviews of 60% Submission and 95% Submission.

2.3.2.1. The CxA shall perform independent, technical reviews of the Design Documents comprising the A/E's 60% Submission and 95% submission. The CxA's reviews will confirm the consistency of the Design Documents with the Board's Program, LEED® Certification Plan, and Applicable Law; identify any deviation from standards; suggest improvement opportunities; and promote the exchange of design techniques and education among Design Team members.

2.3.2.2. The CxA shall review the 60% Submission and 95% submission for their comprehensiveness, clarity, coordination and constructability relative to generally accepted architectural, engineering and construction industry standards for similar building projects pursuing LEED® Certification. The review should include not only the drawings, but the general conditions, special conditions and specifications. Each document should be proofread for clarity of language, accuracy and content. The review should also focus on removing provisions and sections in the Construction Documents which are not applicable to the Project. Cross-references will be

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reviewed and generally confirmed for accuracy and to identify material omissions. Calculations to be reviewed include but are not limited to, short circuit analysis, electrical coordination study, Arc Flash Hazard Study, short circuit calculations, electrical load calculations, wire sizing, air conditioning and heating sizing, pipe sizing, and structural calculations.

2.3.2.3. The CxA shall report any potential issues to the CO including deviations from standards, or omitted, inconsistent, incorrect or unclear detailing or sections for systems that are known by the CxA and in the design and construction industries to contribute to delays, design or construction defects and change orders. The CxA shall include proposed additions to, and/or modifications of, existing drawings, details and specifications, in a "red-lined" set of the drawings provided for their review.

2.3.2.4. The CxA shall issue a written summary of its review in spreadsheet format, with comments listed according to major building systems and/or trades. The spreadsheet will include the following information: a brief description of each issue of concern; the basis for the concern (i.e. the likely failure modes and manifestations resulting from improper execution); specific references to drawings and/or specification sections; and recommended additions to and/or modifications of existing details/specifications. Additional information such as recommended detailing, technical product data, accepted industry standards, etc. shall be provided as the CxA deems necessary and/or the A/E requests to assist the A/E in completing accurate construction detailing and specifications for the Project.

2.3.2.5. The CxA shall meet with the Board and appropriate members of the Design and/or Construction Teams to discuss the issues raised, and recommendations proposed, in its review. If requested, the CxA shall assist the A/E in correcting inaccurate details and furnishing critical omitted information.

2.3.3. Application for LEED® Certification. Prior to their submission to the USGBC, the CxA shall review, and make recommendations regarding, the Board's application for certification of design phase credits and the Board's application for certification of construction phase credits prepared by the A/E.

2.3.4. LEED® CIRs and Appeals. The CxA shall review, and make recommendations to the Board regarding, the proposed submittal of (A) Credit Interpretation

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Rulings to the USGBC for interpretation of credit language, principles, or implementation strategies; and (B) any appeal by KCCT of the USGBC's denial of any claimed credit.

2.4. Construction Materials Testing Services

2.4.1. The CxA shall provide (either directly or through consulting engineers or laboratories) all professional laboratory and on-site construction material quality control and testing services, technical staff and support personnel for the Project required by the Construction Documents and Applicable Law including, but not limited to, as applicable, soil consolidation compaction, concrete, structural steel, structural fasteners and welds, masonry, roofing, and bituminous paving (collectively "CMT Services"). The CMT Services shall conform to the accepted industry best standards of professional practice for: (1) Construction quality control and material testing services; and (2) The American Society for Testing and Materials, ASTM E329 testing procedures, inspection and testing standards.

2.4.2. The CMT Services shall be rendered in accordance with the Project Schedule and direction as provided by the COTR, A/E or Construction Administrator. The CxA shall monitor and coordinate on-site field time to efficiently coordinate with the Construction Contractor operations requiring testing. On-site field time to provide testing for operations whose planned duration will require overtime shall be reviewed with, and approved by, the CO. The CMT Services shall include attendance at all Project related meetings and conferences in pursuance thereof. Written reports on inspections and testing shall be provided to the Construction Administrator, A/E and COTR on a daily basis or as otherwise directed by the CxA or COTR. Transmittals of any test result data shall specifically point out any test results not meeting applicable construction quality control and material testing standards or the Construction Documents.

2.4.3. Before the start of construction, the CxA shall provide the following information to the A/E, COTR and Construction Administrator:

- 2.4.3.1. Names of testing laboratories and consulting engineer firms with quality control responsibilities on the Project, together with a description of the services to be provided.
- 2.4.3.2. Procedures for assuring that testing laboratories meet the requirements of the American Society of Testing and Material's Standards on laboratory evaluation referenced in the contract specifications. (The testing contract shall state that the laboratory complies with ASTM D3666 and C1077).
- 2.4.3.3. Qualifications of engineering supervision and construction inspection personnel.
- 2.4.3.4. A listing of all tests required by the Construction Documents, including the type and frequency of tests to be taken, the method of sampling, the applicable test standard, and the acceptance criteria or tolerances permitted for each type of test.

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2.4.3.5. Procedures for ensuring that the tests are taken in accordance with the program, that they are documented daily, that the proper corrective actions, where necessary, are undertaken, and that the quality of materials used is adequate.

2.4.4. The CxA shall notify the CO, Construction Administrator and Construction Contractor of any failure of the work or materials to conform to the applicable construction quality control and material testing standards or the Construction Documents. The CxA shall recommend that the CO reject non-conforming materials and, with the CO's approval, notify the Construction Contractor to suspend any work in question until such issues can be referred to the CO for a final decision. In the event of a safety violation or other unsafe conditions on or about the Project Site which have an immediate potential or actual adverse effect on life or property, the CxA is authorized, without prior notice to the Construction Administrator or the Board or prior directive of the Board, to take all actions deemed necessary and appropriate by the CxA under the then existing circumstances to prevent such actual or potential adverse effect.

3. RIGHTS OF OWNERSHIP

3.1. Design Documents, drawings, sketches, calculations, descriptions, narratives, specifications, models, renderings, training materials (in any media or format), and any other data, studies, reports and written information related to or developed during the performance of the Services hereunder by, or on behalf of, CxA or by any CxA Consultant ("Work Product") shall be considered "work made for hire" commissioned by the Board, and any and all legal rights to such Work Product, including all copyrights, shall be deemed permanently vested in Board, regardless whether the Project for which it is prepared is executed or not, and the CxA hereby unconditionally and irrevocably transfers to Board any and all rights CxA may be deemed to have to such Work Product. The suspension, termination, breach of contract by Board (other than for the Board's wrongfully withholding of undisputed sums in breach of this Contract) or other dispute between Board and CxA shall not affect the rights granted to Board hereunder. No information gathered or generated in the performance of the work shall be disclosed to any third party without the written consent of the Board. CxA agrees to prepare or modify all documents used or prepared by the CxA, including, but not limited to, agreements between the CxA and CxA Consultants to be consistent with the provisions of this Section C.4.

3.2. If the Board takes steps to terminate the CxA's right to perform services under this Agreement as provided in Section M.20 or M.21, the CxA shall cooperate fully with the Board by immediately turning over possession and control to the Board of all Work Product not yet delivered to Board, if any, as well as all digital and reproducible copies of the Work Product either stored for use on computers or in any other type of media and otherwise assist the Board's successor designers to complete the design or perform redesign work. The only charges that may be assessed to Board by the CxA for the turnover of possession and control of Work Product are the direct cost of reproduction by photocopying, or other data duplication methods selected by

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the Board at its sole discretion. However, no charges for services may be imposed or required as a condition of turning over possession and control of Work Product.

3.3. CxA shall defend, indemnify and hold Board harmless from any claims to the extent arising from or relating to the actual or alleged infringement of any domestic or foreign patents, copyrights, trademarks or other intellectual property rights that may be attributable to CxA or CxA's Consultants in connection with the Services and the Project. In the event that any suit, claim, temporary restraining order or preliminary injunction is granted, CxA shall, in addition to its obligation above, make every reasonable effort, by giving a satisfactory bond or otherwise, to secure the suspension of the injunction or restraining order. If, in any such suit or claim, the Services, the Project or any part, combination or process thereof, is held to constitute an infringement and its use is preliminarily or permanently enjoined, CxA shall promptly use its best efforts to secure Board a license, at no cost to Board, authorizing continued use of the infringing work. If CxA is unable to secure such a license within a reasonable time, CxA shall, at its own expense and without impairing performance requirements, either replace the affected work, in whole or part, with non-infringing components or parts or modify the same so that they become non-infringing.

3.4. Unless otherwise provided in this Agreement, if CADD technology is used by the CxA in connection with this Project, CxA shall retain all rights, title and interest in the CADD applications programs, electronic tapes, and disks related to the CADD applications programs. As part of its Services, CxA shall prepare a duplicate disk of CxA's design database pertaining to this Project and deliver same to Board at no additional cost, along with complete instructions on the definition of the CADD layers that must be used in the assembly of the electronic drawing files. Board shall provide any necessary copies of CADD applications programs. Uses by the Board of the electronic drawing files include but are not limited to backgrounds for Construction Contractor or subcontractor shop drawings, as-built drawings, Board marketing and other Board promotional materials.

4. MANDATORY REQUIREMENTS

4.1. The Offeror (the entity submitting a proposal in response to this Solicitation) shall have relevant, direct experience with commissioning at least five (5) LEED certified buildings, two of which shall be renovations.

4.2. The Offeror shall have at least five (5) years of experience in building commissioning, at least two (2) of which shall be in LEED certification.

4.3. The Offeror shall have and maintain an office in the Washington, DC Metropolitan area which is located not more than one hour's non-rush hour drive from the Board's Martin Building. The office shall serve as the location of the Contractor for purposes of contractual communications.

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4.4. The Offeror shall be established as a firm in the Washington, DC Metropolitan area, and shall hold and maintain throughout the term of this Contract all licenses and registrations required to perform the services described in this SOA in Washington, DC.

4.5. The Offeror shall be capable of providing Key Personnel who will be dedicated to providing services under this SOA and who meet the following requirements, at a minimum.

Commissioning Agent: The Offeror shall submit resumes for at least two (2) Commissioning Agents as follows:

4.5.1 Each Commissioning Agent shall have at least two (2) years of experience as a Commissioning Agent or equivalent, on similar types of project(s) as described in this SOA, to include renovation of at least two (2) LEED certified buildings at least one of which shall be a renovation. The resume shall include a list of the relevant projects. They shall have all required licenses and certifications for the commissioning of a LEED building renovation.

4.5.2 One Commissioning Agent shall be designated as "proposed" and the other Commissioning Agent shall be designated as the "proposed alternate."

4.6. The Offeror shall provide references of all commissioning projects completed or in process over the last five (5) years with contact names and telephone numbers. The Offeror shall identify which projects have become LEED certified and which ones are intended to be LEED certified.

5. BOARD PROVISIONS

The Board will not provide vehicle parking for the Contractor. The Board will not provide office space for the Contractor to use during the performance of the described services.

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SECTION D
[Intentionally Omitted]

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SECTION E

INSPECTION AND ACCEPTANCE

E.1 INSPECTION AND ACCEPTANCE

The COTR will inspect and accept the goods and services at intervals that he/she specifies.

E.2 REDELIVERY OF WORK AND SERVICES

If any of the services delivered by the Contractor under this Contract do not conform to the requirements of Section C, the Statement of Work, the Contracting Officer may direct the Contractor to deliver the services again, in conformity with Section C, and the Contractor shall not re-invoice the Board for such rework. When defects in services cannot be corrected by re-delivery, as determined by the COTR, the Contracting Officer may require the Contractor to (1) take actions to assure the Board that future deliveries will conform to contract requirements, and (2) reduce the future amounts invoiced by the Contractor to reflect the reduced value of the nonconforming services.

If the Contractor again fails to deliver conforming services after attempting to re-deliver, or to take the actions necessary to ensure future conformance with contract requirements, the Board may (1) by contract or otherwise, engage a third party to perform and deliver the services in place of the Contractor and charge to the Contractor any charges incurred by the Board that are directly related to this third-party performance, or (2) terminate this Contract for default in accordance with the General Contract Provisions.

Notwithstanding any of the foregoing provisions, at any time, the Contracting Officer may require the Contractor to remedy by correcting or replacing the Contractor's personnel, without cost to the Board, any failure by the Contractor to comply with the requirements of this Contract if failure is due to (1) fraud, lack of good faith, or willful misconduct on the part of any of the Contractor's personnel, or (2) the conduct of one or more of Contractor's personnel selected or retained by the Contractor after the Contractor's management or the Board has grounds to believe that Contractor's personnel are unqualified or habitually careless.

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SECTION F

CONTRACT DELIVERABLES

F.1 DELIVERABLES

The CxA shall timely prepare and/or deliver to the Board (or necessary third party) all of the items that Section C, Statement of Work, requires including, but not limited to, Commissioning Plan, Commissioning Evaluation of OPR, BOD and 30% Submission, Commissioning Evaluation of 60% Submission, Commissioning Evaluation of 95% Submission, Submittal Reviews, Commissioning Report, Systems Manual, Building O&M Manual, Peer Review of 30% Submission, Peer Review of 60% Submission, Peer Review of 95% Submission, List of Tests, CMT Quality Assurance Plan, and CMT Progress Reports.

F.2 [Intentionally omitted]

F.3 REPORTS

See Section F.1.

F.4 INSURANCE CERTIFICATES

The CxA shall provide the Board with insurance certificates, and endorsements signed by the applicable insurer naming the Board Indemnitees (as defined in Section L.7.b, as amended) as Additional Insureds, for each insurance policy that is required to be in effect throughout the performance period (including ongoing and completed operations).

F.5 MANUALS

The CxA shall ensure the timely delivery of all systems, operations and maintenance and building manuals required by the Contract.

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SECTION G

INQUIRIES

G.1 POINT OF CONTACT

The Board's contact person responsible for providing additional information and answering inquiries about this Solicitation is the Senior Contract Specialist.

- a. The Offeror shall submit all communications, such as requests for clarification and/or information concerning this Solicitation, in writing via electronic mail followed up by postal mail to the following address:

The Federal Reserve Board
Procurement Section, Mail Stop 128
20th and C Streets, NW
Washington, DC 20551
Attention: Kristin Gandhi
RE: Solicitation 201000262

Telephone (202) 452-3812/Fax (202) 728-5826/E-mail Kristin.E.Gandhi@frb.gov

- b. Inquiries shall be submitted in writing no later than 5:00 p.m. on July 8, 2010.
- c. The Senior Contract Specialist will provide answers to questions to potential Offerors giving due regard for the proper protection of proprietary information.

The Senior Contract Specialist will not provide information concerning this Solicitation or requests for clarification in response to Offeror-initiated telephone calls. The Offeror shall make all such requests in writing via e-mail followed up by postal mail to the above address. Questions shall identify the specific area of this Solicitation, citing the particular section and paragraph of this Solicitation in which clarification is desired. The Senior Contract Specialist will provide questions and answers to all prospective Offerors. Sources of questions will not be identified.

Note: Offerors are instructed specifically to contact only Kristin Gandhi in connection with any aspect of this requirement prior to the Contract's award. The Offeror shall submit proposals and all correspondence relating to this document to Kristin Gandhi.

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SECTION H

KEY PERSONNEL

H.1 APPROVAL OF KEY PERSONNEL

Offerors shall submit resumes with their Technical Proposals (Volume II) of those persons that are essential for the performance of the Services described in Section C, the Statement of Work, and who will be assigned to the resulting Contract (Key Personnel). The CxA shall not remove or replace Key Personnel without prior notification to and approval by the COTR, and the COTR must approve any replacement of Key Personnel prior to their replacement. Approval of Key Personnel will not be unreasonably withheld. If any Key Personnel become disabled, voluntarily terminate their employment with the CxA, or otherwise are unable to perform, then such persons shall be replaced with persons of equal or better skill and experience. Substitutions of subcontracted or consultant support included in the original contract are subject to the written approval of the CO. This Contract must be modified before the substitute commences work. Changes in individuals employed by these firms will be processed administratively by letter between the CO and the CxA. Personnel possessing unique technical specialties may be required for supplementary expertise related to project services. Such personnel shall have qualifications as required and approved by the COTR which are appropriate to the nature of the services that will be provided.

H.2 PERSONNEL QUALIFICATIONS

Offerors shall indicate in their Technical Proposals how their Key Personnel will direct or perform the Services as described in Section C. In addition, Offerors shall explain the procedures for training Key Personnel. Letters of commitment shall be included in the Technical Proposals for all Key Personnel. Repeated failure or excessive delays by the CxA to provide qualified personnel, who meet the stated requirements, may be reason for COTR to recommend termination of this contract by the CO.

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SECTION I

EVALUATION AND AWARD PROCESS

I.1 EVALUATION OF PROPOSALS - MANDATORY REQUIREMENT(S) AND TECHNICAL AND PRICE POINTS

- a. Each Offeror shall submit a technical proposal and a cost/price proposal according to the guidelines presented in Section L, General Instructions and Information, Proposal Submission. In addition, the Offeror shall submit the cost/price proposal in the same format as the sample form provided in Section B, the Cost/Price Proposal Form.

Each response to this Solicitation shall be subject to the same review and assessment process by the Board's technical and cost evaluation teams.

Each proposal will first be examined to determine if the Offeror is responsible (see I.2) and if the proposal meets all mandatory requirements set forth in Section C, Statement of Work and listed below. If any mandatory requirement is not met, the proposal will be rejected and will receive no further consideration. Technical proposals that meet all mandatory requirements qualify for further evaluation and will receive up to thirty (30) technical points. In addition, these proposals will receive seventy (70) cost points in inverse proportion to the ratio of their cost to that of the lowest proposal. Technical and cost points will be combined to determine which Offeror is awarded the Contract.

- b. Offerors submitting proposals in response to this Solicitation must meet the mandatory requirements listed below in order to qualify for further technical evaluation.
- (1) The Offeror (the entity submitting a proposal in response to this Solicitation) shall have relevant, direct experience with commissioning at least five (5) LEED certified buildings, two of which shall be renovations.
 - (2) The Offeror shall have at least five (5) years of experience in building commissioning, at least two (2) of which shall be in LEED certification.
 - (3) The Offeror shall have and maintain an office in the Washington, DC Metropolitan area which is located not more than one hour's non-rush hour drive from the Board's Martin Building. The office shall serve as the location of the Contractor for purposes of contractual communications.
 - (4) The Offeror shall be established as a firm in the Washington, DC Metropolitan area, and shall hold and maintain throughout the term of this Contract all licenses and

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registrations required to perform the services described in this SOA in Washington, DC.

- (5) The Offeror shall be capable of providing Key Personnel who will be dedicated to providing services under this SOA and who meet the following requirements, at a minimum.

Commissioning Agent: The Offeror shall submit resumes for at least two (2) Commissioning Agents as follows:

(a) Each Commissioning Agent shall have at least two (2) years of experience as a Commissioning Agent or equivalent, on similar types of project(s) as described in this SOA, to include renovation of at least two (2) LEED certified buildings at least one of which shall be a renovation. The resume shall include a list of the relevant projects. They shall have all required licenses and certifications for the commissioning of a LEED building renovation.

(b) One Commissioning Agent shall be designated as "proposed" and the other Commissioning Agent shall be designated as the "proposed alternate."

- (6) The Offeror shall provide references of all commissioning projects completed or in process over the last five (5) years with contact names and telephone numbers. The Offeror shall identify which projects have become LEED certified and which ones are intended to be LEED certified.

c. Technical points

(1) Factor No. 1. Interview: The technical evaluation team will conduct an in-person interview with each Offeror that meets all of the mandatory requirements listed in this SOA. The technical evaluation team will interview the Offeror on past projects and their relevance to the project described in this SOA, the Offeror's ideas concerning the project, to include what environmental and energy conservation opportunities might exist, discussion of the Offeror's role on the project team and how the Offeror would execute that role, and a demonstration of the Offeror's vision of how it would support the Board's project goals and intent. Offerors should be prepared to discuss what obstacles they believe exist in obtaining a LEED silver rating (or better rating) for this project and how they would help the Board to overcome such obstacles. The technical evaluation team will award up to ten (10) points for this factor.

(2) Factor No. 2. Documentation: The Offeror shall provide examples of the documentation provided for at least one recent LEED project prepared by or for the primary Commissioning Agent to include, but not limited to, the commissioning plan,

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training materials, testing results, and recommendations to the Board, architect, or engineer. The technical evaluation team will score this factor based on quality and thoroughness of documents. The Offeror shall provide other appropriate documentation, such as patents or a discussion of new technology the Offeror was involved in commissioning. The technical evaluation team will award up to ten (10) points for this factor.

- (3) Factor No. 3. Review of resumes' of proposed Commissioning Agents, to be evaluated on the degree of past relevant experience and relevant credentials. The technical evaluation team will award up to ten (10) points for this factor.

d. Cost/price proposal

A Board price evaluation team will use the same review process to evaluate each Offeror's cost/price proposal as formatted according to Section B. Offerors are reminded that they must use the format set forth in Section B in submitting their cost/price proposals. The price evaluation team will evaluate the cost/price proposals for price reasonableness, realism, risk, and any other criteria set forth in Section B. The price evaluation team may reject unrealistically low or materially unbalanced offers. The lowest price, acceptable proposal will be awarded seventy (70) points, and higher priced bids will be awarded points in an inverse proportion.

e. Covered Company Preference

If a covered company, as defined in Section M.25, is among the Offerors whose cost/price proposal is being evaluated under this section, costs will be adjusted as described in subparagraph 1., below. The adjusted costs will be used when awarding cost points under the process described in paragraph c., above.

1. Except for the acquisitions described in subparagraph 2., below, if a responsible covered company submits a responsive bid, quotation, or proposal, the Contracting Officer shall, for the purpose of price evaluation, add to each noncovered company's proposal the following factor(s): three percent (3%) of the first \$500,000, plus one percent (1%) for any amount of the bid, quotation, or proposal that exceeds \$500,000. After applying this price adjustment, the Contracting Officer will evaluate the proposals and award the Contract as provided in paragraphs a. and c., above.
2. No price adjustment will be calculated in any of the following acquisitions, even if a covered company is a bidder: (1) the value of the contract is equal to or less than \$100,000, (2) the acquisition is a set-aside under the Board's Small and Disadvantaged Business Acquisition Policy, (3) the covered company has executed a waiver of the price preference, (4) price is not a factor in the evaluation, or (5) the

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contract is being awarded pursuant to the Trade Agreements Act or another international agreement.

1.2 FACTORS TO DETERMINE A RESPONSIBLE OFFEROR

- a. The Offeror shall provide financial statements for its two most recently completed fiscal years.
- b. The Offeror shall disclose any actions pending before any body competent to rule on, adjudicate, or referee any legal dispute, including labor or workers' compensation controversies, or bankruptcy filings.
- c. The Offeror shall possess, as of the date of release of this Solicitation, all required licenses and/or permits to conduct business both in the jurisdiction in which their main offices are located, and in Washington, DC. The Offeror shall indicate the type(s) of licenses and/or permits that have been issued to them, and the names of the issuing jurisdictions. The Offeror shall provide copies of such licenses and/or permits if requested. The Offeror shall keep current all required licenses and permits.
- d. The Offeror shall certify, as of the date of release of this Solicitation, that it has paid all taxes due, withholding or otherwise, and that it is not a party to any action by any taxing jurisdiction or authority to collect overdue or back taxes.
- e. If an Offeror has financial statements that are weak, has any actions pending, has not obtained or retained the required licenses and/or permits, has any outstanding taxes, or fails to provide any other information required by this Solicitation, the Offeror shall fully explain such action or deficiency so that the Contracting Officer may have sufficient information to determine whether the Offeror is a responsible Offeror.
- f. The Offeror's past performance (see Factor No. 1 of the technical proposal evaluation) will be partly evaluated as follows:
 - a. Quality of product or service. This refers to compliance with contract requirements, accuracy of reports, and technical excellence. Excellent: there were no quality problems.
 - b. Timeliness of performance. This refers to whether the Offeror met interim milestones, was reliable and responsive to technical direction, completed the project on time, including wrap-up and contract administration, and whether the Offeror incurred any liquidated damages.

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- c. Cost control. This refers to the budget and cost efficiencies, and also whether the invoices were accurate and complete, and there were no overruns.
- d. Business relations. This refers to effective management, effective small and small disadvantaged-business subcontracting programs, reasonable and cooperative behavior, flexible effective CxA-recommended solutions, and business-like concern for the organization's interest.
- e. Customer satisfaction. This refers to end user satisfaction with the Contractor's service.

1.3 PROTESTS

Any actual or prospective Contractor who is aggrieved in connection with the solicitation or award of a contract may submit a written protest consistent with the provisions of Section M.23.

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SECTION J

CONTRACT ADMINISTRATION

J.1 CONTRACT TYPE

It is contemplated that the Board will award a "Time & Materials" contract to the successful Offeror with not-to-exceed values established for each component of the Project (Commissioning, Peer Review and CMT services) and for each phase of the Project that Commissioning Services are to be performed as described in Section M.6 and Attachments B-1, B-2 and B-3. The Board will not be obligated to compensate Offeror for the performance of Services that exceed these not-to-exceed values absent the Board's advance written authorization.

J.2 PERIOD OF PERFORMANCE

The term of this Contract shall commence on the Effective Date and, unless earlier terminated as provided herein, shall expire thirty (30) days after the completion of any remedial work required as a result of the CxA's review of building operations pursuant to Section C.2.2.4.5. Notwithstanding the expiration of the term of this Contract, CxA shall continue to perform all Services that survive final payment in accordance with this Contract.

J.3 INVOICES AND PAYMENTS

Pursuant to Section M.6.f, the CxA shall submit invoices in arrears and on a thirty-day (30) cycle. The terms are net 30/prompt payment. All invoices shall show the contract number and modification number, if issued.

The CxA shall submit invoices via electronic mail to MGT-Accounts-Payable@frb.gov or by facsimile to (202) 452-2840. If the CxA does not have access to electronic mail or facsimile equipment, it may also submit the invoice by postal mail in duplicate (original and one copy) to:

The Federal Reserve Board
Accounting Section, Mail Stop 152
20th and C Streets, NW
Washington, DC 20551

If any travel is authorized under this Contract, the CxA shall attach to the invoice all documentation for travel expenses. The CxA shall be reimbursed according to the Board's travel policy in effect on the date of travel.

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The Board will make payment by electronic funds transfer. Notification will be provided by facsimile to the CxA on the date of payment.

J.4 CONTRACT MANAGEMENT

Contract management is as follows:

Name	Title
Elaine Boutilier	Contracting Officer
Michael Kelly	Procurement Manager
Kristin Gandhi	Senior Contract Specialist
Keith Bates, P.E.	COTR

J.5 COTR FUNCTIONS AND LIMITATIONS

Keith Bates, P.E., Assistant Director of Facilities, is designated the cognizant COTR who represents the Contracting Officer in administering technical details within the scope of the Contract and in inspecting and accepting. Neither the COTR nor the Construction Administrator is authorized to make any representations or commitments of any kind on behalf of the Contracting Officer or the Board. The COTR and Construction Administrator do not have the authority to alter the CxA's obligations or change the terms and conditions of the Contract, to approve Additional Services or payment or to accept deliverables on behalf of the CO. If, as a result of technical discussions, it is desirable to alter or change the terms and conditions of the Contract, changes will be issued in writing and signed by the Contracting Officer or his/her authorized representative. The CxA and CxA consultants are not authorized to accept any instructions, interpretations, or requests for work; honor any changes or revisions which may incur expenditures or affect price; or take actions which affect the terms of performance or any other requirements of the Contract without written notification signed by the CO.

Some of the types of actions within the scope of the COTR's authority are:

- a. To assure compliance of the CxA's performance with Section C, the Statement of Work.
- b. To perform or cause to be performed those inspections necessary to determine the CxA's compliance with the technical requirements of the Statement of Work.
- c. To maintain both oral and written communications with the CxA concerning those aspects of this Contract within his/her purview.

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- d. To monitor the CxA's performance and to advise the Board's Supervisory Contracts Analyst of any deficiencies.
- e. To coordinate the availability of Board-furnished property and services and to provide entry to the work area for the CxA's personnel, as required.
- f. To obtain the CxA's proposal for a change order and to relay the information in a memo to the Supervisory Contracts Analyst.
- g. To review invoices and, based on satisfactory performance of the terms and conditions of the Contract, to notify the Accounting Section that a payment should be made pursuant to the Contract.
- h. To determine final acceptance of services provided under this Contract.

The Construction Administrator is authorized to give the CxA written directives that do not alter the CxA's obligations or change the terms and conditions of the Contract. The Board reserves the right to designate a different Construction Administrator at any time, without advance notice. Any task, including, but not limited to, reviews or approvals that the Board may perform pursuant to this Contract may be performed by the Construction Administrator, unless that task indicates it shall be exclusively performed by the Board or any other designated representative of the Board.

In addition to assisting the COTR in connection with the above referenced actions, services within the Construction Administrator's scope of work include:

- i. Monitoring the CxA's compliance with the Contract.
- ii. Monitoring adherence by Project Team members with the Project Schedule.
- iii. Performing constructability reviews.
- iv. Preparing Construction Cost estimates and performing value engineering.
- v. Assisting in the process for procuring Contractors.
- vi. Reviewing applications for payment.
- vii. Facilitating collaboration and communication between members of the Project Team.
- viii. Inspecting the Work.
- ix. Monitoring commissioning of the building's systems.

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SECTION K

REPRESENTATIONS AND OTHER STATEMENTS OF OFFEROR

The Offeror shall include one copy of Section K, Representations and Other Statements of Offeror, in Volume I (Offer). To make the offer binding, the Offeror shall complete all blocks of Section K, as required, type in the name of the authorized signing official in the space reserved for his/her signature, and sign the form on that space.

1. Small business concern
2. Regular dealer-manufacturer
3. Quotation acceptance period
4. Contingent fee
5. Type of business organization
6. Persons authorized to conduct negotiations for Offeror
7. Previous contracts and compliance reports
8. Affirmative action compliance
9. Equal employment compliance
10. Intended place(s) of performance or other establishment(s) from which the supplies are to be furnished or services are to be performed
11. Acknowledgment of amendments
12. Acknowledgement of duties, responsibilities, and authority

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REPRESENTATIONS AND OTHER STATEMENTS OF OFFEROR

K.1 SMALL BUSINESS CONCERN

The Offeror () is, (x) is not a small business concern.¹ If the Offeror is a small business concern and is not the manufacturer of the supplies offered, it also represents that all supplies to be furnished hereunder () will, () will not be manufactured or produced by a small business concern in the United States, its possessions or Puerto Rico.

K.2 REGULAR DEALER-MANUFACTURER (applicable only to supply contracts exceeding \$10,000).

The Offeror is a () regular dealer in, () manufacturer of the supplies offered.

K.3 QUOTATION ACCEPTANCE PERIOD

This quotation is valid for 60 days from due date for receipt of offers.

K.4 CONTINGENT FEE (applicable only to supply contracts exceeding \$100,000)

- a. The Offeror () has, (x) has not employed or retained any company or person (other than a full-time, bona fide employee working solely for the Offeror) to solicit or secure this Contract; and
- b. The Offeror () has, (x) has not paid or agreed to pay any company or person (other than a full-time, bona fide employee working solely for the Offeror) any fee, commission, percentage, or brokerage fee contingent upon or resulting from the award of this contract; and
- c. The Offeror agrees to furnish information relating to (a) and (b) above, as requested by the Contracting Officer.

If the Offeror, by checking the appropriate box, has represented that it has employed or retained a company or a person (other than a full-time bona fide employee working solely for the Offeror) to solicit or secure this Contract, or that it has paid or agreed to pay any

¹ A small business concern for the purpose of government procurement is a concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operation in which it is quoting on government contracts, and can further qualify under the criteria concerning number of employees, average annual receipts, or other criteria, as prescribed by the Small Business Administration. (See Code of The Board Regulations, Title 13, Part 121, as amended, which contains detailed industry definitions and related procedures.)

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fee, commission, percentage or brokerage fee to any company or person contingent upon or resulting from the award of this contract, the Offeror shall provide a statement that:

1. Provides the full name and business address of any or all company(ies) or person(s) employed or retained to solicit or obtain this contract and indicate whether such is an individual, a partnership or a corporation.
2. Describes the relationship of the Offeror to such person or entity (for instance, a sales or purchasing representative, a broker, an employee, or a corporate officer or principal and).
3. Indicates whether a written contract or agreement exists regarding such relationship. If a contract exists, the Offeror must provide a copy of such contract; otherwise, it must state in detail the terms of such arrangement including the amount and the method of computation of compensation and expenses.

The Offeror shall submit two copies of this statement, each signed by an authorized principal. If the Offeror has previously submitted a completed statement to the office issuing this Solicitation, the Offeror may accompany its quotation with a signed statement (i) indicating when it previously furnished such completed form, (ii) identifying by number the previous solicitation or contract, if any, in connection with which it submitted such form, and (iii) representing that the statement in such form is applicable to this quotation.

K.5 TYPE OF BUSINESS ORGANIZATION

The Offeror operates as () an individual, () a partnership, () a nonprofit organization, (x) a corporation incorporated under the laws of the State of **Delaware**.

K.6 PERSONS AUTHORIZED TO CONDUCT NEGOTIATIONS FOR OFFEROR SHALL BE THE FOLLOWING:

	Julian Sabbatini	(571) 218-1313
	Manager of Projects	
Name(s)/Title(s)		Phone No(s)
	Marietta Hannigan	(571) 218-1125
	Vice President	

K.7 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (NOTE: Applicable only to contracts or subcontracts that are not exempt from the equal opportunity compliance clause.)

The Offeror represents that:

- a. If (x) has, () has not participated in a previous contract or subcontract subject either to the Equal Opportunity Compliance clause herein or the clause originally contained in Section

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301 of Executive Order No. 10925, dated March 6, 1961, or the clause contained in
Section 201 of Executive Order No. 11114, dated June 22, 1963;

- b. It (s) has, () has not filed all required compliance reports; and
- c. It shall obtain representations indicating submission of required compliance reports,
signed by proposed subcontractors, prior to subcontract award(s).

K.8 AFFIRMATIVE ACTION COMPLIANCE

The Offeror represents that it (s) has, () has not developed and maintained at each of its
establishments a written affirmative action compliance program policy.

K.9 EQUAL EMPLOYMENT COMPLIANCE

By submission of this offer, the Offeror represents that:

- a. To the best of its knowledge and belief, except as noted below, up to the date of this offer
no written notice such as a show cause letter, a letter indicating probable cause, or any
other written notification citing specific deficiencies, has been received by the Offeror
from any The Federal government agency or representative that the Offeror or any of its
divisions or affiliates or known first-tier subcontractors is in violation of (i) any of the
provisions of Executive Order 11246 of September 24, 1965, as amended, or (ii) the rules
and regulations of the Secretary of Labor and specifically as to not having an acceptable
Affirmative Action Compliance Program or being in noncompliance with any other
aspect of the Equal Employment Opportunity Program.
- b. Should there be any change (i) in the Offeror's status or circumstances between this date
and the date of expiration of this offer or any extension thereof, or (ii) during any
Contract's performance period or extension thereof resulting from this Solicitation, the
Offeror will promptly notify the Contracting Officer.

**K.10 INTENDED PLACE(S) OF PERFORMANCE OR OTHER ESTABLISHMENT(S)
FROM WHICH THE SUPPLIES ARE TO BE FURNISHED OR SERVICES ARE TO
BE PERFORMED**

The Offeror shall stipulate in its offer the following: the place(s) where the Services are to be
performed, the street address(es), and the name(s) and address(es) of the Services providers if
other than the Offeror.

Jacobs Engineering Group Inc.
Company Name

002 servicer SOA (final 04.24.10) .000

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1100 North Glebe Road, Suite 500
Street Address

Arlington, (Arlington) VA 22201
City/County/State/Zip Code

NOTE: If additional space is needed, attach an addendum.

K.11 ACKNOWLEDGMENT OF AMENDMENTS

Amendment No. 1 Date **July 7, 2010** Amendment No. 3 Date **July 29, 2010**
Amendment No. 2 Date **July 20, 2010** Amendment No. 4 Date **August 5, 2010**

K.12 ACKNOWLEDGMENT OF DUTIES, RESPONSIBILITIES AND AUTHORITY

The undersigned acknowledges his/her company's understanding that:

- a. The Board's Contracting Officer is the only person authorized to sign contracts or contract modifications on behalf of the Board.
- b. The Board's Contracting Officer is the only person authorized to issue change orders to the Board contracts, including this Contract. The Contracting Officer will only issue changes in accordance with Section C, §2.7 and the changes clause of the General Contract Provisions.
- c. A person designated in any Board contract as a representative of the Contracting Officer to inspect and accept products or services on behalf of the Contracting Officer or to provide technical oversight during contract performance, does not have the authority to make changes to the contract terms and conditions for any reason whatsoever. Such person may have the designation of COTR or Contracting Officer's Representative, or any other designation.
- d. As a contractor for the Board, any services performed by the CxA, not specifically required under the Contract's terms and conditions or any Additional Services performed by the CxA in the absence of a written change order from the Contracting Officer authorizing such Additional Services in advance shall be provided at the CxA's own expense and the CxA shall not file any claim for reimbursement from the Board.

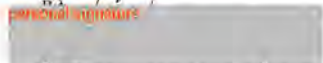
This acknowledgment is a material representation of fact upon which reliance will be placed by the Board in any contract agreed to as a result of this solicitation.

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Jacobs Engineering Group Inc., 1100 North Glebe Road, Suite 500
Arlington, VA 22201

Company Name and Address (Typed)

Marietta Hannigan, Vice President
Name and Title (Typed)

16/Jan/10
Signature



Signature

K.13 OTHER AGREEMENTS

The Offeror represents that it is not a party to any existing agreement which would prevent the Offeror from entering into and performing this Contract.

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SECTION L

GENERAL INSTRUCTIONS AND INFORMATION

L.1 GENERAL INSTRUCTIONS

- a. A Solicitation, Offer, and Award form, completed and signed by the Offeror, constitutes the Offeror's acceptance of the terms and conditions of this solicitation. The Offeror shall type in the name of the authorized signing official in Block 15 of the Solicitation, Offer, and Award form. The form shall be executed by a representative of the Offeror who is authorized to commit the Offeror to contractual obligations.
- b. A Solicitation, Offer, and Award form, completed and signed by the Offeror constitutes the Offeror's representation that it has examined the entire solicitation document, the Project Site and the most current set of Design Documents, familiarized itself with the local conditions under which the Services required hereunder are to be performed and correlated its reviews and observations of the same with all of the requirements of this Contract. If Offeror has not conducted such careful investigation, it is deemed to assume all risk of conditions or circumstances, now existing or arising in the course of the Services which could make the Services more expensive or more difficult to perform than was contemplated by Offeror. Offeror shall have no claim arising from or in connection with conditions which could reasonably have been ascertained by such investigation or other due diligence undertaken prior to the execution of the Contract including, without limitation, claims to increase the Maximum Fully Burdened Rates (or components thereof), the Not-to-Exceed Fee for Basic Services, the NTE Fees by Phase, or damages.
- c. Each Offeror shall furnish all information required by this Solicitation. The Offeror shall also fill in all blocks of Section K as required, and shall enter in the name of the authorized signing official in the space reserved for his/her signature.

L.2 DEFINITIONS

The following terms shall have the meaning as set forth below for this Solicitation:

- a. *Actual Fully Burdened Hourly Rates* is defined in Section M.6.d and Attachment B-1.
- b. *Applicable Codes and Standards* means any and all codes, standards or requirements applicable to the Services, the Work of any Construction Contractor or to the Project set forth in the Contract or in any Applicable Law. In the event of an inconsistency or conflict between any of the Applicable Codes and Standards, the highest performance standard as contemplated therein shall govern performance of the applicable person. For purposes of this Contract, Applicable Codes and Standards shall include the codes,

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statutes and requirements of the District of Columbia applicable to similarly situated projects in the District of Columbia even though the Martin Building is legally exempt from such requirements.

- c. *Applicable Law* means all laws, statutes, ordinances, certifications, orders, decrees, injunctions, permits, agreements, rules and regulations, including any conditions thereto of any Governing Authority, or other legislative or administrative action of a Governing Authority, or a final decree, judgment or order of a court which relates to the performance of the Services, the Work or services of any Construction Contractor or the interpretation or application of this Contract or any applicable Contract Documents, including (a) any and all permits, authorizations, certifications, or other approvals or orders, (b) any Applicable Codes and Standards set forth in Applicable Law; and (c) any Applicable Law related to (i) conservation, regulation, improvement, protection, pollution, contamination or remediation of the environment; or (ii) Hazardous Substances or any handling, treatment, storage, release, use and disposal or other disposition of Hazardous Substances. For purposes of this Contract, Applicable Law includes the laws of the District of Columbia applicable to similarly situated projects in the District of Columbia even though the Martin Building is legally exempt from these requirements.
- d. *Board* means the Board of Governors of The Federal Reserve System.
- e. *Board Indemnitees* is defined in Section L.7.a.
- f. *Change* means an addition, deletion, suspension of, revision or any other modification or amendment to (i) the Services; or (ii) the Work or services of any Construction Contractor or any other material requirement under the applicable Contract Documents. Adjustment to any Maximum Fully Burdened Rate (or component thereof), to the NTE Fee, to any NTE Fee by Phase or to the Project Schedule shall in every instance constitute a Change.
- g. *Commissioning Authority (or "CxA") or Contractor* means the Offeror who is awarded a Contract under this Solicitation. In this Solicitation and Contract, Contractor and CxA are synonymous.
- h. *Construction Contractor* means an individual, partnership, corporation, or other entity responsible for performing the Work, or a portion thereof. Construction Contractor shall include Subcontractors of any tier.
- i. *Construction Cost* is defined in Section C.2.3.5.

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- j. *Construction Documents* refer to the Design Documents consisting of the Drawings and Specifications setting forth in detail the quality levels of materials and systems and other requirements for the construction of the Work.
- k. *Construction Team* is defined in Section C.2.1.1.
- l. *Consultants or CxA's Consultants* are defined in Section C. 2.1.3.
- m. *Contract* means this Solicitation, Offer, and Award after execution of the Award section of the Solicitation, Offer, and Award form by the Contracting Officer.
- n. *Contract Documents* consist of the Project Contract and all documents enumerated as a Contract Document in a Project Contract and comprise the agreement between the Board and any consultant, vendor, design professional, Construction Contractor or other third party for the procurement of labor, services, material and/or equipment in connection with completion of the Project. Depending on the scope of services, Contract Documents can include, but not be limited to, purchase orders for the procurement of supplies, services, printing, and/or equipment, Drawings, Specifications, Design Documents, Project Schedules, Schedules of Value, and other materials identified as Contract Document in those agreements. Contract Documents includes amendments and supplemental agreements with respect to any of the foregoing.
- o. *Contracting Officer* means the person executing this Contract on behalf of the Board or his/her successor or successors.
- p. *Contracting Officer's Technical Representative* means the person designated to represent the Contracting Officer in administering the technical details of this Solicitation as more fully described in Section J.5.
- q. *Contract Sum* shall mean the amount payable to any Construction Contractor under a Project Contract or Subcontract.
- r. *Contract Time* shall mean (i) with respect to this Contract, the Period of Performance set forth in Section J.2; and (ii) with respect to other Project Contracts, the period of time, including adjustments authorized by approved Change Orders, allotted in the Contract Documents for the Substantial Completion of the Work or services.
- s. *Design Documents* mean the Drawings, Specifications, calculations and other work product and Instruments of Service prepared by the Architect, the Architect's Consultants or any other design professional or Construction Contractor engaged by the Board to perform Design Services in connection with the development of the Project including, but

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- not limited to, Schematic Design Documents, Design Development Documents, Construction Documents and Addenda thereto.
- t. *Design Services* shall mean the professional architectural, engineering and design services performed by the Architect, the Architect's Consultants or any other design professional or Construction Contractor engaged by the Board to complete Design Documents for the Project.
- u. *Effective Date* is the date this Solicitation is signed by the Contracting Officer awarding this Solicitation to an Offeror.
- v. *Final Completion of the Work* refers to when all of the following have occurred: (i) the performance of the Work has been fully completed (including, without limitation, all Punch List items), (ii) all final releases, documents and manuals required by the Contract Documents of Construction Contractors have been delivered to the Contracting Officer, (iii) all start-up testing, inspection, commissioning and calibration of building systems and equipment and Operating Equipment have been completed, and a commissioning report from the CxA states that all applicable systems and equipment have been successfully commissioned pursuant to LEED®-NC EAc3; (iv) confirmation from the Architect that all Construction Contractors has uploaded via LEED® OnLine or supplied to Architect all data and documentation required to demonstrate compliance with, and to complete the applicable calculations and Submittal Templates for, each applicable LEED® credit where such data or documentation is the Contractor's responsibility; and (v) confirmation from the CxA that training of the Board's operations personnel has been completed;. Unless otherwise agreed in the applicable Contract Documents, Final Completion of the Work shall occur within thirty (30) days following Substantial Completion of the Work (or any agreed phase of the Work) and agreement upon a Punch List.
- w. *Governing Authority* means any department, office, instrumentality, agency, board or commission of the Federal Government, and any state or local government having jurisdiction over a Party or any portion of the Services, the Work, or the Project.
- x. *Offerors* means those persons to whom the Board sent a Solicitation.
- y. *NTE Fee for Commissioning Services* is defined in Section M.6.a and Attachment B-1.
- z. *NTE Fee for CMT Services* is defined in Section M.6.a and Attachment B-1.
- aa. *NTE Fee for Peer Review Service* is defined in Section M.6.a and Attachment B-1.
- bb. *Offerors* means those persons to whom the Board sent a Solicitation.

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- cc. *Operating Equipment* means the apparatus, equipment, machinery, systems, instrumentation and vehicles intended to form or forming part of the Work
- dd. *Project Contract* refers to any agreement, contract or purchase order between the Board and any consultant, vendor, design professional, Construction Contractor or other third party for the procurement of labor, services, material and/or equipment in connection with completion of the Project. It includes amendments and supplemental agreements with respect to any of the foregoing.
- ee. *Punch List* shall mean a comprehensive list of minor items to be completed or corrected following Substantial Completion of the Work on the Project, which items shall not materially affect the use, occupancy or operation of the Project by the Board.
- ff. *Solicitation* means this Solicitation, Offer, and Award document initially issued by the Board seeking proposals from Offerors.
- gg. *Subcontract* refers to any contract between a Construction Contractor and any person, or between a Subcontractor (of any tier) and any person to perform, supply, or furnish a portion of the Work on the Project.
- hh. *Subcontractor* refers to any person performing, supplying, or furnishing a portion of the Work on the Project under a Subcontract.
- ii. *Substantial Completion* refers to the stage in the progress of the Work (or a designated phase or portion thereof) when all of the following have occurred: (i) issuance by applicable Governing Authorities of a certificate of occupancy or temporary certificate of occupancy, as the case may be, and all other approvals, licenses or permits necessary to permit the Board to occupy the building (or portion thereof) with its personnel; (ii) inspection of the Work by the Board and CxA of reasonable scope and duration resulting in a determination by them that the entire Work (or a designated phase or portion thereof), excluding "Punch List" work identified during inspection, has been sufficiently completed in strict accordance with the Contract Documents and to the Board's satisfaction so that the Board can utilize or occupy the Work for its intended purpose; (iii) issuance of a certificate of Substantial Completion approved by the Board.
- jj. *Work* means the totality of the obligations described in, and reasonably inferable from, the Contract Documents of each Construction Contractor, including all labor, services, materials and equipment, necessary to construct and complete, in a good and workmanlike manner, the Project or designated portion thereof including, without limitation, the procurement, assembly, installation, testing and calibration of all Operating Equipment.

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L.3 QUALIFICATION OF PROSPECTIVE CONTRACTOR

The Board will consider proposals only from Offerors who are regularly established in the business called for, and who are financially responsible and able to show evidence of their reliability, capability, and experience. The Offeror shall have the equipment, facilities, and personnel directly employed or supervised by it to render prompt and satisfactory performance at the time of award. If the Offeror intends to subcontract any portion of the operation, it shall be so stated in its proposals. The qualifications of the identified subcontractor(s) will then be considered along with those of the prime Contractor.

L.4 CONDITIONS

- a. This Solicitation does not commit the Board to pay any cost incurred in the preparation or submission of any proposal. The Board is not liable for any costs incurred in anticipation of a contract award. The Contracting Officer, at his/her sole discretion, may allow those costs that if incurred after contract award would be allowable.
- b. This Solicitation in no way obligates the Board to award a contract(s), and the Board reserves the right to reject any and all offers for any reason that the Contracting Officer determines.
- c. The Board reserves the right to award to other than the low-cost Offeror.
- d. The Board reserves the right to award a contract(s), after receipt of proposals, without further discussion. Therefore, it is emphasized that all proposals should be submitted initially on the most favorable terms from a cost and technical standpoint that the Offeror can submit to the Board.
- e. The proposal shall be signed by an official authorized to commit the Offeror to a contract.
- f. The Offeror will guarantee its prices for a minimum of sixty (60) days from the due date of proposal.

L.5 FORBIDDEN CONTACT

Offerors are cautioned against discussing the preparation of proposals or technical questions with Board technical personnel. The circumstances of any unauthorized contact, when verified, may result in disqualification of the Offeror's proposal. Discussions with Board technical personnel concerning the specifications, the documents incorporated by reference, pricing, or any other technical matters are strictly forbidden.

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L.6 INTERPRETATION OF CONTRACT REQUIREMENTS

No interpretation of any provision of this Solicitation, including applicable specifications, shall be binding on the Board unless furnished or agreed upon in writing by the Contracting Officer or his/her designated representative authorized to make such interpretation.

L.7 INSURANCE

- a. Subject to Section L.7.1, the Offeror shall procure, pay for, and maintain during the term of this Contract and thereafter as required, the following insurance coverage with limits not less than those set forth below with insurers authorized or approved to do business in the District of Columbia and otherwise acceptable to the Board and under forms of policies satisfactory to the Board. The Offeror is responsible for the payment of all deductibles on these policies. None of the requirements contained herein as to types, limits or the Board's approval of insurance coverage to be maintained by Offeror is intended to and shall not in any manner limit, qualify or quantify the liabilities and obligations assumed by Offeror under this Contract or otherwise provided by law. For purposes of this Contract, "Board Indemnitees" shall refer to the Board, its subsidiaries, the Contracting Officer, the COTR and each of their respective members, successors, assigns, heirs, legal representatives, devisees, officers, directors, shareholders, employees, consultants and agents, now existing or which may hereafter exist. For purposes of this Section L.7, "Offeror" shall include all of Offeror's subcontractors and consultants:

- 1. Worker's Compensation: Statutory Limits
- 2. Employer's Liability: \$1,000,000/each accident;
\$1,000,000/disease policy limit;
\$1,000,000/disease each employee

This policy shall include a waiver of subrogation against the Board Indemnitees

3. Commercial General Liability (Occurrence Basis)

Bodily Injury/Property Damage Liability Combined Single Limit \$2,000,000 each occurrence, \$4,000,000 annual general aggregate, \$4,000,000 products/completed operations. The policy shall include the following coverages:

- Premises/Operations;
- Independent Contractors;
- Products and Completed Operations for a period of no less than ten (10) years following the Board's acceptance of the Work for each Project (which coverage may be supplied by multiple policies in lieu of a single policy);

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Broad Form Contractual Liability specifically in support of, but not limited to, the Indemnity sections of this Contract;
Broad Form Property Damage (including Completed Operations),
Protective Liability;
Personal Injury Liability with employee and contractual exclusions removed;
Advertising Injury Liability;
Fire Legal Liability; and
Exclusions relative to Collapse, Explosion and Underground Property Damage Hazards deleted.

The liability policy shall be on a form acceptable to the Board and be endorsed to include the Board Indemnitees as Additional Insureds during the period of Offeror's ongoing operations on each Project and for the full products and completed operations period set forth above and shall contain cross-liability and severability of interest endorsements, state that this insurance is primary insurance as regards any other insurance carried by any the Board Indemnitee, and shall include a waiver of subrogation in favor of the Board Indemnitees.

The Offeror's general liability insurance and excess liability insurance shall provide sufficient coverage for any loss, damage or destruction to the buildings, improvements, vehicles, equipment and other property located on or immediately adjacent to a given Project site.

The Board may direct the Offeror to increase the coverage amounts or obtain additional or different coverages, and the Offeror will obtain pricing for such coverages or amounts as soon as practicable, but in no event later than twenty (20) days from the date of the request. If accepted by the Board, the cost of obtaining such additional, different or greater coverage shall be an Additional Service and increase the not-to-exceed amounts set forth in Attachment B-1.

4. Business Automobile Liability

Bodily Injury and Property Damage Liability Combined Single Limit \$2,000,000 per accident or occurrence.

This policy shall be a project specific policy on a standard form written to cover all owned, scheduled, hired and non-owned automobiles. The policy shall be endorsed to include the Board Indemnitees as Additional Insureds, contain cross-liability and severability of interest endorsements, and state that this insurance is primary insurance as regards any other insurance carried by any the Board Indemnitee. The two million dollars of coverage stated above may be satisfied with a combination of primary, umbrella and/or excess policies.

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5. Umbrella or Excess Liability Insurance

Bodily Injury/Property Damage \$10,000,000 each occurrence and \$10,000,000 annual aggregate

This policy shall be written on a following form umbrella occurrence basis above the liability coverages described above and shall be endorsed to include the Board Indemnitees as Additional Insureds.

6. Professional Liability written on an annually renewing policy basis with limits of liability of not less than \$10,000,000 per claim, subject to a \$10,000,000 annual aggregate.

The Offeror's Professional Liability Policy shall have a retroactive date prior to the performance of any professional Services to be provided under this Contract, shall be maintained by Offeror for ten (10) years after the Project is completed, and shall state that, in the event of cancellation or non-renewal, the discovery period for insurance claims (tail coverage) shall be at least twelve (12) months. Offeror shall supply proof of such coverage to the Board upon request.

7. Crime Insurance

Offeror shall maintain a project specific Crime policy covering the loss of money, funds, remittances, vouchers or any other property belonging to the Board, or any of its subsidiaries, caused by reason of fraud, theft, embezzlement, dishonesty, and other wrongful acts by any employee of the Offeror and or its subcontractor(s). Insurance limits under this policy shall be not less than Twenty million Dollars (\$20,000,000).

- b. Scope of Additional Insured Coverage: Subrogation Waivers. With the exception of its workers' compensation, employer's liability and professional liability insurance, Offeror shall name the Board Indemnitees, now existing or which may hereafter exist, as Additional Insureds under the policies set forth in Sections L.7.3 and L.7.5 on terms no less broad than ISO forms CG 20 10 07 04 for ongoing operations and 20 37 07 04 for completed operations (or such other forms as requested by the Board and agreed upon by the Offeror), and copies of these endorsements or their equivalent shall be provided to the Board prior to commencement of the Work (or, in the case of a Subcontractor, prior to commencement of the Subcontractor's work). All required insurance shall be purchased by insurance companies of good reputation with a rating of "A- VII" or better by A. M. Best Company. All policies shall contain cross-liability and severability of interest endorsements, shall be endorsed to be primary insurance with no recourse to or contribution from any other similar insurance, if any, which may be carried by the Board

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- Indemnitees, and shall include a waiver of subrogation in favor of Board and all Additional Insureds. Evidence of such shall be supplied to the Board.
- c. Evidence of Offeror's Insurance. Evidence of the insurance coverage required to be maintained by Offeror under this Section L.7, represented by Certificates of Insurance, and any executed endorsements issued by the insurance carrier(s), must be furnished to the Board prior to Offeror commencing its Services in connection with the Project. Certificates of Insurance and endorsements shall specify the insured status mentioned above as well as the waivers of subrogation. Such Certificates of Insurance and endorsements shall state that the Board will be notified in writing thirty (30) days prior to cancellation, material change, or non-renewal of insurance. Offeror shall provide to the Board a certified copy of any and all applicable insurance policies upon request of the Board. Timely renewal certificates will be provided to the Board as the coverage renews. Insurance similar to that required of Offeror shall be provided by or on behalf of all Subcontractors to cover their operations performed under this Contract.
- d. Submittals Upon Expiration of Policy. When any required insurance, due to the attainment of a normal expiration date or renewal date, shall expire, the Offeror shall supply the Board with Certificates of Insurance and amendatory riders or endorsement that clearly evidence the continuation of all coverage in the same manner, limits of protection, and scope of coverage, including naming the Board Indemnitees as Additional Insureds, as was provided by the previous policy whether placed with the carrier with whom the coverage was previously placed or another carrier. In the event any renewal or replacement policy, for whatever reason obtained or required, is underwritten by a carrier other than that with whom the coverage was previously placed, or the subsequent policy differs in any way from the previous policy, the Offeror shall also furnish the Board with a certified copy of the renewal or replacement policy unless the Board provides the Offeror with prior written consent to submit only a Certificate of Insurance for any such renewal or replacement policy. All renewal and replacement policies shall be in form and substance satisfactory to the Board and underwritten by carriers acceptable to the Board.
- e. The Board's Right to Procure Offeror's Insurance. If the Offeror fails to purchase and maintain, or require Offeror Consultants, Contractors or Subcontractors to purchase and maintain, any insurance required under this Section L.7 or elsewhere in the Contract, the Board may, but shall not be obligated to, upon five (5) days' written notice to the Offeror, purchase such insurance on behalf of the Offeror, Offeror Consultants, Contractors or Subcontractors, and the Board shall be reimbursed by the Offeror upon demand or, at its option. The Board may withhold the costs of procuring such insurance from any payments then or thereafter due Offeror.
- f. Failure to Procure Required Insurance. Offeror hereby releases, and shall cause its insurers, Consultants or Subcontractors and their insurers to release, the Board

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- Indemnitees from any and all rights, claims or causes of action whatsoever which Offeror, its insurers, its Consultants or Subcontractors and/or their insurers might otherwise possess resulting in or from or in any way connected with any loss covered or which should have been covered by insurance but was not due to the failure of Offeror, its Consultants or Subcontractors to obtain or maintain insurance required by this Contract, including the deductible portion thereof, maintained and/or required to be maintained by Offeror and/or its Consultants or Subcontractors pursuant to this Contract, except for such claims or causes of action which are caused by the sole fault or willful misconduct of the aforementioned parties, including the Board Indemnitees.
- g. Liability Notwithstanding Insurance. Approval, disapproval or failure to act by the Board regarding any insurance supplied by Offeror, its insurers, Consultants or Subcontractors shall not relieve Offeror of full responsibility or liability for damages, errors, omissions or accidents as set forth in this Contract. The bankruptcy or insolvency of Offeror's insurer or any denial of liability by Offeror's insurer shall not exonerate Offeror from the liability or responsibility of Offeror as set forth in this Contract.
- h. Cooperation. At all times, Offeror and its Consultants shall cooperate with the Board and its insurance program administrator with relation to insurance underwriting, payroll reporting, rating, claims, or loss history information.
- i. Consultants' Insurance. The Offeror shall require by contract and shall verify that each Consultant providing any professional services in connection with the Project shall procure and maintain insurance with the same coverages and limits and under the same terms and conditions as required of the Offeror including naming the Board Indemnitees as Additional Insureds. Offeror may, at its option, provide the coverage for any or all Consultants, provided the evidence of insurance submitted by Offeror so stipulates.
- j. Certificates of Insurance and Endorsements. Offeror shall be responsible for any modifications in these insurance requirements as they apply to any Offeror Consultant or subcontractor. Offeror shall maintain Certificates of Insurance and executed Additional Insured and other required endorsements from all Offeror Consultants and Subcontractors enumerating, among other things, the waivers against and insured status of, the Board Indemnitees, as required herein, and shall provide the same to the Board. The Additional Insured endorsement included on the commercial general liability policies of each Offeror consultant or subcontractor shall state that coverage is afforded the Additional Insureds with respect to claims arising out of ongoing and completed operations performed by or on behalf of the Offeror or, as the case may be, each Offeror Consultant or Subcontractor. If the Additional Insureds have other insurance that is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the insurer's liability under this insurance policy shall not be reduced by the existence of such other insurance.

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- k. Compliance with Insurances. Offeror shall comply, and cause each Offeror Consultant or subcontractor to comply, with all conditions and warranties of all insurances under this Contract and meet all requirements of insurers in connection with the settlement of claims, including the keeping and provision of all records, evidence or documents necessary to substantiate claims. All costs and incidental expenses incurred in relation to the preparation of claims under the policies arising out of matters for which Offeror is responsible under the Contract shall be borne by Offeror.
- l. Controlled Insurance Program. The Board may establish (or cause to be established), in its discretion, a controlled insurance program (CIP) for the Project that may meet some, but not necessarily all, of the insurance requirements of the CxA and its Consultants. To the extent a CIP is established which requires the participation of the CxA and CxA Consultants, the CxA shall, and shall ensure that its Consultants:
- i. Enroll, and maintain enrollment, in the CIP in accordance with its terms;
 - ii. Comply with all of the administrative, safety, insurance and other requirements outlined in the CIP Insurance Manual and CIP insurance policies;
 - iii. Provide to each of its Consultants a copy of the CIP Insurance Manual and ensure such Consultants' compliance with the provisions of the CIP Insurance Manual and CIP insurance policies;
 - iv. Cooperate with the Board and CIP Administrator in their determination of the (i) savings, if any, realized by the CxA and its Consultants in their insurance costs due to CIP coverages; and (ii) appropriate reduction in the CxA's price (or not-to-exceed values) for performance of the Services as a result of the savings realized by their enrollment in the CIP including, but not limited to, providing a complete and accurate disclosure of insurance costs in the form requested by the Board or CIP Administrator and all documents or information requested and executing the appropriate deductive change order to reflect such savings. Such information may include, but may not be limited to, payroll records, certified copies of insurance coverages, declaration pages of coverages, rating pages, certificates of insurance, underwriting data, prior loss history information, safety records or history, OSHA citations, or such other data or information as the Board, the CIP Administrator, or CIP Insurers may request in the administration of the CIP, or as required by the CIP Insurance Manual; and
 - v. procure and maintain all other insurance coverages required by the Contract not included in the CIP.

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L.8 EXCEPTIONS AND/OR DEVIATIONS

Offerors are cautioned that any exceptions or deviations taken to any provision of this Solicitation may result in that Offeror's entire proposal being declared unacceptable. It is the Board's intent that an Offeror satisfactorily meet each and every requirement as stated in this Solicitation. Should the Offeror request exceptions and/or deviations from any requirement of Section C, the Statement of Work, and/or any other clauses, provisions, or terms and conditions of this Solicitation, that request will be held to the highest burden of justification. Offerors shall identify in Volume I each requirement, clause, provision, or term and condition for which it requests exceptions and/or deviations. Each exception and/or deviation identified shall be fully explained including sufficient justification as to technical advantage, cost savings, and/or benefits to the Board so that the Board can thoroughly evaluate the Offeror's input and determine if it is in the best interest of the Board. If the Offeror's explanation is not acceptable to the Board, the exception and/or deviation will not be allowed, and, unless the original requirement is met, the Offeror's proposal may be found unacceptable.

L.9 MULTIPLE PROPOSALS

Offerors may submit more than one proposal in response to this Solicitation provided that each proposal addresses and meets all requirements specified herein. If multiple proposals are submitted, each proposal shall be clearly labeled and identified on the cover page of each separate document, and the reason for each additional proposal and its comparative benefits shall be explained. Each page of each proposal shall identify the proposal to which it belongs. Each proposal shall be a complete offer in and of itself. Each proposal submitted will be evaluated on its own merits. The Board will not accept or evaluate proposals for requirements other than those identified in this Solicitation.

L.10 FOCUSED ALTERNATIVES

Alternate proposals aimed at satisfying specific elements of the Board's overall requirements in a unique or alternative manner will be permitted if accompanied by and fully cross-referenced to a fully compliant proposal. Each such proposal will be evaluated on its focused proposed solutions and the common solutions of the responsive proposal that accompanies it. Proposals that do not address all requirements (either directly or by cross-reference) may be deemed unacceptable.

L.11 IDENTIFICATION OF RESTRICTED RIGHTS IN COMPUTER SOFTWARE

Offerors are cautioned of the requirement that any restrictions on the Board concerning use or disclosure of computer software that was developed at private expense and is to be delivered under the Contract must be set forth in an agreement to be negotiated prior to award and made a part of the Contract. Therefore, the Offeror shall identify in its proposal, to the extent feasible, any computer software that was developed at private expense and upon which it desires to

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negotiate restrictions, and shall state the nature of the proposed restrictions. A listing of such software shall be attached to and included as part of the Technical Proposal. If no such software is identified in the proposal, the Board assumes it has unlimited rights. Offerors will be deemed to have given a warranty by the signing of the proposal section of the Solicitation, Offer, and Award form (Section A) that software rights are not limited.

L.12 LATE PROPOSALS, MODIFICATIONS OF PROPOSALS, AND WITHDRAWALS
OF PROPOSALS

- a. Any proposal received by the office designated in this Solicitation after the exact time specified for receipt will not be considered unless it is received before award is made; and
 1. it was sent by registered or certified mail not later than the fifth calendar day prior to the date specified for receiving offers (for instance, an offer submitted in response to a solicitation requiring receipt of offers by the twentieth of the month shall have been mailed by the fifteenth or earlier),
 2. it was sent by mail, and it is determined by the Board that the late receipt was due solely to mishandling by the Board after receipt at the Board; or
 3. it is the only proposal received.
- b. Any revision of an Offeror's proposal, except a revision resulting from the Contracting Officer's request for best and final offer, is subject to the same conditions as in a.1. and a.2. above.
- c. A revision to an Offeror's proposal resulting from the Contracting Officer's request for best and final offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the Board after receipt at the Board's installation.
- d. The only acceptable evidence to establish:
 1. the date of mailing of a late proposal or modification sent either by registered or certified mail is the US or Canadian Postal Service postmark on the wrapper or on the original receipt from the US or Canadian Postal Service.² If neither postmark shows a legible date, the proposal or modification of the proposal shall be deemed to have been mailed late.

²The term postmark means a printed, stamped, or otherwise placed impression, exclusive of a postage meter impression, that is readily identifiable without further action as having been supplied and affixed on the date of mailing by employees of the U.S. or Canadian Postal Service. Therefore, Offerors should request the postal clerk to place a bull's-eye, that is, a hand-stamped cancellation or postmark, on both the receipt and the envelope or wrapper.

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2. the time of receipt at the Board is the Board's time/date stamp on the proposal wrapper or other documentary evidence of receipt maintained at the Board.
- e. Notwithstanding the above, a late revision of an otherwise successful proposal, which makes its terms more favorable to the Board, will be considered at any time it is received and may be accepted.
- f. Proposals may be withdrawn by written notice received at any time prior to award. Proposals may be also withdrawn in person by an Offeror or its authorized representative, provided that the identity of this person is made known and that he/she signs a receipt for the proposal prior to award.

L.13 PROPOSAL SUBMISSION

- a. Proposals shall set forth full, accurate, and complete information.
- b. Offerors shall submit proposals by mail or messenger to the following address:

The Federal Reserve Board
Procurement Section, Mail Stop 128
20th and C Streets, NW
Washington, DC 20551
Attention: Kristin Gandhi
RE: Solicitation 201000262

- c. The Board will accept proposals at the above address until the time and date specified below. Proposals received after this time and date will be processed as specified in section L.12 above.

Closing date: July 22, 2010

Closing time: 2:00 PM (Washington, DC time)

- d. Proposals shall be typed on paper no larger than 8-1/2 by 11 inches, using one side only. Expensive paper or elaborate artwork and bindings are neither necessary nor desired.
- e. Information requested in this Solicitation shall be furnished completely in compliance with instructions. The information requested and the manner of submission are essential to permit prompt evaluation of all proposals, and on a fair and uniform basis. Accordingly, the Board reserves the right to declare as nonresponsive, and to reject any proposals in which material information requested is not complete.

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- f. Proposals submitted in response to this Solicitation may contain technical data, trade secrets, and commercial or financial information that is privileged and confidential and that the Offeror does not want disclosed or used for any purpose other than evaluation of the proposal by the Board. The Offeror may restrict the disclosure or use of such data or information by identifying specific pages on the proposal as "RESTRICTED DATA" and by marking the cover sheet of the proposal with the legend below:

TECHNICAL DATA, TRADE SECRETS, COMMERCIAL AND/OR FINANCIAL INFORMATION CONTAINED IN PAGES ZZZ OF THIS PROPOSAL NO. ZZZ, AND MARKED "RESTRICTED DATA" SHALL NOT BE DISCLOSED OR USED OTHER THAN FOR PROPOSAL EVALUATION PURPOSES BY THE BOARD, EXCEPT THAT SUCH RESTRICTED DATA MAY BE USED IN ACCORDANCE WITH THE PROVISIONS OF ANY CONTRACT AWARDED AS A RESULT OF, OR IN CONNECTION WITH, THIS PROPOSAL. THIS RESTRICTION DOES NOT LIMIT THE BOARD'S RIGHT TO DISCLOSE OR USE SUCH DATA OR INFORMATION IF OBTAINED FROM ANOTHER SOURCE WITHOUT SUCH RESTRICTIONS.

The above restriction shall not be construed as altering or limiting in any way the Board's obligation under the Freedom of Information Act (5 U.S.C. § 552), or any other applicable law or rule, court order or Congressional requirement, or any other right reserved by the Board.

The Board assumes no liability for disclosure or use of unmarked technical data, trade secrets, and commercial and financial information, and may disclose or use such data or information for any Board purpose.

- g. Nonresponsive proposals will be identified and will be eliminated from further consideration. A proposal that is nonresponsive is one that:
1. Does not address itself to the mandatory requirements of this Solicitation.
 2. Contains major deficiencies, omissions, or out-of-line costs.
- h. Offerors are cautioned that an award may be made without further discussions or negotiations, or a request for best and final offer.
- i. Proposals shall consist of one complete original and the number of copies as stated below. Proposals shall be submitted in three volumes, each separate and complete in itself in order that evaluation of one may be accomplished independently of, and

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concurrently with, evaluation of the others. Each volume shall be titled and submitted as follows:

Volume I Cover Letter. Submit one original. Volume I shall consist of any exceptions taken by the Offeror, the completed and signed Representations and Other Statements of Offerors, and the Vendor Information form.

Part A -- Identification of Exceptions

The Offeror shall provide identification and explanation of any exceptions or deviations taken or conditional assumptions made with respect to the Offeror's proposal versus the requirements of this Solicitation. Any exceptions taken shall contain sufficient amplification and justification to permit evaluation. All benefits to the Board shall be explained for each exception taken. Such exceptions will not, of themselves, automatically cause a proposal to be deemed unacceptable unless they fail to provide sufficient benefits to the Board, or result in material deviations from the requirements of Section C, the Statement of Work.

Part B Signed Certification and Representation (Section K)

Part C Vendor Information Form (Section N)

Part D Solicitation, Offer and Award Form (Section A)

Part E The information requested in paragraph I.2 of section I

Part F Subcontractor plan (if applicable)

Volume II Technical Proposal. Submit one original and four copies. Volume II shall be termed the "technical proposal," and shall be prepared in accordance with the instructions provided in paragraph below. The technical proposal shall not contain any reference to price. The technical proposal shall be presented in a concise and straightforward manner.

Part A Management Plan

In this part, the Offeror shall provide a detailed description of its approach to meeting the requirements of this Solicitation. To facilitate evaluation of the Management Plan, the order of presentation should follow the sequence set forth below.

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Mandatory Requirements.

The Offeror shall provide a detailed description of how it meets the following mandatory requirements, also listed in Section C.4 of this SOA:

1. The Offeror (the entity submitting a proposal in response to this Solicitation) shall have relevant, direct experience with commissioning at least five (5) LEED certified buildings, two of which shall be renovations.
2. The Offeror shall have at least five (5) years of experience in building commissioning, at least two (2) of which shall be in LEED certification.
3. The Offeror shall have and maintain an office in the Washington, DC Metropolitan area which is located not more than one hour's non-rush hour drive from the Board's Martin Building. The office shall serve as the location of the Contractor for purposes of contractual communications.
4. The Offeror shall be established as a firm in the Washington, DC Metropolitan area, and shall hold and maintain throughout the term of this Contract all licenses and registrations required to perform the services described in this SOA in Washington, DC.
5. The Offeror shall be capable of providing Key Personnel who will be dedicated to providing services under this SOA and who meet the following requirements, at a minimum.
6. Commissioning Agent: The Offeror shall submit resumes for at least two (2) Commissioning Agents as follows:
 - a. Each Commissioning Agent shall have at least two (2) years of experience as a Commissioning Agent or equivalent, on similar types of project(s) as described in this SOA, to include renovation of at least two (2) LEED certified buildings at least one of which shall be a renovation. The resume shall include a list of the relevant projects. They shall have all required licenses and certifications for the commissioning of a LEED building renovation.
 - b. One Commissioning Agent shall be designated as "proposed" and the other Commissioning Agent shall be designated as the "proposed alternate."

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7. The Offeror shall provide references of all commissioning projects completed or in process over the last five (5) years with contact names and telephone numbers. The Offeror shall identify which projects have become LEED certified and which ones are intended to be LEED certified.

Key personnel. The Offeror shall provide résumés of key personnel and other information as set forth in Section H. The Offeror shall submit resumes of at least two (2) qualified persons to serve as the Offeror's Project Manager for Commissioning Services each having at least ten (10) years experience in building commissioning on similar type of project(s). One shall be designated as the "proposed" Project Manager, the other as the "proposed alternate". Both shall have the credentials required for LEED certification. As an attachment, the Offeror shall provide the following work products written by these proposed members of the Offeror's team:

- i) Commissioning plan that was executed.
- ii) Commissioning specifications, and
- iii) An actual Functional Test Procedure that was executed.

Each proposed member of the Offeror's peer review team shall be an appropriately licensed and registered professional engineer or architect with relevant experience in its proposed discipline. The Offeror shall provide credentials and references of its proposed peer review staff and indicate which staff will be employed as consultants to the Offeror including the name of the company for which consultant works.

Offeror's experience. The Offeror shall provide a description of its experience in providing services of the type and complexity required in this Solicitation to the Federal government, or to The Federal Reserve System, or to other clients of similar-sized workforce. The Offeror shall provide information on its firm, including a brief history, a list of five (5) major commissioning efforts completed in the last three years, (specifically those addressing the LEED submittal process) for which Offeror's firm was principal Commissioning Authority. Include a description of the project, identify when your firm came into the project, give a description of your firm's role in the project and whether the commissioning was done as part of the design team or as a third party independent authority, and describe any involvement of the key individuals named on your firm's team in the projects. For each project, include the name and telephone number of the Owner's project manager, construction manager/facility administrator of the building, the mechanical designer, the controls contractor site project manager, the mechanical contractor and the electrical contractor.

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Offeror's approach to requirements. The Offeror shall narrate its approach to meeting or exceeding the requirements indicated in Section C, the Statement of Work. Offeror shall describe the approach it will take to integrate the commissioning into the normal design and construction process and how it will foster teamwork and cooperation from contractors and designers. Offeror shall provide an estimated timeline and milestone dates.

The Offeror's proposal should include the training it would provide including hours of training per person/trade, a breakdown of classroom training vs. hands-on, and other information indicative of the CxA's training approach. The Offeror's training plan should include recommendations for any recommended off-site specialized training for Board staff (with contact information, and course synopsis and cost), including equipment-specific training by manufacturer. Such training shall be at the Board's expense. The Offeror's proposal should include a sample of previous training materials and documentation.

Part B References and Corporate Qualifications

1. References. Offerors shall submit at least six references consisting of present or past clients, within the past five years, who are capable of verifying the following:
 - a. Two references documenting the Offeror's ability to manage projects comparable (as close as possible in size, complexity, and scope) to the Solicitation resulting from this acquisition.
 - b. Four references, for itself and for all major subcontractors, capable of documenting that, in combination, the Offeror and subcontractors have provided, operated and managed contracts comparable (as close as possible in size, complexity, and scope) to those required under this Solicitation.

The Offeror shall provide the following information on each client reference:

- (1) Total contract value
 - (2) Contracting Officer name, address, and telephone number
 - (3) Brief description of the services, size, and scope of services
 - (4) Information on whether the Offeror is currently providing services under the Contract
2. Corporate qualifications. Offerors shall submit material describing their general corporate capabilities and qualifications.

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Volume III Cost/Price Proposal. Submit one original and two copies.

Volume III shall be termed "cost/price proposal." This volume shall consist of completed cost proposal forms in the format set forth in Section B. The cost proposal form shall be sealed in a separate envelope marked "Cost/Price Proposal for Solicitation 201000262."

L.14 INDEMNIFICATION

- a. By signing the Proposal section of the Solicitation form, the Offeror agrees, to the fullest extent permitted by Applicable Law, to indemnify, defend and hold harmless the Board Indemnitees for, from and against all claims, demands, causes of action, proceedings, suits, damages, liabilities, losses, penalties, fines, sanctions, judgments, and expenses (including, reasonable attorney's fees, costs and expenses of litigation and of investigation whether or not suit is filed) of any kind or nature (herein collectively "Losses & Liabilities"), caused by, arising out of or resulting from in whole or in part the negligent act, error or omission, willful misconduct or breach of this Contract by the Offeror, the Offeror's employees, Consultants, subcontractors and those for whom the Offeror is legally responsible in connection with the Services performed under this Contract, even if a Board Indemnitee's negligence or fault is, or is alleged to be, a contributing cause of such Losses & Liabilities. Without intending to limit the scope of Losses & Liabilities in any way, and to the extent permitted by Applicable Law, Offeror expressly waives its immunity under the applicable worker's compensation statute in connection with any Board Indemnitee's claim for indemnification under this article. The Offeror also shall indemnify and hold harmless all of Board Indemnitees from and against any costs and expenses (including reasonable attorney's fees, costs and expenses of litigation and investigation) incurred by any Board Indemnitees in enforcing any of the Offeror's defense, indemnity, and hold harmless obligations under this Contract.
- b. The Board shall promptly advise Offeror in writing of any claim, demand, action, administrative or legal proceeding or investigation as to which this indemnification applies, and Offeror, at Offeror's expense, shall assume on behalf of Board (and the other Board Indemnitees) and conduct with due diligence and in good faith the defense thereof with counsel reasonably satisfactory to Board; provided, however, the Board shall have the right, at its option, to be represented therein by advisory counsel of its own selection and at its own expense. In the event of failure by Offeror to fully and timely perform in accordance with this indemnification provision, when it is applicable, the Board, at its option, and without relieving Offeror of its obligations hereunder, may so perform, but all costs and expenses so incurred by Board in that event shall be reimbursed by Offeror to Board, together with interest on the same from the date any such expense was paid by Board until reimbursed by Offeror, at the rate of interest provided to be paid on judgments, by the law of the jurisdiction to which the interpretation of this Contract is subject.

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- c. Offeror's obligations under this Section and its subsections shall survive expiration or termination of the Offeror Contract.
- d. Offeror shall cause the same or similar terms as those set forth in this Section L.14 and its subsections to be included in the terms of any contract between Offeror and any third party providing Services in connection with the Project.

L.15 NOTICES

All notices required to be sent under this Solicitation shall be sent certified mail, return receipt requested, overnight deliver (using a service that verifies receipt of delivery), or messenger service (using a service that verifies receipt of delivery).

Notices to the Board shall be sent to:

The Federal Reserve Board
Procurement Section, Mail Stop 128
20th and C Streets, NW
Washington, DC 20551
Attention: Michael Kelly, Procurement Manager
RE: Solicitation 201000262

Notices to the CxA will be sent to the person and address set forth in Section 12. of the Representations And Other Statements Of Offer (Section K).

L.16 SECURITY AND CONDUCT OF PERSONNEL

- a. General. The CxA shall require its personnel and those of its Consultants, subcontractors and suppliers to comply with all Board security standards and procedures. Such personnel will be provided with written documentation of these standards and procedures.
- b. Personnel access. All personnel of the CxA and its Consultants, subcontractors, suppliers and associates who require access to Board property must be cleared in advance by the Board's Security Department. The CxA shall provide the Board with a list of all personnel requiring access to the site, which shall include legal names, dates of birth, and social security account numbers. This list shall be continuously updated. The CxA shall notify the Board immediately, in writing, of any changes to the list, including any personnel who are no longer employed by CxA or its subcontractors, suppliers and associates.
- c. Access badges. The Board denies access to its premises to any individual who does not possess a valid access badge issued by the Board. Access badges issued by other

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uncontrolled access to Board facilities and free movement within the premises (except for certain restricted areas) during Code Yellow conditions, while holders of "Escort Required" badges are required to be screened with magnetometers and their bags and packages must be x-rayed. During Code Orange conditions, all persons entering Board facilities are required to be screened with magnetometers, and all bags and packages must be X-rayed. All vehicles entering Board garages are searched during Code Orange conditions. When Code Red conditions are in effect, CxA personnel are not allowed on the Board's premises, unless specific exceptions are granted by the Board Security Administration office.

- I. Special circumstances. Notwithstanding its condition at any particular time with respect to the Board's security alert system, the Board reserves the right to screen individuals and bags, packages or vehicles as indicated above at any time as a precondition to granting such individuals access to Board premises.
- f. Conduct. The CxA's personnel shall conduct themselves in a professional manner at all times and are strictly forbidden from disturbing papers on desks, opening desk drawers or cabinets, or using telephone or office equipment, other than what is specifically provided to the CxA for official business use. The CxA will be working on the premises of the central bank of the United States and shall dress neatly, commensurate with the task being performed. The Board reserves the right to deny entry or access to its premises to any personnel of the CxA or CxA Consultants whose presence, dress, or conduct the Board deems detrimental to the good order and productivity of its operations and staff. Such personnel shall be replaced by the CxA immediately upon notification by the COTR, or his designee, that a problem exists with the CxA's personnel. This replacement shall be made at no additional cost to the Board.

L.17 PUBLICITY

CxA shall not release any publicity or advertising regarding the Project, the Contract or the Services or the Work to be performed hereunder and shall not use the name or insignia of the Board or of the Federal Reserve System, or any variation or adaptation thereof, for any commercial, advertisement, promotional or endorsement purposes, unless the CxA has obtained the prior written consent of the Staff Director for Management of the Board or his authorized representative in such matters. CxA agrees to comply with the Board's instructions regarding the trade dress, packaging, trade names, trademarks, service marks or other indicia of origin which shall appear on any items to be delivered under this Contract. CxA further agrees that, after delivery of said items to the Board, the Board may modify the trade dress or packaging thereof, and/or replace, modify, or supplement any indicia of origin appearing thereon, to identify the Board as the source of said items.

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L.18 PRE-PROPOSAL CONFERENCE

- a. A pre-proposal conference will be conducted as indicated in the Solicitation cover letter.
- b. The Offeror shall submit in writing to the Contract Specialist any questions it has concerning this Solicitation, in accordance with Section G, above. Written responses to questions submitted in writing prior to the pre-proposal conference will be provided during or after the conference.
- c. Offerors are specifically cautioned that verbal discussion, questions, and replies regarding this solicitation shall not change the clauses or provisions of this Solicitation.
- d. The purpose of this conference is to provide a briefing on this Solicitation, the scope of the Services and proposed Work. The Board considers attendance at this conference essential to preparing a competitive and cost-effective offer, and to understanding the total result desired by the Board. For building security purposes, please fax in the names of the attendees with their social security numbers and dates of birth at least 24 hours in advance of the pre-proposal conference.

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SECTION M

GENERAL CONTRACT PROVISIONS

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5. Board-furnished property
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11. Covenant against contingent fees and conflict of interest
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18. Excusable delays
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25. Subcontracting Plan
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28. Affirmative action for special disabled and Vietnam era veterans
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30. Service Contract Act of 1965
31. Buy American Act
32. Contract Work Hours and Safety Standards Act – Overtime compensation
33. Privacy Act
34. Paperwork Reduction Act
35. Combating Trafficking in Persons

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SECTION M

GENERAL CONTRACT PROVISIONS

M.1 DEFINITIONS

See Section L.2 for the Definitions of terms used throughout this Contract.

M.2 INSPECTION

The Board shall have the right to reasonably disapprove of any portion of CxA's Services by written notice stating the reasons for the disapproval. In the event that any of the Services are disapproved by the Board, CxA shall proceed, when requested by the Board, to re-perform or make other corrections to the Services to attempt to satisfy the objections at no additional cost to the Board without prejudice to CxA's right to pursue a claim under Section M.22. In addition to any other remedy of the Board under this Contract or otherwise at law or in equity, the Board may withhold payment from the CxA on account of Services that the Board contends in good faith contain errors, omissions or are otherwise incomplete, inconsistent or do not conform to the requirements of the Contract or are contrary to the Board's written instructions, likewise without prejudice to CxA's right to pursue a claim under Section M.22. CxA acknowledges that the Board's review, inspection, acceptance, and/or payment for any of the CxA's Services shall not constitute acceptance of Services that fail to conform to the requirements of the Contract, unless the Board expressly accepts such non-conforming Services in writing. Acceptance of payment by the CxA for all or any part of the Services shall constitute a waiver of all claims against Owner, except those previously made in writing and identified by Architect as unsettled at the time of such payment.

M.3 ASSIGNMENT OF CLAIMS

- a. Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. Section 3727, 41 U.S.C. Section 15), if this Contract provides for payments aggregating \$1,000 or more, claims for monies due or to become due the CxA from the Board under this Contract may be assigned to a bank, trust company, or other financial institution, including any the Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this Contract not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing.

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- b. In no event shall copies of this Contract or of any plans, specifications, or other similar documents relating to work under this Contract, if marked "Top Secret," "Secret," or "Confidential" be furnished to any assignee of any claim arising under this Contract or to any other person not entitled to receive the same. Nevertheless, a copy of any part or all of this Contract so marked may be furnished, or any information may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

M.4 THE FEDERAL, STATE, AND LOCAL TAXES

- a. Except as may be otherwise provided in this Contract, the contract price, the Actual Fully Burdened Hourly Rates and the recoverable costs for Reimbursable Expenses include all applicable Federal, state, and local taxes and duties.
- b. Nevertheless, with respect to any Federal excise tax or duty on the transaction or property covered by this Contract, if a statute, court decision, written ruling, or regulation takes effect after the contract date, and
 - 1. results in the CxA being required to pay or bear the burden of any such the Federal excise tax or duty or increase in the rate thereof which would not otherwise have been payable on such transactions or property, the Contract price shall be increased by the amount of such tax, duty, or rate increase, provided that the CxA, if requested by the Contracting Officer, warrants in writing that no amount for such newly imposed the Federal excise tax, duty, or rate increase was included in the contract price as a contingency reserve or otherwise; or
 - 2. results in the CxA not being required to pay or bear the burden of, or in its obtaining a refund or drawback of, any such the Federal excise tax or duty which would otherwise have been payable on such transactions or property or which was the basis of an increase in the Contract price, the Contract price shall be decreased by the amount of the relief, refund, or drawback, or that amount shall be paid to the Board as directed by the Contracting Officer. The Contract price shall be similarly decreased if the CxA, through its fault or negligence or its failure to follow instructions of the Contracting Officer, is required to pay or bear the burden of or does not obtain a refund or drawback of any such the Federal excise tax or duty.
- c. No adjustment pursuant to paragraph (b) above shall be made under this Contract unless the aggregate amount thereof is or may reasonably be expected to be more than two hundred and fifty dollars (\$250).
- d. As used in paragraph (b) above, the term "contract date" means the date set for the bid opening or, if this is a negotiated Contract, the date of this Contract. As to additional

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- supplies or services procured by modification to this Contract, the term "contract date" means the date of such modification.
- e. Unless there does not exist any reasonable basis to sustain an exemption, the Board, upon request of the CxA, without further liability, agrees, except as otherwise provided in this Contract to furnish evidence appropriate to establish exemption from any tax which the CxA warrants in writing was excluded from the contract price. In addition, the Contracting Officer may furnish evidence to establish exemption from any tax that may, pursuant to this clause, give rise to either an increase or decrease in the contract price. Except as otherwise provided in this Contract, evidence appropriate to establish exemption from duties will be furnished only at the discretion of the Contracting Officer.
 - f. The CxA shall promptly notify the Contracting Officer of matters which will result in either an increase or decrease in the Contract price, and shall take action with respect thereto as directed by the Contracting Officer.

M.5 BOARD-FURNISHED PROPERTY

No material, labor, or facilities will be furnished by the Board unless otherwise provided for in the Solicitation.

M.6 COMPENSATION AND PAYMENTS

- a. Fee for Basic Services; Maximum Fully Burdened Rates. The Board will pay the CxA in compensation for properly performed Basic Services a fee based upon the Actual Fully Burdened Hourly Rates (defined below) of the employees of CxA and CxA's consultants employed to perform the Basic Services identified on (i) Attachments B-1C for Commissioning Services, (ii) B-2C for Peer Review Services, and (iii) B-3C for CMT Services, but only for that portion of their time required for the applicable Services. The Actual Fully Burdened Hourly Rates, and the components thereof, payable by the Board shall not exceed the Maximum Fully Burdened Rates, and components thereof, identified by CxA on Attachments B-1B for Commissioning Services, B-2B for Peer Review Services and B-3B for CMT Services.
- b. NTE Fees for Basic Services. Except with the Board's advance written consent, the maximum compensation payable by the Board to the CxA and its Consultants (not including Reimbursable Expenses) for performance of the (A) Commissioning Services set forth in Sections C.2.1 and C.2.2 shall not exceed the NTE Fee for Commissioning Services, for the Project and each phase thereof, set forth on Attachment B-1A of the Offeror's Cost/Price Proposal; (B) Peer Review Services set forth in Section C.2.1 and C.2.3 shall not exceed the NTE Fee for Peer Review Services, for the Project and each phase thereof, set forth on Attachment B-2A of the Offeror's Cost/Price Proposal; and (C)

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CMT Services set forth in Section C.2.1 and C.2.4 shall not exceed the NTE Fee for CMT Services set forth on Attachment B-3A of the Offeror's Cost/Price Proposal. Furthermore,

1. If, at any time, CxA has reason to believe that either any NTE Fee, whether for the Project or for a phase, may be exceeded, the CxA shall immediately notify the CO and COTR in writing in advance of incurring any excess fees, stating in detail the reasons therefor and the estimated additional hours and fees, allocated by billing category for each phase of the Project. The Board may accept the proposed additional fees in whole or in part. To the extent accepted by the Board in writing, the applicable NTE Fee shall be increased. Under no circumstances will the Board be obligated to compensate the CxA or others for the performance of Basic Services that cause any NTE Fee, whether for the Project or for a phase, to be exceeded absent the Board's advance written authorization. The Board may reject the proposed Services and/or additional fees in whole or in part in which case the Board shall advise the CxA in writing within ten (10) days. In the event of a dispute regarding the appropriate increase, if any, in any NTE Fee, whether for the Project or for a phase, then the Board agrees to pay the CxA such amount as it reasonably determines appropriate for the applicable Services, without prejudice to the CxA's right to proceed with dispute resolution pursuant to Section M.22.

2. An NTE Fee, whether for the Project or for a phase, will not be adjusted solely on account of any discrepancy between the personnel actually utilized, the actual tasks performed or the actual number of hours spent by the employees of the CxA or its Consultants in the performance of the Basic Services comprising each Phase and the types of personnel, tasks and number of hours projected in Attachments B-1C, B-2C and B-3C of the Offeror's Cost/Price Proposals except in the event of a Change authorized by Section M.15, as amended.

b. Compensation for Additional Services. For Additional Services approved by the Board in accordance with Section M.15, the Board shall pay the CxA a lump sum fee in an amount negotiated to the mutual satisfaction of the parties, but in no event shall the Board be obligated to compensate the CxA for Additional Services in excess of the amount calculated by multiplying the reasonable number of hours required to complete the Additional Service by the applicable Actual Fully Burdened Hourly Rates. Compensation for Additional Services of the CxA's Consultants when not included in any negotiated lump sum shall be the amount invoiced to the CxA without mark-up of any kind.

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c. Fee Savings Incentives. For purposes of the Contract:

1. "Total Commissioning Fees Paid" is the sum of all fees paid to the CxA for personnel services of the CxA and the CxA's Consultants under Section M.6.a for performance of the Commissioning Services; and (ii) "Commissioning Fee Savings" is the amount, if any, by which the NTE Fee for Commissioning Services exceeds the Total Commissioning Fees Paid. The Board shall pay the CxA twenty-five percent (25%) of the Commissioning Fee Savings at such time as retainage is payable under Section M6.3, provided that there exists no default by the CxA under Section M.21, nor has any event or condition been identified which (with the giving of notice or the passage of time or both) could constitute a default.

2. "Total Peer Review Fees Paid" is the sum of all fees paid to the CxA for personnel services of the CxA and the CxA's Consultants under Section M.6.a for performance of the Peer Review Services; and (ii) "Peer Review Fee Savings" is the amount, if any, by which the NTE Fee for Peer Review Services exceeds the Total Peer Review Fees Paid. The Board shall pay the CxA twenty-five percent (25%) of the Peer Review Fee Savings at such time as retainage is payable under Section M6.3, provided that there exists no default by the CxA under Section M.21, nor has any event or condition been identified which (with the giving of notice or the passage of time or both) could constitute a default.

3. "Total CMT Fees Paid" is the sum of all fees paid to the CxA for personnel services of the CxA and the CxA's Consultants under Section M.6.a for performance of the CMT Services; and (ii) "CMT Fee Savings" is the amount, if any, by which the NTE Fee for CMT Services exceeds the Total CMT Fees Paid. The Board shall pay the CxA twenty-five percent (25%) of the CMT Fee Savings at such time as retainage is payable under Section M6.3, provided that there exists no default by the CxA under Section M.21, nor has any event or condition been identified which (with the giving of notice or the passage of time or both) could constitute a default.

d. Hourly Rates are Comprehensive and All-Inclusive. The Actual Fully Burdened Hourly Rates chargeable to the Board under Section M.6.a for personnel under each personnel category are comprised of (i) the actual unburdened pay rate or salary of the applicable personnel as of the Effective Date, subject to the Labor Escalation set forth below, which shall not exceed the "Unburdened Base Rate" for the applicable category of personnel set forth in Attachments B-1B, B-2B and B-3B; (ii) the actual cost of mandatory and customary contributions and benefits related thereto such as employment taxes and other statutory employee benefits, social security or other governmental retirement contributions or benefits, insurance, sick leave, holidays, vacations, pension and profit sharing, which shall not exceed the "Statutory/Fringe %" set forth in

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Attachment B-1B, B-2B and B-3B; (iii) the actual overhead/administrative expenses associated with the performance of the Services (except for the Reimbursable Expenses identified below) including costs for (a) operating expenses of CxA's Project Site, principal and branch offices including clerical and administrative support, reproduction of documents, software and computer aided design, postage, courier services, and express mail, local and long distance telephone calls and faxes, and standard office supplies, (b) any part of CxA's capital expenses, including interest on CxA's capital employed for the Project, and (c) CxA's general advertising, national, state or local income, sales or other taxes, franchise taxes and qualification fees and membership in trade, business or professional organizations, which shall not exceed the "Overhead %" set forth in Attachment B-1B, B-2B and B-3B; and (iv) CxA's profit, which shall not exceed the "Profit %" set forth in Attachment B-1B, B-2B and B-3B.

1. Commencing January 1, 2011, the Hourly Rates shall be adjusted for all labor categories in accordance with the percentages set forth in the US Bureau of Labor Statistics Consumer Price Index to a maximum of 4.0% per Calendar Year for the duration of the Contract. The annual September 30th CPI will be used to adjust the rate effective the following January 1st.
2. The Actual Fully Burdened Hourly Rates shall not include costs that are not Allowable Costs set forth in the Federal Acquisition Regulation, 48 CFR Chapter I, Subpart 31.2, "Contracts with Commercial Organizations." which is incorporated herein by reference.

e. Reimbursable Expenses. In addition to the CxA's fees for Basic Services (and approved Additional Services), the Board will reimburse CxA for the cost of the following expenses actually incurred by CxA and CxA's Consultants directly related to the Project:

1. long-distance communications, facsimile communications (long distance only), courier services, and express mail;
2. ordinary and reasonable expenses of reproduction, postage and handling of drawings, specifications and other documents (not for internal use);
3. if authorized in advance in writing by the Board, the costs and expenditures necessary for the operation of CxA's field office at the Property, such as such as trailer, stationary, supplies, furniture, computers, fax machines, telephones, and office equipment;
4. if authorized in advance in writing by the Board, expense of overtime work by non-exempt employees of CxA or CxA Consultants requiring higher than regular rates;

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5. if authorized in advance in writing by the Board, costs and expenses paid to third party vendors to perform laboratory tests of materials required by the Construction Documents or Applicable Law that are not being performed by the CxA which shall not exceed the rates set forth in Attachment B-5;
6. ordinary and reasonable expenses of photographic production techniques and photography and photo prints used for the Project;
7. if approved in advance by the Board, ordinary and reasonable expenses of relocation, transportation (coach or equivalent class only) and subsistence (or per diem, if applicable), in accordance with the Board's "Reimbursable Travel Expenses Schedule," attached as Appendix 6; and
8. All taxes levied on professional services and on reimbursable expenses.

The Reimbursable Expenses set forth above shall be at the CxA's cost without mark-up of any kind. Any and all other costs and expenses incurred by CxA in performing the Services which are not covered in the preceding sentence shall require the prior written approval of the Board and unless such prior approval is given, the Board shall not reimburse CxA for such costs and expenses.

f. **Process for Payment of Compensation.** Commencing on the tenth (10th) day of the month following commencement of the Services, and on or before the tenth (10th) day of each month thereafter, CxA shall issue monthly progress payment invoices to the Board which shall set forth in reasonable detail the Services completed that month in relation to the NTE Fee applicable to that phase of Services. Any Additional Service Fees shall be similarly identified and separated. Each invoice shall clearly identify the compensation for Basic and Additional Services separately from Reimbursable Expenses, provide in reasonable detail the actual amount of time spent daily by each employee of CxA and CxA Consultants, a description of work performed, and the Actual Fully Burdened Hourly Rate allocable to such employee's work, and a reasonable estimate of the type and amount of Services and Reimbursable Expenses that CxA expects to incur during the next month. The CxA shall provide such supporting documentation as the Board may reasonably request with respect to Reimbursable Expenses. All invoices shall be sequentially numbered.

1. The Board shall pay CxA for each properly prepared monthly invoice submitted to the Board within thirty (30) days after the Board's receipt of such invoice, unless prior to the expiration of such thirty (30) day period, the Board advises CxA that the Board disagrees with the invoice submitted or disapproves of the Services performed. If an invoice is in question, CxA and the Board shall

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forthwith attempt to resolve the issue. The Board shall pay the undisputed portion of each invoice within thirty (30) days after receipt thereof. When the Board specifies that a payment is to be applied in satisfaction of a certain invoice or portion of an invoice, the CxA shall apply the payment to the account as specified and shall indicate that specific application on subsequent monthly statements. The Board's review, inspection, acceptance, and/or payment of and for any of CxA's Services shall not constitute acceptance by the Board of Services that fail to conform to the requirements of this Contract, unless the Board expressly accepts such non-conforming Services in writing.

2. CxA shall submit applicable lien waivers with its invoices stating that for that specific portion of the Services for which the Board has paid, all labor, material and CxA Consultant accounts have been duly paid. All such lien waivers (other than lien waivers to be provided promptly following final payments to CxA Consultants) may be conditioned upon receipt of payment for the invoiced labor and materials. Upon completion of the Services and promptly after receiving final payment for such Services, CxA shall submit such unconditional lien waivers and payment affidavits as the Board may reasonably require.

g. Entire Compensation. The compensation set forth in this Section M.6 is the sole compensation payable to the CxA by the Board for all CxA Services and no services or work undertaken by the CxA or its Consultants, agents and employees will result in any obligation of the Board to pay any additional compensation. CxA, for itself and for its Consultants and their respective employees and agents hereby (i) waives any right to compensation or reimbursement for services performed or expenses incurred (a) without written authorization as required herein; or (b) in excess of the amounts set forth in this Section M.6, and (ii) covenants not to sue for amounts which might otherwise be payable under the theory of quantum meruit, unjust enrichment or under any other legal or equitable theory, whether or not there is, in fact, any unjust enrichment.

M.7 EXTRAS/ADDITIONAL SERVICES

See Section M.15 and M.16.

M.8 NONDISCLOSURE

a. For purposes of this Contract, "Confidential Information" shall include all information and material related to (a) the Project including, but not limited to, Design Documents, estimates, reports, photographs; (b) the business, products, services, research or development, clients or customers of the Board or the Federal Reserve Banks; (c) the security arrangements and strategies of the Board; (d) economic data, and financial, statistical and personnel data pertaining to The Federal Reserve Banks or other financial

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- institutions; and (e) financial, statistical, personnel, planning and similar information relating to past, present or future activities of the Board, which has or will come into the possession or knowledge of the CxA or its agents or employees in connection with this Contract or the performance hereof.
- b. Except with the express written permission of the Board in each instance, the CxA shall not knowingly or negligently communicate or disclose Confidential Information to any person or entity except to CxA employees, Consultants or Project Team members to the extent necessary for them to perform their respective services or Work for the Project. Prior to disclosing Confidential Information to any authorized recipient, CxA shall bind such person to the confidentiality obligations contained in this Section. CxA acknowledges that in the event of a breach of any of the confidentiality obligations contained herein, the Board would suffer irreparable harm for which remedies at law, including damages, would be inadequate, and shall be entitled to seek equitable relief therefor by injunction, in addition to any and all rights and remedies available to it at law and in equity, without the requirement of posting a bond. The CxA's obligation hereunder shall not apply (i) to information that was in public domain prior to the Effective Date, (ii) to information that becomes part of the public domain by publication or otherwise not due to any unauthorized act or omission of the CxA or those for whom the CxA is legally responsible, or (iii) as may be required to perform the Services or by any Applicable Law. The confidentiality obligations of this Section shall survive the expiration or termination of this Contract.
- c. The CxA is required to develop and utilize procedures for custody, use and handling, reproduction, preservation, storage, safeguarding, and disposition of all Confidential Information. These procedures must be designed and carried out so that there is no unauthorized disclosure of such documents and information throughout the course of contract performance.
- d. The CxA shall ensure that the provisions of this Section M.8 are included in its contracts with all Consultants.

M.9 BOARD'S OFFICE OF THE INSPECTOR GENERAL (OIG)

- a. This clause is applicable to any Contract regardless of the amount or the manner into which it was entered.
- b. The CxA agrees that the Board (including its authorized representative and/or its OIG) (collectively, for this Section M.9, "Board") shall, until expiration of three (3) years after final payment under this Contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the CxA involving transactions related to this Contract. For the avoidance of doubt, nothing herein shall limit the OIG's

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- authority under the Inspector General Act to examine the CxA's books, documents, papers, etc.
- c. The CxA further agrees to include in all its subcontracts hereunder a provision to the effect that the subcontractor agrees that the Board shall have the same rights to the subcontractor as specified in paragraph (a) above.
- d. The periods of access and examination described in (b) and (c) above, for records which relate to (1) litigation or the settlement of claims arising out of the performance of this Contract, or (2) costs and expenses of this Contract as to which exception has been taken by the Board, shall continue until such litigation, claims, or exceptions have been disposed of.
- e. The CxA and any subcontractor agrees to make notification to all Contractor and subcontractor employees the Board's OIG hot line telephone number, 1-800-827-3340, to report any suspected "waste, fraud, or abuse" transactions related to the performance of this Contract.

M.10 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT
INFRINGEMENT

- a. The CxA shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this Contract of which the CxA has knowledge.
- b. In the event of any claim or suit against the Board on account of any alleged patent or copyright infringement arising out of the performance of this Contract or out of the use of any supplies furnished or work or services performed hereunder, the CxA shall furnish to the Board, when requested by the Contracting Officer, all evidence and information in possession of the CxA pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Board except where the CxA has agreed to indemnify the Board.
- c. The CxA shall defend, indemnify and hold the Board harmless from any claims to the extent arising from or relating to the actual or alleged infringement of any domestic or foreign patents, copyrights, trademarks or other intellectual property rights that may be attributable to the CxA or its Consultants in connection with the Services. In the event that any suit, claim, temporary restraining order or preliminary injunction is granted, the CxA shall, in addition to its obligation above, make every reasonable effort, by giving a satisfactory bond or otherwise, to secure the suspension of the injunction or restraining order. If, in any such suit or claim, the Services, the Project or any part, combination or process thereof, is held to constitute an infringement and its use is preliminarily or

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permanently enjoined, CxA shall secure the Board a license, at no cost to the Board, authorizing continued use of the infringing work. If CxA is unable to secure such a license within a reasonable time, CxA shall, at its own expense and without impairing performance requirements, either replace the affected work, in whole or part, with non-infringing components or parts or modify the same so that they become non-infringing.

- d. This clause shall be included in all subcontracts in the amount of fifty thousand dollars (\$50,000) or more.

M.11 COVENANT AGAINST CONTINGENT FEES AND CONFLICT OF INTEREST

The CxA warrants that no person or agency has been employed or retained to influence, solicit, or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, contingent fee, or special interest, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CxA for the purpose of securing business. For breach or violation of this warranty, the Board shall have the right to annul this Contract without liability, or in its discretion to deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

M.12 GRATUITIES

- a. The Board may, by written notice to the CxA, terminate the right of the CxA to proceed under this Contract if it is found, after notice and hearing, by the Board or its duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the CxA or any agent or representative of the CxA, to any officer or employee of the Board with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or the making of any determination with respect to the performance of such Contract, provided that the existence of the facts upon which the Board or its duly authorized representative makes such findings shall be an issue and may be reviewed in any competent court.
- b. In the event this Contract is terminated as provided in paragraph (a) hereof the Board shall be entitled to pursue the same remedies against the CxA as it could pursue in the event of a breach of the Contract by the CxA.
- c. The rights and remedies of the Board provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

M.13 ANTI-KICKBACK PROCEDURES

Note: This clause is applicable to all contracts over one hundred thousand dollars (\$100,000).

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- a. The CxA shall have in place and follow reasonable procedures designed to prevent and detect possible violations of the Anti-Kickback Act (41 U.S.C. 51-58) in its own operations and direct business relationships.
- b. The Anti-Kickback Act prohibits any person from (1) providing, or attempting to provide, or offering to provide any kickback; (2) soliciting, accepting, or attempting to accept any kickback; or (3) including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the Contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.
- c. When the CxA has reasonable grounds to believe that a violation of the Anti-Kickback Act may have occurred, the CxA shall promptly report in writing the possible violation to the Board's Office of the Inspector General.
- d. The CxA shall cooperate fully with any the Federal agency investigating a possible violation of the Anti-Kickback Act.
- e. The CxA agrees to incorporate the substance of this clause, including this subparagraph (e), but excepting subparagraph (a) in all subcontracts under this Contract exceeding one hundred thousand dollars (\$100,000).

M.14 INTERPRETATION OF CONTRACT REQUIREMENTS

No interpretation of any provision of this Contract, including applicable specifications, shall be binding on the Board unless furnished in advance and agreed to in writing by the Contracting Officer or his designated representative.

M.15 CHANGES/ADDITIONAL SERVICES

- a. Initiated by the Board. The Contracting Officer may at any time direct the CxA to perform Additional Services, or to modify the method or manner of performance of the Services, without rescinding or terminating this Contract. The CxA shall perform the Additional Services, and the Board shall compensate the CxA, in accordance with the provisions set forth below.
- b. Initiated by the CxA. If the CxA believes that (A) an Additional Service has been requested by virtue of any direction, instruction, interpretation, or determination by the Board, or (B) it is (or may be) entitled to an adjustment in the Maximum Fully Burdened Hourly Rates, the NTE Fee, an NTE Fee by Phase or the Project Schedule as a result of an event or occurrence arising after award of the Contract, the CxA shall notify the Board in writing within twenty (20) days of the event, occurrence, direction, instruction, etc. and shall obtain the Board's written approval prior to performing an Additional Service;

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provided, however, no claim for Additional Services may be initiated by the CxA or its Consultants after final payment has been made under this Contract. If known at the time of its notice to the Board, the CxA's notice shall set forth the estimated adjustment in the CxA's compensation or Schedule which it proposes and, if not known at such time, when the CxA reasonably expects to notify the Board of such proposed adjustment. The parties acknowledge that Board will be prejudiced if CxA fails to provide the notice required under this Section, and agree that such requirement is an express condition precedent necessary to any right for an adjustment in the CxA's compensation, the NTE Fee, the NTE Fee by Phase, the Project Schedule, or any other modification to any other obligation of CxA under the Contract.

c. **Conditions Precedent to Additional Services.** The Board and the CxA will make reasonable efforts to determine a mutually acceptable fixed fee for any Additional Service before the CxA proceeds with performance of an Additional Service. Under no circumstances will the Board be obligated to compensate the CxA or its Consultants for Additional Services unless, as a condition precedent thereto, the Board has authorized the CxA to proceed with the performance of such Additional Services in writing in advance. CxA shall be solely responsible for recording the time expended and Reimbursable Expenses incurred for the Additional Services. Notwithstanding anything to the contrary contained in this Contract, the CxA shall not be entitled to receive compensation for any Additional Services if such services were required due to the fault of the CxA or its consultants or the CxA's failure to perform in accordance with the terms of this Contract.

d. **Additional Services.** The following services constitute "Additional Services":

1. **Material Change to the Project.** Services necessitated by a material change in previous instructions or approvals given by the Board, or a change in the Board's Program, that materially affects the scope, timing or quantity of the CxA's services or the Project Schedule.
2. **Changes in the Law.** Services necessitated by the changing or editing of previously prepared Design Documents necessitated by the enactment or revision of codes, laws or regulations or official interpretations subsequent to the completion of the previously prepared Design Documents.
3. **Termination of a Construction Contractor for the Board's convenience.** Services necessitated by the termination of a Construction Contractor for the convenience of the Board.
4. **Damage or Destruction to Project.** Services and consultation associated or necessitated by damage to the Project prior to completion by fire or other casualty.
5. **Future Systems.** Services relative to material changes in the systems, facilities or equipment not included within the Board's Program and Design Documents as of the Effective Date or in the cumulative contracts awarded to Construction Contractors.

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6. **Special Studies.** Services in connection with preparing special surveys, studies and submissions required for approval by Governing Authorities.
 7. **Unforeseen Conditions.** Services necessitated by a concealed or unknown condition at the Project site that differs materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided in the Program and would not have been disclosed by inspections, tests, and reviews that CxA should have performed, or recommendation to the Board that CxA should have made, in connection with the Project in the exercise of the CxA's standard of care. CxA must notify the Board before conditions are disturbed and in no event later than seven (7) days after first observance of such unforeseen condition(s).
 8. **Hazardous Materials Remediation.** Services necessitated by the discovery of asbestos or other hazardous materials that were not reasonably discoverable by CxA during inspections, tests, and reviews that CxA should have performed, or recommendation to the Board that CxA should have made, in connection with the Project in the exercise of the CxA's standard of care.
 9. **Arbitration and Litigation Assistance.** Services in connection with arbitration or litigation, including reasonable attorney's fees payable by CxA except for suits or claims (i) between the Parties; or (ii) arising out of or resulting from the CxA's negligent act, error or omission or failure to perform in accordance with this Contract, or applicable Contract Documents.
- e. **Continuing Performance.** If directed by the Board, the CxA shall continue to perform in accordance with the terms of this Contract during the course of any re-negotiation of the CxA's compensation for Additional Services. If the Board indicates in writing that all or part of any Additional Service proposed by CxA is not required, the CxA shall have no obligation to provide those services. However, nothing in this Contract shall relieve the CxA of its professional and contractual duties related to this Project. Should the CxA believe that the proposed Additional Service is necessary or required for the performance of its professional or contractual responsibilities or obligations under this Contract, CxA shall notify the Board of that fact in writing, stating the objective basis for that belief. If the Board determines that the proposed Additional Services (which the CxA has suggested are essential) are included in the CxA's Basic Services, the CxA shall perform them, submitting written notice to the Board before performing those services, stating that the CxA disputes the Board's determination that those services are Basic Services and that the CxA does not waive its right to seek compensation for those services by performing them.

M.16 PRICING OF ADJUSTMENTS/ADDITIONAL SERVICES

When costs are a factor in any determination of a contract price adjustment pursuant to the Changes clause (Clause 15) or any other provision of this Contract, such costs shall be allowed to

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the extent they are reasonable and allocable. In ascertaining what constitutes a cost, any generally accepted method of determining or estimating costs that is equitable and consistently applied may be used; provided, however, in no event shall the Board be obligated to compensate CxA for Additional Services in excess of the amount calculated by multiplying the reasonable number of hours required to complete the Additional Service by the Actual Fully Burdened Hourly Rates set forth in Attachment B-1B, B-2B or B-3B as applicable. Compensation for approved Additional Services performed by CxA's consultants when not included in any negotiated lump sum shall be the amount invoiced to the A/E without mark-up of any kind.

M.17 BOARD DELAY OF WORK

- a. If the performance of all or any part of the Services is delayed, hindered, impacted, obstructed or interrupted by an act of the Contracting Officer in the administration of this Contract, which act is not expressly or impliedly authorized by this Contract or by his/her failure to act within the time specified in this Contract (or within a reasonable time if no time is specified) (collectively "Board Delay"), and such Board Delay materially affects the scope, timing or quantity of the CxA's Services, an adjustment shall be made in the NTE Fee for Commissioning Services, the NTE Fee for Peer Review Services or the NTE Fee for CMT Services for any increase in the cost of performance of this Contract caused by such Board Delay, and the Contract modified in writing accordingly, provided the CxA complies with the requirements of Section M.15, as amended. Adjustment also shall be made in the delivery or performance dates and any other contractual provision affected by Board delay. No adjustment to the Maximum Fully Burdened Hourly Rates, the NTE Fee for Commissioning Services, the NTE Fee for Peer Review Services or the NTE Fee for CMT Services, however, shall be made under this clause for any Board Delay (1) to the extent that performance of the Services would have been delayed or interrupted by any other cause, including the fault or negligence of the CxA or its consultants, or (2) for which an adjustment is provided or excluded under any other provision of this Contract.
- b. No claim under this clause shall be allowed (1) for any costs incurred more than twenty (20) days before the CxA shall have notified the Contracting Officer in writing of the commencement of any Board Delay, and (2) unless the claim, in an amount stated, is asserted in writing within twenty (20) days after the termination of such Board Delay. Except for the CxA's rights under Sections M.15-17, the CxA expressly agrees not to make, and hereby waives, and shall cause CxA's consultants to similarly agree not to make, and to waive, any claim for costs, losses, damages or expenses on account of any Board Delay, including, without limitation, consequential damages, lost opportunity costs, actual or alleged loss of efficiency or productivity, home office overhead, extended overhead, impact damages, cumulative impact, ripple effect or other similar remuneration.

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- c. Except for the CxA's rights under Sections M.15-M.17, the CxA expressly agrees not to make, and hereby waives, and shall cause CxA's Consultants to similarly agree not to make, and to waive, any claim for costs, losses, damages or expenses on account of any Board Delay, including, without limitation, consequential damages, lost opportunity costs, actual or alleged loss of efficiency or productivity, home office overhead, extended overhead, impact damages, cumulative impact, ripple effect or other similar remuneration. The Board's exercise of any of its rights under the Contract (including, without limitation, ordering Additional Services, or directing suspension, rescheduling, or correction of the Services), regardless of the extent or frequency of the Board's exercise of such rights or remedies, shall not be construed as active interference, hindrance, or obstruction with the CxA's performance of the Services.

M.18 EXCUSABLE DELAYS

Except with respect to default of subcontractors, the CxA shall not be in default by reason of any failure in performance of this Contract in accordance with its terms (including any failure by the CxA to make progress in the prosecution of the work hereunder which endangers such performance) if such failure arises out of causes that are not reasonably foreseeable by and are beyond the control and without the fault or negligence of the CxA. Such causes may include, but are not restricted to: acts of God or of the public enemy, acts of the Board in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the CxA or could not have been prevented or avoided by the CxA through the exercise of due diligence. If the failure to perform is caused by the failure of a subcontractor to perform or make progress and if such failure arises out of causes beyond the control of both the CxA and the subcontractor and without fault or negligence of either, the CxA shall not be deemed to be in default unless (a) the supplies or services to be furnished by the subcontractor were obtainable from other sources, (b) the Contracting Officer, after reasonable notice from the CxA, ordered the CxA in writing to procure such supplies or services from such other sources, and (c) the CxA failed to comply reasonably with such order. Upon request of the CxA, the Contracting Officer shall ascertain the facts and extent of such failure, and if he/she determines that any failure to perform was occasioned by any one or more of the said causes, the delivery schedule shall be revised accordingly, subject to the rights of the Board under the clause hereof entitled "Termination."

Note: As used in this clause, the terms "subcontractor" and "subcontractors" means subcontractor(s) at any tier.

M.19 STOP WORK ORDER

- a. The Contracting Officer may, at any time, by written order to the CxA, require the CxA to stop all, or any part, of the work called for by this Contract. Any such order shall be

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specifically identified as a stop work order issued pursuant to this clause. Upon receipt of such an order, the CxA shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. If all of the Work on the Project is suspended for more than ninety (90) consecutive days for reasons other than the fault of the CxA, the CxA may terminate this Contract by giving not less than twenty (20) days' written notice. In this event, the Board shall be liable to the CxA and its Consultants in accordance with Section M.20, Termination for Convenience of the Board.

- b. If a stop order issued under this clause is canceled or the period of the order or any extension thereof expires, the CxA shall resume work. If the Stop Work Order materially affected the scope, timing or quantity of the CxA's Services, the CxA shall submit a request for Additional Services in accordance with a Section M.15 and M.17; provided that, if the Contracting Officer decides the facts justify such action, it may receive and act upon any such claim asserted at any time prior to final payment under this Contract.

M.20 TERMINATION FOR CONVENIENCE OF THE BOARD

The Contracting Officer, by written notice, may terminate this contract in whole or in part, when it is in the Board's interest. To the extent that this Contract is for services and is so terminated, the Board shall be liable only for payment in accordance with the payment provisions of this Contract for Services rendered prior to the effective date of termination, for those Services the Contracting Officer authorizes CxA to perform after notice of termination, together with Reimbursable Expenses then due or incurred on account of such termination. If the Board terminates this Contract under this paragraph, the CxA must immediately take all actions necessary to minimize the cost of termination settlement to the Board. CxA and CxA's Consultants shall not be entitled to, and expressly waive their right to assert a claim against the Board for, any other compensation or the recovery of any damages in connection with such termination, including, without limitation, consequential damages, lost opportunity costs, lost profit on this Project or any other project, impact damages, or other similar remuneration.

M.21 DEFAULT

- a. Unless excused pursuant to Section M.18, the Board may terminate the whole or any part of this Contract in any one of the following circumstances by written notice of default to the CxA:
 1. if the CxA fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof, or
 2. if the CxA fails to perform any of the other provisions of this Contract, or so fails to make progress as to endanger performance of this Contract in accordance with its

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terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure; or

3. if any of the following occur: (a) the making by CxA of any general arrangement or assignment for the benefit of creditors; (b) CxA becomes a "debtor" as defined in 11 USC Section 101 or any successor statute (unless, in the case of a petition filed against CxA, the same is dismissed within sixty (60) days); (c) the appointment of a trustee or receiver to take possession of substantially all of CxA's assets or of any asset used in connection with the Project, where possession is not restored to CxA within thirty (30) days; or (d) the attachment, execution or other judicial seizure of substantially all of CxA's assets or of any asset used in connection with the Project.
- b. In the event the Board terminates this Contract in whole or in part as provided in paragraph (a) of this clause, the Board, upon giving written notice of such termination to the CxA, may pursue any and all remedies available at law and in equity including, without limitation, the following: (i) the right to keep this Contract in effect and sue CxA for all damages caused by the default and recover the costs, including reasonable attorney's fees, caused thereby; (ii) the right to cure any such default by CxA and to recover any damages caused thereby; and (iii) the right to terminate any or all the CxA's Services with respect to the Project; provided that the CxA shall continue the performance of this Contract to the extent not terminated under the provisions of this clause. Upon such termination, the Board shall have the right to complete the Services or to contract with others for completion of the Services and, in either event, to charge the cost of completion to the CxA. The Board may deduct, offset and credit such costs of completion and all other damages incurred by the Board as a consequence of CxA's default from and against any amounts that may at any time be payable to CxA under this Contract (or any other contract that may have with the CxA). If the cost of completion exceeds the amount that would have been payable under this Contract had CxA completely performed the Services pursuant to the terms of this Contract, CxA shall immediately pay the amount of such excess to the Board. Upon termination, CxA shall be deemed to have waived all claims against the Board for profits, loss or damage on or with respect to the uncompleted Services.
 - c. Not used.
 - d. If this Contract is terminated as provided in paragraph (a) of this clause, the Board, in addition to any other rights provided in this clause, may require the CxA to transfer title and deliver to the Board, in the manner and to the extent directed by the Contracting Officer, (1) any completed supplies, and (2) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract

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- rights (hereinafter called "work product") as the CxA has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated; and the CxA shall, upon direction of the Contracting Officer, protect and preserve property in possession of the CxA in which the Board has an interest. Payment for completed work product, completed or partially complete, delivered to and accepted by the Board shall be at the Contract price subject to the Board's right to offset set forth in paragraph (b) of this clause. Payment for manufacturing materials delivered to and accepted by the Board and for the protection and preservation of property shall be in the amount agreed upon by the CxA and Contracting Officer. The Board may withhold from amounts otherwise due the CxA for such completed supplies or manufacturing materials such sum as the Contracting Officer determines to be necessary to protect the Board against the losses because of outstanding liens or claims of former lien holders.
- e. If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the CxA was not in default under the provisions of this clause, or that the default was excusable under the provisions of the clause, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the termination for convenience provisions of this Contract.
 - f. The right and remedies of the Board provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
 - g. As used in paragraph (c) of this clause, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

M.22 DISPUTES

- a. Any claim by the CxA seeking payment of money in a sum certain, the adjustment or interpretation of Contract terms, or other relief arising under or relating to the Contract must be submitted in writing to the Contracting Officer no more than twenty (20) days after the onset or occurrence of the condition giving rise to the claim. A claim shall include a written statement setting forth in detail the grounds of the claim and, if applicable, an itemization of the direct or indirect costs for which compensation is being requested. Failure to deliver a claim within the required period shall constitute an irrevocable waiver by the CxA of any such claim. Upon receipt of such a claim, the Contracting Officer or his/her representative will contact the claimant and attempt to negotiate a mutually acceptable resolution.
- b. Upon the failure to reach such a resolution, the Contracting Officer shall issue a written determination after reviewing the pertinent facts and consulting with legal and other advisors. The written determination shall be issued within a reasonable time, but not less than sixty (60) days after receipt of a written request from the claimant for a written

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- determination. The written determination shall contain (1) a description of the claim or dispute; (2) reference to the pertinent contract terms; (3) a statement of the factual areas of agreement and disagreement; (4) a statement of the Contracting Officer's decision, with supporting rationale; and (5) a statement that the Contracting Officer's decision is final and that the claimant may appeal the decision to the Board's Staff Director for Management. The Contracting Officer's decision will be furnished by certified mail, return receipt requested, or by any other method that provides evidence of receipt.
- c. Failure of the Contracting Officer to issue a written determination within sixty (60) days of a written request for such determination shall be deemed to be a denial of the claim, which may be appealed to the Board's Staff Director for Management. Any appeal to the Board's Staff Director for Management must be made in writing within ninety (90) days from the date the claimant receives the Contracting Officer's written decision.
 - d. The Board will pay interest on the amount found due and unpaid from (1) the date that the Contracting Officer receives the claim, or (2) the date that payment otherwise would be due, if that date is later, until the date of payment. Simple interest on claims will be paid at the rate, fixed by the Secretary of the Treasury pursuant to Pub. L. 92-41 (85 Stat 97), which is applicable to the period during which the Contracting Officer receives the claim.
 - e. Notwithstanding any provisions to the contrary in this Section M.22, if any dispute arises between the Board and the CxA which relates to this Contract, the Services or the Project, the CxA shall not interrupt the performance of Services, and shall cause any CxA Consultant not to interrupt the performance of the Services during the pendency of any such dispute, unless ordered to do so by the Contracting Officer in writing and the Board shall make all progress payments for the Services other than disputed amounts.

M.23 PROTESTS

- a. Protests may be submitted by actual or prospective Offerors to the manager of the Procurement Section as follows: Procurement Manager, Management Division, 20th and C Streets, NW, Washington, DC 20551. Protests on alleged improprieties in a solicitation that are apparent prior to the closing date for receipt of bids or proposals shall be filed prior to that date. In all other cases, protests shall be filed not later than ten (10) calendar days after the basis of the protest is known or should have been known, whichever is earlier. Protests shall include (1) the name, address, and telephone number of the protester; (2) the solicitation or contract number; (3) a detailed statement of the legal and factual grounds for the protest, including copies of relevant documents; (4) a request for a ruling by the Board; and (5) a statement of the form of relief requested.
- b. If the Procurement Manager receives a protest prior to award, an award will not be made until a decision on the protest is issued, or the matter is otherwise resolved unless the

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- Procurement Manager first determines, in writing, that (1) the supplies or services to be contracted for are urgently required, (2) delivery or performance will be unduly delayed by failure to make award promptly, or (3) a prompt award will otherwise be advantageous to the Board. If the award is to be delayed pending resolution of the protest, the other Offerors shall be notified of the protest; and, if appropriate, those Offerors should be requested to extend the time for acceptance to avoid the need for resolicitation.
- c. If a protest is received after award, the contract performance will not be suspended unless it appears likely that an award may be invalidated and a delay in receiving the supplies or services is not prejudicial to the Board's interest.
 - d. The Procurement Manager will furnish a copy of the written protest ruling to the protester by certified mail, return receipt requested, or by any other method that provides evidence of receipt. The protester may appeal the ruling of the Procurement Manager to the Chief Acquisition Officer. Any appeal to the Chief Acquisition Officer must be made in writing within ten (10) calendar days from the date the protester receives the Procurement Manager's written ruling. If the Chief Acquisition Officer has a conflict, then the director of the Management Division will decide the appeal.

M.24 COMPETITION IN SUBCONTRACTING

The CxA shall elect subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

M.25 SUBCONTRACTING PLAN

- a. For purposes of this clause, "covered company" means a firm qualified as a small business concern under the Small Business Act (15 U.S.C. § 632) and regulations thereunder, including (1) business concerns that meet the size eligibility standards set forth in 13 C.F.R. § 121; (2) small business concerns owned and controlled by veterans or service-disabled veterans as defined by 15 U.S.C. § 632(q); (3) qualified HUBZone small business concerns pursuant to 15 U.S.C. § 632(p) and 13 C.F.R. § 126; (4) socially and economically disadvantaged small business concerns as defined by 15 U.S.C. § 637 and certified as such under 13 C.F.R. § 125; and (5) small business concerns owned and controlled by women as defined by 15 U.S.C. § 632(n).
- b. The Board has a policy of providing covered companies with an equitable opportunity to compete, as a prime contractor or a subcontractor, in Board acquisitions conducted pursuant to the formal bidding procedures, negotiated procurement procedures, or simplified acquisition procedures of the Board's Acquisition Policy, to the extent that this opportunity is consistent with efficient contract performance.

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- c. Except for solicitations for services that are personal in nature or for solicitations that are expected to be \$300,000 or less (\$500,000 or less for construction), each noncovered company's bid or proposal must include a Subcontracting Plan that describes the Offeror's commitment to provide covered companies the maximum practicable opportunity to participate in contract performance, consistent with the vendor's efficient contract performance. The Subcontracting Plan must be acceptable to the Contracting Officer in order for the Offeror to be awarded the Contract. If awarded the Contract, the Offeror will be required to implement and comply with the Subcontracting Plan submitted with its proposal.
- d. Offerors acting in good faith may rely on the written representations of their subcontractors regarding their status as a covered company.

M.26 EQUAL OPPORTUNITY (See Attachment No. 1)

M.27 EMPLOYMENT OF THE PERSONS WITH DISABILITIES

Note: This clause is applicable to contracts and subcontracts in excess of ten thousand dollars (\$10,000).

- a. The CxA shall not discriminate against any employee or applicant for employment because of a physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The CxA shall take affirmative action to hire, place, and advance qualified persons with disabilities who are physically or mentally disabled. The CxA shall not discriminate against persons with disabilities in employment practices such as the following: employment, upgrading, demotion, transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship programs.
- b. The CxA shall comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended (29 U.S.C. Section 793) (the "Act").
- c. In the event of the CxA's noncompliance with the requirements of this clause, the Board may take such actions of noncompliance as may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- d. The CxA shall post in conspicuous places, available to employees and applicants for employment, notices in a form prescribed by the Director, Office of The Federal Contract Compliance Programs, Department of Labor. Such notices shall state (1) the CxA's obligation under the law to take affirmative action to hire, place, and advance in

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employment qualified persons with disabilities, and (2) the rights of applicants and employees.

- e. The CxA shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract of understanding, that the CxA is bound by the terms of Section 503 of the Act and is committed to take affirmative action to hire, place, and advance in employment qualified persons with physical and mental disabilities.
- f. The CxA shall include the provisions of this clause in every subcontract or purchase order in excess of ten thousand dollars (\$10,000), unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 503 of the Act.

M.28 AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS

Note: This clause is applicable to all contracts and subcontracts of twenty-five thousand dollars (\$25,000) or more.

a. Definitions.

"Appropriate office of the state employment service system", as used in this clause, means the local office of the Federal-state national system of public employment offices assigned to serve the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

"Openings that the CxA proposes to fill from within its own organization", as used in this clause, means employment openings for which no one outside the CxA's organization (including any affiliates, subsidiaries, and the parent companies) will be considered, and includes any openings that the CxA proposes to fill from regularly established "recall" lists.

"Openings that the CxA proposes to fill under a customary and traditional employer-union hiring arrangement", as used in this clause, means employment openings that the CxA proposes to fill from union halls under their customary and traditional employer-union hiring relationship.

"Suitable employment openings", as used in this clause

- 1. includes, but is not limited to, openings that occur in jobs categorized as (i) production and nonproduction, (ii) plant and office, (iii) laborers and mechanics, (iv) supervisory and nonsupervisory, (v) technical, and (vi) executive, administrative, and

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professional positions compensated on a salary basis of less than twenty-five thousand (\$25,000) a year; and

2. includes full-time employment, temporary employment of over three (3) days, and part-time employment, but not openings that the CxA proposes to fill from within its own organization or under a customary and traditional employer-union hiring arrangement, but not openings in an educational institution that are restricted to students of that institution.

b. General.

1. Regarding any position for which the employee or applicant for employment is qualified, the CxA shall not discriminate against the individual because the individual is a special disabled or Vietnam era veteran. The CxA agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified special disabled and Vietnam era veterans without discrimination based upon their disability or veterans' status in all employment practices such as (i) employment;(ii) upgrading;(iii) demotion or transfer; (iv) recruitment; (v) advertising; (vi) layoff or termination; (vii) rates of pay or other forms of compensation; and (viii) selection for training, including apprenticeship.
2. The CxA agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Vietnam Era Veterans Readjustment Assistance Act of 1972 (the Act), as amended (38 U.S.C. Section 2012).

c. Listing openings.

1. The CxA agrees to list all suitable employment openings existing at Contract award or occurring during Contract performance, at an appropriate office of the state employment service system in the locality where the opening occurs. These openings include those occurring at any CxA facility, including one not connected with performing this Contract. An independent corporate affiliate is exempt from this requirement.
2. State and local government agencies holding the federal contracts of twenty-five thousand dollars (\$25,000) or more shall also list all their suitable openings with the appropriate office of the state employment service.
3. The listing of suitable employment openings with the state employment service system is required at least concurrently with using any other recruitment source or effort and involves the obligations of placing a bona fide job order, including accepting referrals of veterans and non-veterans. This listing does not require hiring

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any particular job applicant or hiring from any particular group of job applicants and is not intended to relieve the CxA from any requirements of Executive Orders or regulations concerning nondiscrimination in employment.

4. Whenever the CxA becomes contractually bound to the listing terms of this clause, it shall advise the state employment service system, in each state where it has establishments, of the name and location of each hiring location in the state. As long as the CxA is contractually bound to these terms and has so advised the state system, it need not advise the state system of subsequent contracts. The CxA may advise the state system when it is no longer bound by this contract clause.
5. Under the most compelling circumstances, an employment opening may not be suitable for listing, including situations when (i) the Government's needs cannot reasonably be supplied, (ii) listing would be contrary to national security, or (iii) the requirement of listing would not be in the Government's interest.

d. Applicability.

1. This clause does not apply to the listing of employment openings which occur and are filled outside the fifty states, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.
2. The terms of paragraph (c) above of this clause do not apply to openings that the CxA proposes to fill from within its own organization or under a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of its own organization or employer-union arrangement for that opening.

e. Postings.

1. The CxA agrees to post employment notices stating (i) the CxA's obligation under the law to take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era, and (ii) the rights of applicants and employees.
2. These notices shall be posted in conspicuous places that are available to employees and applicants for employment. They shall be in a form prescribed by the Director, Office of The Federal Contract Compliance Programs, Department of Labor (Director), and provided by or through the Contracting Officer.
3. The CxA shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the CxA is

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bound by the terms of the Act, and is committed to take affirmative action to employ, and advance in employment, qualified special disabled and Vietnam era veterans.

- f. Noncompliance. If the CxA does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.
- g. Subcontracts. The CxA shall include the terms of this clause in every subcontract or purchase order of twenty-five thousand dollars (\$25,000) or more unless exempted by rules, regulations, or orders of the Secretary. The CxA shall act as specified by the Director to enforce the terms, including action for noncompliance.

M.29 WALSH-HEALEY PUBLIC CONTRACTS ACT

If this Contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed ten thousand dollars (\$10,000), and is otherwise subject to the Walsh-Healey Public Contracts Act, as amended (41 U.S.C. Section 35-45), they are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereinafter be in effect.

M.30 SERVICE CONTRACT ACT OF 1965 (See Attachment 2)

M.31 BUY AMERICAN ACT

- a. The Buy American Act (41 U.S.C. Section 10) provides that preference should be given to domestic end products.

"Components", as used in this clause, means those articles, materials, and supplies incorporated directly into the end products.

"Domestic end product", as used in this clause, means (1) an unmanufactured end product mined or produced in the United States, or (2) an end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as the products referred to in subparagraphs (b)(2) or (b)(3) of this clause shall be treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

"End products", as used in this clause, means those articles, materials, and supplies to be acquired for public use under this Contract.

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- b. The CxA shall deliver only domestic end products, except those
 - 1. for use outside the United States;
 - 2. that the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality;
 - 3. for which the Board determines that domestic preference would be inconsistent with the public interest; or
 - 4. for which the Board determines the cost to be unreasonable.

M.32 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT – OVERTIME COMPENSATION

This Contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. Section 327-330), is subject to the following provisions and to all other applicable provisions and exceptions of such Act and the regulations of the Secretary of Labor thereunder.

- a. Overtime requirements. No Contractor or subcontractor shall require or permit any laborer, mechanic, apprentice, trainee, watchman, or guard in any workweek in which he/she is employed on such work, to work in excess of forty hours in such workweek on work subject to the provisions of the contract Work Hours and Safety Standards Act unless such laborer, mechanic, apprentice, trainee, watchman, or guard receives compensation at a rate not less than one and one-half times his/her basic rate of pay for all such hours worked in excess of forty (40) hours in such workweek.
- b. Violation, liability for unpaid wages, and liquidated damages. In the event of any violation of the provisions of paragraph (a), the Contractor and any subcontractor responsible therefore shall be liable to any affected employee for his/her unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer, mechanic, apprentice, trainee, watchman, or guard employed in violation of the provisions of paragraph (a) in the sum of ten dollars (\$10) for each calendar day on which such employee was required or permitted to be employed on such work in excess of the standard workweek of forty (40) hours without payment of the overtime wages required by paragraph (a).
- c. Withholding for unpaid wages and liquidated damages. The Contracting Officer may withhold from the CxA, from any moneys payable on account of work performed by the

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- CxA or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such CxA or subcontractor for unpaid wages and liquidated damages as provided in the provisions of paragraph (b).
- d. Subcontracts. The CxA shall insert paragraphs (a) through (d) of this clause in any subcontract exceeding one hundred thousand dollars (\$100,000), and shall require their inclusion in all subcontracts of any tier.
- e. Records. The CxA shall maintain payrolls and basic payroll records during the course of contract work for a period of three (3) years from the completion of the Contract. Such records shall be available for inspection by authorized representatives of the Board and the Department of Labor. The CxA shall permit such representatives to interview employees during business hours on the job. The payroll records shall contain the name and address of each employee, the social security number, the correct classifications, the hourly rates of wages paid, the daily and weekly number of hours worked, the deductions made, and the actual wages paid.

M.33 PRIVACY ACT

- a. The CxA agrees:
1. to comply with the Privacy Act of 1974, 5 U.S.C. Section 552a, and the rules and regulations issued pursuant to the Act in the design, development, and/or operation of any system of records on individuals in order to accomplish a Board function, when the Contract specifically identifies (i) the system or systems of records, and (ii) the work to be performed by the CxA in terms of any one or combination of the following: (A) design, (B) development, or (C) operations;
 2. to include the Privacy Act notification contained in this Contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation, when the statement of work in the proposed subcontract requires the design, development, or operation of a system of records on individuals to accomplish a Board function.
 3. to include this clause, including this paragraph (3), in all subcontracts awarded pursuant to this Contract which require the design development, or operation of such a system of records.
- b. In the event of violations of the Privacy Act, a civil action may be brought against the Board when the violation concerns the design, development, or operation of a system of records on individuals to accomplish a Board function and criminal penalties may be imposed upon the officers or employees of the Board when the violation concerns the

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operation of a system of records on individuals to accomplish a Board function. For purposes of the Act, when the contract is for the operation of a system of records on individuals to accomplish a Board function, the CxA and any employee(s) of the CxA are considered to be employee(s) of the Board.

c. The terms used in this clause have the following meanings:

"Operation of a system of records" means performance of any of the activities associated with maintaining the system of records including the collection, use, and dissemination of records.

"Record" means any item, collection, or grouping of information about an individual that is maintained by the Board and/or Government agency, including but not limited to, his/her education, financial transactions, medical history, and criminal or employment history and that contains his name or an identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.

"System of records" on an individual means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particulars assigned to the individual.

M.34 PAPERWORK REDUCTION ACT

Information collection requirements contained in this solicitation have been approved by the Office of Management and Budget under the provisions of 44 U.S.C. Section 3501 et seq. and have been assigned OMB No. 7100-0180.

M.35 COMBATING TRAFFICKING IN PERSONS

The CxA agrees that the provisions of The Federal Acquisition Regulation (48 C.F.R.) 52.222-50, relating to combating trafficking in persons, shall apply to this Contract, and the CxA agrees to comply with the requirements and responsibilities set forth therein.

M.36 CONFLICT OF INTEREST

Conflict of interest means that because of other activities or relationships with other persons or entities, (a) a person or entity is unable to render impartial assistance or advice to the Board; (b) the person's or entity's objectivity in performing the Services is or might be otherwise impaired; or (c) the person or entity has, or attempts to create, an unfair competitive advantage. CxA hereby affirmatively represents that it will not have a conflict of interest in performing the Work for the Board pursuant to this Contract. Further, CxA agrees not to: (i) engage in activities; or (ii) initiate or maintain relationships with persons or entities where such activities or

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relationships create an organizational conflict of interest. CxA shall identify and prevent potential Subcontractor conflicts of interest. CxA shall inform the Board of any activity or relationship that CxA has reason to believe may create a conflict of interest. Without intending to limit the breadth of the foregoing, the CxA is not authorized to bid upon or perform, directly or indirectly through subsidiaries or affiliated companies, any portion of the Work of any Construction Contractor or any portion of the services to be performed by the A/E or the Construction Administrator or by their respective consultants.

M.37 OFFICE OF FOREIGN ASSET CONTROL AND COMPLIANCE

CxA represents and certifies that neither CxA, nor any partner or member of CxA, nor any owner of a direct or indirect interest in CxA (i) is listed on any Government Lists (defined below), (ii) is a person who has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Orders No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC (defined below) or in any enabling legislation or other Presidential Executive Order in respect thereof, (iii) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense (defined below), or (iv) is not currently under investigation by any Governing Authority for alleged criminal activity. For the purposes hereof, "Government Lists" means (i) the Specially Designated Nationals and Blocked Persons Lists maintained by Office of Foreign Asset Control ("OFAC"), (ii) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC, or (iii) similar lists maintained by the U.S. Department of State, the U.S. Department of Commerce or any other governmental authority. For the purposes hereof, "Patriot Act Offense" means any violation of the Patriot Act or of the criminal laws of the U.S.A. or any of the several states relating to terrorism or the laundering of monetary instruments, including the Bank Secrecy Act and the Money Laundering Control Act of 1986. CxA agrees to defend, indemnify and hold harmless the Board from and against any and all claims, damages, losses, risks, liability and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

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Revised August 1986

ATTACHMENT NO. 1

EQUAL OPPORTUNITY CLAUSE

Note: The following clause is applicable unless this Contract is exempted under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR Ch. 60).

(a) If, during a 12-month period (including the 12 months preceding the award of this Contract), the Contractor has been or is awarded nonexempt the Federal contracts and/or subcontracts that have an aggregate value in excess of ten thousand (\$10,000), the Contractor shall comply with subparagraphs (b)(1) through (b)(7) below. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.

(b) During performance of this Contract, the Contractor agrees as follows:

(1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(2) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor shall send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this

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Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor shall comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor shall furnish to the Board all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to his books, records, and accounts by the Board or the Office of The Federal Contract Compliance Programs for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with this Equal Opportunity clause or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Board contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor shall include the provisions of paragraph (b)(1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or Contractor. The Contractor shall take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or Contractor as a result of such direction by the Board, the Contractor may request the Board to enter into such litigation to protect the interests of the Board.

(c) Nonsegregated Facilities. Note: This clause is applicable to Contracts exceeding ten thousand dollars (\$10,000) that are not exempt under Clause (a) above. By acceptance of this Contract, the Contractor represents that he does not and will not maintain nor provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Contractor agrees that a breach of his representation is a violation of the

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Equal Employment Opportunity clause of this Contract. As used herein the term "segregated facilities" means any waiting rooms, work areas, rest rooms, wash rooms, restaurants (and other

eating areas), time clock, locker rooms, storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, religion, color, age, or national origin, because of habit, local custom, or otherwise. Contractor further agrees that (except where subcontractors have similarly certified for specific time periods) he shall obtain identical representations from proposed subcontractors prior to award of subcontracts exceeding ten thousand dollars (\$10,000) which are not exempt from the provisions of the Equal Employment Opportunity clause, that he will retain such representations in his files, and that he will provide the following notification to proposed subcontractors (except where the proposed subcontractors have submitted identical representations for specific time periods) as follows:

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR NONSEGREGATED FACILITIES. A Statement of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding ten thousand dollars (\$10,000) that is not exempt from the provisions of the Equal Opportunity clause. The statement may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. Section 1001.

(d) Affirmative Action Program. If this Contract is for an amount of \$50,000 or more, Contractor by acceptance of this Contract certifies that he has, or will within one hundred and twenty (120) days from the date of this Contract, develop and maintain at each of his establishments Affirmative Action Programs, pursuant to 41 CFR Section 60-1 and 60-2.

(e) Preaward on Site Equal Opportunity Compliance Review. An award in the amount of one million dollars (\$1,000,000) or more will not be made unless the Contractor and each of his known first-tier subcontractors (to whom he intends to award a subcontract of one million dollars [\$1,000,000]) or more are found on the basis of a compliance review to be able to comply with the provisions of the Equal Opportunity Clause of this contract.

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Revised May 1989

ATTACHMENT NO. 2

**SERVICE CONTRACT ACT OF 1965
AS AMENDED (MAY 1989)**

Note: This Contract, to the extent that it is of the character to which the Service Contract Act of 1965 (41 U.S.C. Section 351 et seq.) applies, is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor thereunder.

(a) *Definitions.* Act, as used in this clause, means the Service Contract Act of 1965, as amended (41 U.S.C. 351, et seq.).

Contractor, as used in this clause or in any subcontract, shall be deemed to refer to the subcontractor, except in the term Government Prime Contractor.

Service employee, as used in this clause, means any person engaged in the performance of this contract other than any person employed in a bona fide executive, administrative, or professional capacity, as these terms are defined in part 541 of title 29, Code of The Federal Regulations, as revised. It includes all such persons regardless of any contractual relationship that may be alleged to exist between a Contractor or subcontractor and such persons.

(b) *Applicability.* This contract is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor (29 CFR part 4). This clause does not apply to contracts or subcontracts administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in subpart C of 29 CFR part 4.

(c) *Compensation.* (1) Each service employee employed in the performance of this contract by the Contractor or any subcontractor shall be paid not less than the minimum monetary wages and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor, or authorized representative, as specified in any wage determination attached to this contract.

(2)(i) If a wage determination is attached to this contract, the Contractor shall classify any class of service employee which is not listed therein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination) so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed class of employees shall

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be paid the monetary wages and furnished the fringe benefits as are determined pursuant to the procedures in this paragraph (c).

(ii) This conforming procedure shall be initiated by the Contractor prior to the performance of contract work by the unlisted class of employee. The Contractor shall submit Standard Form (SF) 1444, Request for Authorization of Additional Classification and Rate, to the Contracting Officer no later than thirty (30) days after the unlisted class of employee performs any contract work. The Contracting Officer shall review the proposed classification and rate and promptly submit the completed SF 1444 (which must include information regarding the agreement or disagreement of the employees' authorized representatives or the employees themselves together with the agency recommendation), and all pertinent information to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor. The Wage and Hour Division will approve, modify, or disapprove the action or render a final determination in the event of disagreement within thirty (30) days of receipt or will notify the Contracting Officer within thirty (30) days of receipt that additional time is necessary.

(iii) The final determination of the conformance action by the Wage and Hour Division shall be transmitted to the Contracting Officer who shall promptly notify the Contractor of the action taken. Each affected employee shall be furnished by the Contractor with a written copy of such determination or it shall be posted as a part of the wage determination.

(iv)(A) The process of establishing wage and fringe benefit rates that bear a reasonable relationship to those listed in a wage determination cannot be reduced to any single formula. The approach used may vary from wage determination to wage determination depending on the circumstances. Standard wage and salary administration practices which rank various job classifications by pay grade pursuant to point schemes or other job factors may, for example, be relied upon. Guidance may also be obtained from the way different jobs are rated under The Federal pay systems (The Federal Wage Board Pay System and the General Schedule) or from other wage determinations issued in the same locality. Basic to the establishment of any conformable wage rate(s) is the concept that a pay relationship should be maintained between job classifications based on the skill required and the duties performed.

(B) In the case of a contract modification, an exercise of an option, or extension of an existing contract, or in any other case where a Contractor succeeds a contract under which the classification in question was previously conformed pursuant to paragraph (c) of this clause, a new conformed wage rate and fringe benefits may be assigned to the conformed classification by indexing (i.e., adjusting) the previous conformed rate and fringe benefits by an amount equal to the average (mean) percentage increase (or decrease, where appropriate) between the wages and fringe benefits specified for all classifications to be used on the contract which are listed in the current wage determination, and those specified for the corresponding classifications in the previously applicable wage determination. Where conforming actions are accomplished in accordance with this paragraph prior to the performance of contract work by the unlisted class of

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employees, the Contractor shall advise the Contracting Officer of the action taken but the other procedures in subdivision (c)(2)(ii) of this clause need not be followed.

(C) No employee engaged in performing work on this contract shall in any event be paid less than the currently applicable minimum wage specified under section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

(v) The wage rate and fringe benefits finally determined under this subparagraph (c)(2) of this clause shall be paid to all employees performing in the classification from the first day on which contract work is performed by them in the classification. Failure to pay the unlisted employees the compensation agreed upon by the interested parties and/or finally determined by the Wage and Hour Division retroactive to the date such class of employees commenced contract work shall be a violation of the Act and this contract.

(vi) Upon discovery of failure to comply with subparagraph (c)(2) of this clause, the Wage and Hour Division shall make a final determination of conformed classification, wage rate, and/or fringe benefits which shall be retroactive to the date such class or classes of employees commenced contract work.

(3) Adjustment of Compensation. If the term of this contract is more than one (1) year, the minimum monetary wages and fringe benefits required to be paid or furnished thereunder to service employees under this contract shall be subject to adjustment after one (1) year and not less often than once every two (2) years, under wage determinations issued by the Wage and Hour Division.

(d) Obligation to Furnish Fringe Benefits. The Contractor or subcontractor may discharge the obligation to furnish fringe benefits specified in the attachment or determined under subparagraph (c)(2) of this clause by furnishing equivalent combinations of bona fide fringe benefits, or by making equivalent or differential cash payments, only in accordance with subpart D of 29 CFR part 4.

(e) Minimum Wage. In the absence of a minimum wage attachment for this contract, neither the Contractor nor any subcontractor under this contract shall pay any person performing work under this contract (regardless of whether the person is a service employee) less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938. Nothing in this clause shall relieve the Contractor or any subcontractor of any other obligation under law or contract for payment of a higher wage to any employee.

(f) Successor Contracts. If this contract succeeds a contract subject to the Act under which substantially the same services were furnished in the same locality and service employees

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were paid wages and fringe benefits provided for in a collective bargaining agreement, in the absence of the minimum wage attachment for this contract setting forth such collectively

bargained wage rates and fringe benefits, neither the Contractor nor any subcontractor under this contract shall pay any service employee performing any of the contract work (regardless of whether or not such employee was employed under the predecessor contract), less than the wages and fringe benefits provided for in such collective bargaining agreement, to which such employee would have been entitled if employed under the predecessor contract, including accrued wages and fringe benefits and any prospective increases in wages and fringe benefits provided for under such agreement. No Contractor or subcontractor under this contract may be relieved of the foregoing obligation unless the limitations of 29 CFR 4.1b(b) apply or unless the Secretary of Labor or the Secretary's authorized representative finds, after a hearing as provided in 29 CFR 4.10 that the wages and/or fringe benefits provided for in such agreement are substantially at variance with those which prevail for services of a character similar in the locality, or determines, as provided in 29 CFR 4.11, that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's length negotiations. Where it is found in accordance with the review procedures provided in 29 CFR 4.10 and/or 4.11 and parts 6 and 8 that some or all of the wages and/or fringe benefits contained in a predecessor Contractor's collective bargaining agreement are substantially at variance with those which prevail for services of a character similar in the locality, and/or that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's length negotiations, the Department will issue a new or revised wage determination setting forth the applicable wage rates and fringe benefits. Such determination shall be made part of the contract or subcontract, in accordance with the decision of the Administrator, the Administrative Law Judge, or the Board of Service Contract Appeals, as the case may be, irrespective of whether such issuance occurs prior to or after the award of a contract or subcontract (53 Comp. Gen. 401 (1973)). In the case of a wage determination issued solely as a result of a finding of substantial variance, such determination shall be effective as of the date of the final administrative decision.

(g) Notification to Employees. The Contractor and any subcontractor under this contract shall notify each service employee commencing work on this contract of the minimum monetary wage and any fringe benefits required to be paid pursuant to this contract, or shall post the wage determination attached to this contract. The poster provided by the Department of Labor (Publication WH 1313) shall be posted in a prominent and accessible place at the worksite. Failure to comply with this requirement is a violation of section 2(a)(4) of the Act and of this contract.

(h) Safe and Sanitary Working Conditions. The Contractor or subcontractor shall not permit any part of the services called for by this contract to be performed in buildings or surroundings or under working conditions provided by or under the control or supervision of the Contractor or subcontractor that are unsanitary, hazardous, or dangerous to the health or safety of

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Solicitation, Offer, and Award 201000262

the service employees. The Contractor or subcontractor shall comply with the safety and health standards applied under 29 CFR part 1925.

(j) Records. (1) The Contractor and each subcontractor performing work subject to the Act shall make and maintain for three (3) years from the completion of the work, and make them available for inspection and transcription by authorized representatives of the Wage and Hour Division, Employment Standards Administration, a record of the following:

(I) For each employee subject to the Act --

(A) Name and address and social security number;

(B) Correct work classification or classifications, rate or rates of monetary wages paid and fringe benefits provided, rate or rates of payments in lieu of fringe benefits, and total daily and weekly compensation;

(C) Daily and weekly hours worked by each employee; and

(D) Any deductions, rebates, or refunds from the total daily or weekly compensation of each employee.

(ii) For those classes of service employees not included in any wage determination attached to this contract, wage rates or fringe benefits determined by the interested parties or by the Administrator or authorized representative under the terms of paragraph (c) of this clause. A copy of the report required by subdivision (c)(2)(ii) of this clause will fulfill this requirement.

(iii) Any list of the predecessor Contractor's employees which had been furnished to the Contractor as prescribed by paragraph (n) of this clause.

(2) The Contractor shall also make available a copy of this contract for inspection or transcription by authorized representatives of the Wage and Hour Division.

(3) Failure to make and maintain or to make available these records for inspection and transcription shall be a violation of the regulations and this contract, and in the case of failure to produce these records, the Contracting Officer, upon direction of the Department of Labor and notification to the Contractor, shall take action to cause suspension of any further payment or advance of funds until the violation ceases.

(4) The Contractor shall permit authorized representatives of the Wage and Hour Division to conduct interviews with employees at the worksite during normal business hours.

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(j) Pay Periods. The Contractor shall unconditionally pay to each employee subject to the Act all wages due free and clear and without subsequent deduction (except as otherwise provided by law or Regulations, 29 CFR part 4), rebate, or kickback on any account. These payments shall

be made no later than one pay period following the end of the regular pay period in which the wages were earned or accrued. A pay period under this Act may not be of any duration longer than semimonthly.

(k) Withholding of Payments and Termination of Contract. The Contracting Officer shall withhold or cause to be withheld from the Government Prime Contractor under this or any other Government contract with the Prime Contractor such sums as an appropriate official of the Department of Labor requests or such sums as the Contracting Officer decides may be necessary to pay underpaid employees employed by the Contractor or subcontractor. In the event of failure to pay any employees subject to the Act all or part of the wages or fringe benefits due under the Act, the Contracting Officer may, after authorization or by direction of the Department of Labor and written notification to the Contractor, take action to cause suspension of any further payment or advance of funds until such violations have ceased. Additionally, any failure to comply with the requirements of this clause may be grounds for termination of the right to proceed with the contract work. In such event, the Government may enter into other contracts or arrangements for completion of the work, charging the Contractor in default with any additional cost.

(l) Subcontracts. The Contractor agrees to insert this clause in all subcontracts subject to the Act.

(m) Collective Bargaining Agreements Applicable to Service Employees. If wages to be paid or fringe benefits to be furnished any service employees employed by the Government Prime Contractor or any subcontractor under the contract are provided for in a collective bargaining agreement which is or will be effective during any period in which the contract is being performed, the Government Prime Contractor shall report such fact to the Contracting Officer, together with full information as to the application and accrual of such wages and fringe benefits, including any prospective increases, to service employees engaged in work on the contract, and a copy of the collective bargaining agreement. Such report shall be made upon commencing performance of the contract, in the case of collective bargaining agreements effective at such time, and in the case of such agreements or provisions or amendments thereof effective at a later time during the period of contract performance such agreements shall be reported promptly after negotiation thereof.

(n) Seniority List. Not less than ten (10) days prior to completion of any contract being performed at a The Federal facility where service employees may be retained in the performance of the succeeding contract and subject to a wage determination which contains vacation or other benefit provisions based upon length of service with a Contractor (predecessor) or successor (29 CFR 4.173), the incumbent Prime Contractor shall furnish the Contracting Officer a certified list

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of the names, of all service employees on the Contractor's or subcontractor's payroll during the last month of contract performance. Such list shall also contain anniversary dates of employment on the contract either with the current or predecessor Contractors of each such service employee. The Contracting Officer shall turn over such list to the successor Contractor at the commencement of the succeeding contract.

(o) Rulings and Interpretations. Rulings and interpretations of the Act are contained in Regulations, 29 CFR part 4.

(p) Contractor's Certification. (1) By entering into this contract, the Contractor (and officials thereof) certifies that neither it (nor he or she) nor any person or firm who has a substantial interest in the Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of the sanctions imposed under section 5 of the Act.

(2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract under section 5 of the Act.

(3) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

(q) Variations, Tolerances, and Exemptions Involving Employment. Notwithstanding any of the provisions in paragraphs (b) through (o) of this clause, the following employees may be employed in accordance with the following variations, tolerances, and exemptions, which the Secretary of Labor, pursuant to section 4(b) of the Act prior to its amendment by Pub. L. 92 - 473, found to be necessary and proper in the public interest or to avoid serious impairment of the conduct of Government business.

(1) Apprentices, student-learners, and workers whose earning capacity is impaired by age, physical or mental deficiency or injury may be employed at wages lower than the minimum wages otherwise required by section 2(a)(1) or 2(b)(1) of the Act without diminishing any fringe benefits or cash payments in lieu thereof required under section 2(a)(2) of the Act, in accordance with the conditions and procedures prescribed for the employment of apprentices, student-learners, handicapped persons, and handicapped clients of sheltered workshops under section 14 of the Fair Labor Standards Act of 1938, in the regulations issued by the Administrator (29 CFR parts 520, 521, 524, and 525).

(2) The Administrator will issue certificates under the Act for the employment of apprentices, student-learners, handicapped persons, or handicapped clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of pay under the two acts, authorizing appropriate rates of minimum wages (but without changing requirements concerning fringe benefits or supplementary cash payments in lieu

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thereof), applying procedures prescribed by the applicable regulations issued under the Fair Labor Standards Act of 1938 (29 CFR parts 520, 521, 524, and 525).

(3) The Administrator will also withdraw, annul, or cancel such certificates in accordance with the regulations in 29 CFR parts 525 and 528.

(r) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed and individually registered in a bona fide apprenticeship program registered with a State Apprenticeship Agency which is recognized by the U.S. Department of Labor, or if no such recognized agency exists in a State, under a program registered with the Bureau of Apprenticeship and Training, Employment and Training Administration, U.S. Department of Labor. Any employee who is not registered as an apprentice in an approved program shall be paid the wage rate and fringe benefits contained in the applicable wage determination for the journeyman classification of work actually performed. The wage rates paid apprentices shall not be less than the wage rate for their level of progress set forth in the registered program, expressed as the appropriate percentage of the journeyman's rate contained in the applicable wage determination. The allowable ratio of apprentices to journeymen employed on the contract work in any craft classification shall not be greater than the ratio permitted to the Contractor as to his entire work force under the registered program.

(s) Tips. An employee engaged in an occupation in which the employee customarily and regularly receives more than thirty dollars (\$30) a month in tips may have the amount of these tips credited by the employer against the minimum wage required by section 2(a)(1) or section 2(b)(1) of the Act, in accordance with section 3(m) of the Fair Labor Standards Act and Regulations 29 CFR part 531. However, the amount of credit shall not exceed \$1.34 an hour beginning January 1, 1981. To use this provision --

(1) The employer must inform tipped employees about this tip credit allowance before the credit is utilized;

(2) The employees must be allowed to retain all tips (individually or through a pooling arrangement and regardless of whether the employer elects to take a credit for tips received);

(3) The employer must be able to show by records that the employee receives at least the applicable Service Contract Act minimum wage through the combination of direct wages and tip credit; and

(4) The use of such tip credit must have been permitted under any predecessor collective bargaining agreement applicable by virtue of section 4(c) of the Act.

(t) Disputes Concerning Labor Standards. The U.S. Department of Labor has set forth in 29 CFR parts 4, 6, and 8 procedures for resolving disputes concerning labor standards

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requirements. Such disputes shall be resolved in accordance with those procedures and not the Disputes clause of this contract. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

(End of clause)

[54 FR 19828, May 8, 1989]

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

July 7, 2010

Amendment # 1

Solicitation, Offer, and Award (SOA) 201000262
Commissioning Authority for Board Renovation and Construction Project

Attention Offeror:

This Solicitation Amendment serves to provide electronic versions of the documents that make up SOA 201000262, to include the cost/price proposal forms, and to extend the proposal due date. The due date for proposals is extended until July 30, 2010. All proposals are due no later than 2:00 p.m., EST, on July 30, 2010.

Electronic versions of the documents for the SOA are provided to Offerors via e-mail with this Solicitation Amendment.

All other terms and conditions of the original SOA remain unchanged.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kristin Gandhi".

Kristin Gandhi, Senior Contract Specialist
Procurement Section
Management Division



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

July 20, 2010

Amendment # 2

Solicitation, Offer, and Award (SOA) 201000262

Commissioning Authority Services for Board Renovation and Construction Project

Attention Offeror:

This Solicitation Amendment serves to notify Offerors that SOA 201000262 is modified to extend the due date for proposals, to provide answers to inquiries received in relation to the SOA, and to provide additional documentation to Offerors.

Revisions to SOA

1. The due date for proposals is changed to August 6, 2010. Offerors shall submit proposals by 2:00 p.m. on August 6, 2010.

Inquiries

1. Q: Section B.1 paragraph 3. There is a note stating "that the cost forms were not provided to Offerors on the release date of the SOA. The Board will provide the cost forms to Offerors via a Solicitation Amendment shortly after the release date." I noticed throughout the SOA references to appendices and attachments. Does this statement apply to the mentioned attachments and Appendices as well? For example, on page 6 of the SOA in Section C.1 paragraph 2 last sentence states, "A description of the Board's requirements, criteria and expectations for the Renovation and for the VC/CC are set forth, respectively, in Appendix 1 and Appendix 2." Or should we expect to receive such appendices and attachments at the pre-proposal conference as per section L.18.d?

A: Solicitation Amendment # 1 provided the cost/price forms. The Board is providing Appendix 1 with this Solicitation Amendment. The Board will provide the following Appendices with a forthcoming Solicitation Amendment, as applicable: Appendix 2; Appendix 3 (referenced in the SOA as Appendix 4); and Appendix 4 (referenced in the SOA as Appendix 6).

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2. Q: Section B.4: The section mentions that the Board does not believe the work falls within the Davis-Bacon Act ("the Act"). It goes on to mention that if a ruling finds that the Act does apply, the applicable wage decision would be applied in turn allowing the Contractor to increase price to only those areas of work which the Act would apply. Is this correct interpretation of this section?

A: Yes.

3. Q: Reference Section C.1, paragraph 2. "The Renovation will be comprehensive in scope including..." Does this mean the entire building is going to be renovated or just the areas adjacent to the new additions? If it is the entire building, what is the total square footage of the existing space to be renovated?

A: *The entire building and the garages are to be renovated, not including the data center. (The data center must remain operational.) The programming is not yet complete, but the intent is to replace all of the old systems, to include the mechanical, electrical (including main switch gear and transformers and perhaps add a feeder), data systems, partitions/wall systems, lighting, fire systems (the sprinklers in the offices are new and should be preserved when possible), and other equipment. Where it makes sense, some newer equipment will not be replaced, such as the two new 1-MW standby generators. The total space in the Martin complex is 713,456 SF, and the total usable space is 258,291 SF. The Martin mechanical and electrical plant provides services for the Eccles building. The Commissioning Authority should take into account the Eccles Building, but it is not the intent of this contract to re-commission the Eccles building. The Contractor's responsibilities end where the services enter the Eccles building.*

4. Q: Section C.1 paragraph 4. The words "fiscally responsible" are used. How do you determine if project is fiscally responsible? Will first cost or life cycle cost be used to make the determination?

A: *The Board expects to establish its Construction Cost budget for the Project (referred to as the "Stated Cost Limitation") after receiving Design Documents representing completion of 30% of the Construction Documents. Thereafter, the Design Services should be performed so that the Construction Cost of the Project shall not exceed the Board's most recently approved Stated Cost Limitation.*

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5. Q: Section C.2.1.7 Meetings. The project is estimated to be a 31-month project. Attendance of meetings are required for the (i) focus groups and (ii) weekly progress meetings....” For pricing purposes, how many focus group and weekly meetings should we allow for? If the offer states a certain number of meetings and the actual number exceeds the number used in the pricing, will an amendment to contract allowing the extra meetings and cost for such be allowed to be submitted?

A: The 31 months is expected construction time and does not include the design phase. It is likely that the Board will desire participation in meetings prior to construction. It is also likely that the design meeting will usually take place every other week, but a weekly project meeting may occur every week depending on the schedule and the specific tasks being performed. The COTR will convene project meetings as needed. For pricing purposes, Offerors should allow for attendance at 150 project meetings and 20 focus (programming) meetings, and should provide a price for each additional meeting beyond the initial set.

6. Q: Section C.2.2.2.2. LEED Workshop. Please provide clarification on the number of LEED workshops expected to be attended by CxA and its personnel.

A: The Board expects the Contractor to attend two meetings; one meeting will last for two business days and one meeting will last for one business day.

7. Q: Reference Section C.2.2.2.8. Pre-Bid Meeting. This section may require extensive follow up. If the number of hours accounted for in the proposal is exceeded due to a higher number of inquiries than expected or other unexpected issues, will an amendment be authorized to allow for the additional time allowed to perform the tasks?

A: If unexpected issues arise, the Contractor shall submit a proposal to the Board for additional compensation at the hourly rates shown in the Contract.

8. Q: Section C.2.2.3.2.6. Inspections and Testing. “The CxA must sufficiently observe installation of each commissioned system...are not compromising the performance of the features.” We will provide you with an estimated number of hours that commissioning of each system will take. However, should complications or technical issues be identified requiring multiple follow up visits, will the additional visits leading to corrective actions be covered through an amendment for increased funds?

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A: If the Board agrees that additional follow up visits are required, the Board will issue a contract modification to add mutually agreed-upon funding for such additional work.

9. Q: Number of Copies for each Volume. The number of copies are clearly stated as follows: Volume 2, Technical Proposal there is to be the original plus 4 copies and Volume 3, Cost/Price Proposal there is to be the original plus 2 copies. However, I did not notice how many copied of Volume 1, Cover Letter were required. How many copies should be provided for Volume 1?

A: Offerors shall provide one (1) copy/the original of Volume 1.

10. Q: Will the Board provide a list of all existing equipment? The current Building Automation System should provide a list of all associated equipment.

A: The Board will provide a list of existing equipment for informational purposes; however, Offerors shall keep in mind that the new (replacement) equipment may differ from existing equipment. The Board will provide the list of existing equipment with a forthcoming Solicitation Amendment.

11. Q: Is retro-commissioning (RCx) of equipment that will not be replaced included in the Scope of Work?

A: The scope of this solicitation includes the Martin building systems. This would include items such as the standby generators and other equipment that would remain. The intent is to qualify for LEED silver or better. The Board's understanding is that all equipment would need to be commissioned or re-commissioned to meet the LEED standard.

12. Q: Research indicates that the existing square footage of the Martin Building includes five (5) floors of office (conditioned) space totaling approximately 200,000 s.f., plus a mechanical penthouse and three (3) garage levels. The new Visitor's Center will be **confidential**, and the new Conference Center will be 35,000 s.f. Can the Board confirm these measurements?

*A: The existing Martin building space measurements are 713,456 SF total, with 258,291 SF of usable space. The above referenced conference and visitors center measurements are correct. About **confidential** of the conference center is existing podium space.*

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13. Q: Since there is one BAS for both the Martin and Eccles Buildings, to what extent will the Eccles Building equipment be included in the BAS commissioning, and/or test and balance?

A: The Eccles building equipment is not included. When testing and balancing, the Contractor shall take the Eccles chilled water load into account.

14. Q: Section C.2.2.2.3: The Board's project requirements are typically the basis for the programming effort by the A/E. Are any project requirements or programming information available, and is development of the Board's project requirements part of the Commissioning Authority (CxA) Scope of Work?

A: The Board will provide the Statement of Work for the A/E contract to the CxA. The Board's project requirements are part of the A/E contract. The CxA is to work with the A/E to review the Board's requirements and make suggestions to the Board as to sustainability, resource conservation and other aspects of the design as they apply to LEED certification, which the Board may or may not incorporate into the project (Section C item 2.1.12.1).

15. Q: Sections C.2.2.3.2.4 and C.2.2.3.5: Please confirm that the general construction contractor will be responsible for assembly of the Operations and Maintenance (O&M) manuals, and that the CxA will be responsible for review and inclusion in the Systems Manual.

A: Yes, the GC will provide the manufacturing O&M manuals for the CxA to include in the systems manuals, training documents, and other required documentation.

16. Q: Section C.2.2.3.7: Please confirm that Test & Balance (TAB) is part of the general construction contractor's scope of work, and that the CxA will be responsible for oversight and review and verification of the report.

A: Testing and balancing will be part of the general construction contractor's scope of work. In addition to oversight, review, and verification, the CxA will also be responsible for incorporating documentation into the manuals to be provided.

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17. Q: Sections C.2.2.1 and C.2.2.3.2.9: Is there a list of sampling rates for each type of equipment and component, including but not limited to VAV terminal units, VFDs, fans, pumps, humidifiers, panelboards, transformers, emergency generators and/or UPS systems, security system, fire protection, plumbing fixtures, and building envelope elements?

A: As the general construction contractor will be responsible for testing all equipment, we assume you are referring to the percentage that the Board desires to have verified. The number being verified (sample size) would depend on the number of units in the population in the first the place (statistically referred to as "N"). The larger the field the smaller (as a percentage) the number of samples required. The Board would desire a 90 percent confidence rate or as required for the LEED requirements – whichever is higher.

18. Q: Section C.2.2.1: Please confirm that the garage exhaust system is included in the CxA Scope of Work.

A: The garage exhaust system is included in the CxA scope of work.

19. Q: Section C.2.2.1: Please confirm if lightning protection and grounding are included in the Scope of Work.

A: Lightning protection and grounding are included in the CxA scope of work.

20. Q: Section C.2.2.1: What is the extent of the Building Envelope testing requirements?

A: The testing requirements include walls, windows, and roof as required for LEED silver certification and to meet window and roofing manufacturer's warranty requirements. The Board typically specifies a thirty-year warranty which can require flooding/damming the roof. The Board would expect warranty testing to be part of the general construction contractor's scope of work, with the CxA being responsible for verifying and documenting the testing.

21. Q: Section C.2.2.1: Will the Board provide a list of kitchen equipment?

A: Attached to this Solicitation Amendment is a copy of a report (dated December 28, 2007) from a foodservice consultant the Board engaged to perform a study on the Board's foodservice operations and make

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recommendations for a foodservice renovation. Offerors might find this information useful in terms of the planned kitchen renovation, but Offerors should note that the Board may or may not adopt the recommendations included in the attached report.

22. Q: Regarding the length of CxA project involvement: page 6 states anticipation of the design completion in the second quarter of 2011 (+/- 9 months from CxA contract award), the construction completion 31 months after commencement, plus 12 months of Warranty period, totaling 52 months. Is this correct?

A: Offerors must also note that the actual period of performance of the CxA contract shall expire thirty days after completion of any remedial work required as the result of the CxA's review of building operations as listed in Section C.2.2.4.5 (unless earlier terminated).

23. Q: Section C.2.2: Please confirm that the A/E will be responsible for registering the project in the LEED system, and that it is not part of the CxA Scope of Work.

A: That is correct.

24. Q: Will the Board provide a list (including date and scope) of all past renovations for both the Eccles and Martin Buildings?

A: The Martin Building has never been renovated. The Eccles Building was renovated in the 1950s and the late 1970s (including the addition of the 5th floor; this renovation was associated with the Martin building construction, as it removed the Eccles mechanical plant which is now shared with the Martin building) and in 1998 to 2001.

25. Q: Will the cost of obtaining security clearances be the responsibility of the CxA?

A: The Board processes and pays for security clearances for the Contractor's key personnel who will be working onsite at the Board.

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26. Q: Section C.2.4 indicates that Construction Materials Testing is part of the CxA Scope of Work, with qualifications to be submitted prior to the start of construction. Solicitation Amendment #1 included Attachment B-3C form for total hours by CMT personnel as part of the proposal. The pricing of CMT services will be arbitrary unless based on construction documents and specifications. Please confirm that the CMT services are included in the CxA Scope of Work, and if pricing is required for this proposal.

A: Construction Materials Testing is part of the CxA Scope of Work. Offerors may propose pricing on an hourly basis for each field specified.

27. Q: Section I.1-b.5.a: Please confirm the required Commissioning Agent certifications (e.g., PE, CCP, LEED AP).

A: All certifications are required for LEED certification as specified by the "Green Building Council" as of July 2010. The CxA is also the peer reviewer for the construction documents (Section C 2.1.12.1). Personnel reviewing the drawings shall be experienced and have the skills to design similar systems. These personnel may be Board-approved subcontractors.

28. Q: Will the sign-in sheet from the pre-proposal conference be distributed?

A: The pages from the sign-in sheets are provided with this Solicitation Amendment.

29. Q: Section I.1.c(2) Factor 2, page 34 states that "the Offeror shall provide examples of the documentation provided for at least one recent LEED project prepared by or for the primary Commissioning Agent..." Are we to submit this documentation with our response, or during the interview process?

A: Offerors shall provide this documentation with their technical proposals.

30. Q: Section M.25.c, page 94: This states that "each noncovered company's bid or proposal must include a Subcontracting Plan that describes the Offeror's commitment to provide covered companies the maximum practicable opportunity..." Where, in our response, should our Subcontracting Plan be included so that we are in compliance with the Board's response format?

A: Offerors shall provide any subcontracting plans in Volume I, part F.

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31. Q: Section L.13.i, Volume II, Technical Proposal, Part B References and Corporate Qualifications, page 66. Please clarify items 1.a and 1.b. Is the intent to have two references to verify the prime firm's ability to provide the requested services (a), and four references to verify the prime firm and/or subcontractor's ability to provide the requested services (b)?

A: *That is the intent.*

32. Q: Section L.13.i, Volume II, Technical Proposal, Mandatory Requirements item 7, states that "The Offeror shall provide references of all commissioning projects completed or in process over the last five (5) years with contact names and telephone numbers." The list of projects that fit these requirements would number in the hundreds and take up numerous pages. Is it sufficient, for purposes of this solicitation, to provide FRS with this information for only our five selected projects ("Offeror's Experience", page 65)?

A: *It is our intent to randomly select several projects from this list to verify with the owner so that the proposal does not include "select" projects which may not truly demonstrate the Offeror's typical workmanship.*

33. Q: In Section 4.5.1, page 26, of the SOA states: "to include renovation of at least two (2) LEED certified buildings at least one of which shall be a renovation." Should the sentence read: "to include ~~renovation of~~ at least two (2) LEED certified buildings at least one of which shall be a renovation"?

A: *Yes.*

34. Q: Materials Testing: Please confirm that the CxA will be responsible for materials testing?

A: *Materials testing is part of the CxA's scope of work.*

35. Q: Building Automation System: My notes indicate a replacement of the BAS. Is this absolute or can CxA and AE determine the need for replacement? I ask because some systems are now providing the capability to integrate other manufacturer systems which allows for one system to be added onto potentially without use of that particular manufacturer's modules. An inspection of the system would be required to determine.

A: *During the programming effort, the Board, with input from the A/E and*

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CxA will determine exactly what will be replaced. The Board suspects that the BAS will need replacement.

36. Q: Regarding the cost proposal form. Attachments B-1A and B-2A: If we are using subcontractors for various aspects of the scope of work, how do we show their costs? There may be redundant labor categories, but there is space to show only one rate. For example, we and our sub may propose hours for Mechanical Engineer Senior Level (Registered). Should we add additional lines to the spreadsheet to account for our subs and their associated hourly rates? Also, is it appropriate to burden the subcontractor costs?

A: Offerors may add lines to the cost spreadsheet(s) where necessary to show subcontractors' rates. An Offeror may provide subcontract costs that are burdened or unburdened, but the Offeror must provide footnotes where applicable to indicate whether the rates have been burdened.

37. Q: The Attachment B-3C provided with Solicitation Amendment #1 requests hours for certified testing inspectors. Without knowing exactly what materials, tests and quantities are required to be tested, it is difficult to put hours to this effort. Can you provide an itemized list for all required material and tests (both field and lab) and anticipated quantities? Also, please provide a schedule when the services may be required over the 31 month construction period.

A: The Board does not currently have an itemized list of all required field and lab testing for the construction materials testing effort, and the schedule for such work will also be determined during the design phase. With proposals, Offerors may provide hourly rates, and if the Board determines that it requires the Offerors to provide hours for the inspectors, it will request clarifications on the proposals.

38. Q: For how many meetings does the Board anticipate that the certified materials testing representative must be present?

A: Offerors shall provide pricing for the certified materials testing representative to be present at ten meetings, and shall include a per-meeting price for more than ten meetings.

39. Q: The SOA references future LEED EB O&M certification. Does the CxA have a role in this certification, as part of its scope of work?

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A: The scope of the project is to commission the renovation and additions to the Martin building. The CxA will be required to participate in the role of the Green Buildings LEED process. As required in Section C.2.2.4.5, the Board also requires the CxA to return to the building twice after the building is fully occupied and in service twice, once at the height of the next peak heating season and once at the height of the next peak cooling season and verify that the Building Systems are functioning and being operated as planned and in an optimal manner. The CxA is to provide a report to the Board as to equipment and operating techniques deficiencies or possible improvements. These documents may be used to pursue warranties as needed.

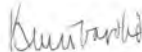
Additional Documentation

The following documents are provided to Offerors with this Solicitation Amendment:

- Appendix 1 (Renovation Program and Parameters)
- Cafeteria Renovation Project submittal dated December 28, 2007
- Sign-in Sheets from Pre-proposal Conference

All other terms and conditions of the original SOA remain unchanged.

Sincerely,



Kristin Gandhi, Senior Contract Specialist
Procurement Section
Management Division

**APPENDIX 1 TO SOLICITATION, OFFER, AND AWARD FOR CxA SERVICES
RENOVATION PROGRAM AND PARAMETERS**

I. Summary of Renovation Program

1.1. The Renovation of the Board's Martin Building (sometimes referred to as the "building") is to be comprehensive in scope covering all areas and components of the building including the roof, penthouse, terrace level (fifth floor), office floors one through four (the first floor is one floor above grade), concourse level, garage levels (G-1 and G-3), and plant level (four stories below grade). The Renovation is to be undertaken in coordination with the ongoing design and construction of the VC/CC since the VC/CC is located on the podium level of the Martin Building. The Renovation and the VC/CC are hereinafter referred to collectively as the "Project." The components of the Martin Building to be included in the Renovation, at a minimum, are its structural, mechanical, electrical, data and telecommunications infrastructure and interiors. The Renovation is intended not only to renovate and upgrade the Martin Building but also to provide a quality work environment similar to other Class A office buildings in the Washington, DC area. The Board expects the Renovation to comply with District of Columbia law and regulations applicable to similar projects even though legally District of Columbia law does not apply to the building.

1.2. confidential - security

(The Eccles building does have its own air handler units). Accordingly, the A/E will need to account for this circumstance in the design, installation and balancing of the Martin Building systems. Furthermore, the Project must be phased with only one office floor available at a time for construction with the floors not under construction remaining occupied and operational. The Board's Data Center, however, must remain fully operational at all times during the Project.

1.3. The Renovation is necessary because the Martin Building is over 30 years old and has not undergone any significant renovations. The Martin Building has been well maintained over the years and the Board has been addressing repairs and upgrades on a project by project basis. Nevertheless, over this 30 year period there have been significant changes in the standards for office buildings such as:

- Building codes and regulatory requirements.
- Information technology infrastructure requirements.
- Building security provisions.
- Environmental awareness and energy efficiency requirements.

Pairing normal wear and tear and equipment obsolescence with changes in building codes and regulatory requirements has created a critical backlog of repairs and upgrades to warrant a comprehensive upgrade of the Martin Building.

Following is a list that illustrates the magnitude of the Renovation design:

- Renovate and upgrade or replace various systems and infrastructures such as architectural, mechanical, and plumbing.
- Phase construction work, floor by floor so that the building can remain operational during the renovation. All power and HVAC services to the

Eccles/Martin complex must be maintained and provided for during the construction phase of the renovation.

- Provide a work environment that is safe and conducive to the high level of productivity that is necessary for Board staff to accomplish tasks that fulfill the Board's mission.
- Renovate fully the food service facility including maximization of the efficiency of the kitchen and serving area and circulation.
- Enhance the building's existing security system ~~conformal security~~.
- Create a new comprehensive information and communication cabling design for the Martin Building and build in provisions for future growth.
- Coordinate the Renovation with ongoing design and construction of the VC/CC.

2. Physical Characteristics of the Martin Building

The Martin Building's official name is the William McChesney Martin, Jr., Federal Reserve Board Building. It was designed by H2L2 (Harberson, Hough, Livingston, & Larson) the successor firm to that of Paul Cret which designed the Eccles Building. There is speculation that the Martin building was designed to complement the modernist interpretation of the Beaux-Arts style of the Eccles Building. However, this has never been officially confirmed and may only stand on the relationship of Paul Cret to H2L2.

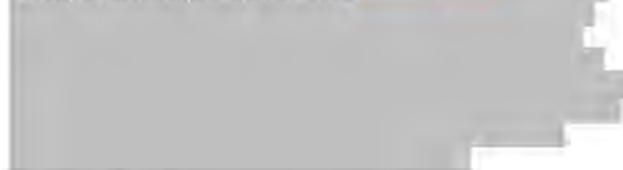
The building was originally designed to be five stories tall with three underground parking levels. The above ground levels were composed of an open podium, four office floors, and a terrace. Construction of the Martin Building began during 1971 and was substantially completed in 1974. Employees moved into the building during April 1974 but the terrace level was not occupied till the following year.

During the building construction, work was halted to redesign the office floors. The original design could not accommodate the number of employees who were expected to move into the new building. Also, major service areas such as the data center and research library could not be placed on the office floors as planned. To solve the problem, official office size standards were created for the building: professional/assistant director office (113 square feet), associate director/deputy director (169 square feet), and division director (approximately 280 square feet). The design was also altered to partially convert the second parking garage level into a concourse area that would house the data center and the graphics section.

During the first renovation of the Eccles building (1976-1978), the Board made the decision to enclose the podium level of the Martin building and create additional office spaces. The action was necessary so that all Board employees located at the Watergate office site could move to the Eccles/Martin complex. Before the podium was enclosed, the Board sought and received approvals from the Commission of Fine Arts (CFA) and the National Capital Planning Commission (NCPC).

After the enclosure of the podium level, the Martin building had 713,456 of gross square feet. However, space for garage parking, exterior walls, and major vertical penetrations accounted for 363,026 square feet thus reducing the gross square feet to 350,430 of rentable square feet.

All power and HVAC services to the Eccles/Martin complex must be maintained and provided for during the construction phase of the renovation. ~~CONFIDENTIAL - SECURITY~~



3. Renovation Criteria

Unless otherwise approved in writing by the Board, the A/E shall perform the Design Services for the Renovation so as to incorporate the criteria set forth in this Section 3 and in the LEED® Certification Plan approved for the Project pursuant to Section C.2.7.c.

3.1. Architectural Criteria

3.1.1. Americans with Disabilities Act (ADA)

Bring the building into compliance with the ADA. This includes, but is not limited to, all office spaces, restrooms, water fountains, signage (fixed office and way-finding), doors and stairs.

3.1.2. Windows and Ceilings

3.1.2.1. Replace existing window systems to increase energy efficiency at all office floors while considering ~~CONFIDENTIAL~~ and the possible use of a photovoltaic system.

3.1.2.2. Provide new ceilings consistent with the planned use for the space and allow for easy access to overhead spaces for maintenance purposes. Provide maintenance access panels at all hard ceilings at cable trays, valves, and other applicable areas.

3.1.3. Video/Photography Studio

Design a production video and photography studio for speech recording and photo-shoots to include sound proofing, lighting, and additional mechanical and electrical support.

3.1.4. Roofs

Replace the building's roofs with torch applied thirty year warranted, modified bitumen that is compatible with "solar cells". Develop the design and installation steps for a photo-galvanic solar to an electric energy collection system on the Martin roofs. It should be noted that the terrace promenade has recently been re-roofed. However, the granite pavers need to be leveled with a system that will not shift over time. All remaining roofing on the podium (street level) floor (under pavers) that remains after the addition of the VC/CC is to be replaced with a thirty year system and have the paving stones replaced and re-leveled.

3.1.5. Signage

3.1.5.1. Design emergency egress signage that will include exit signs and photo luminescent stair signage. The signage must meet National Fire Prevention Association (NFPA) standards, Federal Emergency

Management Agency (FEMA) 453, ADA standards, and all other applicable codes and regulations.

- 3.1.5.2. Provide specifications and drawings for exterior fixed signage for the building. Coordinate these signage finishes with other signage systems provided by the Board.

3.1.6. Mezzanine Storage Area

The A/E shall convert, to the greatest extent possible, the mezzanine area (between the podium level and first office floor) into a storage space. Provide access to the new space by elevators and as required by applicable codes and regulations. Alter existing walls and provide lighting, floors, or catwalks as needed with sufficient loading capacity. Interconnect as possible these areas with the new mechanical spaces being developed for the VC/CC project. Insure that the new storage area has sufficient fire suppression measures. Coordinate this effort with the "Vertical Transportation Criteria" section of this document.

3.1.7. Way-Finding and Voice Annunciation Systems

- 3.1.7.1. Include an electronic way-finding system for the building which will be integrated with the conference room scheduling system and with all conference rooms throughout the Martin building and the associated conference center. The system will allow for future expansion throughout the Eccles, New York Avenue, and 1850 K Street buildings. The electronic way-finding system shall be on an independent and isolated network from all other established networks at the Board.
- 3.1.7.2. Provide a voice annunciation system throughout the building through the existing Central Command and Control Center (CCCC). This system shall be on an independent and isolated network from all other established networks at the Board.

3.1.8. Other

- 3.1.8.1. Supply an acoustical rating for noise transmission from offices and conference rooms to insure confidentiality of conversations with a minimum Sound Transmission Class (STC) 40 rating for staff offices and a minimum STC 45 rating for officer offices and conference rooms.
- 3.1.8.2. Design suitable lighting and hanging systems and other display systems for the Board's art collection throughout the building's public spaces with particular attention to elevator lobbies and the terrace level (fifth floor).
- 3.1.8.3. Replace rollup doors at the garage entrances at the G-1 ramp and cross over tunnel to the north garage on G-3.
- 3.1.8.4. The A/E will maximize storage areas (furniture, operating supplies, high-density filing systems, etc.) in the design.

3.2. Mechanical Criteria

3.2.1. HVAC

Design a new HVAC system and/or component upgrades to increase energy efficiency and allow for better control of the office area environments. The A/E will consider an HVAC system with air handling units on each floor versus a central plant configuration. CONFIDENTIAL - 31-24179

3.2.2. New Equipment

Include the wiring, connections, software, and other materials that are needed to incorporate the new equipment that will be added during the Renovation into the existing building automation system. The A/E shall include the addition of interfaces with the data center systems.

3.2.3. Plumbing

- 3.2.3.1. Replace the plumbing infrastructure, equipment, and fixtures. This effort will include replacing the domestic hot water system and all soldered joints in drinking water piping that contain lead. The A/E shall consider placing independent hot water heaters on each floor to minimize pipe losses and tankless water heaters for domestic water in restrooms and locker rooms.
- 3.2.3.2. Plumbing risers shall be placed at a minimum of six (6) strategic locations for the future construction of single restrooms for potential Directors' offices.
- 3.2.3.3. Design an independent riser for the terrace level to service the food service kitchen area and associated grease traps, disposals, and other areas as necessary.

3.2.4. Energy Management System

The A/E shall work with the Board to select a new Energy Management System (EMS). The EMS shall be capable of both remote monitoring and controlling of the mechanical systems and it will include mechanical system start up and shutdown (with a single button emergency shutdown) and monitoring of the electrical systems. The A/E shall apply the new system to all mechanical and electrical systems both existing and proposed operating in the Martin plant and the building as a whole and including the north and south garages. The system shall be capable of expansion to all Board facilities in the greater Washington DC area. This effort will include the selection of an operating console for the base system and the construction of a new or complete remodel of the existing Engineering Control Room that will be constructed as part of the renovation. The EMS shall be on an independent and isolated network from all other established networks at the Board.

3.2.5. Other

- 3.2.5.1. The mechanical system will support a maximum of one hundred eighty five (185) offices, conference rooms, and other support areas per floor.
- 3.2.5.2. Replace all exhaust fans in the north and south garages.
- 3.2.5.3. Provide for air pressurization management in the fire egresses and elevators if required by applicable codes and/or regulations. Review

and coordinate this work with the "Fire Protection Criteria" outlined in this document.

- 3.2.5.4. The VC/CC project design requirements include ~~confidential~~ ~~confidential - security~~. The A/E will coordinate air intakes and exhaust strategies with the VC/CC project to provide for a complete design of air intakes and exhausts for the Martin building. The new air intakes must conform to the Federal Reserve System's security requirements.

3.2.6. Electrical Criteria

3.2.6.1. Provide electrical Power, Control, and Monitoring Systems to coordinate with Eccles building electrical replacement to be completed prior to Renovation (reference the "Eccles Electrical Switchgear Replacement Statement of Work" and the "Martin/Eccles Electrical Switchgear Replacement Study" documents).

3.2.6.2. Replace all electrical power systems, including but not limited to, medium and low voltage switchgear, network and low voltage transformers, risers, distribution system panel boards and wiring and emergency and life safety back-up systems. The existing walker duct system at the office floors will be used for power wiring only.

3.2.6.3. The design will include new power monitoring systems for the building. The A/E shall note that new power monitoring systems will also be placed in the Eccles building. The design and placement of these systems will be handled under separate contracts. The Board will provide documents for this effort to the A/E and will set up meetings between the A/E and the Eccles design team to ensure full coordination of the two projects. These meetings are included in the scope of this project.

3.2.6.4. Replace and rewire light fixtures for power and control systems. The A/E will consider an energy efficient low glare computer friendly lighting system that may utilize motion sensors, daylight sensors, LED office lighting, and a day light collection and distribution system (fiber optic solar lighting with supplemental lighting for evenings and cloudy days).

3.2.6.5. Add a ~~confidential~~ ~~security~~ electrical feeder from the utility provider to the Martin building plant to supplement the existing electric feeders and include all the associated work to incorporate the new feeder into the current network.

3.2.6.6. ~~confidential - security~~ Elements of the work proposed in the "Martin/Eccles Building Electrical Switchgear Replacement Study" are more closely associated with the Eccles building. This portion of design and construction work will be dealt with in different contracts. Currently, the Eccles portion of this work is in the design phase. The Board will provide documents for this effort to the A/E and will set up meetings between the A/E and the Eccles design team to ensure full

coordination of the two projects. These meetings are included in the scope of this project.

3.2.6.7. The A/E shall include all switchgear work related to the Martin building (this includes the north and south garages, the connecting tunnels ~~confidential - security~~

as outlined in the "Eccles Electrical Switchgear Replacement Statement of Work" (this document contains all the data from the "Martin/Eccles Building Electrical Switchgear Replacement Study"). If laying out and/or locating the Martin electrical vault during the construction phase will affect the Eccles power system in any fashion, the A/E shall include all the necessary work in the construction documents needed to maintain the Eccles building power system during construction.

3.2.6.8. The existing back-up emergency generators and the Uninterruptable Power Source (UPS) for the data center and other areas shall remain operational during construction and are not anticipated to be replaced during the Martin building renovation. The A/E shall tie the systems into the new electrical systems as necessary to provide back-up power to the Board facility and conditioned power to the data center and other areas.

3.2.7. Other

3.2.7.1. The A/E shall increase the electrical load capacity to the building and office floors by thirty percent (30%)

3.2.7.2. The A/E shall include the use of photovoltaic systems on the roof and/or windows.

3.2.7.3. The A/E shall design a new lightning protection system for the Martin building. It will contain a buried counterpoise that will be tied into the building's grounding system. This system must have a master label and a copy of it must be given to the Board prior to final acceptance of the construction bid package.

3.2.7.4. The A/E shall specify in the design that nothing less than three quarter inch (¾") conduits shall be used in this project.

3.3. **Security Criteria**

3.3.1. Security System

3.3.1.1. Modify the existing security system ~~confidential - security~~

3.3.1.2. All security system panels will remain intact for this effort. If needed, panels shall be moved.

3.3.1.3. ~~confidential - security~~

confidential - security

3.3.2. Other

3.3.2.1 confidential - security

For the glazing upgrades, the A/E shall consider requirements for safety, affects of solar gain on energy, and the use of photovoltaic systems.

3.4. Food Service Criteria

3.4.1. Renovate the entire terrace level. This effort will include the kitchen, serving areas, dining areas, and balcony. The "Martin Building Cafeteria Study" will be supplied to the A/E. The intent of this effort is to increase the general employee seating area to accommodate one thousand one hundred (1,100) employees over lunch (assume two seatings), maintain an event dining area (currently dining rooms D, E, and F) and maximize the number of private dining rooms. A private restroom is to be added off the Chairman's private dining room. The views from all the dining rooms to the monument area of the National Mall shall be maximized in the renovation design. The A/E shall refer to the Board's programming documents for further details regarding this effort.

3.5. Audio Visual Criteria [more info to come]

3.5.1. Design all the wiring and cabling, raceway and equipment for audio visual systems. These systems shall be on an independent and isolated network from all other established networks at the Board.

3.5.2. Design an information system for major news/headline information at a central location on each of the four office floors. This system shall be on independent and isolated network from all other established networks at the Board.

3.6. Vertical Transportation Criteria

3.6.1. Existing Elevators

3.6.1.1. Replace the elevator cab system of the existing five (5) elevators.

3.6.1.2. Extend the existing freight elevator's service to the penthouse and mezzanine levels.

3.6.1.3. Either alter the existing express elevator on the west side of the Martin building or provide a separate elevator or lift whichever is the most practical to service the new mechanical spaces and potential storage spaces on the mezzanine. This work shall be coordinated with the VC/CC project.

3.6.1.4. Replace the existing "street" elevator on the northwest corner of the Martin building with a new elevator. It will be designed to make all the stops between the street and the mechanical plant level (a total of four

(4) stops). The new elevator cab shall have clear interior dimensions of 12x18 and a maximum capacity limit of 10,000 pounds. The design shall allow for automated surveillance by the Security Control room. The A/E shall discuss control safe guard options with the Board.

3.6.2. New Elevators

The A/E shall coordinate with the VC/CC project design team to add a food service elevator from the terrace level to the concourse level.

3.7. **Fire Protection Criteria**

3.7.1. Codes and Regulations

- 3.7.1.1. Upgrade the life safety systems and include any modifications necessary to bring the building's fire walls, doors, hardware, stairs, building egress means and evacuation routes, and signage into compliance with current codes.
- 3.7.1.2. Modify the existing fire protection and suppression system to bring the building into compliance with the NFPA definition of "fully sprinkled."
- 3.7.1.3. Upgrade the fire alarm system and ensure its devices meet applicable codes.
- 3.7.1.4. The A/E shall ensure that mechanical systems incorporate the latest best practices for the control of smoke in the stairwells, elevator shafts, and the building in general.

3.7.2. Fire Detection and Annunciation System

3.7.2.1. The A/E shall work with the Board to select a new fire detection and annunciation system to replace the existing system in the Martin building and the north and south garages. The A/E shall include the selected system in the design and will include all devices required for its successful operation. The system must interface with all peripheral systems such as the **confidential - security**, kitchen fire suppression systems, and sprinkler systems. **confidential - security**

3.7.2.2 **confidential - security**

3.7.2.3. Kitchen systems shall be replaced as needed in the remodeling and reconfiguration of the kitchens and pantries. The A/E will modify the sprinklers as needed to conform to the reconfiguration of the building.

3.7.3. Other

3.7.3.1. Provide for the installation/repair of spray-on fireproofing for structural steel. All required or suggested fire stopping is to be replaced or installed new.

3.7.3.2. All fire dampers are to be replaced and shall include inspection access.

3.8. Information Technology Criteria

3.8.1. Local Area Network (LAN) Closets, Data Center, and Riser System

3.8.1.1. Provide larger spaces for the data center and the LAN closets which are located on the G-2 level and each Martin building floor, respectively. The larger spaces are needed for the new cabling and equipment and for future expansion.

3.8.1.2. Increase the LAN closet size to a minimum of [redacted] with room for adequate power and cooling. The power for communications and data equipment shall be provided from the existing UPS. The A/E shall extend and/or provide for additional UPS circuits as needed. An independent cool air [redacted]

[redacted] cooling systems can be shut down during off hours. The A/E will include [redacted] LAN closets per floor, (1) on the East side of elevator lobby, and (1) on the West side of elevator lobby (the current configuration). To accommodate LAN closet changes, the A/E shall design a new (stacked) riser system vertically from the 2G level up to the Terrace located central to each side of building and accessible to hallway. Four (4), 4" EMT conduits shall be installed between "New" LAN closets (East and West) per floor, and four (4), 4" sleeved penetrations shall be installed vertically in the "New" LAN risers. Two (2), 4" EMT conduits shall be installed from the "Old" risers (East and West) to the "New" LAN risers per floor. This design will also include requirements for running new riser fiber providing cabling redundancy to each LAN closet and terminating it in the Main Distribution Frame (MDF).

3.8.1.3. All new fiber/copper will be required to the "New" LAN closet risers from the Data Center. New 4" EMT conduits shall be installed from the Data Center MDF area and PBX equipment to the "New" east and west riser stack to accommodate all the backbone cabling.

3.8.2. New Overall Cabling Design of the Martin Building

3.8.2.1. Produce an overhead cabling design with a drop ceiling and modular walls (or drywall walls) with a cable tray. A drop ceiling allows flexibility for overhead cabling and expansion for the future. The existing two (2) cable risers shall be left in place and all new cabling and equipment will be installed in "New" LAN closet riser stack, and it is the intent to remove existing communications cabling from the current in floor (walker duct) system and install new cabling in an overhead cable tray system to the new wall system. The design shall

allow for up to twenty percent (20%) more cabling and equipment to be added at a future date and shall provide space loading in trays and conduits to allow for this additional cabling.

3.8.2.2. The design shall have one (1) fiber cable, two (2) pair (four (4) strand) and four (4) copper cables (Cat 6A) go to each work station. Also, the design will allow for easy expansion of the number of copper/fiber cables in each office. This growth amount shall be either an overall twenty percent (20%) growth figure or one hundred eighty-five (185) workstations and support equipment (faxes, printers, conference rooms, etc.) whichever is greater.

3.8.2.3. Provide for the capability of WiFi extensions throughout the building.

3.8.2.4. ~~confidential - security~~

[SUBJECT TO ADDITIONAL FEEDBACK FROM IT DIVISION REGARDING THE PLANS FOR THIS NETWORK].

3.8.3. Upgrade Cabling Backbone

3.8.3.1. Upgrade to Cat 6a (Augmented 4 pair Category 6) to allow ten (10) gigabit Ethernet to the desktop.

3.8.3.2. The design will require a single-mode fiber cable pull or a laser enhanced fifty (50) um multimode armored fiber from the MDF to each riser closet providing cable redundancy.

3.8.3.3. The existing security systems utilize data cabling systems and will need to be disconnected and reconnected as needed to execute the cabling aspect of this project. If required, provide new cabling to reconnect security systems.

3.8.3.4. Provide for grounding new systems including an isolated grounding bar in each closet and grounding of the cable tray and conduit system. Grounding and bonding shall comply with NFPA 70, commonly known as the National Electric Code (NEC), and ANSI J/STD-607-A which covers bonding and grounding requirements for Telecommunications applications within commercial buildings.

3.8.4. Intentionally omitted.

3.8.5. Meetings and Minimum Requirements

3.8.5.1. The A/E will meet with the Information Technology (IT) management staff as needed to insure the scope of the IT component of the Martin renovation project is understood.

3.8.5.2. All design shall conform at a minimum to the Telecommunications Industry Association (TIA)/Electronic Industries Alliance (EIA)-568-B.2-10 for Augmented Category 6 cabling and International Organization for Standardization (ISO)-TR24750. The final scope of work shall mandate installing contractor testing standard to comply with TIA/EIA 568-B.2-1.

3.9. Interiors Criteria

3.9.1. Floor Plans

The A/E shall design to the Board provided program which will include offices, conference rooms, public areas, storage rooms, retail and amenities, all dining areas, and all support areas. The A/E shall design three (3) options for a typical office floor to include: a private office environment, an open office environment, and a combination of a private/open office environment. After reviewing these three (3) options, the Board will decide on the design direction for the remaining office floors.

3.9.2. Modular Wall Systems

3.9.2.1. The A/E shall provide consultation services to Board staff to review demountable wall systems with regard to durability; ease of installation and reconfiguration; pre-cabing for electrical and voice; sound transmission; compatibility with various furniture systems; and cost effectiveness. At a minimum, the A/E will meet with Board staff, visit sites with demountable walls as necessary, and coordinate all finishes.

3.9.2.2. The Board will select a preferred modular wall system design no later than the end of the 30% Submission stage. The A/E shall design and layout the modular wall system and incorporate data, telecommunications, HVAC, lighting, and electric power cabling.

3.9.3. Finishes

The A/E will provide all interior design, detailing and interdisciplinary coordination of finishes for all offices, conference rooms, public areas, storage rooms, retail and employee service areas, kitchen and dining areas, and support areas. The A/E will work with the Board to coordinate finishes and other required items with furniture selected by the Board.

3.9.4. Furniture

3.9.4.1. The A/E will provide interior design consulting services to the Board regarding furniture systems. The A/E shall hold a maximum, not to exceed without prior approval, of ten (10) meetings with Board staff. The Board will be responsible for full furniture specifications, procurement, and installation in all areas of the Martin building.

3.9.4.2. The A/E will develop, in consultation with the Board, a furniture plan for each area to assist in the placement of voice, data, and electrical outlets, and other related items.

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WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

PRE-PROPOSAL CONFERENCE
SIGN-IN SHEET

July 6, 2010

AGENCY NAME/CONTACT NAME E-MAIL ADDRESS PHONE/FAX NUMBERS

[competitive harm to losing bidder](#)

[Redacted area]



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MANAGEMENT DIVISION

PRE-PROPOSAL CONFERENCE
SIGN-IN SHEET

July 6, 2010

AGENCY NAME/CONTACT NAME	E-MAIL ADDRESS	PHONE/FAX NUMBERS
<p>competitive harm to losing bidder</p>		

Kristin Gandhi

Jacobs Engineering

Paul Regenscheid

Paul.Regenscheid@jacobs.com

Julian Sabbatini

contact info of Jacobs' employee



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MANAGEMENT DIVISION

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July 6, 2010

AGENCY NAME/CONTACT NAME E-MAIL ADDRESS PHONE/FAX NUMBERS

Paul Regenscheid Paul.Regenscheid@jacobs.com
Jacobs 571-218-1350

Julian Sabbatini contact info of Jacobs' employee
Jacobs [REDACTED]

competitive harm to losing bidder
[REDACTED]

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

July 29, 2010

Amendment # 3

Solicitation, Offer, and Award (SOA) 201000262
Commissioning Authority Services for Board Renovation and Construction Project

Attention Offeror:

This Solicitation Amendment serves to notify Offerors that SOA 201000262 is modified to extend the due date for proposals and to provide additional documentation to Offerors.

1. Revisions to SOA

The due date for proposals is changed to August 11, 2010. Offerors shall submit proposals by 2:00 p.m. on August 11, 2010.

2. Additional Documentation

The following documents are provided to Offerors with this Solicitation Amendment:

- Appendix 2 – Program Description/Statement of Work for Visitor Center and Program Description/Statement of Work for Conference Center
- Appendix 4 (referenced in error as “Appendix 6” in the original SOA) – Board’s Travel Policy (see Article XI, Contractor Travel).

Offerors shall note that Appendix 3 (referenced in error as “Appendix 4” in the original SOA) is reserved for any policies that the Board will provide to the Contractor for the storage and maintenance of electronically stored information.

All other terms and conditions of the original SOA remain unchanged.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kristin Gandhi".

Kristin Gandhi, Senior Contract Specialist
Procurement Section
Management Division

Appendix 2
Program Description/Statement of Work for Visitor Center

STATEMENT OF WORK

C.1 INTRODUCTION

The Board of Governors of the Federal Reserve System (Board) located at 20th and C Streets NW, Washington, DC 20551, would like to retain the professional services of an Architectural/Engineering firm (A/E) in order to provide full design services, as indicated in C.2 (SCOPE OF SERVICES) below. The intention of this acquisition is to secure the design services and construction documents that lead to the successful construction of a new Visitor Center, as per the Board's program, schedule, and budget. Registered/licensed architects and engineers must provide the services detailed in this Solicitation.

The new Visitor Center will become the official entrance for both the Eccles and Martin buildings. One of the objectives for building a Visitor Center is to expand the visitor holding and screening area(s) to better implement new security measures [REDACTED]. The new Visitor Center must also accommodate the public, who may enter to pick up requested public documents and leave without passing through security screening. The visitor holding area(s) might be used as an exhibition area for the function, history, and goals of the Federal Reserve System.

The design will maintain the architectural character of the existing buildings and the surroundings. The design is to include state of the art technology for the mechanical, electrical, security, and information technology systems required for the center.

C.2 SCOPE OF SERVICES

The selected A/E firm will provide the following services at no additional cost to that set forth in its cost/price proposal:

C.2.1 Project Administration

- a. The A/E shall manage the architectural and engineering services as they specifically relate to the project for the A/E and all its subcontractors and consultants. The A/E shall consult with the Board, research applicable design criteria, attend project meetings, and issue progress reports at intervals designated by the Contracting Officer's Technical Representative (COTR).
- b. The A/E shall prepare a project schedule that identifies milestones for design services, Board review periods, completion of documentation, commencement of construction, and substantial completion of the work. The A/E's schedule should reflect the desired dates as follows: completed schematic design documents no later than May 5, 2006, completed design development documents no later than July 28, 2006, and completed construction documents no later than December 15, 2006.

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Program Description/Statement of Work for Visitor Center

- c. The A/E shall consider the value of alternate materials, building systems and equipment, together with other considerations based on program, budget and aesthetics in developing the design for the project.
- d. The A/E will make presentations to the Board to explain the design.
- e. The A/E will submit preliminary design documents for evaluation and approval by the Board.
- f. The A/E will assist the Board with filing documents to obtain the necessary approvals or permits from government authorities that have jurisdiction over the project, utility companies, or any other entity the Board deems necessary to proceed with the project. The A/E will be responsible for compliance with National Capital Planning Commission (NCPC) and Commission of Fine Arts (CFA) requirements in order to obtain these authority's approvals. This assistance shall include, at a minimum, attending meetings, preparing presentation documents, and conducting and participating in presentations.

C.2.2 Construction Cost Estimate

- a. The A/E shall prepare a preliminary construction cost estimate when the project requirements have been sufficiently identified. This estimate may be based on current area, volume, or similar conceptual estimating techniques. As the design progresses, the A/E shall update the construction cost estimate by providing more detailed cost information. The estimate shall be broken down into divisions in accordance with the Construction Specification Institute (CSI), and it will include quantities and unit prices for each line item. The estimate shall be updated, at a minimum, with the Design Development (DD) progress submittal at 35 percent, 50 percent, and 100 percent completion of DD documents. The final cost estimate should be prepared at the completion of the construction documents (CD).
- b. The A/E is permitted to 1) include in its construction cost estimate contingencies for design, bidding, and price escalation (the design contingency shall only pertain to design changes and adjustments requested by the Board, not errors and omissions on the part of the A/E); 2) determine what materials, equipment, component systems, and types of construction are to be included in the CDs; and 3) include in the CDs alternate bids as may be necessary to adjust the cost estimate to meet the Board's budget.
- c. When the Board solicits proposals from prospective general contractors (GCs) and the lowest responsive and responsible offer for the construction exceeds the A/E's cost estimate, the Board may:

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Program Description/Statement of Work for Visitor Center

1. rebid or renegotiate the project within a reasonable time with the GC, or
 2. cooperate with the A/E to reduce the scope of work as necessary to reduce the cost estimate.
- d. If the Board decides to proceed with the option described in c.1., above, the A/E will assist the Board with the rebid or renegotiation consistent with its responsibilities under this Section C.

If the Board decides to proceed with the option described in c.2., above, the A/E shall modify the CDs per the Board's instructions to comply with the construction cost estimate.

For either of the options c.1. or c.2., there shall be no additional cost to the Board for the A/E's assistance or its modification of the CDs.

C.2.3 Evaluation and Planning Services

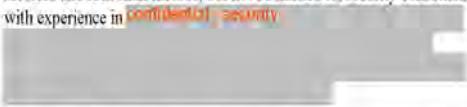
The A/E shall provide a preliminary evaluation of the following information to determine if the information is consistent with the project requirements:

1. Project objective
2. Project budget
3. Schedule requirements
4. Project site

Appendix 2

Program Description/Statement of Work for Visitor Center

C.2.4 Design Services

- a. The design services shall include schematic design documents, DD documents, and CDs. The fees for these design services shall include structural, mechanical, and electrical engineering services and the services of all additional consultants needed to complete the scope of work. The services and fees shall include, but not be limited to, security consultants with experience in ~~confidential security~~ 
- b. The A/E will perform or have performed the required investigation of existing conditions, including destructive investigation, in order to assure that the construction document will be inclusive of existing conditions.
- c. The Board requires study models, perspective sketches, and electronic modeling. The A/E shall include these services in the base bid.
- d. The design services will include answering formal and informal questions regarding design whether referred to as "Requests for Information" (RFI) or not. The Board may require answers in writing, by drawing, or other method, and the A/E shall provide such answers without additional cost to the Board. In addition, the A/E shall provide corrections to drawings and specifications that arise from these questions at no additional cost to the Board.
- e. During the DD phase, the A/E is required to submit DD documents evidencing its progress. Specifically, the A/E shall provide for the Board's review and approval the DD documents at 35 percent, 50 percent, and 100 percent completion. The submittals will include the project specifications. Submittals shall be in both paper and electronic format.
- f. During the CD phase, the A/E is required to submit CD documents evidencing its progress. Specifically, the A/E shall provide for the Board's review and approval the CD documents at 50%, 90% and 100% completion. The submittals will include the project specifications. Submittals shall be in both paper and electronic format.
- g. The construction of the new Visitor Center will take place while the buildings are occupied. The design scope will include phasing and coordination considerations required in order to maintain the Board's operations with minimal, if any, disruption. This information must be reflected on the drawings so it can be communicated with the prospective GC bidders.

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Program Description/Statement of Work for Visitor Center

- h. The A/E will assist the Board with the development of a prospective bidders list for the construction work.
- i. The A/E will provide the Board with ten copies of the CDs for distribution to the prospective GCs.
- j. Upon request of the Board, the A/E will participate in any pre-proposal conferences related to the Visitor Center construction project. During the conferences, the A/E will take detailed notes and will work with the COTR to issue an amendment to the GC solicitation documents if necessary.
- k. The A/E will work with the COTR to answer questions from prospective GCs that will be issued as an amendment to the solicitation.
- l. Upon receipt of proposals from the prospective GCs, the A/E shall, if the Board requests, assist in the validation and evaluation of responsive proposals and/or participate in selection interviews with prospective GCs.

C.2.5 Optional Services: Construction Contract Administration Services (CCA)
The services in this section C.2.5 shall be priced separately as an option that the Board may exercise at any time after the Board awards a contract for the construction of the Visitor Center facility. If the Board exercises this option, the A/E shall perform CCA services as required in this section C.2.5.

- a. The A/E shall provide administration services to support the contract between the Board and the GC as set forth in this paragraph C.2.5.
- b. The A/E shall review and respond to RFIs submitted by the Board, regardless of whether the RFIs are prepared by the Board or the GC. The A/E shall respond to these RFIs in a manner appropriate to provide clarification including the preparation of supplemental drawings and specifications if necessary. As with the other requirements under Section C.2 of this Contract, there shall be no additional charge for such supplemental drawings and specifications.
- c. If the COTR so requests, the A/E shall assist the COTR in helping make decisions on claims, disputes, or other matters in question between the Board and the GC.
- d. The A/E shall visit the construction site at intervals appropriate to the stage of the GC's work, or as otherwise agreed to by the COTR and the A/E. These intervals shall be frequent enough so the A/E can 1) keep the COTR informed of the progress and quality of the work completed, 2) help protect the Board against defects and deficiencies in the work, and 3) determine if the GC is performing the work in accordance with the CDs.

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- e. The A/E shall inform the COTR of any known deviations from the CDs and from the most recent construction schedule submitted by the GC.
- f. The A/E may recommend to the COTR to reject any work performed by the GC that does not conform to the CDs.
- g. The A/E shall review the GC's invoices for the COTR's approval. The A/E's review is to verify that the amounts billed correspond to the work completed.
- h. The A/E shall review and approve or take other appropriate action on the GC's submittals such as Shop Drawings and Product Data Samples, to ensure they conform to the CDs. The A/E will review the GC submittals within fifteen calendar days of receiving them.
- i. The A/E shall maintain a submittals log and copies of all the GC's submittals.
- j. The A/E shall review requests from the COTR and the GC for changes in any of the work related to the design or construction of the project.
- k. The A/E shall assist the COTR in preparing change orders and construction change directives. If necessary, the A/E shall prepare, reproduce and distribute drawings and specifications to describe the work to be added, deleted or modified.
- l. The A/E and the COTR shall examine the GC's work to determine conformance of the work with the requirements of the CDs and to develop a punch list of items for the GC to complete or correct.

Appendix 2
Program Description/Statement of Work for Visitor Center

C.3 PROJECT PARAMETERS

The project usage and goals are listed below:

C.3.1 Entrance Requirements:

- A single main entrance to the complex that is appropriate to the Board's function and mission.
- An entrance that is designed as a secure structure built with ~~confidential - security~~.
- The Visitor Center's preferred location is the ~~confidential - security~~. While a diagrammatic concept drawing will be provided, it is not meant to be a limiting factor nor a requirement. Actual design may vary depending on the selected A/E firm's study and approach.

C.3.2 Visitors Requirements

- A visitors' entrance that is separate from the employees' entrance.
- A pre-screening holding area for ~~confidential - security~~ visitors provided with restroom facilities for visitors waiting for their escorts.
- The holding area(s) for visitors may be used as an exhibition area for the Board.
- A limited number of lockers, for travel luggage, to be located in the post-screening visitor holding area. These lockers will be accessible to visitors, for collecting their luggage, as they exit the building without going back into either of the holding areas.

C.3.3 Employees Requirements

- An "Employees Entrance" with separate circulation from the visitors.
- Employees will use their badges in order to pass through secure revolving doors as per Board standards.

C.3.4 Security Requirements

- A security screening process more efficient than the Board's present practice, for both visitors and employees of the complex that integrates security requirements into the architectural design. ~~confidential - security~~
- ~~confidential - security~~
- ~~confidential - security~~

Appendix 2

Program Description/Statement of Work for Visitor Center

entry. The structural design will follow the guidelines in the above-mentioned reference. (See "Additional Considerations" below).

- Interior ~~confidential - security~~ [REDACTED] in accordance with the Federal Reserve System Facility & Security Guideline, Volume II - June 2002.
- The design must provide the ability to ~~confidential - security~~ [REDACTED]
- A "Security Badge Return Area" as visitors exit the building.

C.3.5 Additional Requirements

- A "Courier Packages Receiving and Screening" area that is accessible to couriers from outside the center. The usage of canine service will be coordinated with security.
- A fire control station that is accessible from/at the facility entrance. Security officers must have access to this station.
- Vertical transportation in the Visitor Center from 1) the street level entrance to the podium level and 2) from the street level to the concourse level. The current entrance to the Eccles building from C Street will be removed.
- ~~Confidential - security~~ [REDACTED]
- Relocate the current "Publications Circulation Area" to the new Visitor Center. This area will facilitate access to official releases and other publicly available information.
- The scope of work shall include the renovation of the Martin Building elevator lobby at the podium level (about 1700 sq. ft.), the elevator lobby at the concourse level, including the tunnel (about 5870 sq. ft.), and the area on garage level I-G that is expected to be used for vertical transportation (about 1760 sq. ft.). The renovation is to be integrated with the interior design of the Visitor Center. It will address the relevant code issues that may be corrected in conjunction with the scope of work (See URS Study dated June 4, 2004 for the renovation of Martin Building).
- The A/E will provide a pedestrian traffic plan (ingress/egress) to and from the Martin building podium during the construction of the Visitor Center.

C.3.6 Building Design Requirements

- The Visitor Center must be accessible and in compliance with ADA guidelines and applicable codes.
- It is the Board's goal to achieve a sustainable design, with the highest possible Leadership, Energy, and Environmental Design (LEED) designation.
- At least one secondary means of egress to the exterior side of the building should be provided for emergency evacuation of the Visitor Center. The study of the egress

Appendix 2

Program Description/Statement of Work for Visitor Center

patterns from the podium level, before and after the construction of the Visitor Center, must be included.

- Floor finishes and wall coverings should be used to attenuate background noise.
- The Visitor Center should have a redundant source of primary electric service, such as a secondary primary feeder, to provide continuous dependable service to the Visitor Center. Power should be backed-up and UPS supported for emergency conditions.
- Piping (with the exception of fire-protection sprinkler piping and in accordance with the codes) should not run above sensitive equipment in the ceiling space of the Visitor Center. Vertical pipe risers must be fully enclosed by shaft construction with appropriate maintenance access panels.
- Lighting should be designed to minimize glare on the face of CCTV monitors and other security equipment.
- The design will include the installation of pathway and conduits for all cabling required for the project. Cable conduits, trays, consoles, and racks should be consistent with TIA/EIA Standard 568B. Pathway should be provided end-to-end from the gang box to Intermediate Distribution Frames (IDFs). The Board's Information Technology (IT) Division will be responsible for the installation of all data, voice, and fiber optic cabling.
- The design of IT systems (for example, telephone system, ~~Confidential - security~~, cabling type and installation requirements, space, mechanical and electrical requirements for IT equipment closets, and so on.) is to be coordinated with the Board's IT division.
- A secondary air conditioning unit should be installed to provide cooling in the event of failure of the primary air conditioning unit. CBR filters are to be used for the heating, ventilation, and air condition (HVAC) system of the Visitor Center.
- The Visitor Center should be equipped with a mechanical control system for HVAC
~~Confidential - security~~

Appendix 2
Program Description/Statement of Work for Visitor Center

C.3.7 Podium Level Exterior

This project includes redesigning the exterior walls of the podium level of the Martin Building. Reconstruction of the exterior walls, however, may not occur at the same time that the Visitor Center is constructed. The purpose of the renovation of the exterior walls of the podium level is to ~~confidential - security~~

~~confidential - security~~ The exterior walls, when ~~confidential - security~~

C.4 APPLICABLE DOCUMENTS AND PREVIOUS STUDIES

The following is an in exhaustive list of documents and studies that are applicable to the A/E's design requirements:

- A. District of Columbia and International Building Codes: The Board intends to comply with applicable building codes, accessibility codes, and life safety codes.
- B. Americans with Disabilities Act (ADA)
- C. Federal Reserve System Facility & Security Guidelines, Volume II - Minimum Design Criteria for Security and Construction, June 2002
- D. Security and CBR Threat Assessment Study, Dated February 15, 2002 by URS Corporation
- E. National Capital Planning Commission (NCPC) applicable Guidelines such as The National Capital Urban Design and Security Plan (October 2002)
- F. Guidelines/criteria set by the Commission of Fine Arts (CFA)

Appendix 2

Program Description/Statement of Work for Conference Center

Solicitation, Offer and Award 250548**Section C, Statement of Work****Addendum 1**

C.2.6 Optional Services: Design of Pavilions/Conference Center

C.2.6.1 Summary

The Board is considering the feasibility of adding additional structures (to be referred to as "East Pavilion" and West Pavilion) on the east and west sides of the Martin building on the podium level to be used for a conference center and other ancillary purposes. This would, by necessity, also include a major renovation of the existing podium level. These Pavilions would need to complement and be coordinated with the design of the Visitor Center. If the Board to proceed with construction of these Pavilions, then the Board can present both the Visitor Center and the Pavilions designs in a more comprehensive and efficient manner.

The costs for this work shall be proposed as a separate additional cost to the existing Visitor Center design project. The Contractor shall provide two cost figures; one for a conceptual design of the additional scope (10 percent) and a second for full design services (10 percent to completion) to provide construction drawings and documents suitable for bidding.

The new structures shall occupy some or all of the upper plaza on the east and west sides of the Martin building. The West Pavilion and the existing podium west of the current lobby would become a conference center. The existing podium east of the lobby shall include a pantry area to support the conference center. The remainder of the area east of the lobby that is not used as a pantry and the East Pavilion shall be left unfinished on the interior for future build-out. The Contractor should consider the feasibility of moving the exterior glass walls on the existing podium out to match the upper floor exterior footprint.

The conference center would consist of conference rooms, tele-conference room(s), training rooms, break out rooms, areas for circulation, appropriate complementary storage rooms, areas for between meeting lounging and communications (telephones and internet), and restrooms. The West Pavilion, at the conceptual stage, should be presented in two versions. One version shall be as an auditorium with fixed seating; the second version shall be as a multi-purpose space which could be broken down into smaller rooms or used for events such as receptions and dinners and still be suitable for larger meetings. If practical, consider if the pavilion(s) could be two stories with the lower story a multi-purpose

Appendix 2

Program Description/Statement of Work for Conference Center

conference room and the upper story for smaller meeting rooms and other complementary uses.

This additional work shall include a review of the existing HVAC and electrical infrastructure of the complex and adding or modifying systems as needed. The Contractor shall also provide for moving outside ~~confidential~~ security

C.2.6.2 West Pavilion (Auditorium / Multi-purpose room)

The West Pavilion shall include a state-of-the-art audio visual system to include the projection of computer presentations, slides, laser disks, video tapes, and other media. The facility shall include a sound system appropriate for lecturing, stage quality lighting, and acoustical treatments. The facility should be suitable for media recording of live speeches and discussions. The room may also serve as overflow for public meetings held in the Board-room of the Eccles building and audio visual equipment should be designed with the capability of allowing interactive discussions with remote facilities including the Board-room, Reserve Banks, or other offsite locations. The room should also be designed to allow electronic white boards with projection capabilities and all other equipment typically used to support all conference center functions.

C.2.6.3 Conference/Training/Breakout Rooms

Movable partitions shall be utilized whenever possible to ensure the greatest possible flexibility in conference, training, and breakout room configurations. Rooms are to be provided with white boards, data ports, data projection, dimmable lighting, and soundproofing.

C.2.6.4 Tele-conferencing room

The tele-conferencing room is to be soundproofed and provided with acoustical treatments and lighting to provide the optimal environment. The facility will double as a studio for media events such as pre-recorded speeches.

C.2.6.5 Pantry

Food will normally be prepared on the Terrace level of the Martin building. The pantry will be used to support breaks, working lunches, sit down lunches, dinners, and receptions. It shall include sinks, refrigerator(s), ice making machines, microwave ovens, warming ovens, and storage for linens, china, and other equipment typically needed for this

Appendix 2

Program Description/Statement of Work for Conference Center

type of facility. The pantry needs to be co-located with the freight elevator.

C.2.6.6 Storage

Storage shall be provided for reconfigurations of conference and breakout rooms. Storage areas should have appropriate space for storage of chairs, tables, and other equipment typically used in a conference center.

C.2.6.7 East Pavilion and Podium

HVAC, plumbing, and electrical services in the un-finished areas shall be sized for either a larger conference center or office space, whichever requires the greatest level of infrastructure support.

C.2.6.8 Security

Elevators and stairwells shall be protected with security portals and other appropriate devices to insure that visitors to the conference center do not access any other portion of the building(s) without authority and/or an authorized escort. Arrangements of floor plans shall take into account these security considerations along with fire egress, ADA, and all appropriate codes and regulations. All exterior glazing and walls on the podium and in the pavilions shall provide

Nontransparent - Security
(see Federal Reserve Systems Facility and Security Guidelines, Volume II-Minimum Design Criteria for Security and Construction, June 2002).

Overall plans shall allow for visitors to proceed to the podium conference center directly from the Visitor Center screening area (after screening) without the opportunity to access any other portion of the building(s).

The design shall include any modifications necessary to the Visitor Center security system to insure proper monitoring and detection of unauthorized access to the facility from the conference area as well as general monitoring of visitors.

C.2.6.9 Restrooms

The design shall include either new restroom facilities or remodel of existing restrooms for the anticipated visiting populations.

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Program Description/Statement of Work for Conference Center

C.2.6.10 HVAC/Electrical

a. We anticipate that the conference center cooling requirements will exceed what is currently available. We intend to not only provide mechanical services for the new conference center but to also correct deficiencies that currently exist in the general facility. Specifically, the chilled water capacity is currently marginal, air volume on the Martin building floors is deficient, confidential - security

The Contractor shall review existing conditions and make changes and additions to the electrical and mechanical plants to support the new facility. The Martin and Eccles buildings' mechanical work will include modifications to the mechanical plant to include additional considerations listed below. If required, new space may be available by expansion on the existing roof or a second Penthouse level. The Contractor shall conduct site surveys, review existing documents, interview staff, and perform any other non-destructive investigations as necessary for the work. The Contractor shall perform whatever calculations are required to insure the proper cooling and ventilation can be achieved throughout the Martin building. The project is to include, but not be limited to, cooling load, heating load, ventilation, electrical load, calculations for sizing equipment and structural calculations. The Contractor shall include recommendations for free cooling and other energy reduction measures associated with this work. (Note: the Martin and Eccles buildings share chilled water production and both buildings need to be considered in the calculations.)

b. This project will accomplish a number of our short and long term goals. Our intent is to address the following:

- Increase existing cooling capacity to satisfy anticipated increases in cooling demand.
- confidential - security
- Provide free cooling ability using condenser water.
- Enable the change out of the electric motor control centers without losing power to the complex.
- confidential - security
- confidential - security
- confidential - security

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Program Description/Statement of Work for Conference Center

addendum does not impact the design of the Visitor Center HVAC system(s).)

c. The Contractor is to consider as a minimum the design for the construction and/or installation (or provide alternatives) for the following in the Martin building:

- Install new electrical service to the west Penthouse for new fans.
- Replace motor control center 4 in the east Penthouse and provide for new chillers.
- Build out Penthouse machine room.
- Install new AC's 5 and 10 to serve the Terrace and 4th floor levels in the Penthouse.
- Re-align AC 4 ductwork to supply second floor
- Install new AC 7 and 9 air handlers in the Penthouse for 3rd, 4th and Terrace levels.
- Replace AC 14 for kitchen make-up air.
- Install heat wheel or exchanger to capture heat from exhaust hood for make-up air.
- Install outside air fans and ducts to provide outside makeup air from roof tops to the plant.
- New air handlers should have true HEPA filtering capabilities.
- Install magnetic bearing high speed turbine chillers with dry coolers (no need for water to operate) for new AC chillers. The intent is to provide for cooling of the Data Center and other critical locations in the event water is unavailable. Contractor should consider locating some or all of these chillers in the Penthouse.
- Install variable frequency drives on RA-1 and RA-2 so return air can be balanced.
- Install additional freight vertical transportation between the 1G level, the podium, the Terrace, and the Penthouse to support the podium pantry and to move mechanical equipment and bulk items including carts of chairs and tables between those floors. Contractor should consider using the deserted mail conveyor shaft.
- Provide operating sequences of mechanical and electrical systems in final design.
- Design to make provision for mechanical commissioning services based on ASHRAE, LEEDS, and AEE mechanical systems commissioning recommended practices.

C.2.6.11 General Considerations

Visitors to the conference facility may represent foreign countries, leaders in governments, business, and industry, or the general public. The facility should be

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Program Description/Statement of Work for Conference Center

representative of the status of the Board of Governors of the Federal Reserve System.

The Board has a sizable collection of artwork; consideration should be given to the display of the collection.

The facility may be used for receptions and other social events. Accoutrements should be included for these events.

Provide office space for the five (5) coordinating personnel.

C.2.6.12 Other

All services and deliverables pertaining to the Visitor Center in other subsections of this Section C apply with regards to the Pavilions including but not limited to:

- Number and quality of documents;
- Providing interface with the National Capital Planning Commission and the Fine Arts Commission;
- Providing estimates and all other documents at the same intervals;
- Construction services (both pre-award services to select a GC and the optional construction administration services) as outlined elsewhere in the statement of work;
- Conformance with all LEEDS standards.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

MANAGEMENT POLICY STATEMENT

Travel Policy

Approved by Stephen Malphrus, effective September 13, 2007

SKU

-
- [Policy Statement](#)
 - [Definitions](#)
 - [Authorization](#)
 - [Administrative Process](#)
 - [Government Travel Card](#)
 - [Travel and Lodging Reservations](#)
 - [Cancellations and Refunds](#)
 - [Reimbursement for Business Travel](#)
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I. Policy Statement

The Board provides employees and other authorized individuals with the resources to make arrangements for [business travel](#), and it reimburses individuals for the authorized expenses of such travel. The Board normally reimburses the following travel expenses: transportation expenses, lodging costs, and either per diem allowance or actual expenses for other charges related to travel. To receive reimbursement, travelers must follow the procedures set forth in this policy.

II. Definitions

Blanket authorization is a Travel Authorization that authorizes business travel to multiple destinations over an extended period (generally one year) for frequent travelers.

Card issuer is the bank that (1) issues the government travel card to individuals and the Board and (2) maintains the accounts for those cards. The Board's current card issuer is Bank of America.

Cash advance is an ATM withdrawal, using the government travel card, to cover the anticipated out-of-pocket expenses of a business trip. Cash advances are not available for local travel.

Centrally billed account (CBA) is a government travel card in the Board's name, but a physical card is not issued. Authorized persons may use a CBA to pay for air or rail tickets for the Chairman, members of the Protective Services Unit, infrequent travelers, and invitational travelers. (See the definition "Invitational travel.")

City pair program is an airfare service offered by the General Services Administration (GSA). GSA contracts annually with airlines for a set, fully refundable fare between two cities (the city pair). The Board participates in the program, thereby requiring Board travelers to use the designated contract carrier for business travel, subject to certain exceptions.

Constructive cost is the imputed cost of business travel that the Board will reimburse. It is the cost a traveler would have incurred if a trip that combined both business and personal travel had been only for business travel. For example, if a traveler flies to San Francisco for business, then goes to Los Angeles for personal reasons, the constructive airfare is the roundtrip fare from Washington, D.C., to San Francisco. Constructive costs also apply when a traveler elects to drive to a business meeting instead of flying.

Contract carrier is the airline awarded the city pair contract between two particular cities. The contract carrier between any two cities may change each October, depending upon the annual contract signed by GSA.

Frequent-flyer miles are awards made by airlines and other travel-related businesses that may be exchanged for tickets or seat upgrades, pursuant to each airline's written policy.

Gainsharing is a policy under which the Board reimburses a traveler for half the value of an airline ticket that the traveler obtained for business travel by using his or her frequent-flyer miles.

Gelco Expense Management (Gelco) is the software the Travel Office uses to record and process Travel Authorizations and Travel Expense Statements.

Government travel card (GTC) is a charge card issued pursuant to the GSA SmartCard Program. Travelers use the GTC to charge the costs of business travel and obtain cash advances.

GSA is the General Services Administration of the U.S. government.

Infrequent traveler is a Board employee who expects to take no more than two business trips per year.

Invitational travel (also referred to as non-Board-employee travel) is the authorized travel of individuals who are (1) not employed by the Board, such as job applicants and advisory council members, (2) employed intermittently by the Board and paid on a daily when-actually-employed basis, such as guest speakers, or (3) System interchange participants. Invitational travelers are eligible to use the government rates on contract carriers under the city pair program.

Contractors are not invitational travelers.

Local travel is non-emergency travel within a 50-mile radius of the Board. Travel to Baltimore is not considered local travel.

Mileage rate is the amount reimbursed per mile traveled when a traveler uses his or her own vehicle for business travel. GSA sets the mileage rate. The current rate is posted on the [Travel and Transportation web page](#).

Per diem is an amount paid to business travelers to cover meals and incidental expenses. GSA calculates per diem on the basis of the cost of living in a particular locality.

III. Authorization

Before an individual may travel for business, he or she must obtain the approval of the director (or the director's designee) of the division paying for the travel. The director or designee may

approve travel on a single-trip basis or through a blanket authorization. For each trip, the traveler's division submits to the Travel Office either an individual Travel Authorization or an existing blanket authorization. The [Travel Authorization form](#) is available on the Travel and Transportation web page. The Travel Authorization may be submitted electronically through the Gelco system, by e-mail, or on paper. The Travel Authorization includes the following information:

- traveler's name
- approximate dates of travel
- itinerary
- purpose of travel
- cost center and accounting classification
- estimated expenses
- division representative
- name of person authorizing travel

IV. Administrative Process

A. Government Travel Card (GTC)

1. *Applying for a GTC.* Any employee who expects to travel on Board business more than twice a year should apply for a GTC. Applications are available on the Travel and Transportation web page (under "[Forms](#)"). The card issuer, on behalf of the Board, conducts a credit check on new employees before authorizing the issuance of a GTC. If the results of the credit check are satisfactory, the card issuer provides the standard GTC. If the results of the credit check are less than satisfactory, the card issuer provides a restricted GTC that has certain limitations. (See the "Government Travel Card Procedures" on the [Travel and Transportation web page](#) for additional information.)

2. *Payment.* Each employee is responsible for timely payment of the outstanding balance of the GTC statement, which the employee receives monthly at the address specified in the GTC application. The Travel Office provides an employee with online access to his or her account upon request. The card issuer may suspend privileges or cancel a GTC for late payment.

3. *Mandatory use.* Travelers shall use the GTC to pay for air and rail tickets and lodging expenses for business travel. Infrequent travelers (those who travel no more than two times per year) should make travel reservations through their division administrator or other authorized person. If an employee's GTC is suspended or canceled, the employee must use a personal credit card to pay for business travel. In the case of a suspended or canceled GTC, the Board will only reimburse the employee for amounts up to the established government rate for air or rail fare and hotel charges.

4. *Permissible use.* Travelers are permitted and encouraged to use the GTC for other official travel-related expenses, including the following.

- cash advances not exceeding estimated out-of-pocket expenses
- business meals
- parking
- taxi fares
- travel-related incidentals, such as fees for hotel safes or shipping charges for work-related items used for business travel
- rental cars
- gas for a rental car or personal car used for business travel
- conference registration fees
- applicant-recruiting dinners, both locally and on recruiting trips

5. *Combined business and personal travel.* If one trip includes business and personal travel, the traveler may use the GTC for the combined hotel and meal charges. The traveler should attempt to separate air or rail charges into business and personal amounts, then charge only the business portion on the GTC.

6. *Improper use.* Except as noted in section IV.A.5., employees shall not use the GTC for personal expenses or for business expenses not related to business travel. Employees shall not use the GTC for a cash advance for local travel or for a cash advance exceeding estimated out-of-pocket expenses for business travel. An employee who misuses the GTC may be subject to disciplinary action, up to and including termination of employment. The following progressive administrative procedures apply to the misuse of the GTC.

<i>Offense</i>	<i>Disciplinary action*</i>
First offense less than \$500	E-mail warning to employee
First offense \$500 or greater, or consisting of more than three transactions in a one-month period that have an aggregate value less than \$150	Notification to supervisor (or division director, if offender is an officer or a manager)
Initial pattern of abuse consisting of multiple transactions that have an aggregate value greater than \$150	Notification to supervisor, division director, and Employee Relations (ER)
Second offense within one year of first offense	Notification to supervisor, division director, and ER, and a written reprimand
Second offense by officer or manager within one year of first offense	Notification to supervisor, division director, and ER, and a written reprimand
Third offense within two years of first offense	Notification to supervisor, division director, and ER; referral to OIG, with possible suspension

* Depending on the severity of the offense, disciplinary action may include suspension or termination of employment. [Return to text](#)

B. Travel and Lodging Reservations

The traveler makes air or rail reservations through the Board's online booking tool or by e-mailing or calling the Board's travel agency. For hotel reservations, the traveler uses the online booking tool, the Board's travel agency, or calls the hotel directly. All employees, except the Chairman, members of the Protective Services Unit, or infrequent travelers, use the GTC to make reservations.

C. Cancellations and Refunds

The traveler is responsible for canceling travel arrangements and providing the appropriate notification to the travel agency and the card issuer to process refunds. If the traveler cancels a nonrefundable trip, he or she must make every effort to apply the credit, less any penalty, for future business travel. If the traveler incurs a penalty and/or loss of value when reusing the ticket, the Board will reimburse the traveler for the penalty and/or loss.

D. Reimbursement for Business Travel

1. Within five business days of the end of a business trip, the traveler submits a Travel Expense Statement (voucher) to the Travel Office, either electronically through Gelco, by e-mail, or on paper. This form is available on the [Travel and Transportation web page](#). The traveler should

indicate on the voucher the amount to be paid to the card issuer and the amount that should be paid to him or her. The voucher should contain the following information, as applicable

- lodging charges (with receipt)
- airfare or train fare (with ticket stub or e-mail confirmation)
- per diem
- mileage (roundtrip total)
- conference fees
- aggregate ground transportation fees (the Board reimburses the cost of ground transportation, plus a reasonable tip, to and from a transportation terminal and to and from the hotel and place of business)
- any item costing more than \$75 (receipt required)
- aggregate miscellaneous expenses, such as parking and tolls

2. The Travel Office's service-level goal is to reimburse travelers within five business days of receiving a properly completed voucher.

E. Constructive Travel (Combined Business and Personal Travel)

1. If a traveler stays longer at the location of the business travel, he or she submits one voucher that indicates the actual dates and times of travel, as well as the dates and times he or she would have traveled if the trip had been limited to business only. The traveler is reimbursed only for the costs of the business portion of the trip.

2. If a trip includes both business travel and personal travel to a city other than the business destination, the traveler submits two vouchers. One voucher shows the actual routing, actual air or rail fare or mileage, actual local transportation expense, and the per diem and lodging expenses for the actual trip. The second voucher (the constructive Travel Expense Statement) shows the constructive costs of air or rail fare or mileage, local transportation expense, and the per diem and lodging expenses for the business trip (that is, the costs of the trip without personal travel). The traveler is reimbursed an amount not to exceed the constructive cost of the trip.

F. Gainsharing

1. When an employee uses frequent-flyer miles to purchase (not upgrade) a ticket for official business travel, the Board reimburses the employee for one-half the value of the ticket

purchased. The value used is the government fare (if available). If no government fare is available, the value is the most economical fare, as determined by the Travel Office. The value of the ticket must be documented in advance and approved by the manager of the Travel Office.

2. The traveler submits a completed gainsharing claim form to the Travel Office before the travel takes place. This form is available on the [Travel and Transportation web page](#). When the traveler submits his or her Travel Expense Statement indicating that travel occurred, the Travel Office retrieves the original, signed copy of the gainsharing claim form from the manager of the Travel Office and sends it to Payroll for processing.

G. Conferences and Seminars

1. The Board pays travel costs and registration fees incurred in connection with attendance at business-related conferences, seminars, and training programs.

2. Travelers may use the GTC to pay registration fees.

3. If registration fees and/or hotel deposits must be paid significantly in advance of a conference, the traveler may submit a separate voucher for reimbursement of those expenses before submitting the voucher for travel expenses. If two vouchers are submitted for the same trip, the traveler uses the same Travel Authorization number for both vouchers.

4. If the employee does not attend the conference or seminar after being reimbursed for the registration fee and/or hotel deposit, he or she requests a refund from the hotel and/or sponsor of the event, notifies the Travel Office of the changed plans, and reimburses the Board for any refund received.

H. Third-Party Reimbursement of Travel Expenses

1. The Board may accept reimbursement for travel, subsistence, and related expenses from the following sources when an employee is invited to participate in a conference, seminar, or similar event sponsored by the entity and when that entity has made an unsolicited offer to pay the employee's travel expenses:

- foreign academic institution or nonprofit entity
- U.S. university or other 501(c)(3) entity
- foreign government or instrumentality
- international nonprofit organization

2. The employee's division must authorize his or her attendance at the event in an official capacity, and the Board's Ethics Office must give advance approval of the Board's acceptance

of the travel expenses. To request approval, the employee should complete form FR 1353, which is available on the [Travel and Transportation web page](#), and submit it to the Ethics Office. Either reimbursement or payment-in-kind may be accepted from the nonprofit entity, but reimbursement is not authorized for, nor may employees accept, first-class travel (except travel for which business class is permitted and the airline has only two classes of service). Employees should consult the Board's [Participation in Outside Programs](#) policy.

I. Technical Assistance to Foreign Countries

When Board employees provide technical assistance to foreign countries, travel procedures and reimbursement for travel and other expenses are generally covered by a separate agreement.

V. Air or Rail Travel

A. Government Airfare

1. The Board participates in GSA's city pair program. Accordingly, travelers must comply with GSA's Federal Travel Regulation as it relates to the city pair program. Tickets purchased under the city pair program are completely refundable, and the reservation can be held, without ticketing, up to the date of travel. This arrangement gives the traveler the most flexibility and is the least costly arrangement for obtaining fully refundable tickets. All air reservations must be made on the contract carrier, unless one of the following exceptions applies:

- There is no contract carrier.
- Space on the contract carrier is not available in time to accomplish the purpose of the travel.
- Use of the contract carrier would require the traveler to incur unnecessary overnight lodging costs, which would increase the total cost of the trip.
- The contract carrier's flight schedule is inconsistent with division policies on scheduling travel during normal working hours.
- A noncontract carrier offers a lower fare to the general public, and this fare will result in a lower total trip cost to the Board.
- Cost-effective rail service is available and is consistent with mission requirements.
- Smoking is permitted on the contract carrier, and the nonsmoking section of the aircraft is not acceptable to the traveler.

2. GSA maintains a web site that lists the [contract carriers and rates for the city pairs](#). A traveler who selects a noncontract carrier must indicate the applicable exception (see V.A.1., above), either on the online booking tool or to the travel agent making the reservation.

3. Invitational travelers are eligible to use the contract carrier at the government rate. The CBA is used to pay for these travel reservations. Contractors cannot use the government rate.

4. Use of the contract carrier is mandatory for coach-class service only. If business-class service is authorized by this policy, the traveler is not required to use the contract carrier for the business-class ticket. Travelers are encouraged, however, to select the most economical business-class fare, when possible.

B. Discount Fares

Special-rate (nonrefundable) tickets may be used if they result in savings to the Board--but only when changes to the traveler's itinerary are unlikely. When necessary to reduce total travel costs, the Board reimburses a traveler for hotel and per diem costs he or she incurs to take advantage of discount fares.

C. Class Accommodations

1. Except as provided in V.C.5. and V.D., all travelers use coach-class accommodations for trips that have a scheduled flight time of less than 10 hours. (Flight time does not include time spent on layovers.) Any traveler may upgrade to business class or first class at his or her own expense or with frequent-flyer miles or coupons issued in the traveler's name. Travelers may use business-class accommodations on flights that have a flight time of 10 hours or more, but division directors have the discretion to impose a more restrictive policy.

2. Except as provided in V.C.5. and V.D., all travelers use coach-class accommodations for travel from Washington, D.C., to Basel, unless the traveler upgrades at his or her expense or with frequent-flyer miles or coupons issued in the traveler's name.

3. The Board only reimburses the cost of coach-class accommodations unless business-class or first-class accommodations are authorized.

4. Travelers may use business-class accommodations on Amtrak's Acela or Metroliner service.

5. Exceptions.

- The staff director for management or the administrative governor may approve the use of first-class accommodations under special circumstances, such as a traveler's physical disability or ill health.

- The manager of the Travel Office or the assistant director, Corporate Services, may approve the use of business-class accommodations under special circumstances, such as a traveler's physical disability or ill health.

D. Board Members' Accommodations

1. Board members may use business-class accommodations for domestic flights that have a flight time in excess of five hours and for all international flights.
2. The Chairman and one accompanying security agent may use first-class accommodations for security reasons. Other accompanying security agents use the lower-class accommodation that is physically nearest to first class. If another Board employee traveling with the Chairman must brief the Chairman during the flight, that employee may accompany the Chairman in first class for that portion of the trip necessary to make the briefing.

E. Travel to Philadelphia, Richmond, or Baltimore

A traveler uses rail, bus, or automobile to travel from the Washington, D.C., area to Philadelphia, Richmond, or Baltimore, unless the traveler's division director or the director's designee gives advance approval for air travel.

F. Frequent-Flyer Programs

A traveler who earns frequent-flyer miles or coupons for business travel may use those miles or coupons for personal travel or to upgrade accommodations for business travel.

G. Foreign-Carrier Use

1. When travel is funded by the Board or another U.S. federal agency, the traveler must use a U.S.-flag air carrier, as required by the Fly America Act. A U.S.-flag air-carrier service includes service provided under a code-sharing arrangement with a foreign air carrier when the ticket, or documentation for an e-ticket, identifies the U.S. carrier's designator code and flight number. Unless one of the exceptions below applies, the Board will not reimburse the traveler for the cost of using a foreign air carrier.

2. Travelers may use a foreign air carrier when one of the following exceptions applies:

- The airfare is fully reimbursed by a third party (except by another federal agency)
- Use of a foreign air carrier is a matter of necessity for medical reasons.
- Use of a foreign air carrier is a matter of necessity to avoid an unreasonable risk to safety, such as terrorist threats, as determined by the Board.

- No U.S. carrier provides service on a particular leg of the route, in which case a foreign air carrier may be used for that leg.
- A U.S. carrier involuntarily reroutes travel on a foreign air carrier.
- Use of a U.S. carrier's nonstop or direct service (no plane change) between the United States and a foreign country would extend the travel time, including delay at origin, by 24 hours or more.
- Travel takes place entirely outside the United States, or there is no nonstop or direct service by a U.S. carrier between the United States and a foreign country, and use of a U.S. carrier would-
 - increase the number of plane changes outside the United States by two or more,
 - extend the travel time by at least six hours, or
 - require a connecting time of four or more hours at an overseas interchange point.

3. Whenever a foreign carrier is used, the traveler must complete a Foreign Carrier Justification form at the time of ticketing. This form is available on the [Travel and Transportation web page](#). The completed form must be attached to the traveler's voucher. No justification is required for use of a foreign carrier when there is a code-sharing arrangement with a U.S. carrier and the ticket is written by the U.S. carrier.

VI. Ground Transportation

A. Personal Vehicles

1. If a traveler prefers to use his or her personal vehicle instead of common-carrier transportation, the Board reimburses the traveler for mileage (at the established GSA rate), tolls, and parking fees, subject to the following limitations:

- Mileage reimbursement will not exceed the constructive cost of airfare or rail fare for that trip.
- Per diem reimbursement for a trip using a personal vehicle will not exceed the amount of per diem that would have been paid if the traveler used common-carrier transportation.

2. A traveler may use his or her personal vehicle for trips to and from a transportation terminal and home, hotel, or place of business on a business trip. The Board reimburses the traveler for mileage, parking fees, and tolls, but reimbursement will not exceed the cost of an equivalent taxi ride.

B. Rental Cars

The Board reimburses a traveler for the use of a rental car for business travel only when necessary, such as when the destination is a remote location not easily accessible by public transportation. The traveler includes a written justification with the Travel Authorization for the use of a rental car. A traveler's division may also authorize the use of a rental car when public transportation is available. In these situations, the Board will reimburse the traveler for the cost of a rental car, but the amount reimbursed must be less than the cost of using public transportation. The Board will not reimburse for insurance offered by rental-car companies; however, the Board will reimburse a traveler for the purchase of a collision-damage waiver when a car is rented in a foreign country.

C. Local Travel

When an employee travels from his or her residence or the Board directly to other local areas for business or for training, the Board reimburses the employee for (1) the cost of a taxi or public transportation or (2) personal-vehicle mileage and parking fees. The employee submits a Petty Cash Requisition for reimbursement of these transportation costs. (Petty Cash Requisition forms are available on the [Forms web page](#).)

D. Travel Between Residence and Board

The Board does not reimburse an employee for travel to and from work, even in conjunction with a business trip.

E. Travel Due to Unexpected Overtime

If an employee is notified after arriving at the office that work extending past the normal working hours is required that day, and the employee is dependent on a car or van pool or on public transportation, the Board reimburses the employee for taxi fare home. The employee submits a petty cash voucher for reimbursement. Alternatively, the employee may travel home using his or her normal means of transportation and then return to the Board by private vehicle. In this situation, the Board reimburses the employee for mileage, not to exceed the cost of a one-way taxi ride.

VII. Lodging

A. Local Travel

The Board does not pay lodging costs or per diem for local travel, except in unusual circumstances. Payment of these costs must be approved by the traveler's division director and the manager of the Travel Office.

B. Lodging

The Board reimburses actual lodging costs, not to exceed the average cost of a room in a business-class hotel in the city where a traveler is staying. When making hotel reservations, travelers request the government rate unless a lower rate is available. If travel plans change after a reservation is made, the traveler cancels the reservation in sufficient time to avoid charges, if possible. The Board does not reimburse for no-show charges, unless the traveler was unable, for business reasons, to cancel the reservation in a timely manner.

C. Lodging Taxes

When traveling on federal government business, travelers are exempt from lodging taxes in specific states and localities. In those locations, travelers must present tax-exemption forms to the hotel when checking in. These forms are available on the [Travel and Transportation web page](#). The Board does not reimburse for taxes that could have been avoided by using the tax-exemption forms, the GTC, or other documentation, such as a government ID.

D. Exigent Circumstances

If a traveler cannot return from a business trip at the scheduled time, due to circumstances beyond his or her control (such as illness, inclement weather, or another emergency), the Board pays actual lodging costs and per diem for the additional time period approved by the traveler's division director, or the director's designee, or by the manager of the Travel Office.

E. Weekend Return to Residence

1. If an employee is in travel status in the United States for a period extending over a weekend, the Board reimburses the cost of a roundtrip ticket to Washington, D.C., or per diem and lodging costs for the weekend at the business-travel location, whichever is preferred by the employee.
2. Except in unusual circumstances as determined by the manager of the Travel Office in consultation with the employee's supervisor, the provision in VII.E.1. does not apply when the Board pays a registration fee that includes room and board for weekends.

VIII. Per Diem

A. Per Diem

The Board does not pay per diem for one-day trips. For multiday trips, the Board pays the traveler a daily rate (per diem) to cover meals, tips, laundry, local transportation at the place of business travel, and other miscellaneous expenses. The per diem rate varies according to the location of travel. For trips that have multiple destinations, the per diem rate is based on the location of the lodging that evening. Current per diem rates are set by GSA and are listed on the [Travel and Transportation web page](#).

B. Computation of Per Diem

For multiday trips, the Board pays 75 percent of the applicable per diem rate for the first and last days of travel. If meals are provided at no expense to a traveler, or if the cost of the meal (or meals) was included in a training or registration fee paid by the Board, the per diem amount for that day is reduced, as set forth on the [Travel and Transportation web page](#).

C. Actual Expenses

1. In general, the Board reimburses for the actual cost of meals and incidental expenses for foreign travel only. Actual expenses include the cost of lodging and those expenses normally covered by per diem. The traveler submits a receipt for any meal costing \$75 or more. The Board does not reimburse the cost of alcoholic beverages.

2. In unusual circumstances, per diem may be inadequate for reimbursing domestic-travel expenses. To request approval to travel domestically on an actual-expense basis, a traveler must justify the request in a memorandum, approved by the division director or the director's designee, and submit this memorandum with the Travel Authorization.

IX. Other Expenses

A. Phone Calls/Access Charges

A traveler on a multiday trip is reimbursed for one personal telephone call per day. Domestic travelers are encouraged to place the call through a Board-issued cell phone or the Board's toll-free number; if that method cannot be used, domestic travelers are reimbursed up to \$5 per call plus the hotel access charge. International travelers are reimbursed up to \$10 per call plus the hotel access charge. Travelers also are reimbursed for laptop-connection fees charged by hotels.

B. Miscellaneous Fees

The Board reimburses fees charged for traveler's checks purchased in connection with business travel, ATM fees charged for cash advances, and international transaction fees.

X. Invitational (Non-Board-Employee) Travel

In general, all persons traveling on Board business authorized by a division director or the director's designee are subject to the Board's Travel Policy. To receive reimbursement, travelers who are not Board employees complete and submit a Supplier Information Form, which will be provided by the traveler's designated contact person at the Board.

A. Allowable Expenses

1. When authorized to travel at Board expense, non-Board employees are normally allowed transportation costs, hotel costs, and reasonable actual necessary expenses for meals and incidentals.

2. Travelers submit receipts for all air or rail fares, hotel charges, and any individual out-of-pocket expense of \$75 or more. These receipts are submitted to the designated contact person at the Board, who helps the traveler complete the expense claim.

B. Transportation Costs

1. The Board either (1) makes travel arrangements for non-Board employees or (2) reimburses them for the cost of discount or coach-class airfares and for less-than-first-class accommodations for rail travel. If the non-Board employee combines personal or other business travel with Board-related travel, the Board reimburses the GSA contract rate for roundtrip airfare between the traveler's residence and the Board-designated destination.

2. The applicable division director or designee approves, in advance, international travel by a non-Board employee.

3. For travel by personal vehicle, the Board pays mileage at the GSA rate, plus tolls and parking fees. Total reimbursement, however, will not exceed the GSA contract rate for roundtrip airfare.

4. The Board reimburses local transportation costs between a residence, hotels, and airports.

C. Hotel Costs

The Board reimburses for reasonable hotel costs at the single-room rate. If the Board arranges for the hotel to bill the Board directly, the traveler pays all personal expenses at checkout.

D. Reasonable Actual Necessary Expenses

1. The Board reimburses for the actual cost of meals and all other incidental expenses necessary to conduct official business.

2. The daily reimbursement for meals is limited to 150 percent of the GSA per diem rate for the locality. The Board does not reimburse the cost of alcoholic beverages.

XI. Contractor Travel

Any travel by a contractor must be approved in writing in advance by the contracting officer's technical representative. Contractors request reimbursement for travel expenses by submitting an invoice that references the contract or purchase order that authorized payment of travel expenses. The invoice must include receipts for air or rail tickets, lodging, and any expense that exceeds \$75. Unless otherwise specified in the contract or purchase order, contractors are subject to the provisions of this policy, except that contractors are not eligible to use the government contract airfare.

XII. Responsibility

The manager of the Travel Office in the Management Division administers and interprets this policy and will review and update it as necessary.

XIII. References

[Travelers' Procedures](#)

[Government Travel Card Procedures](#)

[Participation in Outside Programs](#)

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1088



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

August 5, 2010

Solicitation Amendment # 4

Solicitation, Offer, and Award (SOA) 201000262
Commissioning Authority for Board Renovation and Construction Project

Attention Offeror:

This Solicitation Amendment serves to extend the proposal due date to August 16, 2010, and to provide additional information related to current building systems. The documents provided with this Amendment are to serve as background information for Offerors. Offerors shall be mindful that these systems are subject to change during the project described in the SOA.

All proposals are due no later than 2:00 p.m., EST, on August 16, 2010.

All other terms and conditions of the original SOA remain unchanged.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristin Gandhi".

Kristin Gandhi, Senior Contract Specialist
Procurement Section
Management Division

Open/Closed Loop Systems Water Capacity

Chilled water loop (Martin/Eccles)	Confidential Security
HX 2 loop (Martin)	
HX 3 loop (Martin)	
HX 4 loop (Martin)	
HX 7 loop (Martin)	
HX 1 & 2 (Eccles tunnel)	
HX 1 & 2 (Eccles P.H.)	
Tower1 (MB plant)	
Tower 2 (MB plant)	
Towers 3 & 4 (MB plant)	
Chilled water loop (1709 NYA)	
Main Tower (1709 NYA)	
Comm Tower (1709 NYA)	

FEDERAL RESERVE BOARD AIR CONDITIONING LIST				
MARTIN 1 ST FLOOR				
ROOM #	A/C #	ROOM #	A/C #	NOTE: ALL OTHER ROOMS
1104	6			
1128	3	1408	8	ARE CORE AREA ON A/C # 2
1132	3	1410	8	
1136	3	1412	8	
1138	3	1414	8	
1140	6	1416	8	
1142	6	1418	8	
1144	6	1420	8	
1146	6	1422	8	
1148	6	1424	8	
1150	6	1426	8	
1152	6	1428	8	
1154	6	1430	8	
1156	6	1432	8	
1158	6	1434	8	
1160	6	1438	8	
1162	6	1440	8	
1164	6	1442	8	
1168	6	1444	8	
1170	6	1446	8	
1172	6	1448	8	
1174	6	1450	8	
1215	2	1452	8	
1276	2	1454	8	
1276a	2	1458	8	
1278	6	1460	8	
1302	3	1462	8	
1304	3	1464	8	
1306	3	1468	8	
1376	6	1470	8	
1378	6	1472	6	
1404	3	1474	6	
1406	3			

FEDERAL RESERVE BOARD AIR CONDITIONING LIST					
MARTIN 2 ND FLOOR					
ROOM #	A/C #	ROOM #	A/C #	ROOM #	A/C #
2104	3	2155	7&9	2255	7&9
2106	3	2156	6	2258	7
2108	3	2157	7	2259	7
2109	4	2160	6	2260	7
2110	3	2161	7	2261	7
2111	4	2162	6	2262	7
2112	3	2163	7	2264	7
2114	3	2164	6	2265	7
2115	4	2165	7	2266	7
2116	3	2166	6	2272	6
2118	3	2167	7	2274	6
2119	4	2168	6	2275	7
2120	3	2170	6	2276	6
2120	4	2172	6	2277	7
2121	4	2200	3	2278	7
2124	3	2201	4	2278a	7
2125	4&9	2202	3	2302	3
2126	3	2203	4	2302a	3
2127	9	2204	3	2304	3
2128	3	2206	3	2306	4
2129	9	2208	4	2308	4
2130	3	2209	4	2308	4
2134	3	2211	4	2310	4
2135	9	2212	4	2311	4
2136	9	2213	4	2312	4
2140	6	2217	4	2314	4
2141	9	2219	4&9	2316	4
2142	6	2220	4	2317	4
2143	9	2222	4&9	2318	4
2145	9	2228	4&9	2319	4&9
2147	9	2230	9	2320	4&9
2149	9	2242	7&9	2321	4&9
2150	6	2244	7	2328	4&9
2151	7&9	2246	7	2330	9
2152	6	2248	7	2332	9
2154	6	2250	7	2334	9
2254	7	2252	7		

FEDERAL RESERVE BOARD AIR CONDITIONING LIST					
MARTIN 3 RD FLOOR					
ROOM #	A/C #	ROOM #	A/C #	ROOM #	A/C #
3104	3	3152	6	3258	7
3106	3	5152a	7&9	3260	7
3108	3	3154	6	3261	7
3109	4	3155	7	3262	7
3110	3	3156	6	3264	7
3112	3	3157	7	3266	7
3113	4	3158	6	3267	7
3114	3	3160	6	3272	6
3115	4	3151	7&9	3276	6
3116	3	3161	7	3278	6
3117	4	3162	6		
3118	3	3163	7		
3119	4	3164	6		
3120	3	3166	6		
3121	4	3167	7		
3122	3	3168	6		
3123	4&9	3170	6		
3124	3	3172	6		
3125	9	3174	6		
4126	3	3174a	6		
3127	9	3200	3		
3128	3	3202	3		
3129	9	3204	3		
3131	9	3206	3		
3132	3	3210	4		
3133	9	3211	4		
3134	3&6	3212	4		
3138	3&6	3213	4		
3138a	3&6	3219	4&9		
3139	9	3222	4&9		
3140	6	3226	4&9		
3140a	3&6	3228	9		
3143	9	3232	9		
3146	6	3252	7&9		
3147	7&9	3254	7		
3148	6	3255	7&9		

FEDERAL RESERVE BOARD AIR CONDITIONING LIST					
MARTIN 4 TH FLOOR					
ROOM #	A/C #	ROOM #	A/C #		
4104	3	4156	6	4264	7
4106	3	4157	7	4265	7
4108	3	4158	6	4266	7
4109	4	4159	7	4274	6
4110	3	4160	6	4275	7
4111	4	4162	6	4276	6
4112	4	4163	7	4277	7
4112a	3	4164	6	4278	6
4114	3	4165	7	4300	3
4115	4	4166	6	4302	3
4116	3	4167	7	4304	3
4117	4	4168	6	4306	3
4118	3	4170	6	4308	3
4119	4&9	4172	6		
4120	3	4174	6		
4122	3	4202	3		
4123	4&9	4204	3		
4124	3	4209	4		
4125	4&9	4211	4		
4126	3	4212	4		
4127	9	4213	4		
4128	3	4214	4		
4129	9	4215	4		
4130	3	4217	4		
4133	9	4218	4&9		
4134	3	4220	4&9		
4138	3	4221	4&9		
4140	3	4242	9		
4142	6	4248	9		
4146	6	4252	7&9		
4148	6	4254	7&9		
4149	9	4255	7&9		
4150	6	4256	7		
4151	7&9	4257	7		
4152	6	4258	7		
4153	7&9	4260	7		
4154	6	4262	7		

FEDERAL RESERVE BOARD AIR CONDITIONING LIST					
MARTIN 4 TH FLOOR					
ROOM #	A/C #	ROOM #	A/C #	ROOM #	A/C #
4309	4	4417	4	4474	6
4311	4	4418	8	4474a	6
4312	4	4419	4	4474b	6
4313	4	4420	8		
4314	4	4421	4&9		
4316	4	4422	8		
4317	4	4423	4&9		
4316	4	4424	8		
4320	4&9	4424a	9		
4321	4&9	4425	9		
4342		4426	8		
4352	7&9	4430	8		
4356	7	4431	9		
4357	7	4434	9		
4358	7	4436	8		
4359	7	4438	8		
4360	7	4442	8		
4361	7	4444	8		
4363	7	4445	7&9		
4364	7	4446	8		
4365	7	4451	7&9		
4367	7	4452	8		
4368	7	4455	7		
4375	6	4456	8		
4376	6	4457	7		
4376a	7	4458	8		
4377	7	4460	7		
4378	6&7	4460a	8		
4406	3	4461	7		
4408	8	4462a	8		
4409	4	4464	8		
4410	8	4465	7		
4411	4	4466	8		
4412	8	4467	7		
4414	8	4468	8		
4415	4	4470	8		
4416	8	4472	6		

Return Air Fans



- return air for A/Cs # 2 and 4, also supplies return air for A/C #3
- return air for A/Cs # 7 and 9, also supplies return air for A/C # 6 and 8
- return air for A/C #1
- return air for A/C #5
- return air for A/C #10

Garage Fans



- Supply air for south garage 3G level
- Supply air for south garage 2G level
- Supply air for south garage 1G level
- South garage exhaust fans

Exhaust Fans

- Penthouse
- General Exhaust west side
- Pantry hood and bankers room exhaust
- Projection room
- General exhaust east sides
- Dish washing room
- Dish washer machine
- Snack bar hood
- Kitchen range hood
- Kitchen steamer and oven hood

Pumps

- Constant pressure pumps
- Chiller #1 primary chilled water pump
- Chiller #2 primary chilled water pump
- Chiller #3 primary chilled water pump
- Eccles main chilled water pumps
- Data center main chilled water pumps
- Podium A/C units primary chilled water pumps
- Secondary chilled water pumps
- Heating water pump for boiler #2 (induction units and A/Cs 3,6,8)
- Heating water pump for HX#4 system (terrace perimeter heat)
- Heating water pump for boilers 4 and 5 (concourse level convectors)
- Heating water pumps for HX3 system (podium AHUs, Terrace reheats, plant reheats)

Condenser water pumps

- Chiller #1
- Chiller #2
- Chiller #3

Boilers

- Supplies heating water to either Boilers #2,3,4,5 systems
- supplies heat to HX2 system (induction units and A/Cs 3,6,8)
- Supplies heat to HX3 and 4 systems (terrace perimeter heat, terrace reheats, podium AHUs, plant reheats)
- Supplies heat to HX7 system (concourse fan coil units, shops)

control
security



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

November 19, 2010

Solicitation Amendment # 5

Solicitation, Offer, and Award (SOA) 201000262
Commissioning Authority for Board Renovation and Construction Project

Attention Offeror:

This Solicitation Amendment serves to notify Offerors of the following modifications to the original SOA 201000262, and to request revised proposals as necessary to incorporate the changes into the Offerors' proposals.

Modifications:

1. For the Martin Building renovation project and the construction of a visitors' and conferencing center, as described in the referenced SOA, the Board is planning not to phase construction work as originally set forth in Appendix 1 to the SOA. The Board now plans to vacate the Martin Building during the renovation and construction project. Offerors shall submit a revised technical and/or cost proposal that takes into account this "un-phased" approach to the project.
2. The Board is planning for the Architect/Engineering firm it retains to work on this project to provide a list of practical LEED initiatives that could be incorporated into the renovation of the Martin Building and the visitors' and conferencing center. The CxA Contractor shall work with the A/E firm to develop and refine this list, which shall include recommendations for the most cost effective of a mix of these initiatives to reach the Silver, Gold, and Platinum LEED ratings over a twenty year building life cycle. The list shall include anticipated additional design and estimated additional construction costs for the Gold and Platinum LEED levels. This work shall be performed during the programming phase of the project. The CxA Offerors shall submit a revised technical and/or cost proposal that incorporates these services.
3. If your original proposal submitted in response to this SOA included an exception to the Board's insurance requirements listed in Section L.17 of the original SOA, and included pricing that reflected insurance coverages that are different from those listed in Section L.17, please submit an alternate cost

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Solicitation Amendment #
SOA 201000262
Page 2 of 2


proposal that includes pricing for the insurance requirements as required in the SOA.

4. The Architect/Engineering firm the Board retains to work on this project has proposed to use a building information modeling (BIM) technique/documentation for the design of the Martin Renovation project. The CxA Contractor and its proposed subcontractors shall be capable of working with the construction documentation and producing documentation in this format at no additional cost to the Board.

Please submit a revised technical and/or cost proposal to Kristin Gandhi via e-mail (Kristin.E.Gandhi@frb.gov) no later than December 3, 2010.

All other terms and conditions of the original SOA remain unchanged.

Sincerely,



Kristin Gandhi, Senior Contract Specialist
Procurement Section
Management Division

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551



MANAGEMENT DIVISION

March 6, 2012

CONTRACT 201200186 (FORMERLY CONTRACT NO. 201000262)

MODIFICATION NO. 1

Jacobs Engineering Group, Inc.
1100 N. Glebe Road, Fifth Floor
Arlington, Virginia 22201

Attention: Mr. Julian Sabbatini

Dear Mr. Sabbatini:

This Modification changes the Contract No. for the commissioning services project from 201000262 to 201200186. Please reference "Contract No. 201200186" on all invoices and related correspondence from this point forward.

If you have any questions, please contact me at (202) 452-3812 or by e-mail at Kristin.E.Gandhi@frb.gov. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kristin Gandhi".

Kristin Gandhi
Senior Contract Specialist
Procurement Section, Management Division

2012 MAR 06 11:03 AM
027600186

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

DIVISION OF
FINANCIAL MANAGEMENT

May 21, 2013

MODIFICATION NO. 2
CONTRACT 201200186

Jacobs Engineering Group, Inc.
1100 N. Glebe Road, Fifth Floor
Arlington, VA 22201

Attention: Mr. Julian Sabbatini

Dear Mr. Sabbatini,

The Board of Governors of the Federal Reserve System (Board) hereby modifies Contract 201200186 as follows:

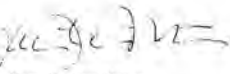
- Modify Section J.4, and where appropriate, Section J.5 to change the Contracting Officer's Technical Representative (COTR) from Keith Bates to Christopher Haulsey.
- Modify Section J.4 to change the Contracting Officer from Elaine Boutilier to Christine Fields.
- Modify Section J.4 to change from Senior Contract Specialist Kristin Gandhi to Contract Specialist Karen Fentress-Martin.

There is no change in the Contract value as a result of this Modification 2.

Except where herein modified, all other terms and conditions of the original contract remain the same.

Should you have any questions or require additional information, please do not hesitate to contact me at Karen.E.Fentress-Martin@frb.gov or (202) 912-7980.

Sincerely,


Karen Fentress-Martin
Contract Specialist
Procurement Section

JUN 17 2013

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**Contract for construction administration services between
the Board of Governors of the Federal Reserve System
and Hill International, Inc. dated February 5, 2013**



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

DIVISION OF
FINANCIAL MANAGEMENT

February 5, 2013

**NOTICE OF CONTRACT AWARD
SOLICITATION, OFFER, AND AWARD 201000405**

Hill International
1225 Eye Street, Suite 601
Washington, DC 20005

Attention: Mr. James Koch

Dear Mr. Koch:

The Board of Governors of the Federal Reserve System (Board) hereby notifies you that Hill International is awarded Contract Number 201000405 to provide construction administration services for the Martin building renovation project. The period of performance for this effort shall begin upon award of this Contract and shall continue until thirty (30) days after (i) final payment is made to the last Construction Contractor involved in completing the project; or (ii) completion of (and payment for) any remedial work required as a result of the CxA's review of building operations pursuant to LEED®-NC EAc3, whichever is later.

While the Board is awarding this contract to you for these construction administration services, the Board is only authorizing funding for the design phase services and associated other direct costs as detailed in the contract line item numbers (CLINs) below:

CLIN 1:	Construction Administrator	\$ 20,574.00
CLIN 2:	Basic Services	\$128,961.20
CLIN 3:	LEED Related Services	\$ 17,953.86
CLIN 4:	Pre-Procurement Phase Services	\$148,398.72
CLIN 5:	Procurement Phase Services	\$ 16,234.00
CLIN 6:	Other Direct Costs	\$ 840.00

Please reference Contract 201000405 and the appropriate CLIN as indicated above on all invoices and other contract related correspondence.

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2

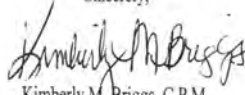
Once funding for all phases is authorized, the total contract value for this contract shall not exceed \$2,476,617.69.

Mr. Keith Bates, Contracting Officer's Technical Representative, or I, will be in touch with you to schedule the contract kick-off meeting. In addition, Keith and/or his staff will begin the badging process for your contractor personnel and will start providing you with relevant contract documents to get your team acclimated to the project. In the meantime, should you need to contact Keith, he may be reached by telephone at (202) 452-3720 and via email at keith.f.bates@frb.gov.

I will be forwarding you the fully executed contract under separate cover.

Congratulations on your contract award. We look forward to working with you on this important strategic initiative.

Sincerely,



Kimberly M. Briggs, C.P.M.
Procurement Section

Cc: Keith Bates
Troy Dibley
Christopher Haulsey

Updated Solicitation, Offer and Award Form

Solicitation, Offer, and Award

Board of Governors
of the Federal Reserve System

OMB No. 7100-0160
Approval expires May 31, 2012

This form is required to obtain a benefit and is authorized by 31 U.S.C. 243, 244, and 248(b).
The Federal Reserve may not conduct or sponsor, and an organization or person is not required to respond to, a collection of information unless it displays a currently valid OMB number.

1. THIS CONTRACT IS Construction Administration Services for the Martin Renovation					PAGE OF PAGES 3 126	
2. SOLICITATION NUMBER 201000405	3. TYPE OF SOLICITATION Negotiated	4. DATE ISSUED 10/4/2011	5. CONTRACT NUMBER 201000405	6. ISSUED BY Board of Governors of the Federal Reserve System 230 2nd C Street, NW Washington, DC 20551		

SOLICITATION

7. Sealed offers in original and _____ copies for furnishing the supplies or services will be received at mail room of the Board of Governors of the Federal Reserve System located at 20th and C Street, NW, Washington, DC 20551 until 7:00 p.m. local time November 14, 2011 (Date) (Date)

NOTE: All offers are subject to all terms and conditions contained in this solicitation. CAUTION - LATE Submissions, Modifications, and Withdrawals See Section E.

8. CALL FOR INFORMATION	A. NAME Kimberly Prince	B. TELEPHONE 202-452-2527	C. EMAIL kimberly.m.prince@frb.gov
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TABLE OF CONTENTS

(X) SECTION	DESCRIPTION	PAGE	(X) SECTION	DESCRIPTION	PAGE
	TRANSMITTAL LETTER	X	H	PERSONNEL	
X	A SOLICITATION, OFFER, AND AWARD	X	I	EVALUATION AND AWARD PROCESS	
X	B COST/PRICE PROPOSAL FORM	X	J	CONTRACT ADMINISTRATION	
X	C STATEMENT OF WORK	X	K	REPRESENTATIONS AND OTHER STATEMENTS OF OFFER	
X	D WARRANTIES	X	L	GENERAL INSTRUCTIONS AND INFORMATION	
X	E INSPECTION AND ACCEPTANCE	X	M	GENERAL CONTRACT PROVISIONS	
X	F CONTRACT DELIVERABLES	X	N	VENDOR INFORMATION FORM	
X	G INCURRES				

OFFER (Must be fully completed by the Offeror)

10. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days) unless a different period is stated by the offeror (upon the date for receipt of offers specified above), to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated points, within the time specified in the schedule.

11. DISCOUNT FOR PROMPT PAYMENT	19 CALENDAR DAYS (%) <u>1%</u>	20 CALENDAR DAYS (%) _____	CALENDAR DAYS (%) _____	FO.B. <input type="checkbox"/> Prepaid <input type="checkbox"/> Origin <input type="checkbox"/> Destination
---------------------------------	--------------------------------	----------------------------	-------------------------	---

12. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offers and related documents associated and dated)	1	AMENDMENT NO.	10/18/2011	AMENDMENT NO.	DATE
	2		11/16/2011	4	8/16/2012
	3		11/28/2011	5	9/12/2012

13. NAME, ADDRESS, TELEPHONE/FAX OF OFFEROR	NAME Hill International, Inc. ADDRESS 1225 Eye Street, NW, Suite 601 CITY Washington STATE DC ZIP 20005	TELEPHONE 202-408-3000 FAX 202-408-3058 EMAIL jameskoch@hillintl.com	EXT _____
---	---	--	-----------

14. CONTRACTOR'S NEGOTIATED AGREEMENT Contractor agrees to furnish and deliver all items or portions of the services set forth in this Solicitation, Offer, and Award. The rights and obligations of the parties to this contract shall be subject to and governed by the documents in this Solicitation, Offer, and Award, in the event of any inconsistency among their provisions, the inconsistency shall be resolved by giving precedence in the following order (a) this Solicitation, Offer, and Award form; (b) the Statement of Work; (c) the General Instructions and Information; (d) the General Contract Provisions; (e) such provisions, representations, drawings and specifications, as are attached or incorporated by reference or otherwise to this Solicitation; and (f) the offeror's proposal, including all amendments and related correspondence.

ITEMS OFFERED	TOTAL AMOUNT
1. _____	_____
2. _____	_____
3. _____	_____

15. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)	16. SIGNATURE	17. OFFER DATE
NAME James E. Koch, PRD, PE, LEED AP, F.S.A.M.E. TITLE Senior VP and Director, Federal Services Group	<i>James E. Koch</i>	October 1, 2012

AWARD (To be completed by the Board)

18. ACCEPTED AS TO ITEMS NUMBERED	19. TOTAL AMOUNT
1. Martin Renovation C.A. Services - Design phase	_____
2. Services - CLINS 1-6 (See Award Notice)	332,700
3. _____	_____

20. SURVIVE INVOICES TO ADDRESS SHOWN IN SECTION L	21. PAYMENT WILL BE MADE BY: EFT
22. NAME OF CONTRACTING OFFICER (Type or print) Kimberly M. Briggs	23. SIGNATURE OF CONTRACTING OFFICER <i>Kimberly M. Briggs</i>
24. AWARD DATE 12/5/12	

RECEIVED
OFFICE OF THE SECRETARY
RECORDS SECTION



Board of Governors of the Federal Reserve System
Solicitation, Offer, and Award 201000405

SECTION B

COST/PRICE PROPOSAL FORM

B.1 SERVICES TO BE PROVIDED

Offerors shall submit in their proposals, using the forms attached the "Maximum Fully Burdened Rates," the "NTE Fee for Basic Services," and the "NTE Fees by Phase" to provide the Services set forth in Section C, the Statement of Work, of this Solicitation. Also, Offerors shall identify for each personnel category listed, the costs to procure the insurance described in Section L.7 of this Solicitation that are included as part of the "Overhead" for each applicable Maximum Fully Burdened Hourly Rate.

B.2 [RESERVED]

B.3 [RESERVED]

B.4 NOTICE REQUIRED FOR WORK SUBJECT TO DAVIS-BACON ACT

The Board does not believe that the work required under this Solicitation falls within the Davis-Bacon Act ("the Act"). However, if and to extent the Contractor disagrees with the Board's position on the inapplicability of the Act, the Contractor shall notify the Board immediately so that the Board may reconsider whether the Act applies to the work to be performed and if so, what wage decision is applicable.

The rates set forth in Contractor's price proposal shall not be increased for the purpose of compliance with the Act unless the Board or an authorized official of the United States Department of Labor determines the Act to be applicable to the work, and in such circumstance, any price increase shall apply only to such work that is subject to the Act, and any increase shall be limited to an amount that is necessary to comply with the Act and preserve the profit margin established by Contractor's price proposal (i.e., Contractor shall not be permitted to increase its profit margin because of a post-award application of the Act)."



Martin Building Renovation Construction Administration Services
Koch, James

to:

kimberly.m.prince

12/12/2012 06:34 PM

Cc:

"Mologne, Mike DC", "Reign, Michael"

Hide Details

From: "Koch, James" <JamesKoch@hillintl.com>

To: <kimberly.m.prince@frb.gov>,

Cc: "Mologne, Mike DC" <MikeMologne@hillintl.com>, "Reign, Michael"
<MichaelReign@hillintl.com>

History: This message has been replied to and forwarded.

2 Attachments



image001.jpg final fed res fee proposal 12-12-12.xlsx

Dear Mrs. Briggs,

Hill is pleased to have been selected in the competitive range for the Martin Renovation Construction Administration Services contract. Mike Mologne and his entire staff are ready to begin support for the Board's initial programming submission, currently scheduled for February 2012.

Our amended fee proposal is attached. It reflects the clarifications outlined in the Board's December 4, 2012 letter and further discussed with representatives from Hill and the Board on December 7, 2012. Based on the clarifications, we understand the Board's revised project schedule, to include an approximate 24-month design/procurement period, a 24-month construction period, and a 6-month post construction period. We are also aware that the LEED workshops have been conducted, although our staff is implementing other LEED general services to support the project. Finally, we acknowledge and agree with the Board's determination that the Construction Administrator is not required full time during design and procurement phases, and that the design is based on a single phase construction project.

Based on the above clarifications, we have adjusted our attached fee proposal. It's worth noting that even though our final fee proposal is reduced, our key staff, our management approach and our commitment to the Board remain unchanged -- to exceed all of the Board's project requirements and provide full-time professional services with the optimized staffing resources.

Mike Mologne, our team's Project Executive, is fully accountable for Hill's services from design through project closeout. As our proactive and engaged team leader, he will assure consistency among our key and support staff, and guarantee continuity throughout the life of the project. Mike will meet with the Board frequently, attend all critical design meetings, and serve as Hill's alternate Construction Administrator during the design phase.

Chris Reilly, our team's Construction Administrator, will lead and attend all critical design coordination meetings, presentations, and submission review sessions. In between design phase events, Chris will coordinate and direct our support staff, including project engineer and controls experts, to implement Hill's detailed services. Note, our fee proposal reflects increase project engineer level of effort to

accommodate all of the Board's needs during design. Along with his critical involvement during design meetings, Chris will oversee Hill's LEED, constructability and procurement phase services. Chris is full time on-site throughout the construction period, and is our team's senior manager accountable for construction administration services. Note, our fee proposal shows 1944 man-hours per year versus the Board's estimated 2080 man-hours per year. This 56-hour difference reflects Hill's holiday and vacation benefits that are accounted for in our overhead.

We look forward to serving as the Board's Construction Administrator for this prestigious project.

Jim

James E. Koch, PhD, PE

Senior Vice President & Director, Federal Services Group
Hill International, Inc.
3225 Eye Street, NW, Suite 601
Washington, DC 20005
Main: 202-408-3000
Direct: 202-408-3001
Mobile: 314-541-4470
Fax: 202-408-3058
Email: jameskoch@hillintl.com
www.hillintl.com



Hill International



Please consider the environment before printing this e-mail

C	NY State Office of General Services S-1.2	Total	2017		2018		2019		2020		2021		2022		2023		2024		2025	
			Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate
	Project Director																			
	Project Engineer																			
	Architect																			
	Business Engineer																			
	Business Engineer																			
	City Engineer																			
	Planning Engineer																			
	Plant Staff (Water/Storm)																			
	Plant Staff (Sewer/Storm)																			
	Plant Staff (Sewer)																			
	Electrician																			
	Project Control Program Manager																			
	Reporting/Logistical Staff																			
	Administrative Staff																			
	Construction Observer																			
	Site Construction Staff																			
	Construction Program Manager																			
	Claims Analyst																			
	Site Construction																			
	QC Testing Technician																			
	Accounting/Inventory Control																			
	Manufacturing Expenses (Travel, Staff)																			
	Subtotal (C1-C13)																			
	11. Total Available																			
	12. Funding in NY State Construction Administration (from other than 11.4)																			

Exceptions and Exclusions

Hill does not take any exceptions or deviations to the requirements of this Solicitation.

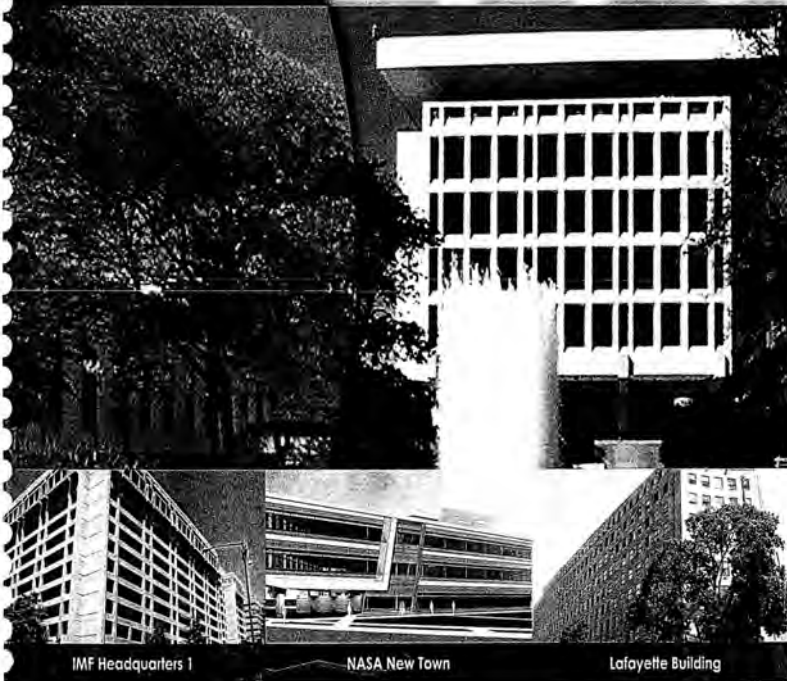
TECHNICAL PROPOSAL - AMENDMENT 4 AND 5

Board of Governors of the
Federal Reserve System
Construction Administration
Services for the Martin Renovation

October 1, 2012 | Solicitation No. 201000405



ORIGINAL



Hill International



Hill International, Inc.
1225 Eye Street, NW
Suite 601
Washington, DC 20005
Tel: 202-408-3000
Fax: 202-408-3058
www.hillintl.com

October 1, 2012

Kimberly M. Prince, CPM
Supervisory Contracts Analyst
Board of Governors of the Federal Reserve System
Procurement Section, Mail Stop 128
20th and C Streets, NW
Washington, DC 20551

**Subject: Construction Administration Services for the Martin Renovation
Solicitation No. 201000405
Amendment 4 and 5**

Dear Ms. Prince,

I am pleased to submit Hill International, Inc.'s (Hill) Best and Final Offer (BAFO) which is responding to Amendments 4 and 5, dated August 16, 2012 and September 12, 2012 respectively for Solicitation, Offer, and Award No. 201000405, Construction Administration Services for the Martin Renovation.

Hill's BAFO incorporates the modified Section C, Statement of Work to assist the Board with leased swing space, data center relocation and move coordination phases, and reflects our most competitive and economical price proposal with rates that will remain valid throughout the Contract's period of performance.

Since submission of our original proposal on December 14, 2011, our total BAFO fee represents a competitive fee reduction from our original proposal. We have achieved this cost savings to The Board of Governors of the Federal Reserve System by:

- Providing improved rates, which are in-line with the current CM market.
- Providing efficient utilization of our proposed staff to effectively cover the scope of work.
- Providing optimized hours for support staff during design, construction, and post construction phases.

Swing Space for Martin Renovation

Hill is accustomed to assisting clients with leased space build-out, swing space coordination, and multi-move management. We have assembled a team with unbeatable talent to assist the Board's anticipated leasing of approximately 200,000 SF and moving approximately 600 employees. Recently, our proposed staff also successfully managed over 200,000 SF of leased space and coordinated multiple physical moves for 500 Export-Import Bank employees who will occupy space throughout the Lafayette Building Modernization project.



Kimberly M. Prince, CPM, Supervisory Contracts Analyst
Board of Governors of the Federal Reserve System
Page 2 of 2

Data Center Relocation

The proposed Hill team also recently managed the successful data center relocation for the Export-Import Bank where data and technology systems were uninterrupted throughout the relocation while the Lafayette Building was simultaneously undergoing swing space renovations. Based on the success of this project, our proposed staff brings lessons learned to aid and assist the Board's anticipated move of the Martin Building data center to ~~confidential security~~.

We believe the Board will conclude that Hill is the "right" team for this challenging project. Our proposed team's recent success managing similar work for the General Services Administration's Lafayette Building Modernization, the Architect of the Capitol's U.S. Supreme Court Building renovations, and Office of the Comptroller of the Currency's interior fit-out is a testament of our capabilities to assist the Board with making the Martin Building renovation project a resounding success.

Thank you for the opportunity to propose our services for this prestigious project.

Sincerely,

A handwritten signature in black ink, appearing to read "James E. Koch".

James E. Koch, PhD, PE
Senior Vice President and Director, Federal Services Group

Board of Governors of the
Federal Reserve System
Construction Administration
Services for the Martin Renovation

October 1, 2012 | Solicitation No. 201000405



Technical Proposal - Amendment 4 and 5

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Additional and Updated Key Personnel

Hill International, Inc. (Hill) has amended its proposed core management team to efficiently address the Board of Governors of the Federal Reserve System's (Board) option scope for leased swing space, move coordination and data center relocation for the Martin Building.

We carefully selected project engineer-managers and a professional move coordinator who are not only qualified, but have relevant project experience working together on the Lafayette Modernization project, which featured leased swing space, move coordination and data center relocation phases that are similar in scope, size and complexity to the Board's requirements.

Team Roles and Responsibilities

name of individual PMP, PSP, LEED AP, will be dedicated to coordinating the leased swing space events. He augments our core staff capabilities to manage swing space fit-out and FF&E contracts, a role he successfully executed on the Lafayette Modernization project. **name** will report to Hill's Construction Administrator as needed to keep our team and the Board informed of swing space status.

name has 16 years of project management experience, including recent project success overseeing swing space, FF&E contracts and building tenant move coordination for projects similar in scope, size and complexity to the Martin Building renovations. **name** coordinate Hill's support for the Board's leased swing space activities. In this role, he will attend meetings, visit the leased swing space construction, report on progress and coordinate and document changes.

name of individual will be dedicated to coordinating the Board's relocated data center project. He is ideally suited for this critical role, as he successfully coordinated and managed the data center relocation phase for the Export-Import Bank on the Lafayette Modernization project. **name** will report to Hill's Construction Administrator as needed to keep our team and the Board informed of data center relocation events.

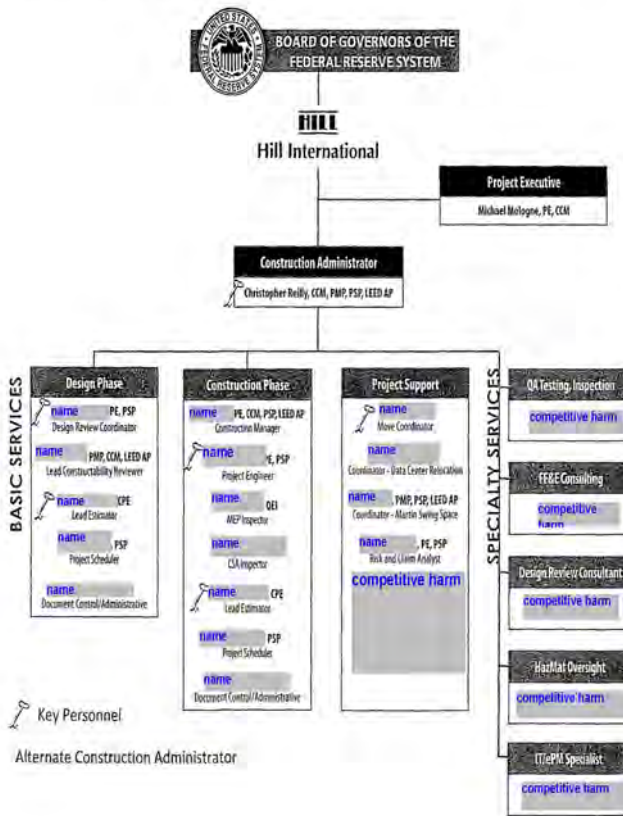
name has more than 37 years of experience and will coordinate Hill's support for the Board's leased data center relocation activities. In this role, he will attend meetings, visit the relocated data center construction and fit-out, report on progress and coordinate and document changes.


Our expert Move Coordinator, **name of individual** is a key component of our amended staffing plan. **name** successfully supported Hill's Lafayette Modernization team and managed the Export-Import Bank move to their swing space. This achievement entailed months worth of planning and coordination to physically move more than 500 staff, significant historic and special space fixtures, furniture, data center equipment and IT and telephone equipment. She will support our core team at the onset of the project and be retained through the Board's occupancy of the renovated Martin Building.

name has more than 15 years of experience as a move coordinator, and will serve as the Move Coordinator throughout the Martin Building renovations. In this role, she will lead the planning, surveying, liaison support and overall move coordination for the Board's move to leased swing space, as well as back to the Martin Building renovated final spaces. She will conduct progress and coordination meetings, distribute minutes and follow-up action plans and keep project stakeholders abreast of status through frequently issued reports.



Updated Team Organization Chart



 **name of individual**
Move Coordinator

With more than 15 years experience, **name** provides on-site project management and quality control of current projects. She coordinates and oversees tenant build-out, planning meetings, scheduling, government estimates/SOW, FF&E vendor installations, transition planning, tenant relocations, moves and building decommissioning and close-out functions.

General Services Administration (GSA), Lafayette Building Modernization, Export-Import Bank, Washington, DC, Move Coordinator

name served as Move Coordinator for Hill and the GSA to support Export-Import Bank (EXIM) and their moves to 200,000 SF leased swing. She initiated, coordinated and managed all move processes, which encompassed a more than 12-month planning and execution duration, 500 employees, ten distinct EXIM user groups and eight weekend move events. Several of the user groups included executives that were appointed by the President of the United States, requiring **name** special attention to schedules, handling of historic fixtures and coordination of unique FF&E requirements. On behalf of the project stakeholders, she conducted all move coordination meetings and user group presentations and distributed weekly progress reports. She scheduled and led assistant move coordinator staff, administered and managed move vendor contracts and served as coordinator for various FF&E contracts. **name** exemplary move management and coordination efforts were recognized in GSA formal letter of appreciation.

District of Columbia Department of Real Estate Service (DRES), Washington, DC

name provided relocation planning and move management support services for the SW Waterfront for four DC agencies that include: Department of Consumer and Regulatory Affairs (DCRA), Office of the Chief Financial Officer (OCFO), Department District Department of Transportation (DDOT) and Office of Planning (OP). These simultaneous moves include 1,600 employees, relocating from seven locations into two consolidated locations totaling 400,000 SF.

District of Columbia Department of Real Estate Service (DRES), District of Columbia Department of Health Relocation, Washington, DC

Elocen provided relocation planning support services to the DRES for the move of 800 personnel into 200,000 SF for the DC Department of Health (DOH) in support of Bognet Construction. DOH relocated from two external locations and one internal location into one new location. The Department of Vital Records required line of sight security.

Education:

A.A., Business, Midlands
Technical College,
Columbia, SC

Coursework, Business
Administration, Withrop
College, Rock Hill, SC

References:

Charleen M. Ward
Realty Program Specialist
DGS-Portfolio Division
2000 14th Street, NW
8th Floor
Washington DC 20009
Tel: 202-724-4148
Cell: 202-360-3748
charleen.ward@dc.gov

Alison Dresser

Project Manager
General Services
Administration
Office of Project Delivery
301 7th Street, SW
Room 2130
Washington, DC 20407
Tel: 202-708-8504
Cell: 202-997-4883



name

Department of Commerce, National Oceanic Atmosphere Administration (NOAA), College Park, MD

Elocen provided Relocation Management to the NOAA with no impact to their Data Center 24 hour operations that housed 10,000 SF of servers. We managed dual operations and coordinated efforts of \$1,000,000 worth of specialized equipment including the relocation of 850 office personnel, four external locations to a new 400,000 SF facility in College Park, MD.

Department of Interior, Minerals Management Service (MMS) Relocation, New Orleans, LA

The Minerals Management Service (MMS) Offshore Minerals Management, Gulf of Mexico Regional Office occupied approximately 180,000 SF in Louisiana. In 2005, the building was hit by hurricane Katrina, leaving floors six through ten unsalvageable. Elocen relocated tenants after the hurricane to multiple sites between New Orleans and Texas. The data center critical 24/7 operations were relocated internally without any unforeseen issues. We relocated 700 employees to various locations totaling 200,000 SF and coordinated the FF&E for all ten floors.

Food and Drug Administration (FDA), Center for Food Science and Applied Nutrition (CFSAN) Relocation, College Park, MD

FDA is a scientific regulatory agency responsible for the safety of the nation's domestically produced and imported foods, cosmetics, drugs, biologics, medical devices, and radiological products. CFSAN has over 800 employees ranging from secretaries and other support staff to highly specialized professionals such as chemists, microbiologists, toxicologists, food technologists, pathologists, molecular biologists, pharmacologists, nutritionists, epidemiologists, mathematicians, sanitarians, physicians and veterinarians. We managed and coordinated the relocation of all employees, specialized equipment and labs from Washington, DC to College Park, MD.



name of individual

*Civil, Structural, Architectural Inspector/
Coordinator - Data Center Relocation*

name has more than 37 years of construction experience. He has held various positions including project manager, survey party chief and general construction inspector on projects such as museums, government office buildings, U.S. postal facilities, educational facilities, transportation and residential facilities.

General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Quality Assurance Inspector

The project is modernization of approximately 565,000 GSF and includes a total refurbishment of interior and exterior finishes and upgrade of all building systems. When completed, the building will meet GSA Class A status, have a LEED Gold Rating and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$185 million program involves design, procurement and commissioning and construction management services phased over five years. **name** serves as general quality assurance inspector providing construction coordination with building management, architectural punch list inspections/daily reports, fire alarm construction coordination and tenant swing space liaison.

name also served as Hill's project engineer to manage completion of two critical Lafayette project phases, the fit-out of a 200,000 SF swing space and relocation of a data center for the Export-Import Bank (EXIM) building tenant.

name conducted weekly progress meetings and served as EXIM's point of contact for executing swing layout change orders, swing IT and security infrastructure requirements and final swing space acceptance. **name** efforts contributed to Hill's on-time, on-budget completion of both project phases, an achievement that was formally recognized by a GSA letter of appreciation.

General Services Administration (GSA), The Federal Research Center at White Oak Campus, Silver Spring, MD, Project Manager

The Federal Research Center-White Oak Campus, Silver Spring, Maryland, consists of approximately 2 million SF of laboratory and office space. The campus facilities are operated and maintained by GSA-Metropolitan Service Center and support the Food and Drug Administration operations. Hill is providing commissioning and project closeout services at the White Oak facility. As project manager, **name** was responsible for providing Hill services.

Smithsonian Institution, IDIQ Contract, Washington, DC

Hill was awarded multiple IDIQ Contracts for the Smithsonian Institution. Services include preparing construction management, contract administration,

Education

Coursework, Business, Old Dominion University, 1970-1973

Certificate, OSHA 10-Hour Safety Training

Certificate, OSHA 30-Hour Construction Safety Standards

Professional Memberships

Construction Management Association of America (CMAA)

Awards/Honors

Certificate of Appreciation from Smithsonian Institution, "America on the Move," Exhibit at the National Museum of American History (2003)

"Employee of the Month," Hill International, (1997)

"Work on Host Marriott Contract at Hartsfield International Airport," Hill International Special Recognition Award



<p>name of individual PMP, PSP, LEED AP <i>Coordinator - Martin Swing Space</i></p>	<p>Education: MS, Civil Engineering, University of Maryland, College Park, 2006</p> <p>BE, Civil Engineering, Yengon Technological University, Burma, 1995</p> <p>Certificate, 10 Hour DSHA Training Course, All American Environmental Services, Inc., 2008</p> <p>Registrations: Project Management Professional</p> <p>Planning and Scheduling Professional</p> <p>LEED Accredited Professional</p> <p>Professional Memberships: Project Management Institute</p> <p>U.S. Green Building Council, National Capital Region Chapter</p> <p>Construction Management Association of America</p> <p>Association for the Advancement of Cost Engineering International</p>
<p>name has more than 16 years of experience in project management, scheduling and coordination for government office buildings, museums, military facilities, highways, ports, industrial zones, power plants, residential, commercial facilities and biocontainment laboratories. name has been responsible for preparing bid packages, creating and updating the construction schedule, coordinating subcontractors and helping ensure compliance with specification requirements. His specialized computer software skills include Microsoft Project, Autodesk Buzzsaw and Prolog.</p>	
<p>General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Project Engineer and Project Manager</p> <p>The project is the modernization of approximately 565,000 GSF and includes a total refurbishment of interior and exterior finishes and upgrade of all building systems. When completed, the building will meet GSA Class A status, have a LEED Gold Rating and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$185 million program involves design, procurement and commissioning and construction management services phased over five years. As project engineer, name to Hill's full time, on-site construction manager and provides project engineering-management support. In this role, he manages contractor requests for information and submittals and A/E change bulletins. As a LEED AP, he is also Hill's LEED manager, overseeing this process for compliance with LEED Gold plans.</p>	
<p>name also served as Hill's Project Manager for completion of a critical Lafayette project phase, the fit-out of a 200,000 SF swing space for the Export-Import Bank (EXIM) building tenant. He worked closely with Hill's Move Coordinator and conducted weekly progress meetings for EXIM's FF&E installation and physical move events. His efforts contributed to Hill's on-time, on-budget completion of the swing space project phase, an achievement that was formally recognized by a GSA letter of appreciation.</p>	
<p>District of Columbia Department of Real Estate Services, Department of Employment Services Headquarters Building, Washington, DC, Project Manager</p> <p>Hill is serving the District of Columbia Department of Real Estate Services (DRES) as Construction Manager Agent (CMA). Seeking LEED Silver Certification, the new \$60 million Department of Employment Services office building consists of 225,000 SF and five stories with one-and-one-half stories of underground parking and a partial basement. name the project manager responsible for all project management functions, working closely with the DRES District's Contracting Officer's Technical Representative. He manages</p>	



name PMP, PSP, LEED AP

construction testing and inspection, RFIs and submittals, project budget, quality assurance, change requests, building commissioning, on-site project records and Local, Small, and Disadvantaged Business Enterprises participation.

District of Columbia Public Library System, IDIQ Task Order Contract, Washington, DC

Hill is providing CM services for an IDIQ Task Order contract with the DC Public Library System to manage the contractor selection and the design and construction of two new library projects: the \$10.1 million, 23,000 SF Anacostia Branch and the \$10.8 million, 21,000 SF Tenley-Friendship Branch. **name** on the Tenley-Friendship Branch as project manager and was responsible for managing and maintaining supervision of Hill's field staff, the contractor's work, on-site project document control and submittals, RFIs and change orders.

National Institute of Allergies and Infectious Diseases (NIAID), Nationwide Biocontainment Laboratories, Various Locations

Hill provided Construction Quality Management services in connection with the planning, design and construction of state-of-the-art biocontainment research facilities. This program is an effort by NIAID to further the United States' capabilities to defend against bioterrorism and emerging infectious diseases. Hill's services included construction quality management from design concept through beneficial occupancy. **name** the Project Manager for three regional Biocontainment Laboratories projects: Colorado State University, University of Missouri-Columbia and the University of Tennessee Health Science Center. He was responsible for all project management functions, working closely with the NIAID Program Officers to resolve concerns and strategize project issues. The work included processing and reviewing Grantee milestone submittals (review submission, become familiar with design, review documents, review quality control comments and issue the report to NIAID); writing the monthly Briefing Sheets for NIAID senior management; and reviewing monthly reports' progress analysis, recommendations and comments, project budget and project master schedules prepared by the control group. He also performed monthly site visits to each project with the subcontractors (architect, biosafety, electrical, mechanical and plumbing); and prepared the construction site observation report. **name** also responsible for processing and reviewing non-milestone submittals (ICE estimates, GMPs, commissioning plans, design issues, contracts and draw requests) and submitting the final work product to NIAID.

Regional Biocontainment Laboratories (RBLs):

- **University of Missouri** - a \$18.2 million, 31,000 GSF building featuring an ABSL-3 multi-species vivarium, BSL-3 laboratories, animal support and office and building support.
- **Colorado State University** - new \$30 million, 74,997 GSF RBL consisting of an ABSL-3 vivarium with aerobiology, BSL-3 and BSL-2 labs, animal support, a cGMP facility (proof of concept) and office and building support. The facility will support research on bacterial and viral diseases that can spread from animals to humans.
- **University of Tennessee** - \$25 million, 30,315 GSF RBL consists of an ABSL-3 vivarium; BSL-3 and BSL-2 laboratories; and animal, office and building support facilities.

name of individual, CPE
Lead Estimator

name has more than 26 years of experience in cost estimating and project management for conventions centers, performing arts centers, office buildings, commercial facilities, banks, parking decks, hotels, residential facilities, schools, churches and health care facilities. **name**'s experience also includes design-build and competitive bids, as well as negotiation. He also has extensive experience in value engineering for maintaining project budgets. His specialized computer software skills include MC2, Timberline, WinEst, Costworks, MCASES II, BidFax, Buzzsaw and AutoCAD.

U.S. Department of Treasury, Office of the Comptroller of Currency, Washington, DC, Estimator

Hill is providing construction management support to the architect for the \$75 million headquarters renovation and interior design of a 640,000 SF leased Class A office space. All spaces throughout include high-speed data and telecommunication. All conference rooms have multi high-speed data connections, teleconferencing and video conferencing systems. Seeking LEED Certification, the project features unique HVAC controls and lighting systems. Due to the aggressive fit-out schedule, **name** and his staff have immediately addressed all potential change orders in order to prevent delays in construction completion.

General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Lead Estimator

The project is a modernization of approximately 565,000 GSF and includes a total refurbishment of interior and exterior finishes and upgrade of all building systems. When completed, the building will meet GSA Class A status, have a LEED Gold Rating, and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$185 million program involves design, procurement and commissioning and construction management services and will be phased over five years. **name** was lead estimator performing the independent government estimates for the various design phases and is currently overseeing Hill's cost controls during construction phases.

Architect of the Capitol, U.S. Supreme Court Building Modernization, Washington, DC, Chief Estimator

International Monetary Fund (IMF), Headquarters 1 Renovations, Washington, DC, Controls Manager

As controls manager for this \$20 million project, which supports the IMF physical security program, **name**'s primary responsibilities included the

Education:
 BET, Civil Engineering Technology, University of North Carolina at Charlotte, 1987
 AAS, Architectural Drafting, Catawba Valley College, North Carolina, 1983
 Certificate, OSHA 10-hour Safety Training

Registrations:
 Certified Professional Estimator

Professional Memberships:
 American Society of Professional Estimators
 Society of American Military Engineers

References:
 Tony Dell'Arciprete PE, CCM
 Project Manager
 GSA Region 3
 Strawbridge Building
 20 North 8th St., 9th Floor
 Philadelphia, PA 19107
 T: 215-446-4503
 F: 215-209-0525
 tony.dell'arciprete@gsa.gov

Anthony Teti
 Contracting Officer
 GSA Region 3
 Strawbridge Building
 20 North 8th St., 9th Floor
 Philadelphia, PA 19107
 T: 215-446-4544
 F: 215-446-5139
 anthony.teti@gsa.gov



name CPE

validation of cost proposals and estimates provided by the contractors, including estimates for change orders and claims.

General Services Administration (GSA), NASA New Town Administrative Office Building 1, Hampton, Virginia, Senior Cost Estimator

Hill is providing construction management services for the \$200 million NASA New Town Program. The new 74,000 SF, three-story Class A office building houses the Center Director as well as other key staff and departments. name is senior cost estimator responsible for providing the estimates for the final Bridging Documents prior to being issued for design-build contract bidding. He provided quantity surveys and pricing estimates for the new building and associated site work. The buildings achieved LEED Platinum Certification and has a number of sustainable and specialty items.

District of Columbia Department of Real Estate Services, Department of Employment Services Headquarters, Washington, DC, Estimator

Located in a redevelopment zone, in a tight urban setting bounded by a major vehicular and metro rail thoroughfare, the new five-story, 250,000 SF office building features two underground parking levels supported by vibro pier foundation system, renewable energy systems and a 25,000 SF green roof. The scope of the Headquarters project includes the base building, full tenant fit-out as well as retail shops and recreation spaces. As estimator, name provided cost controls, change order negotiations and budget reports.

General Services Administration (GSA), Wilbur J. Cohen Federal Building Upgrades, Washington, DC, Chief Estimator

Hill's Joint Venture was awarded a contract to provide nationwide construction management support services to the GSA, Public Building Service. The Cohen Building project involved phased fire alarm and sprinkler upgrades and asbestos removal in a six-story, 1,100,000 SF building. Both the fire alarm and sprinkler installations were phased by floor with independent zones within each floor. As chief estimator, name evaluated pre-construction process and estimates to determine reasons for project overruns.

U.S. Department of Defense, Washington Headquarters Services IDIQ, Washington, DC, Chief Estimator

Hill provided construction management services to the Real Estate & Facilities Directorate of the Washington Headquarters Services on repairs, renovations, new construction and alterations to facilities and utility infrastructure projects for the Department of Defense. Hill's scope of services included planning, estimating, scheduling, requirements gathering, program and documentation development, program management support and construction project management. As chief estimator, name performed the independent government estimate for the first phase of the re-roofing of the Pentagon.



Letter of Commitment

I understand that my role as the Move Coordinator is a significant responsibility and will make it a priority. I look forward to working with this team and, like the other Hill Team members, I:

- Support the Mission, Vision, Values and Goals of the William McChesney Martin Building Renovation.
- Will offer my expertise to help ensure the health and success of the project.
- Will be available to fulfill the requirements of my position and fully meet those of the project.
- Will contribute significantly to fiscal oversight and project coordination activities, including making sound and timely decisions within my responsibility and/or assisting others in supporting their efforts to the project organization, such as offering prompt delivery of tasked items, accuracy in work products and reports, and collaboration to all stakeholders within the project organization.
- Will work with the rest of the team to execute the Move Coordinator's role to the highest degree of professionalism.
- Will be responsible and accountable for my actions and will continually communicate with the team and the COTR or Contracting Officer's Representative to ensure I understand all project requirements.
- Will actively participate in all requests for my assistance and offer timely response.
- Will ensure compliance to protocols and guidelines for uninterrupted services and for a safe workplace to the tenants of the Eccles Building and the remaining occupants of the Martin Building during the course of work.
- Will ensure commitment to the best interest of the Board and the design, construction, and construction administration team as a whole.

I have read and fully agree to this Letter of Commitment and look forward to assisting the Board of Governors of the Federal Reserve System in this role.

name of individual and personal signature

Signature

Date

9/27/12

Name



Additional and Updated Offeror's Experience

FF&E and Move Coordination Experience

Critical to the success of the project is the management of FF&E and other functions in order to quickly and efficiently move tenants into the Martin Building. We can assist the Board in procuring and overseeing contractors to transition quickly and successfully. Hill has extensive experience assisting clients with planning, budgeting, procuring and managing these services in order to easily orchestrate a large move.

Minimal Disruption: One of our top priorities for the project is to minimize disruptions to the Board's employees during moves to swing and back to renovated spaces. Sensitivity to this mission is accomplished with a strong communication plan. Hill's professional move coordinator will maintain team communication protocols throughout the contract. Scheduled briefings will include standard project reporting metrics such as schedule, cost, and quality report summaries, as well as look-ahead schedules.

Lafayette Building Modernization, Washington, DC: Hill and our professional move coordinator, The Elocen Group, successfully managed Lafayette Building's swing space FF&E contracts. This including managing physical moves for the Export-Import Banks's (EXIM's), a 500 employee organization. The Hill/Elocen team managed EXIM's program of requirements, including procurement strategies for special security spaces, amenity spaces and IT and data systems. Along with Elocen, we managed the furniture contract, coordinated schedules and moved more than 1,000 pieces of new furniture into EXIM's renovated swing spaces.



U.S. Supreme Court Building
Washington, DC

U.S. Supreme Court Building Modernization, Washington, DC: Hill completed construction while the Court remained occupied, fully operational, and open to the public for tours. This arrangement required a series of relocations and office moves, including the use of swing space for Court personnel. Work on the justices' chambers, the main courtroom, conference rooms, and other offices was tightly scheduled. Hill worked with the Architect of the Capitol, the contractor, and the Supreme Court to minimize conflicts and maximize effort. Efforts resulted in a smooth transition for the owner. *Please reference our original submission for additional information.*



Lafayette Building
Washington, DC

Leased Swing Space Experience

Because the Martin Building project includes leased swing space, it is important to work with The Board's requirements during both design and construction to make sure needs are met. Hill will liaison with Martin Building user groups to support lease changes and adjustments to space requirements efficiently and quickly. Hill's experience on similar projects, along with early and consistent communication, will lead to project success. Hill is currently performing similar services at the Office of the Comptroller of the Currency Headquarters relocation project, which has similar features to the Martin Building.

Office of the Comptroller of the Currency (OCC) Headquarters Relocation, Washington, DC: Hill is providing construction management support services for the OCC Headquarters Relocation project. OCC is currently combining several offices around the District of Columbia under one roof and has agreed to lease space from a developer with a tenant improvement allowance budget of \$75 million. The \$75 million project consists of the renovation and interior design of a 640,000 SF area, in a nine month construction duration, to house the new OCC Headquarters.



*Office of the Comptroller of the
Currency, Washington, DC*

Our OCC project success is relevant to the Martin Building because of similar organizational functions such as loans operations, auditing, security constraints and government accountability standards.

Data Center Experience

Relocating a data center is critical and highly scheduled project milestone. In an occupied building like the Martin Building, systems must remain up and running and there is no tolerance for power interruptions. Hill has recent experience relocating a data center and the supporting mechanical and electrical infrastructure to make sure tenants are not affected.

Lafayette Building Modernization, Washington, DC: Hill managed the general construction contract and on-time renovations, including the phased installation of new mechanical and electrical infrastructure; construction of EXIM's new data center and associated uninterruptible power supply (UPS) and emergency back-up power systems; relocation of EXIM's data center with completion six-months in advance of scheduled moves; and the technical commissioning services needed to validate new systems and ensure they met EXIM's stringent redundancy and security requirements.

**Office of the Comptroller of the Currency
Headquarters Relocation**

Washington, DC



- ✓ High Visibility Building, including a Bank
- ✓ Class "A" Office Bldg
- ✓ Leased Space
- ✓ LEED Silver Certification - Sustainable Design Features
- ✓ Move Coordination, over 600 Employees
- ✓ Phased Construction
- ✓ Tight Urban Setting
- ✓ Fit-out over 200,000 SF
- ✓ Building Security Systems

Client:
Gensler

Owner:
U.S. Department of Treasury

Service:
Construction Management
Contract Administration
Estimating
Scheduling

Total Project Value:
\$75 Million

Completion Date:
2012

Hill is providing construction management support services to Gensler for the Office of the Comptroller of the Currency's (OCC) Headquarters Relocation project. OCC is currently combining several offices around the District of Columbia under one roof. OCC has agreed to lease space from a developer with a Tenant Improvement allowance budget of \$75 million. The \$75 million project consists of the renovation and interior design of a 640,000 SF area, in a nine-month construction duration, that will house the new OCC Headquarters.

With fit-out and moves similar to the Martin Building leased swing space, OCC's finished headquarters will feature closed offices and meeting spaces around the perimeter and open offices, copy/work rooms and additional meeting space in the center of the space. All areas will include high-speed data and telecommunication, and all conference rooms have multi high-speed data connections and teleconferencing and video conferencing systems. The project also includes unique and elaborate HVAC Controls and Lighting Systems, the details of which are not able to be disclosed at this time. The completed project will have a LEED Silver Certification. LEED Elements include natural light usage, energy usage, proximity to transportation, renovation/retrofit, and recycling, among others. OCC acceptance of completed spaces is phased with move dates and occupancy dates established, starting in early November 2012.



Quality of Product or Services

Hill provided construction management services to the project including estimating, scheduling and contract administration. Hill's services include:

- Managing over 75 A-E change bulletins, including technical reviews, verified scope narratives, rough order of magnitude cost estimates, and distribution to the contractor.
- Observing construction activities and record significant events.
- Review contractor CPM updates, assess delays and make recommendations to OCC for meeting critical milestones.
- Assisting OCC with formal correspondence.
- Assisting OCC with review and verify requests for payments submitted by the construction contractor.
- Assisting OCC with progress meetings, meeting minutes and distribution of minutes.
- Monitoring design and construction clarification process, and when appropriate remind the A-E and other parties involved of the need for timely actions.
- Assisting OCC with change orders, including review of contractor proposals, negotiations, and documentation packages for OCC signatures.
- Assisting OCC with acceptance of completed space.

OCC has increased Hill's scope and participation because of the quality and timeliness of the work being produced.

Timeliness of Performance

Hill assisted OCC to meet the project's phased fit-out and move schedules, a noteworthy achievement considering over 18 A-E change bulletins issued after renovations had started. Hill improved the timeline between identifying change conditions and receiving OCC's authorization to start the change order work. We also established a total team approach to expediting scope review, allowing the contractor to review, comment and initiate cost proposals in advance of formal changes. Based on early reviews, Hill has expeditiously initiated initial budgets, confirmed OCC decisions and drafted direction letters so that changes do not affect schedule.

Additionally, Hill:

- Observes construction activities and record significant events. Reviews contractor CPM updates, assess delays and make recommendations to OCC for meeting critical milestones.
- Monitors design and construction clarification process, and when appropriate remind the A-E and other parties involved of the need for timely actions.

Cost Control

When Hill was retained to assist in change management, the project was behind in processing change orders. At that time, approximately 18 A-E change bulletins had been issued. In order to bring the change settlement current with the construction timeline, Hill deployed four full-time, senior-level cost estimators and a claims specialist in order to catch up. Once the changes were up-to-date, Hill adjusted our staffing levels in accordance with client needs.

More specifically, Hill determines if the requested change is to be charged against the Tenant Improvement allowance or if it is a change in the contract's scope during the scope review process. Hill is also tasked with determining if the actual change occurred before, during, or after the physical work was done in those areas. Once a negotiated settlement is reached, Hill generates a final Notice to Proceed for Contracting Officers signature. Hill's effort in change management is saving the client on average 12% from contractor's proposals.

Hill is reviewing the Contractor's monthly pay request to ensure that the requested amount is not exceeding the work in place as well as reviewing the Master Schedule and all fragnets for schedule compliance and delay impacts. A change order log is continuously updated with all supporting documentation to advise OCC of the project cost and schedule status. Hill also assist OCC with change orders, including review of contractor proposals, negotiations, and documentation packages for OCC signatures.

Business Relations

Hill's staff is augmenting OCC's project management staff. In this role, Hill is a trusted advocate for the project needs and provides reliable support to the project's A-E, GC, landlord, end users and other OCC employee divisions. We are maintaining the highest professional standards while creating a collaborative business relationship with the project management team.

Hill team members are specialists and experts in their field. OCC trusts Hill to handle correspondence and drafts of all client letters, as well as package all estimates and lead negotiations with the General Contractor to keep them within their GMP. Constant communication is required to assist the OCC with formal correspondence and review and verify requests for payments from the Contractor. To further communication and collaboration, Hill helps OCC with progress meetings, meeting minutes and the distribution of minutes.

Customer Satisfaction

The client has doubled our scope since work began on the headquarters project, as testament to the quality of work provided and the client's satisfaction with our performance.



Lafayette Building

Washington, DC



- ✓ Renovations in Occupied Facility
- ✓ Historic Preservation Requirements
- ✓ Phased Construction
- ✓ Sustainable Design – LEED Gold Certification
- ✓ High Visibility Project
- ✓ High Quality Building Tenants, including a Bank
- ✓ Full Building Commissioning – Focus on Energy Efficiency
- ✓ Blast-Resistant Windows & Ballistic Protections
- ✓ Leased Swing Space
- ✓ Data Center Relocation
- ✓ Move Coordination & FF&E

Client:
General Services Administration

Service:
Construction Management

Total Project Value:
\$185 Million

Completion Dates:
EXIM Data Center Relocation - April 2012
EXIM Swing Space Moves - June 2012
Overall Project - April 2014

Green Design:
LEED Gold Planned

Hill provided prime construction management services during the design, procurement, construction, commissioning and occupancy of several phases of the \$185 million modernization of the historic Lafayette Building. Located in Washington, DC, on Vermont Avenue, NW—and near to the White House—the 565,000 SF building will be fully renovated in multiple phases to support a 50% occupancy rate throughout the duration of construction. It consists of 12 above-ground floors of Class A office space and amenities for multiple tenants, and two below-grade floors that will accommodate underground parking and mechanical and electrical systems infrastructure. The modernization is designed to help the landmark building achieve a LEED Gold Rating from the U.S. Green Building Council. The Lafayette Building will maintain its prestigious status on the National Register of Historic Places, and help the building comply with the GSA's stringent medium-level security requirements.

Additional Information Based on New Scope

The first critical phase of the modernization was to construct 225,000 SF of leased swing space and move the 800 employee Veterans Affairs (VA)



Lafayette Building

organization out of the Lafayette Building. The second critical phase, following VA's vacancy, was the renovation and fit-out of 200,000 SF of leased swing space, within the Lafayette Building for the Export-Import Bank (EXIM). The third critical phase was the construction of a new data center, including the relocation of the existing data center equipment and supporting mechanical and electrical infrastructure for EXIM. Hill assisted GSA with successful completion of these critical phases, requiring our project management, project control, quality assurance and FF&E support services to manage multiple contracts.

Quality of Product or Services

There have been no quality problems. Hill successfully managed the completion of the critical swing construction and data center relocation phases on the Lafayette Building Modernization Project.

Leased Swing Space

Hill managed the renovations and fit-out over 200,000 SF of office space and facilitated EXIM's – and its 500 employees—occupation of these spaces throughout the Lafayette Modernization project. Hill assisted GSA with the planning, procurement and execution of several contracts in support of this milestone achievement.

Data Center Relocation

Hill managed the general construction contract and on-time renovations, including the phased installation of new mechanical and electrical infrastructure; construction of EXIM's new data center and associated uninterrupted power supply (UPS) and emergency back-up power systems; relocation of EXIM's data center with completion six months in advance of scheduled moves; and the technical commissioning services needed to validate new systems and help ensure they met EXIM's stringent redundancy and security requirements.

Move Management and FF&E

Hill and our move coordinator, The ELOCEN Group, successfully managed the swing space FF&E contracts, as well as EXIM's physical moves. The Hill/ELOCEN team managed EXIM's program of requirements, including procurement strategies for special security spaces, amenity spaces and IT and data systems. Hill/Elocen coordinated furniture contracts and schedules involving more than 1,000 pieces of new furniture into EXIM's renovated swing spaces.



IT and Telecommunications

Hill and our consultant, Delta, managed the IT and telecommunication contract. This included more than 40 miles of new cabling and state-of-the-art data equipment, all interfaced with EXIM's new data center. Our team also managed the planning, scheduling, installation and testing of EXIM's new IT systems. This was completed ahead of schedule and on budget.

Timeliness of Performance

The leased swing space and data center project phases were completed on schedule—a noteworthy achievement considering program changes identified after project award. GSA and EXIM accelerated certain features of work. One of the critical milestones included the successful construction and relocation of EXIM's data center, which was completed six months in advance of scheduled moves. To support on-time delivery, Hill developed and coordinated:

- An aggressive FF&E delivery and installation schedule integrated into the master project schedule
- Weekend and night work schedules that were flawlessly developed around tight site restrictions, active construction activities and ongoing building and tenant functions
- Eight weekend move events organized by ten EXIM user groups and 500 EXIM personnel

Cost Control

Hill managed construction scope changes in excess of \$500,000 needed to reconfigure interior spaces and accommodate EXIM's unexpected staff growth. Hill expeditiously developed each scope change and associated cost estimates, facilitated EXIM approvals and administered contract actions with no impact to the overall project schedule.

Business Relations

Hill provided liaison support with multiple stakeholders, including:

- Lafayette Building tenants, the U.S. Veterans Administration and EXIM
- Security, furniture and move vendors
- GSA project management, procurement, engineering, leasing and IT Services divisions

On behalf of the stakeholders, Hill administered several contracts to support the completed phases. Hill's success relocating the EXIM data center and coordinating move management was possible because of our expert move coordinator services, which were rendered early in the project and retained through final occupancy.



Lafayette Building

Customer Satisfaction

GSA's August 15, 2012 appreciation letter (enclosed in Section D1 References) is a testament to Hill's successful client satisfaction for managing the project's the swing space, move coordination and data center relocation phases.

Hill managed the general construction contract and the on-time renovations. The project success during this phase was due in large part to Hill's effective coordination and schedule management. A new EXIM data center and associated UPS and emergency back-up power systems were constructed 6-months in advance of EXIM's moves. Hill ensured that new mechanical and electrical infrastructure supporting the data center was phased around building operations and on-going EXIM functions. Additionally, construction scope changes in excess of \$500K reconfigured interior spaces to accommodate EXIM's unexpected staffing growth. Hill expeditiously developed each scope change and the associated cost estimates, facilitated EXIM's approval, and administered contract actions with no impact to the overall project schedule. Furthermore, nearly 500 historic windows were restored, 8-months ahead of the original schedule. Throughout the renovations, Hill coordinated with both GSA and EXIM to manage expectations and identify issues in a timely fashion before occupancy...

Hill exceeded our expectations throughout all project activities.

Alison Dresser, RA, Project Manager, General Services Administration



U.S. Supreme Court Building Modernization

Washington, DC



✓ Renovations in Occupied Facility
✓ Historic Building Renovation
✓ High Visibility
✓ Secure Spaces
✓ Multi-Phase Construction
✓ Congressional Oversight of Budget
✓ Full Commissioning Process
✓ Blast-resistant Windows
✓ Building's Systems online 24/7
✓ Third Party FF&E and Move Coordination
✓ Data Center Relocation
✓ Swing Space Construction

Client:
Architect of the Capitol

Service:
Construction Management

Total Project Value:
\$122 Million

Completion Date:
2011

Hill provided construction management services to the Architect of the Capitol (AOC) for a five-phase, \$122 million modernization of the 335,000 SF Supreme Court building, and construction of a new, 42,000 SF underground annex. This is the first significant renovation of the Supreme Court building since its original construction in 1935.

Quality of Product or Services

Hill provided the full range of construction management services while the Court remained occupied, fully operational and open to the public for tours. In particular:

Data Center

The project included an entire rebuild of the Supreme Court's data center and fit-out of a completely new and updated data center. The new data center included dedicated cooling, power, raised access flooring and cable management systems. Hill:

- Meticulously coordinated all work to build to the highest possible standards.



- Interfaced directly with Supreme Court's information technology (IT) senior managers throughout the process.

FF&E Management

- Integrated construction phase work with numerous third-party FF&E, including installation of carpet, laundry equipment, high-density filing systems, systems furniture, window blinds, IT/AV and building security systems. Hill worked closely with Court telecom personnel to "make safe" all voice and data systems prior to phase initiation and demolition. Upon phase completion, we meticulously inspected system functionality to enable "plug-and-play" operation after move-in.

Timeliness of Performance

Hill was able to closely schedule operations to minimize disruptions to the client and building tenants—such as the Supreme Court Justices. This arrangement required a series of relocations and office moves throughout the project, including the use of swing space for Court personnel. Work on the Justices' chambers, the main courtroom, conference rooms and other offices was tightly scheduled.

Cost Control

Hill coordinated all project administration functions including updating contract drawings and processing invoices within three days. In addition, we managed change orders from initial identification and notification to successful resolution. We analyzed contractor proposals for entitlement and reasonableness; prepared independent government estimates; resolved scope discrepancies; led and documented negotiations; and prepared signature-ready supplemental agreement packages for the contracting officer.

Hill also assisted the AOC with claims resolution, claims avoidance, dispute resolution, preparation of appeal files, discovery support and expert testimony. Hill defended AOC against more than 20 claims worth \$21 million, preparing Contracting Officer's Final Decisions, Rule 4 files, interrogatory responses and other discovery and litigation-related documentation. Disputes were resolved whenever possible, but Hill also prepared Contracting Officer Final Decisions in cases where negotiation was not justified. We facilitated bi-weekly meetings with AOC Counsel and AOC Procurement, keeping records of decisions reached and spearheading a coordinated defense on behalf of AOC.

Business Relations

Hill established and maintained strong working relations that supported the Supreme Court's project goals and objectives. We interacted with project stakeholders at all levels, up to and including the AOC and Justices of the Supreme Court. Specifically, we:

- Fostered teamwork throughout the project team by leading and documenting weekly progress, scheduling, coordination and issue resolution meetings. All meetings focused on current and upcoming work with the goal of resolving issues before they became problems.

U.S. Supreme Court Building Modernization

- Scheduled and coordinated project partnering sessions as a proactive means of preventing disputes.
- Resolved major issues that could have delayed the project. For example, when subcontractor performance outpaced the prime's coordination drawings, field conflicts began to hamper the project and led to disputes. Hill recognized the problem and moved quickly to correct it, convening specific purpose drawing coordination meetings that brought subcontractors around the table with the prime, design engineers and owner's representative to review and approve reasonable solutions.

Customer Satisfaction

The project is benefiting from the ownership posture you take in resolving difficult contract and technical issues. Your insistence for excellence on project deliverables is appreciated by me, the Court and the AOC's project management team.

Alan M. Hantman, FAIA, Former Architect of the Capitol

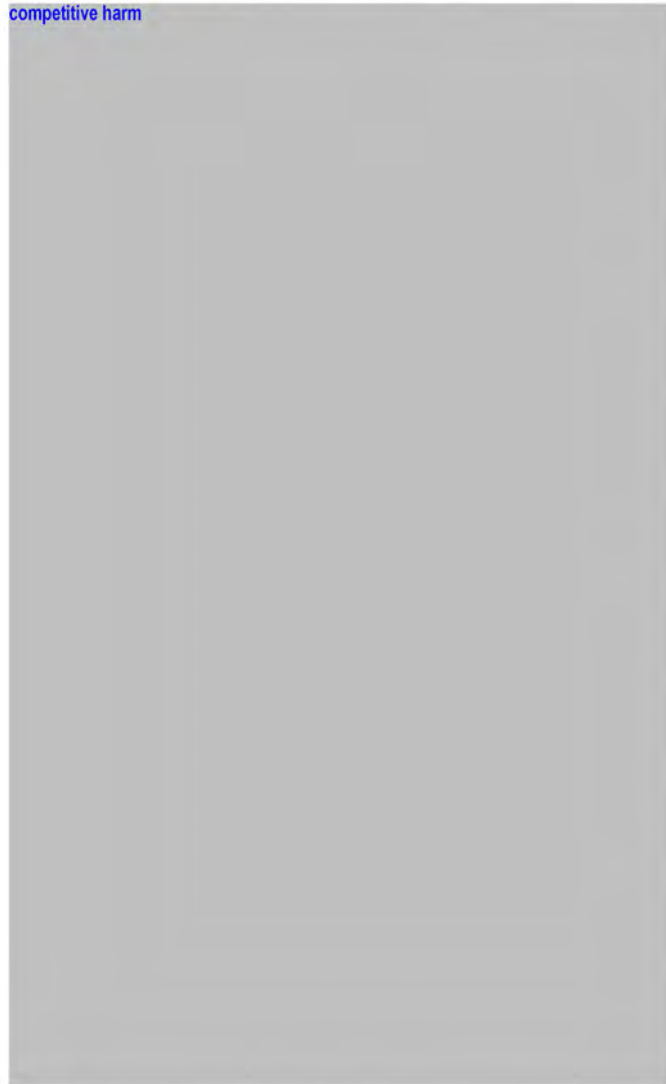


Additional Offeror's Approach to Requirements

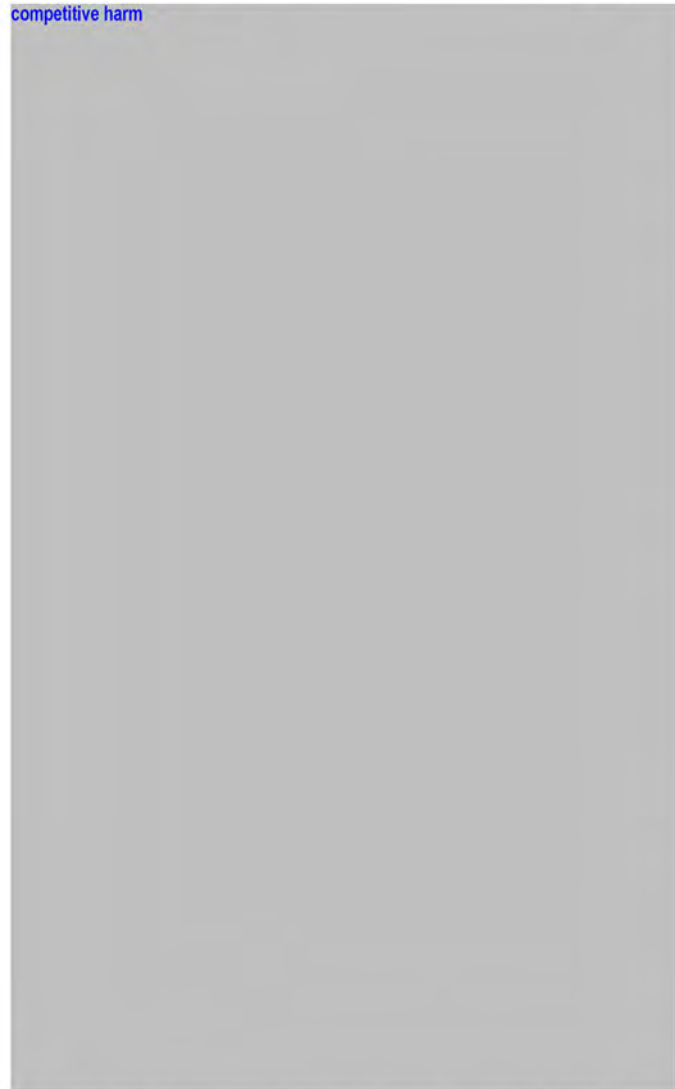
competitive harm



competitive harm




competitive harm



competitive harm



competitive harm




competitive harm



competitive harm



competitive harm



References and Corporate Qualifications

Additional Sample Reports

We have included the following sample documentation from similar projects:

- Meeting Agenda and Action List - Move Coordination
- Notice Flyer - Move Coordination
- PQC List - Move Coordination
- Punchlist - Move Coordination
- Pre-inventory List - Move Coordination
- Move Calendar - Move Coordination
- Sequencing Schedule - Move Coordination
- Progress Report - Leased Swing Space
- IT Infrastructure Status Checklist - Leased Swing Space
- Data Drop Count in Wire Closets - Data Center
- Fiber Riser Test Results - Data Center
- Meeting Minutes - Data Center
- Punchlist - Data Center

Meeting Agenda and Action List - Move Coordination



AGENDA

**Lafayette Modernization Project EXIM Swing Move Coordination Meeting
April 26, 2012 @ 10:00am**

Lafayette Room 803

- I. Status of Furniture Delivery / Installation Schedule
- II. Review Action Items
- III. Additional Furniture (Relocation to Swing Space)
- IV. Questions
- V. Next Meeting

The Moving Plan and Other Material Pertaining to an Unrelated Project for Another Agency were Withheld Because these Materials are Considered the Property of that Other Agency and Hill's Commercial Work Product

Updated 4/25/2012



Additional and Updated References

Hill has successfully provided professional construction management services on several major projects that are similar in scope, size, and complexity to the Martin Renovation. Without exception, Hill's past clients have relied upon our expertise to assist with delivery of their projects. We believe our past performance outcomes and clients' satisfaction testify to Hill's ability to make the Martin Renovation successful for the Board.



*Office of the Comptroller of the
Currency Headquarters
Washington, DC*

U.S. Department of Treasury

**Office of the Comptroller of
the Currency Headquarters**
Washington, DC

Brian Callis
Gensler
2020 K Street NW
Suite 200
Washington DC 20006
Tel: 202-721-5209
brian_callis@gensler.com

Hill provided construction phase support services to the architect for the 650,000 SF headquarters relocation project for the Office of the Comptroller of the Currency Headquarters.

Total Project Value: \$75 million

Hill Contract Value: \$725,000

Status: Currently providing services

Contracting Officer: Brian Callis, Gensler



*The Lafayette Building
Washington, DC*

U.S. General Services Administration

The Lafayette Building
Washington, DC

Alison Dresser, Project Manager
U.S. General Services Administration
7th and D Streets, SW, Room 2130
Washington, DC 10407
Tel: 202-708-8504
Alison.dresser@gsa.gov

Hill is providing construction management services through the design, procurement, and construction phases for the \$185 million, 565,000 SF modernization of the historic Lafayette Building, which features major systems upgrade including mechanical, electrical, plumbing, fire and life safety, energy-efficient lighting, perimeter security, blast-resistant windows, restoration of the elevator cabs, and facade restoration.

We have included two recent letters of reference for Hill and ELOCEN from GSA's Project Manager on the following pages.

Our subconsultants Wiley|Wilson, ONIX, McKeever, Elocen, and Presti are also working on this project with Hill.

Total Project Value: \$185 million

CM Contract Value: \$11 million

Status: Currently providing services

Contracting Officer: Michelle Mailhot, 7th and D Streets, SW, Room 2130, Washington, DC 10407, Tel: 202-401-1835, michelle.mailhot@gsa.gov



GSA National Capital Region

August 15, 2012

Mr. James Koch, PhD
 Senior Vice President
 Hill International
 1225 Eye Street, Suite 601
 Washington DC 20005

Dear Mr. Koch,

The General Services Administration (GSA), National Capital Region, recently completed a critical construction phase on the 666,000 SF, \$185 million Lafayette Building Modernization Project. The achievement renovated and out-fitted over 200,000 SF of office space, and facilitated the Export-Import Bank (EXIM) and its 500 people organization to occupy these spaces throughout the project. GSA relied heavily upon Hill International, Inc., as the Construction Manager, to successfully plan, procure and execute several contracts in support of this milestone.

Hill managed the general construction contract and the on-time renovations. The project success during this phase was due in large part to Hill's effective coordination and schedule management. A new EXIM data center and associated UPS and emergency back-up power systems were constructed 6-months in advance of EXIM's moves. Hill ensured that new mechanical and electrical infrastructure supporting the data center was phased around building operations and on-going EXIM functions. Additionally, construction scope changes in excess of \$500K reconfigured interior spaces to accommodate EXIM's unexpected staffing growth. Hill expeditiously developed each scope change and the associated cost estimates, facilitated EXIM's approval, and administered contract actions with no impact to the overall project schedule. Furthermore, nearly 500 historic windows were restored, 8-months ahead of the original schedule. Throughout the renovations, Hill coordinated with both GSA and EXIM to manage expectations and identify issues in a timely fashion before occupancy.

Hill also managed several support contracts which were needed for EXIM's new furniture, new IT and telecommunication systems, and physical moves to the renovated spaces. Hill worked closely with furniture, IT and move vendors, and integrated an aggressive delivery and installation schedule that led to contract completions ahead of schedule. Throughout these contracts, Hill provided expert consulting services to the planning, scheduling, and execution.

U.S. General Services Administration
 301 7th Street, SW
 Washington, DC 20401-9001
 www.gsa.gov



Hill teamed with the Elocen Group to provide move relocation services, which included exhaustive coordination and weekend and night work schedules to work around tight site restrictions, active construction activities and on-going building functions. Hill teamed with Delta Telephone to validate new IT systems and confirm EXIM's stringent redundancy and security requirements. Hill teamed with ONIX to ensure that related building support systems were commissioned and reliably operating to design standards.

Hill exceeded our expectations throughout all project activities. While the entire Hill project team made this achievement possible, we especially would like to acknowledge Mike Mologno, Senior Project Manager; Jim Fratoni, Quality Control Superintendent; Harold Clark, MEP Inspector and Andrew Wells as Finance Manager. On behalf of the Lafayette Building Modernization team, I want to express my sincere appreciation for your exemplary services.

Sincerely,



Alison Dresser, RA
Project Manager
Office of Project Delivery

Page 2 of 2





GSA National Capital Region

September 12, 2012

Ms. Nicole Parker
Principal
ELOCEN Group, LLC
Washington, DC

Dear Ms. Parker,

The General Services Administration (GSA), National Capital Region, and its customer, the Export-Import Bank (EXIM) recently completed a critical phase for the Lafayette Building Modernization project, a \$128 million GSA project that is funded by the American Recovery and Reinvestment Act. The Elocen Group can take great pride for its significant role in planning, scheduling, coordinating and executing EXIM's moves and associated furnishings, fixtures and equipment (FF&E).

Elocen successfully moved 500 EXIM employees into 200,000 SF swing space in the Lafayette Building. The moves culminated over 12 months of planning, which was a key approach to our successful milestone achievement. Elocen effectively worked closely with GSA, Hill International, Inc. (Hill) the Construction Manager, EXIM and various project stakeholders. Your management staff conducted frequent coordination meetings and captured all issues necessary to orchestrate the move and FF&E schedules, and keep the entire team informed. Elocen also provided effective communication and liaison support for all primary project stakeholders. The move handbooks developed by your staff served as an excellent tool to educate each employee on their roles and responsibilities in advance of the physical moves; and town-hall style presentations further communicated the move events and clarified employee concerns.

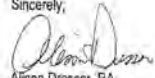
Led by Jolie Chandler, Elocen integrated an aggressive move delivery schedule into the master project schedule. Schedules based on floors and EXIM departments were flawlessly developed around tight site restrictions, active construction activities and on-going building and tenant functions. Elocen's attention to detail and effective management resulted in on-schedule moves. Elocen also developed solutions to meet EXIM staff growth and occupancy changes that were identified after initial planning. Elocen executed phasing plans to allow GSA and Hill to complete renovation changes without impacting the overall move schedules. When unforeseen changes were identified, Elocen responded immediately.

U.S. General Services Administration
201 7th Street, SW
Washington DC 20503-0001
www.gsa.gov



Elocon exceeded our expectations throughout all project activities. On behalf of the Lafayette Building Modernization team, I want express my sincere appreciation for your services which were in keeping with the highest professional standards of the industry.

Sincerely,



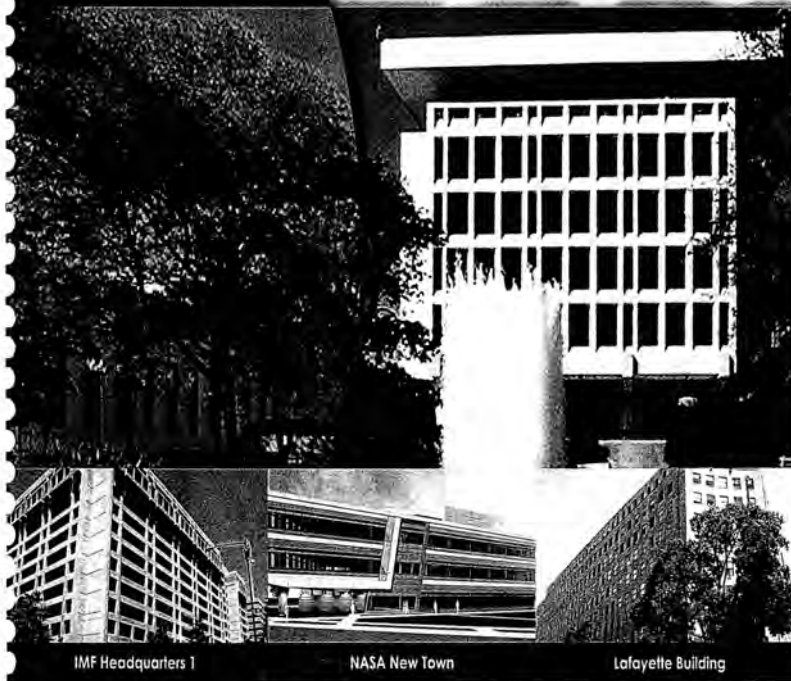
Alison Dresser, RA
Project Manager
GSA National Capital Region



VOLUME II TECHNICAL PROPOSAL

Board of Governors of the
Federal Reserve System
Construction Administration
Services for the Martin Renovation

December 14, 2011 | Solicitation No. 201000405



IMF Headquarters 1

NASA New Town

Lafayette Building



Hill International

Board of Governors of the Federal Reserve System
**Construction Administration Services for
the Martin Renovation**

December 14, 2011 | Solicitation No. 201000405

Volume II Technical Proposal

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Hill International

December 14, 2011

Kimberly M. Prince, CPM
 Supervisory Contracts Analyst
 Board of Governors of the Federal Reserve System
 Procurement Section, Mall Stop 128
 20th and C Streets, NW
 Washington, DC 20551

Hill International, Inc.
 1225 Eye Street, NW
 Suite 601
 Washington, DC 20005
 Tel: 202-408-3000
 Fax: 202-408-3058
 www.hillintl.com

**Subject: Construction Administration Services for the Martin Renovation
 Solicitation No. 201000405**

Dear Ms. Prince,

I am pleased to submit Hill International, Inc.'s (Hill) response to the Board of Governors of the Federal Reserve System's (the Board) Solicitation, Offer, and Award No. 201000405, Construction Administration Services for the Martin Renovation. I believe you will find our team exceptionally well-qualified to support the Board in fulfilling the stated objectives of providing an office environment suitable for your business needs over the coming decades, promoting staff productivity, demonstrating long-term financial discipline, and reflecting the institution's public role and reputation.

Experience with Federal Clients. Hill has extensive experience with government agencies, having successfully provided timely, quality services on more than 3,500 individual task orders. Over half of our business is derived from assisting public sector agencies manage implementation of their complex capital improvement and assistance programs. This experience encompasses more than three decades of providing similar services to such Federal clients as the General Services Administration, U.S. Army Corps of Engineers, U.S. Department of State, U.S. Department of Defense, and the Architect of the Capitol. We have also worked with regional Federal Reserve Banks in Atlanta and Minneapolis.

Experience with Renovation and New Construction Projects. Notable recent or current Hill renovation projects include several museums for the Smithsonian Institution, the General Service Administration's Lafayette Building Modernization, and the U.S. Supreme Court Building Modernization. These projects involved systemic modernizations and upgrades, mechanical and infrastructure improvements, and incorporation of the latest information technologies and environmental standards. These projects were successfully completed under the strictest security protocols while facilities remained occupied and operations continued with minimal impact to the client.

Experience with, and Ability to Deliver LEED Gold and Platinum Projects. Hill is an industry leader in delivering LEED projects at all levels across all building types. We will apply our cost-effective approach to delivering LEED-Certified projects to the Martin Building in the same manner we have done on other recent projects. A recent example is our work on the 74,000 SF, three-story class "A" office building for the NASA New Town Administrative Office. The Hill team's efforts in exploring and fostering new ideas such as energy saving design elements using ground source heating and cooling, a green roof, and incorporation of more natural daylighting enabled the project to surpass the minimum requirement for a LEED Silver Rating. The end result was this NASA building earning the coveted LEED Platinum Certification.



Kimberly M. Prince, CPM, Supervisory Contracts Analyst
 Board of Governors of the Federal Reserve System
 Page 2 of 2

Construction Experience Around Critical, Operational MEP Infrastructure. Hill has relevant experience renovating buildings while avoiding interruption to operational and critical infrastructure systems. We are currently executing full renovations around operational heating, chiller, electrical, and IT building systems within the Lafayette Building. These active systems not only serve the partially occupied Lafayette spaces, but also support a fully-occupied Veteran's Affairs (VA) Headquarters building located across from the project. Our effective coordination with the buildings operations staff is required daily to help ensure construction sequences do not impact system operations.

Talented and Insightful Team with Depth of Resources. In addition to our firm's project experience, Hill offers the Board an exceptionally skilled team. We propose Christopher Reilly, CCM, PMP, PSP, LEED AP, as our Construction Administrator. Mr. Reilly is a natural leader with outstanding managerial credentials and a reputation for cultivating personal and team commitments. He has extensive knowledge of design processes and construction means, methods, and technology. Mr. Reilly also understands the challenges and opportunities of systemic modernizations and environmental security upgrades to existing, occupied structures, having worked on more than 6.1 million SF of Federal office building projects including the Lafayette Building Modernization, the U.S. Patent and Trademark Office (USPTO) Consolidation, and the U.S. Coast Guard Headquarters at St. Elizabeth's Hospital.

Mr. Reilly is supported by a local team of equally talented project management professionals with the requisite credentials in cost control, scheduling, document control, and environmental safety. Hill's Washington, DC, office is located at 1225 Eye Street NW, and contains personnel in all of the disciplines required to support the Martin Renovation. In addition, Hill can call upon the support of more than 490 other professionals at 16 of our other offices within the general geographic area. The Hill team will bring our renowned processes and procedures for cost control, cost estimating, scheduling, document control, environmental health and safety, peer reviews, and quality control and quality assurance to the Martin Building Renovation.

Hill also offers the Board our unmatched claims control and risk mitigation resources. Any construction project undertaken by an institution such as the Federal Reserve System presents risk. Hill knows how to manage and mitigate all types of project risk, as evidenced by our extensive claims management and project delivery work. We will apply our lessons learned on projects of similar profile and scope to the Board's modernization and new construction efforts, and call upon experienced Hill professionals to help ensure work progresses smoothly at the Martin Building.

We look forward to working with you on this important project. Thank you for the opportunity to propose our services for this prestigious project.

Sincerely,

A handwritten signature in black ink, appearing to read "James E. Koch".

James E. Koch, PhD, PE
 Senior Vice President and Director, Federal Services Group

Key Personnel

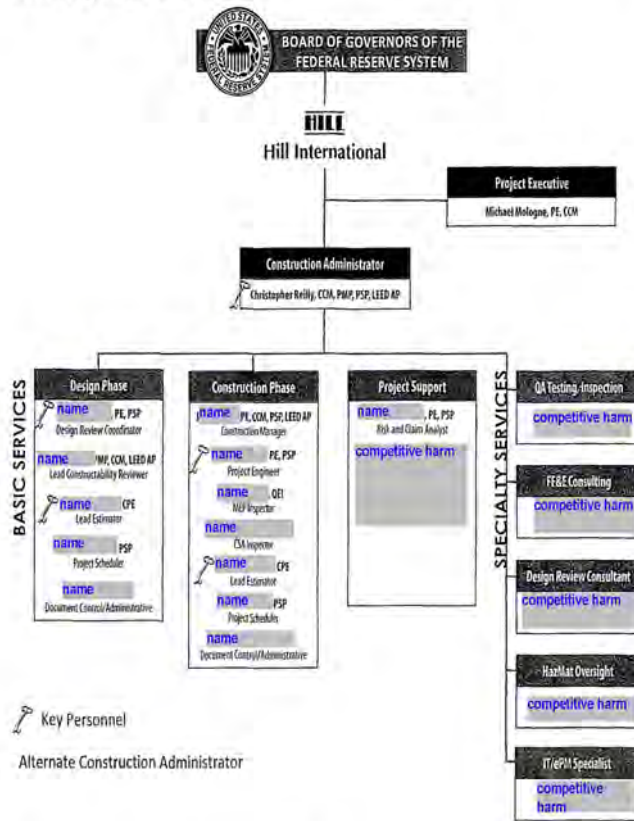
Hill has assembled a highly qualified and experienced team of professionals for the Board, who will exceed both client expectations and project requirements. Our proposed staff has an average of over 24 years of relevant experience and professional credentials which include: Professional Engineer (PE), Certified Construction Manager (CCM), Leadership in Energy and Environmental Design Accredited Professional (LEED AP), Certified Professional Estimator (CPE), and Planning and Scheduling Professional (PSP).

A key strength of Hill's project team is its continuity and cohesiveness. Our proposed Construction Administrator, Alternate Construction Administrator, Constructability Reviewer, Project Estimator, Project Scheduler, MEP Inspector, CSA Inspector, and Project Executive have all previously worked together on projects such as the Modernization of the U.S. Supreme Court Building and the Lafayette Building Modernization.

Team Roles and Responsibilities

Hill's proposed team will maximize both performance and flexibility to manage all phases of the Martin Building Renovation. Hill's proposed key personnel qualifications and past experiences are illustrated in the Key Personnel Qualifications matrix within this section and are further detailed in the ensuing staff resumes. The organizational chart on the following page depicts the Hill team's components, including key personnel, team members' roles and responsibilities, subconsultants, and value-added support staff. As illustrated in the organizational chart, the relationship between Hill's team leadership and the technical staff emphasizes a single point of accountability and our "hands-on" approach. Our Construction Administrator will report to the Board for all contractual and administrative requirements. Collectively, our team will interface frequently with the Board to ensure that Hill fully meets expectations throughout the contract.

Team Organization Chart



Team Personnel Roles and Responsibilities

Michael Mologne, PE, CCM, serving as Project Executive, will have overall responsibility for the performance for the Hill Team. He will act as the prime facilitator and coordinator and develop the project atmosphere and culture to achieve goals and objectives.



KEY PERSONNEL

Christopher Reilly, CCM, PMP, PSP, LEED AP will serve as Construction Administrator, Hill's single-point-of-contact for the Board. With more than 15 years of experience, he brings several professional certifications. Chris will be accountable for timely, cost-effective, and responsive support to the Board and will be ultimately responsible for Hill's quality of services throughout the contract. He has managed numerous public sector projects including Federal office building renovations.

name of individual PE, PSP, will serve as Alternate Construction Administrator assisting in the staffing and management of the team. She is a Professional Engineer with over 10 years of experience in civil engineering and new construction and renovations for public buildings in the Washington, DC metropolitan area. During the design phase, she will provide Design Review coordination. During the construction phase, she will act as Project Engineer verifying engineering construction plans and specifications are adhered to, reviewing all design drawings and equipment specifications, and making daily field inspections. She will prepare construction related reports based on job site inspections. Her involvement in both the design and construction phases assures continuity of operations should she need to step in to the Construction Administrator role.

name of individual CPE, our proposed Project Estimator, a Certified Professional Estimator, will review and comment on conceptual and contractor budgets and provide cost estimates at any stage of design. He has more than 26 years experience providing estimates at all levels of design for major Federal renovation, modernization, and new building projects.

name of individual PMP, CCM, LEED AP, will serve as our Lead Constructability Reviewer. He has over 24 years of project management and construction expertise and has overseen and provided construction management services for numerous multi-million dollar projects. He is familiar with the appropriate methods of verifying construction plans and making certain specifications are in sufficient detail and clarity so construction contractors can estimate project cost and successfully construct the project.

name of individual PSP is a certified Planning and Scheduling Professional with more than 18 years of experience. Her responsibilities will include creation of the Master Schedule, review of contractors' baseline CPM schedules, and reviews and claims analysis of contractor-provided monthly CPM updates for concurrent project phases.

name of individual CCM, PSP, LEED AP, with 30 years experience in construction in progressing levels of responsibility, will serve as the Construction Manager during the construction phase. He will closely manage and monitor construction through all phases of the project and will attend all project meetings acting in concert with the Board's PM, the design team, and the construction contractors.

name of individual has more than 38 years experience and will serve as Inspector for the Mechanical, Electrical, Plumbing systems. He will monitor all MEP construction activities and help ensure that the contractor is performing within the quality specified and in accordance with the contract requirements.

name of individual has more than 37 years experience and will serve as Inspector for the Civil, Structural, Architectural systems. He will monitor all CSA construction activities and help ensure that the contractor is performing within the quality specified and in accordance with the contract requirements.



The following specialized subconsultants will be key members of the Hill team:

[competitive harm](#)



competitive harm

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Procedures for Training Key Personnel

competitive harm

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Letter of Commitment

I understand that my role as the Construction Administrator is a significant responsibility and will make it a priority. I look forward to working with this team and, like the other Hill Team members, I:

- Support the Mission, Vision, Values and Goals of the William McChesney Martin Building Renovation.
- Will offer my expertise to help ensure the health and success of the project.
- Will be available to fulfill the requirements of my position and fully meet those of the project.
- Will contribute significantly to fiscal oversight and project coordination activities, including making sound and timely decisions within my responsibility and/or assisting others in supporting their efforts to the project organization, such as offering prompt delivery of tasked items, accuracy in work products and reports, and collaboration to all stakeholders within the project organization.
- Will work with the rest of the team to execute the Construction Administrator's role to the highest degree of professionalism.
- Will be responsible and accountable for my actions and will continually communicate with the team and the COTR or Contracting Officer's Representative to ensure I understand all project requirements.
- Will actively participate in all requests for my assistance and offer timely response.
- Will ensure compliance to protocols and guidelines for uninterrupted services and for a safe workplace to the tenants of the Eccles Building and the remaining occupants of the Martin Building during the course of work.
- Will ensure commitment to the best interest of the Board and the design, construction, and construction administration team as a whole.

I have read and fully agree to this Letter of Commitment and look forward to assisting the Board of Governors of the Federal Reserve System in this role.

personal signature

Signed 

Date 12/14/11

Name Christopher Reilly, CCM, PMP, PSP, LEED AP

Letter of Commitment

I understand that my role as the Alternate Construction Administrator is a significant responsibility and will make it a priority. I look forward to working with this team and, like the other Hill Team members, I:

- Support the Mission, Vision, Values and Goals of the William McChesney Martin Building Renovation.
- Will offer my expertise to help ensure the health and success of the project.
- Will be available to fulfill the requirements of my position and fully meet those of the project.
- Will contribute significantly to fiscal oversight and project coordination activities, including making sound and timely decisions within my responsibility and/or assisting others in supporting their efforts to the project organization, such as offering prompt delivery of tasked items, accuracy in work products and reports, and collaboration to all stakeholders within the project organization.
- Will work with the rest of the team to execute the Construction Administrator's role to the highest degree of professionalism.
- Will be responsible and accountable for my actions and will continually communicate with the team and the COTR or Contracting Officer's Representative to ensure I understand all project requirements.
- Will actively participate in all requests for my assistance and offer timely response.
- Will ensure compliance to protocols and guidelines for uninterrupted services and for a safe workplace to the tenants of the Eccles Building and the remaining occupants of the Martin Building during the course of work.
- Will ensure commitment to the best interest of the Board and the design, construction, and construction administration team as a whole.

I have read and fully agree to this Letter of Commitment and look forward to assisting the Board of Governors of the Federal Reserve System in this role.

name of individual and personal signature

Signature

Name

Date 12/14/11



Letter of Commitment

I understand that my role as the Project Estimator is a significant responsibility and will make it a priority. I look forward to working with this team and, like the other Hill Team members, I:

- Support the Mission, Vision, Values and Goals of the William McChesney Martin Building Renovation.
- Will offer my expertise to help ensure the health and success of the project.
- Will be available to fulfill the requirements of my position and fully meet those of the project.
- Will contribute significantly to fiscal oversight and project coordination activities, including making sound and timely decisions within my responsibility and/or assisting others in supporting their efforts to the project organization, such as offering prompt delivery of tasked items, accuracy in work products and reports, and collaboration to all stakeholders within the project organization.
- Will work with the rest of the team to execute the Construction Administrator's role to the highest degree of professionalism.
- Will be responsible and accountable for my actions and will continually communicate with the team and the COTR or Contracting Officer's Representative to ensure I understand all project requirements.
- Will actively participate in all requests for my assistance and offer timely response.
- Will ensure compliance to protocols and guidelines for uninterrupted services and for a safe workplace to the tenants of the Eccles Building and the remaining occupants of the Martin Building during the course of work.
- Will ensure commitment to the best interest of the Board and the design, construction, and construction administration team as a whole.

I have read and fully agree to this Letter of Commitment and look forward to assisting the Board of Governors of the Federal Reserve System in this role.

Signature  Date 12/14/11

Name 



Michael J. Mologne, PE, CCM

Project Executive

Michael J. Mologne, a registered Professional Engineer, has 24 years of experience in program and project management for private, Federal, and public sector clients within the Washington, DC region. Mr. Mologne has successfully managed complex new construction and modernization projects involving all phases of construction from pre-design to closeout and ranging from \$6 million to nearly \$200 million. His projects have included sustainable design features, LEED Gold Certification, multiple tenant stakeholders, office and building amenity spaces, utility infrastructure, and renovation within secure, occupied facilities. He is particularly knowledgeable about the design, construction, and commissioning of mechanical and electrical infrastructure and has vast technical and management experience implementing project budgets and schedules, design management, construction management, tenant occupancies, and closeout services.

General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Project Executive

The project is modernization of approximately 565,000 GSF and includes a total refurbishment of interior and exterior finishes and upgrade of all building systems. When completed, the building will meet GSA Class A status, have a LEED Gold Rating, and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$185 million program involves design, procurement, and commissioning and construction management services phased over five years. Mr. Mologne serves as Senior Project Manager and Project Executive. He successfully managed the design, which included high performance green building features, as well as over 200,000 GSF of custom interiors to support the Export-Import Bank tenant. He also successfully managed the construction procurement, which included Project Labor Agreements to meet the American Recovery and Reinvestment Act requirements. Throughout construction, Hill is managing the A-E, General Contractor, and FF&E contracts.

General Services Administration (GSA), Food and Drug Administration, The Federal Research Center White Oak Campus, White Oak, Maryland, Project Executive

The Federal Research Center White Oak Campus consists of approximately 2 million SF of laboratory and office space. The campus facilities are operated and maintained by the U.S. General Services Administration - Metropolitan Service Center and support the Food and Drug Administration operations. Hill is the liaison with the construction manager, GSA, and the tenant staff, resolving issues pertaining to full building commissioning, sustainable design,

Education:
B.S., Mechanical
Engineering, United States
Naval Academy, 1987

Certificate, OSHA 10-
hour Safety Training

Registrations:
Professional
Engineer, Virginia
Certified Construction
Manager

Professional Membership:
Construction Management
Association of
America (CMAA)

Awards/Honors:
Hill International, Inc.
Project Manager of
The Year (2004)

National and Regional
CMAA, Project Achievement
Award (2007)



Michael J. Mologne, PE, CCM

LEED Certification, occupancy and facility turnover throughout the design and construction phases. Mr. Mologne served as Project Executive representing the GSA Metropolitan Service Center to provide quality assurance, commissioning oversight, and project closeout services for a \$1.2 billion construction program that encompasses new office and laboratory spaces, full building commissioning services, and move-in coordination for the Food and Drug Administration staff.

Architect of the Capitol (AOC), U.S. Capitol Power Plant, Coal Handling and West Refrigeration Plant, Washington, DC, Program/Construction Manager

The \$110 million program comprised of 8 separate projects that upgraded and renovated the U.S. Capital Power Plant Campus. The upgrades included: new buildings; utility services and underground tunnels; road improvements and site restoration; and perimeter security fencing. The highlighted project was the West Refrigeration Plant Expansion, which constructed a 200,000 GSF structure to house energy efficient heating and chilled water systems to support the U.S. Capitol Complex through 2025. The project was selected for local and national achievement awards by the CMAA. Mr. Mologne was Hill's Program/Construction Manager overseeing the staff and providing full, comprehensive services throughout the design, procurement, construction, commissioning, and closeout phases.

National Institutes of Health (NIH), Infrastructure Modernization Program, Bethesda, Maryland, Senior Project Manager


The \$200 million program provided an upgrade to the utility infrastructure serving a 320-acre campus consisting of medical office buildings, laboratories, and hospital facilities. The program was highlighted by the chiller plant expansion project, which provided 30,000 additional tons worth of refrigeration necessary to support the NIH's new Clinical Research Center program. The campus facilities remained operational during the entire renovation process. Mr. Mologne served as Senior Project Manager and oversaw the staff providing construction management services during the design, procurement, construction, commissioning, occupancy, and closeout phases.

Prior Experience:

United States Naval Academy, Various Projects, Annapolis, Maryland, Project Manager

Mr. Mologne served as Project Manager for five years for the Civil Engineer Corps, U.S. Navy, providing project management and contracting officer services for numerous projects at the U.S. Naval Academy. He was responsible for overseeing \$15 million worth of construction annually. He supervised a staff of contract administrators and inspectors in all project phases, including design reviews, cost estimating, contract award and project documentation. He oversaw major upgrades to campus chiller plant, including cooling tower replacements, energy control systems integration and HVAC pump repairs. Developed a technical evaluation plan for contractor selection and subsequent procurement of a replacement HVAC system for the historic Naval Academy Chapel.



 **Christopher W. Reilly, CCM, PMP, PSP, LEED AP**
Construction Administrator

Christopher W. Reilly, a Certified Construction Manager and Project Management Professional, has over 15 years of experience in all phases of construction project management. Mr. Reilly possesses strong technical, interpersonal, communication, and problem solving skills with the ability to work independently or as an integral member of a team. His project experience includes governmental office buildings, military facilities, educational facilities, and retail stores. Mr. Reilly's specialized computer software skills include ProjectTalk (Prolog), Constructware, Expedition, Suretrak, Primavera P3, and Microsoft Project.

General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Project Manager

The project is modernization of approximately 565,000 GSF and includes a total refurbishment of interior and exterior finishes, perimeter security, blast resistant windows, and upgrade of all building systems. When completed, the building will meet GSA Class A status, have a LEED Gold Rating, and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$185 million program involves design, procurement, and commissioning and construction management services phased over five years. Mr. Reilly serves as Project Manager for the design phase.

General Services Administration (GSA), NASA New Town Administrative Office Building 1, Hampton, Virginia, Project Manager

Hill is providing integrated construction management services to GSA for the the National Aeronautics and Space Administration's (NASA) New Town, a 15-year phased modernization program. The \$217 million program includes new construction of roughly 450,000 SF of new laboratories, an integrated services building, and administrative buildings. Administrative Office Building 1 (AOB1) is a 74,000 SF, \$26.1 million, three-story class "A" office building housing the Center Director as well as other key staff and departments. This project is achieved LEED Platinum certification. Mr. Reilly was responsible for coordinating all Quality Assurance/Quality Control (QA/QC) and constructability issues with the Bridging Design A/E team, updating the master schedule, and monitoring project budget control issues. Upon procurement of the design-build contract, he was the project on-site representative throughout the construction process responsible for monitoring construction progress, QA/QC standards, schedule/milestones, and managing contractor meetings.

Education:
B.S., Civil Engineering,
Manhattan College,
New York, 1992
Certificate, 10 Hour
OSHA Training Course, All
American Environmental
Services, Inc., 2008

Registrations:
Certified Construction
Manager

Project Management
Professional

Project Scheduling
Professional

LEED Accredited
Professional

**Professional
Memberships:**
Construction Management
Association of
America (CMAA)

Awards/Honors:
GSA's Design
Excellence Award

References
Anthony Dell'Arciprete, PE
Project Manager
GSA, Region 3
20 N. 8th Street, 9th Floor
Philadelphia, PA 19008
T: 216.446.4503
F: 215.209.0525
C: 215.287.6180
Tony.dellarciprete@gsa.gov

Thomas Quenville
Program Manager
NASA Langley
Research Center
M/S 140
Hampton, VA 23681
T: 757-864-7286
F: 757-864-7728
C: 757-951-8442
Thomas.j.quenville@
nasa.gov

Christopher W. Reilly, PMP, PSP, CCM, LEED AP

Prior Experience

Veterans Affairs Building, Capital Improvement Projects, Washington, DC, Project Manager

Mr. Reilly served as Project Manager for various capital improvement projects in an existing building. He assured the client that the contractors met all quality, scope, cost, and schedule requirements.

General Services Administration (GSA), U.S. Patent and Trademark Office (USPTO) Consolidation, Alexandria, Virginia, Project Manager

Mr. Reilly was a consultant acting as Project Manager for the GSA on the new USPTO Consolidation. The new facilities consisted of 2.4 million square feet of office and special-use space located in six new Class "A" office buildings. This "build to suit" lease construction project had a construction estimate (GMP) of \$500 million with a \$117 million TI allowance and a design-bid-delivery method for the TI. Specific tasks included scope management; daily progress, and QA/QC inspections and reports; management of punch list phase; schedule management; cost management; evaluation of change orders for cost, scope and schedule impacts; and systems management, which involved implementing and managing the electronic project management system, Prolog ProjectTalk for this project. Mr. Reilly also acted as liaison between GSA, USPTO, and the contractor.

General Services Administration (GSA), U.S. Coast Guard Headquarters at St. Elizabeth's Hospital, Washington, DC, Project Manager

As a consultant acting as Project Manager for the GSA, Mr. Reilly was responsible for pre-design project management services for the development of 3 million SF of office space on the old campus of St. Elizabeth's Hospital. The U.S. Coast Guard has plans for a new 1.4 million GSF headquarters building and parking garage on the campus, along with the adaptive re-use of existing campus facilities. Reporting directly to the GSA Project Executive, Mr. Reilly developed and managed the preliminary master schedule for the project, in addition to two yet-to-be named organizations. This schedule consisted of multiple phases, including funding through FF&E and owner occupancy. He also developed the A/E scope of services for the development of the campus. He was responsible for managing and developing multiple studies for the Coast Guard Headquarters, totaling \$1.2 million in value. This involved developing the scopes of work, developing contracts, performing independent government estimates, awarding contracts, negotiating contracts, and managing the studies. The studies included feasibility studies for three existing, historic structures, i.e. L Building, Fire House, and Ice House. In addition, there was an electrical substation study, a road condition study, and an underground tunnel study.



name of individual, PE, PSP

*Design Review Coordinator / Project Engineer /
Alternate Construction Administrator*

Education:
B.S., Civil Engineering,
University of Portland,
Oregon, 2000

name, a Professional Engineer, has over 10 years of experience in civil engineering and construction. She has developed and updated the project schedule, assisted in estimating projects, supervised a crew of over 30, and maintained as-built drawings documenting the progression of the work. Since joining Hill, **name** has been responsible for design management, contract administration, client relations, project management, and issue resolution for various building projects. Her specialized computer software skills include AutoCAD.

Registrations:
Professional Civil
Engineer, California
Planning and Scheduling
Professional

**Professional
Memberships:**
Construction Management
Association of
America (CMAA)
American Society of
Civil Engineers
Greater D.C. Cares
Society of Women
Engineers

References
Michael Regan,
Project Manager
Architect of the Capitol
2nd and D Streets, SW
Washington, DC 20515
T: 202-479-2919
mregan@aoc.gov

General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Project Engineer

The project is a modernization of approximately 565,000 gross SF and includes a total refurbishment of interior and exterior finishes and upgrade of all building systems. When completed, the building will meet GSA Class A status, have a LEED Gold Rating, and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$200 million program involves design, procurement, and construction management services and will be phased over five years. As Project Engineer, **name** assists GSA with their procedures in the design phase. She verifies timely review of design submissions, resolves various issues concerning the project, and assisted with the creation of web-based document control on Constructware.

Jim Yellman, Facilities
Manager
Architect of the Capitol
2nd and D Streets, SW
Washington, DC 20515
T: 202-479-3143
jyellman@aoc.gov

Architect of the Capitol (AOC), U.S. Supreme Court Building Modernization, Washington, DC, Project Engineer

Hill provided prime program management and construction management services to the Architect of the Capitol for the five-phase, \$122 million modernization of the 335,000 SF Supreme Court Building and construction of a new 42,000 SF underground annex. The project scope includes mechanical, electrical, life safety, architectural, and security improvements to the landmark structure. As Project Engineer, **name** assists the AOC and the court with their procedures in the construction phase. She oversees general coordination, issue resolution, technical direction, change order review and approval, and quality control. In addition, she manages RFI, submittals, and correspondence logs on Prolog.

National Institute of Allergies and Infectious Diseases (NIAID), Nationwide Biocontainment Laboratories, Various Locations, Assistant Project Manager

Hill provided Construction Quality Management services in connection with the planning, design and construction of state-of-the-art biocontainment

name PE, FSP


research facilities. This program is an effort by NIAID to further the United States' capabilities to defend against bioterrorism and emerging infectious diseases. Hill's services included construction quality management from design concept through beneficial occupancy. As Assistant Project Manager, Ms. **name** assisted project managers with project coordination from conceptual design to project completion and maintained the submittal log for the following RBLs and NBL:

National Biocontainment Laboratory (NBLs)

- **University of Texas Medical Branch** - new \$173.3 million, 186,800 SF Galveston National Laboratory located in Galveston, Texas will be linked to an existing BSL-4 laboratory. It includes ABSL-4 and ABSL-3 vivarium; BSL-4, BSL-3 and BSL-2 laboratories; aerobiology and MRI capabilities; medical support; and building support facilities.

Regional Biocontainment Laboratories (RBLs):

- **University of Alabama at Birmingham** - a \$32 million, 43,500 GSF Southeast Biocontainment Laboratory Alabama Birmingham (SEBLAB) facility. It will consist of an ABSL-3 vivarium with aerobiology, BSL-3 and BSL-2 labs; and animal, office and building support. SEBLAB will research new vaccines for smallpox, monkeypox, botulism and anthrax, West Nile Virus, Dengue Fever, Rift Valley Fever, tularemia and Eastern Equine Encephalitis.
- **Tulane University** - a \$27.5 million, 38,000 GSF building to be located on the Tulane National Primate Research Center campus in Covington, LA. It will consist of an ABSL-3 vivarium with aerobiology, BSL-3 laboratory, animal support, and office and building support.
- **Duke University** - new \$22.4 million, 33,185 GSF building located on the Medical Center campus in Durham, NC. This RBL is a green-field addition to the new Medical Science Research Building II that was recently finished and includes an ABSL-3 vivarium with aerobiology, BSL-3 and BSL-2 labs, as well as animal, office and building support facilities.
- **University of Medicine & Dentistry of New Jersey** - \$39 million, 34,000 GSF addition to the International Center for Public Health. The facility includes an ABSL-3 vivarium and insectaries, BSL-3 and BSL-2 labs, animal support, and office and building support facilities.
- **University of Tennessee** - \$25 million, 30,315 GSF RBL consists of an ABSL-3 vivarium; BSL-3 and BSL-2 laboratories; and animal, office and building support facilities.
- **Colorado State University** - new \$30 million, 74,997 GSF RBL located on its Foothills Campus near Fort Collins, CO. The project consists of an ABSL-3 vivarium with aerobiology, BSL-3 and BSL-2 labs, animal support, a cGMP facility (proof of concept), and office and building support. The facility will support research on bacterial and viral diseases that can spread from animals to humans.

 <p>name of individual Lead Estimator</p>	<p>CPE</p>	
<p>name has over 26 years of experience in cost estimating and project management for conventions centers, performing arts centers, office buildings, commercial facilities, banks, parking decks, hotels, residential facilities, schools, churches, and healthcare facilities. na experience also includes design/build and competitive bids, as well as negotiation. He also has extensive experience in value engineering for maintaining project budgets. His specialized computer software skills include MC2, Timberline, WinEst, Costworks, MCASES II, BidFax, Buzzsaw, and AutoCAD.</p>	<p>Education: B.E.T., Civil Engineering Technology, University of North Carolina at Charlotte, 1987 A.A.S., Architectural Drafting, Catawba Valley College, North Carolina, 1983 Certificate, OSHA 10-hour Safety Training</p> <p>Registrations: Certified Professional Estimator</p> <p>Professional Memberships: American Society of Professional Estimators Society of American Military Engineers</p> <p>References Tony Dell'Arciprete PE, CCM Project Manager GSA Region 3 Strawbridge Building 20 North 8th St., 9th Floor Philadelphia, PA 19107 T: 215-446-4503 F: 215-209-0525 tony.dell'arciprete@gsa.gov</p> <p>Anthony Teti Contracting Officer GSA Region 3 Strawbridge Building 20 North 8th St., 9th Floor Philadelphia, PA 19107 T: 215-446-4544 F: 215-446-5139 anthony.teti@gsa.gov</p>	
<p>General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Lead Estimator</p> <p>The project is a modernization of approximately 565,000 GSF and includes a total refurbishment of interior and exterior finishes and upgrade of all building systems. When completed, the building will meet GSA Class A status, have a LEED Gold Rating, and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$185 million program involves design, procurement, and commissioning and construction management services and will be phased over five years. name was lead estimator performing the independent government estimates for the various design phases.</p>		
<p>Architect of the Capitol (AOC), U.S. Supreme Court Building Modernization, Washington, DC, Chief Estimator</p> <p>Hill is providing prime program management and construction management services to the Architect of the Capitol (AOC) for the \$122 million modernization of the 335,000 SF Supreme Court Building of the United States and construction of a new 42,000 SF underground annex. The project scope includes mechanical, electrical, life safety, architectural, and security improvements to the landmark structure. Serving as Chief Estimator, Mr. name oversaw cost estimating and change management review.</p>		
<p>International Monetary Fund (IMF), Headquarters 1 Renovations, Washington, DC, Controls Manager</p> <p>As Controls Manager for this \$20 million project, which supports the IMF physical security program, Mr. name primary responsibilities included the validation of cost proposals and estimates provided by the contractors, including estimates for change orders and claims.</p>		
<p>General Services Administration (GSA), NASA New Town Administrative Office Building 1, Hampton, Virginia, Senior Cost Estimator</p>		

name, CPE

Hill is providing construction management services for the \$200 million NASA New Town Program. The new 74,000 SF, three-story class "A" office building houses the Center Director as well as other key staff and departments. **name** is Senior Cost Estimator responsible for providing the estimates for the final Bridging Documents prior to being issued for design/build contract bidding. He provided quantity surveys and pricing estimates for the new building and associated site work. The buildings achieved LEED Platinum certification and has a number of sustainable and specialty items.

District of Columbia Department of Real Estate Services, Department of Employment Services Headquarters, Washington, DC, Estimator

Located in a redevelopment zone, in a tight urban setting bounded by a major vehicular and metro rail thoroughfare, the new five-story, 250,000 SF office building features two underground parking levels supported by vibro pier foundation system, renewable energy systems, and a 25,000 SF green roof. The scope of the Headquarters project includes the base building, full tenant fit out, as well as retail shops and recreation spaces. As Estimator **name** provided cost controls, change order negotiations, and budget reports.

U.S. Army Corps of Engineers, Baltimore District, National Defense University, Washington, DC, Cost Estimator

name led a team of estimators to help the U.S. Army Corps of Engineers, Baltimore District, settle a \$43 million change order request. In addition to developing an IGE, an analysis of the program area was done to determine if the design-build documents complied with the original contract. The report findings were extremely instrumental in negotiating the change request, which was settled at \$28 million.

General Services Administration (GSA), Wilbur J. Cohen Federal Building Upgrades, Washington, DC, Chief Estimator

Hill's Joint Venture was awarded a contract to provide nationwide construction management support services to the U.S. General Services Administration, Public Building Service. The Cohen Building project involved phased fire alarm and sprinkler upgrades and asbestos removal in a six-story, 1,100,000 SF building. Both the fire alarm and sprinkler installations were phased by floor with independent zones within each floor. As Chief Estimator, **name** evaluated pre-construction process and estimates to determine reasons for project overruns.

U.S. Department of Defense, Washington Headquarters Services IDIQ, Washington, DC, Chief Estimator

Hill provided construction management services to the Real Estate & Facilities Directorate of the Washington Headquarters Services on repairs, renovations, new construction, and alterations to facilities and utility infrastructure projects for the Department of Defense. Hill's scope of services included planning, estimating, scheduling, requirements gathering, program and documentation development, program management support, and construction project management. As Chief Estimator, **name** performed the independent government estimate for the first phase of the re-roofing of the Pentagon.

name of individual

PSP

Project Scheduler

name has 18 years of experience in scheduling and construction management for projects with construction values over \$25 million. Her project experience includes power plants and substations, HVAC and utility systems, museums, and court buildings. She has been responsible for planning, scheduling and controlling projects; development of construction phasing; and schedule analysis of critical milestones and acceleration efforts. **name** is proficient in Primavera P3 & P6. She has shared in the creation of software using Visual Basic as an interface, Paradox and MS Access as a database, and Primavera P3 to assist in the review of bar chart reports and to update the percentage of work done on projects. **name** specialized software skills also include Sure Track, Microsoft Project, and Prolog Manager.

U.S. General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Project Scheduler

The project is modernization of approximately 565,000 GSF and includes a total refurbishment of interior and exterior finishes and upgrade of all building systems. When completed, the building will meet U.S. GSA Class A status, have a LEED Gold Rating, and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$200 million program involves design, procurement, and commissioning and construction management services and will be phased over five years.

Architect of the Capitol (AOC), U.S. Supreme Court Building Modernization, Washington, DC, Project Scheduler

Hill is providing construction management services to the Architect of the Capitol for a \$122 million modernization of the 335,000 SF Supreme Court Building of the United States and construction of a new 42,000 SF underground annex. **name** responsibilities have included developing and updating CPM schedules and tracking and analyzing project progress. She also prepares monthly progress reports, reviews and processes contractor monthly payment requests, and prepares an earned value report.

International Monetary Fund (IMF), Headquarters 1 Renovations, Washington, DC, Project Scheduler

Hill provided project management, schedule management, cost management, construction management, disruption management and coordination for the Structural Hardening and Environmental Mitigation of IMF's headquarters building (HQ1). Thorough detailed planning, coordination, and communications are required to minimize the affect of disruptions on the IMF staff. HQ1 consists of approximately 1.7 million gross SF including office space, a full service cafeteria and dining, a data center, large meeting

Education:
B.A., French Language,
Azhar University,
Cairo, Egypt, 1991

Certificate, Professional
Program in Project
Management, The
American University in
Cairo, Egypt, 1995-97

Coursework, Project
Planning and Control
Techniques

Coursework, Management
of Project Resources

Coursework, Project
Budgeting and
Financial Control

Coursework, Project
Management
Information Systems

Coursework, Feasibility
Studies and Financing

Coursework, Projects
Specifications Bids
& Contracts

Registration:
Project Scheduling
Professional

**Professional
Memberships:**
Project Management
Institute

AACE International

Construction Management
Association of
America (CMAA)

The Society of American
Military Engineers (SAME)



name, PSP

hall, and general conference, 909-space below-grade stacked parking garage, and support spaces. This headquarters complex contains five levels below grade, thirteen levels above grade, and a mechanical penthouse. **name** was Project Scheduler and her responsibilities included creation of the summary baseline schedule, review of the contractor's baseline schedule, and review of the monthly update.

National Institutes of Health (IMF), Infrastructure Modernization Program, Bethesda, Maryland, Scheduler

As part of the NIH's Infrastructure Modernization Program, Hill provided program construction management for the renovation and upgrade of primary utility systems serving the 320-acre campus. Working at the NIH North Substation, **name** served as Planner/Scheduler for various NIH projects. Her responsibilities included checking the logical sequence and time frame of the contractor baseline schedule; revising the contractor monthly progress update; and monitoring project status through the critical path and critical activities. She also issued monthly progress reports, critical path reports, two-week look ahead reports, and monthly review and comments on project status. She reconciled monthly invoices with project progress and performed analysis of subcontractor's claims by providing impact analysis.

Smithsonian Institution, National Museum of American Art and National Portrait Gallery, Washington, DC, Scheduler

The historic, 1836 Old Patent Office Building is now home to three Smithsonian Institution Museums: the National Portrait Gallery, National Museum of American Art, and the American Art Archives. Extensive renovations to the building included a complete roof replacement, restoration of the original skylight system, installation of new egress stairs, and restoration of the building porticos. Hill provided construction management services for the project. As Scheduler, **name** reviewed project progress and provided detailed reports, and reviewed all cost loading to identify possible front loading of cost, conformity of the schedule with contract conditions, and milestone relationships and completeness.

General Services Administration (GSA), Wilbur J. Cohen Federal Building Fire Alarm and Sprinkler Replacement, Washington, DC, Scheduler

Hill's Joint Venture was awarded a contract to provide nationwide construction management support services by the U.S. General Services Administration, Public Building Service. The contract involves a wide variety of design and construction projects nationwide, including both new construction projects and renovations of existing buildings as well as historic properties. The Wilbur J. Cohen project replaced the existing fire alarm system with a new state-of-the-art, addressable fire alarm system with voice communication and a new sprinkler system throughout the entire building.

U.S. Department of Defense, Washington Headquarters Services, Indefinite Quantity Contract, Washington, DC, Scheduler

Hill was responsible for the IDIQ AE and CM support contracts to provide consulting; studies; cost estimating; planning; scheduling; requirements gathering; program development; performance and technical documentation development for design-build contracts; construction administration and inspections; quality control and quality assurance inspections; and construction, alteration, and repair project management technical and support services. **name** served as Scheduler. Her responsibilities included creation of the summary baseline schedule, review of the contractor's baseline schedule, and review of the monthly update.



name of individual

PMP, CCM, LEED AP

Lead Constructability Reviewer

name has over 24 years of experience as a project engineer, rehabilitation specialist, construction manager/superintendent, journeyman carpenter and draftsman for housing, commercial facilities, office buildings, and institutions. **name**, a Project Management Professional, has significant experience with Primavera P3 and AutoCAD release 12.

General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Senior Construction Manager

The project is modernization of approximately 565,000 GSF and includes a total refurbishment of interior and exterior finishes and upgrade of all building systems. When completed, the building will meet GSA Class A status, have a LEED Gold Rating, and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$185 million program involves design, procurement, and commissioning and construction management services phased over five years. **name** serves as Hill's manager of field staff and day-to-day field staff services.

District of Columbia Department of Real Estate Services, Department of Employment Services Headquarters, Washington, DC, Quality Control Manager

Located in a redevelopment zone, in a tight urban setting bounded by a major vehicular and metro rail thoroughfare, the new five-story, 250,000 SF office building features two underground parking levels supported by vibro pier foundation system, renewable energy systems, and a 25,000 SF green roof. The scope of the Headquarters project includes the base building, full tenant fit out, as well as retail shops and recreation spaces. **name** served as the Quality Control Manager full-time, on site leader for the construction team, overseeing the CM staff duties for quality, safety, project controls and project management services. He served as the liaison for the owner, A/E, and contractor, tracking and reviewing contract documents and LEED submittal documentation. He worked with the owner, contractor, and the transit agency for quality and coordination issues for the site and neighboring structures.

Architect of the Capitol (AOC), U.S. Capitol Power Plant-Coal Handling and West Refrigeration Plant, Washington, DC, Project Engineer and Quality Control Superintendent

The program involved \$110 million worth of infrastructure projects phased over a four-year period that supports the Capitol Visitor Center project. The \$50 million West Chiller Plant Expansion project added 15,000 tons of chilled water capacity to the U.S. Capitol Campus and also included the installation of a 380,000 gallon fuel oil storage facility and oversight of other ancillary

Education:

B.S., Construction Management, Drexel University, 2002

Coursework, Engineering, Pennsylvania State University, 1985-1987
Certificate, OSHA 10-hour Safety Training

Registrations:

Project Management Professional

Certified Construction Manager

LEED Accredited Professional

Journeyman Carpenter, Phila. District Council

Professional Memberships:

Union Local #145, Delaware County

Project Management Institute



[name](#), FMP, CCM, LEED AP

projects for power plant modernization. [name](#) served as Project Engineer and Quality Control Superintendent for oversight and daily inspection of the West Chiller Plant expansion. reported to the Project Manager and overseeing the CM staff duties, he helped Hill manage the project within budget and on schedule, and was recognized for regional and national project awards by the Construction Management Association of America. He interfaced with the owner, client, and contractor and A-E staffs to ensure quality assurance for civil, structural steel, and architectural façades, and 3rd party commissioning for 18,000 ton chiller systems.

National Institutes of Health (NIH), Infrastructure Modernization Program, Bethesda, Maryland, Project Manager

As part of the Infrastructure Modernization Program, Hill provided program construction management for the renovation and upgrade of primary utility systems serving the 320-acre campus. The program involved nine major construction projects that impacted all 70 buildings occupied by over 16,000 personnel on campus, including the main clinical research center, biomedical research laboratories, and all offices and administrative buildings. All campus facilities remained operational during the entire renovation process. [name](#) was assigned as Hill's Project Manager. He provided project management and quality assurance services for the new construction of a \$60 million new chiller plant and procurement of a \$20 million expansion to this plant, coordinating between the owner, client, contractor, A/E staffs, and the CM staff.



name of individual

PE, CCM, PSP, LEED AP

Construction Manager

name is a Professional Engineer, has 30 years of experience in project and construction management, engineering design, field engineering, environmental, systems commissioning, quality control, and facilities operation and maintenance. **name** projects have included courthouses, healthcare facilities, aircraft hangar design, offices, HVAC replacement, security systems, infrastructure, retail and recreation facilities, educational facilities, military housing, water and wastewater treatment plants, fuel storage, and ship construction. **name** was recognized five times as Field Engineer, Division Engineer, or Design Manager of the Year by the Naval Facilities Engineering Command.

General Services Administration (GSA), FBI Field Office-Norfolk, Chesapeake, Virginia, Design and Construction Manager

Hill is providing design and construction management services to the General Services Administration (GSA) for the design and construction of a new 145,000 SF FBI Field Office with 220 parking space facilities. The LEED-accredited project includes 120,000 SF office space, an Annex, 10 acre site development, utilities, state of the art MEP systems, redundant power and security systems. **name** serves as the design and construction manager in support of this project. Duties include design engineering review, project management, construction management, schedule review, quality assurance, commissioning coordination and support, contract administration and change order scoping, estimating and negotiating support.

Architect of the Capitol (AOC), U.S. Supreme Court Building Modernization, Washington, DC, Senior Project Manager

Hill is providing prime program management and construction management services to the Architect of the Capitol (AOC) for the \$91.5 million modernization of the 335,000 SF Supreme Court Building of the United States and construction of a new 42,000 SF underground annex. The project scope includes mechanical, electrical, life safety, architectural, and security improvements to the landmark structure. **name** served in multiple roles including Senior Project Manager, Quality Control Superintendent and Project Engineer. He provided construction management and engineering and commissioning support for the AOC. His responsibilities included project management, technical review and coordination of engineering issues, design interpretations, commissioning coordination, change order scope and cost estimate development, engineering requests for information coordination, technical submittal review and coordination, project meeting support, dispute resolution, construction progress assessment, schedule validation, and contract administration and claims avoidance support.

Education:
M.S., Civil & Environmental Engineering, Rutgers University, New Jersey, 1995

B.S., Civil Engineering, Rutgers University, New Jersey, 1982

Certificate, OSHA 10-hour Safety Training

Registrations:
Professional Engineer, Pennsylvania

Certified Construction Manager

Projects Scheduling Professional

LEED Accredited Professional

Professional Memberships
Construction Management Association of America

Society of American Military Engineers

References
Michael Regan,
Project Manager
Architect of the Capitol
2nd and D Streets, SW
Washington, DC 20515
T: 202-479-2939
mregan@aoc.gov

Jim Yellman, Facilities Manager
Architect of the Capitol
2nd and D Streets, SW
Washington, DC 20515
T: 202-479-3143
jyellman@aoc.gov



name PE, CCM, PSP, LEED AP

Prior Experience:

The White House, Special Programs Office, Various Projects, Camp David

As Project Manager/Project Engineer, **name** provided design and construction management support for projects at the Presidential Retreat at Camp David. He performed project management tasks, including requirements development, coordination, and customer liaison, and prepared and monitored schedules and budgets. He also performed contract acquisition and administrative support services, including cost estimating, negotiations, inspections, and performance evaluations. Projects included aircraft hangar design, interior renovations, HVAC replacement, security systems, asbestos removal, water distribution, road repairs, and site work.

Naval Facilities Engineering Command, Naples Improvement Initiative, Naples Italy

name served in positions of increasing scope and responsibility in support of the U. S. Navy Naples Improvement initiative, a 7-year lease-construction program valued at \$250 million. **name** assignments and responsibilities included:

Naval Hospital Naples, Project Manager. **name** served as Project Manager/Project Engineer for the \$42 million, 175,000 SF Naples Hospital design/build/lease/maintain project. He was responsible for all technical requirements for facility design and construction, facilities systems, and medical systems installations. He managed and provided technical support for the hospital equipment procurement, and supported the BUMED turnkey procurement via the design/build contractor with a total equipment cost of \$12 million. In addition, he served as the QA/QC Coordinator for the hospital construction project. He developed the facility O&M program with a cost of \$2 million per year, and provided contract administration support for the 3-year program. He coordinated the development of the Operations & Maintenance Plans, and performed contract management for all contractual issues on the project. Serving as a Hospital Transition Planning Board member, he coordinated numerous transition issues, including, construction scheduling, equipment and furniture installation scheduling, facility startup, existing hospital closure, interior design, utilities support, and facilities services support. He also coordinated and executed MILCON purchase of the facility and the land rights.

DECA/NEX Retail Center, Project Manager. **name** served as Project Manager/Project Engineer for a \$48 million, 425,000 SF retail center. He was responsible for all design and construction engineering requirements.

Naples Initiative, Phase IV, Team Leader. **name** was promoted to Team Leader for a seven person project management, design, construction, quality assurance, and inspection team on an \$80 million retail/recreation facilities design/build/lease project, which included 6 buildings totaling 600,000 SF.

Supervisory General Engineer. **name** was promoted to serve as Supervisory General Engineer and Senior Civilian Engineer responsible for overall office management. Tasks, included supporting new NAVFAC initiatives, customer coordination with local and state-side clients, quality metrics, site safety, monthly reporting, VIP briefs/tours, and was senior level point of contact.

<p>name</p> <p>QEI</p> <p><i>Mechanical, Electrical, Plumbing Inspector</i></p>	<p>Education:</p> <p>Coursework, English, University of Maryland, Baltimore County, 1998</p>
<p>name has over 38 years of experience in the engineering field with various assignments as a construction inspector, resident engineer, mechanical inspector, mechanical supervisor, chief engineer, and quality control manager for courthouses, transit facilities, office buildings, educational facilities, airports, HVAC, diesel electric power plants, low pressure boilers, and high and low pressure air compressors. name served honorably in the United States Navy from 1972 to 1993 achieving the prestigious rank of Chief Petty Officer (CPO) Engineering Specialist. He is a Qualified Elevator Inspector, licensed with NAESA International, an ASME approved organization. His specialized computer software skills include Front Page, Adobe Photo Shop, and MAXIMO, a preventive maintenance and management computer-tracking program.</p>	<p>Coursework, College of Lake County, Illinois, 1986-1989</p> <p>Certificate, 10 Hour OSHA Training Course, All American Environmental Services, Inc., 2008</p> <p>Registrations:</p> <p>Qualified Elevator Inspector (QEI) NAESA Intl.</p> <p>State of Maryland Licensed Home Inspector</p>
<p>General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Mechanical/Electrical Inspector</p> <p>The project is modernization of approximately 565,000 GSF and includes a total refurbishment of interior and exterior finishes and upgrade of all building systems. When completed, the building will meet GSA Class A status, have a LEED Gold Rating, and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$185 million program involves design, procurement, and commissioning and construction management services phased over five years. name inspects mechanical, electrical, and plumbing systems.</p>	<p>Professional Memberships:</p> <p>National Association of Certified Home Inspectors (NACHI)</p> <p>Better Business Bureau (BBB) of Greater Maryland</p> <p>Northern Anne Arundel Chambers of Commerce, Maryland</p>
<p>Architect of the Capitol (AOC), U.S. Supreme Court Building Modernization, Washington, DC, Senior Resident Inspector</p> <p>Hill is providing prime program management and construction management services to the Architect of the Capitol for the modernization of Supreme Court Building of the United States. Modifications in Phase II will provide complete upgrades to the building's electrical power distribution system, including two new emergency 750KW diesel generators. It also includes a complete upgrade of all new HVAC systems with Building Automated Systems (BAS). name serves as Senior Resident Inspector and is responsible for development and preparation of daily inspector's photo reports, inspection of project equipment and daily activities, member of the M&E inspection, testing, commissioning and operational team, prepare and verify commissioning reports and act as AOC/Owner representative for final signature of completion and acceptance, verification of drawings and specifications of materials installed, and development and updating of work progress charts.</p>	<p>Seminars:</p> <p>LEED NC Technical Review (2009)</p> <p>"Elevator & Crane Safety for Construction Job Sites," Speaker, Hill International Monthly Training Classes, (2009)</p> <p>NAESA Eastern Region International, (2008)</p> <p>"Thermal Imaging Survey for Commercial & Residential Property - Energy Management Survey," Speaker, Long & Foster Realtor, Ellicott City, Maryland, (2008)</p> <p>Elevator Safety Seminar, NAESA International Sponsored, (2007)</p> <p>HVAC Basic, Classroom, Stevensonville, Maryland, (2005)</p>

name, QEI

Prior Experience**Modification to the Howard County Circuit Court House, Howard County, Maryland, Project Manager/On-Site Inspector**

name managed the daily operation of the one-year capital project valued at \$1.6 million. The modification included roof repair, new office spaces, two new courtrooms with associated recording devices, new prisoners' lockup cells, security systems, and fire safety systems upgrades. He also served as liaison with the Clerk of the Court and assigned Honorable Judges, as well as with the Sheriff of Howard County.

Maryland Transit Administration, Vertical Transportation Excellence, Maryland, Preventive Maintenance Field Inspector

As Project Manager/Field Inspector, name oversaw maintenance performed and quality control on all rehabilitated and non-rehabilitated elevators and escalators throughout the Baltimore METRO Subway System. He assisted with technical feedback for mechanical information needed in remote monitoring of escalator and elevator maintenance procedures throughout the METRO system. He developed and maintained the quarterly preventive maintenance (PM) schedule for contracted PM of all elevators and escalators. He assisted in writing new additional PM procedures for newly rehabilitated equipment above and beyond contracted specification. name also became a licensed certified Qualified Elevator Inspector ASME approved.

General Services Administration, Camden Federal Courthouse Complex, Camden, New Jersey, Productivity/Quality Control Manager

Assigned to GSA on the Camden Federal Courthouse Complex, name oversaw several Federal Courthouses in the tri-state area for preventive maintenance and manpower productivity. He conducted regular on-site inspection of operating equipment; contractors; supplies; and customer satisfaction. He provided estimates and recommendations to improve the quality of services to the facilities.

Central Utility Plant, Healthcare and Finance Administration Complex, Woodlawn, Maryland, Mechanical Inspector

As Mechanical Inspector, name was assigned to GSA to inspect the facilities' maintenance contractor for its responsibility of maintaining building comfort and customer satisfaction. He reported to GSA with quality control reports and recommendations for improvements to building comfort and customer satisfaction. The Central Utility Plant contained two 400 ton screw type chillers with various pumps and valves; three 300 ton screw type chillers; ice storage tank with various heat exchangers; two hot water boilers (gas fired and/or fuel oil); underground fuel oil storage tanks; and 13,000KW emergency diesel power plant UPS plus Rider 14 program.

Baltimore-Washington International (BWI) Airport, Maryland, Mechanical Inspector/Project Coordinator

As Mechanical Inspector, name provided inspection of various contractors throughout the airport for completeness of work and quality. He completed daily inspection reports, corrective action reports, and reviewed blue prints. He also served as Assistant Project Coordinator to control various projects in progress at BWI. He prepared weekly briefings for the client featuring digital/video photographs of the various construction sites. He inspected the installation of the new Baggage Handling Systems and assisted with the inspection of the upgrade to HVAC systems at the Central Utility Plant.

name of individual

Civil, Structural, Architectural Inspector

name has over 37 years of construction experience. He has held various positions including Project Manager, Survey Party Chief, and General Construction Inspector on projects such as museums, government office buildings, U.S. postal facilities, educational facilities, transportation, and residential facilities.

General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Quality Assurance Inspector

The project is modernization of approximately 565,000 GSF and includes a total refurbishment of interior and exterior finishes and upgrade of all building systems. When completed, the building will meet GSA Class A status, have a LEED Gold Rating, and maintain its status on the National Register of Historic Buildings in Washington, DC. The \$185 million program involves design, procurement, and commissioning and construction management services phased over five years. **name** serves as General Quality Assurance Inspector providing construction coordination with building management, architectural punch list inspections / daily reports, fire alarm construction coordination, and tenant swing-space liaison.

General Services Administration (GSA), The Federal Research Center at White Oak Campus, Silver Spring, MD

The Federal Research Center-White Oak Campus, Silver Spring, Maryland, consists of approximately 2 million SF of laboratory and office spaces. The campus facilities are operated and maintained by General Services Administration (GSA)-Metropolitan Service Center (MSC) and support the Food and Drug Administration (FDA) operations. Hill is providing commissioning and project closeout services at the White Oak facility. As Project Manager, **name** was responsible for providing Hill services.

Smithsonian Institution, IDIQ Contract, Washington, DC

Hill was awarded multiple IDIQ Contracts for the Smithsonian Institution. Services include preparing construction management, contract administration, resident engineering, quality assurance inspection and surveillance, cost estimating, scheduling, review of contractor monthly payment requests, design, constructibility and biddability reviews, change order analysis, negotiation support, field office support and technical analysis of claims and delay impacts.

For 11 years, **name** worked on Hill's Smithsonian IDIQ contract as a Construction Manager. His work on the Smithsonian contract dealt with all of the intricacies of major renovation work within an open museum. His responsibilities included change order processing, field and daily reports,

Education

Coursework, Business, Old Dominion University, 1970-1973

Certificate, OSHA 10-Hour Safety Training

Certificate, OSHA 30-Hour Construction Safety Standards

Professional Memberships

Construction Management Association of America (CMAA)

Awards/Honors

"Employee of the Month," Hill International, (1997)

"Work on Host Marriott Contract at Hartsfield International Airport," Hill International Special Recognition Award

Certificate of Appreciation from Smithsonian Institution, "America on the Move," Exhibit at the National Museum of American History (2003)



name

construction coordination, inspection of artifact protection, photography, safety inspections, RFI processing, monitoring the schedule, and final inspection punch list. Selected projects include:

- **National Air & Space Museum, Washington, DC.** name served as a General Construction Inspector on the National Air & Space Museum Skylight and Window Wall Replacement Project. His responsibilities included daily and field reports, safety inspections, construction coordination, final inspection punch list, inspection of artifact protection, RFI notations on contract documents, construction schedule monitoring, general daily inspections, photography, review of general contractor's daily reports, and notices to comply.
- **National Museum of Natural History, East Court Infill, Washington, DC.** name served as Construction Inspector under Hill's contract to provide construction management services for the construction of a new 7-story structure within the East Court of the historic museum. The project involved extensive mechanical, electrical and fire protection work.

Prior Experience

Franklin Court, Washington, DC

Inspector for 212,000 SF within various areas to house the U.S. Department of Agriculture, the U.S. Forest Service, and the National Labor Relations Board.

U.S. Department of Defense, Washington, DC

Inspected 1.5 million SF of Federal office space at seven different locations in Maryland, Virginia, and the District of Columbia.

Office of Personnel Management, Architect Building, Arlington, VA

Inspector for this 75,000 SF Federal facility.

Government Accounting Office, 1120 Vermont Avenue, Washington, DC

Responsible for inspection for this 8,000 SF project.

National Science Foundation, Stafford Place, Washington, DC

Inspector for 455,000 SF office building.

U.S. Environmental Protection Agency, Waterside Mall, Washington, DC

Inspector for this 1,665,000 SF facility.

Drug Enforcement Agency, Hunter Building and Fillmore Building, MacLean, VA

Inspector for this 12,000 SF facility.

Department of Veterans Affairs, 1800 G Street, Washington, DC

Provided inspection of this 150,000 SF facility.

Internal Revenue Service, 1401 Wilson Boulevard, Arlington, VA

Provided inspection of this 22,310 SF office.



name of individual PE, PSP

Risk and Claims Analyst

name has over 25 years of experience in claims management and construction project management. Mr. Stewart's claims experience includes expert testimony, claim preparation, claim defense, schedule delay analysis, and technical and contract issue analysis in various sectors of the construction industry and in various forums of litigation and dispute resolution. Mr. **name** is a Professional Engineer and an experienced attorney with in-house legal experience at major engineering and construction companies.

General Services Administration (GSA), Lafayette Building Modernization, Washington, DC, Risk and Claims Analyst

name took part in a study undertaken to determine the feasibility of accelerating the work on the renovation of this building, which is to remain partially occupied during the construction period. The study evaluated whether the building could accommodate the Presidential Transition Team in 2012 if the construction was accelerated by applying increased manpower, shift work, and implementing changes in construction sequencing.

Architect of the Capitol (AOC), U.S. Supreme Court Building Modernization, Washington, DC, Construction Executive

name supported the Construction Management team for this Federal building modernization project, including a period as Construction Executive. He identified risk, evaluated pending claim issues and potential claim issues, and participated in the negotiation process. Issues included delays, differing site conditions, access to the work, and other technical issues.

Smithsonian Institution, National Portrait Gallery, National Museum of American Art, Washington, DC, Claims Analyst

This historic Old Patent Office Building was built in 1836, and is now the home of the Smithsonian Institution's National Portrait Gallery, National Museum of American Art. **name** performed evaluations of the contractor's loss of productivity claims and other contract claim issues on this renovation project. Other claims included technical issues regarding the requirements of the original contract design. Hill presented its findings to the Smithsonian, which the Smithsonian used to reach a settlement with the contractor.

Smithsonian Institution, National Museum of American History Renovation, Washington, DC, Delay Analyst

Hill performed a schedule delay analysis, and Mr. Stewart evaluated contract issues on this renovation project known as the Public Space Renewal Project. The design-build contractor was seeking additional compensation for project delay and alleged scope increases. Scope items in dispute also involved

Education:

J.D., Law, Rutgers University School of Law, Camden, 1990
B.S.C.E., Civil Engineering, Drexel University, 1986

Registrations:

Professional Engineer, Pennsylvania
Planning and Scheduling Professional
Pennsylvania Bar
New Jersey Bar
United States Court of Federal Claims
District of Columbia Bar

Professional Memberships:

Pennsylvania Institute of Certified Public Accountants
American Bar Association
United States Court of Federal Claims Bar Association
Association for the Advancement of Cost Engineering International



name PE, PSP

various technical issues. Hill presented its findings on schedule delay analysis and contract claim issues to the Smithsonian, which used Hill's findings in negotiations with the contractor.

U.S. Army Corps of Engineers, Kelly Miller Middle School, Washington, DC, Delay Analyst

name evaluated the delay claims from the general contractor on this middle school project. Hill was engaged by the USACE, which managed the project for the District of Columbia. There were inadequate project schedule updates to use for a detailed schedule delay analysis. Hill prepared an as-built schedule using earned value reports from the contractor's progress payment applications. The USACE utilized the findings of Hill's independent delay analysis to negotiate a settlement with the contractor.

General Services Administration (GSA), Interstate Commerce Commission, Connecting Wing, and U.S. Customs Service (ICC/CW/USCS) Building Renovations, Washington, DC, Claims Analyst

Hill, working on behalf of the U.S. General Services Administration, performed analyses and submitted expert reports regarding schedule delays and cost issues. **name** served as Hill's Project Director for the claim review and evaluation assignment. Hill provided support and an expert presentation at a Neutral Case evaluation before a General Services Board of Contract Appeals (GSBCA) judge. This matter was settled before the GSBCA hearing.

General Services Administration (GSA), New U.S. Courthouse, Rockford, IL, Risk Analyst

name provides Risk Management services on this new courthouse project in Rockford, Illinois. He periodically leads group meetings involving participation of all project entities in order to identify risk issues and prepare risk avoidance and mitigation strategies. Mr. Stewart assisted in the preparation of the Risk Management Plan and plan status updates. He is also involved in the periodic review and evaluation of the project schedule.

Offeror's Experience

Founded in 1976, Hill is a leading international construction consulting firm that provides program and project management, construction management, cost engineering and estimating, quality assurance, inspection, scheduling, claims analysis, innovative dispute resolution, and staff augmentation services to clients involved in major construction projects worldwide. Hill has the expertise and experience to manage major projects from concept to successful completion. We have successfully managed more than 5,000 projects with a total construction value over \$250 billion, and we are the largest pure construction management firm in the country.

Hill offers a comprehensive range of project management, construction claims, and consulting services.

Our construction/project management approach is based on extensive consulting assignments and claims experience, giving us a unique and in-depth understanding of what can go wrong on a project. We use this knowledge to identify potential trouble spots before they develop into problems, and recommend or initiate preventive action through strategic planning and controls. As Project/Construction Manager or Owner's Representatives, Hill has managed all phases of the construction process from pre-design through completion, including cost/budget controls, scheduling, estimating, expediting, contract administration, inspections, and control of contractors and suppliers.

Federal Experience

Hill brings a unique perspective to each and every project which clearly differentiates us from the competition. Hill was the first Construction Management firm selected by the U.S. Army Corps of Engineers (USACE) to support their program and we are proud to have been repeatedly selected by Corps and other Federal agencies to provide that support.

Depth of experience with government agencies, having successfully provided timely, quality services on more than 3,500 individual projects.

Hill has extensive experience with government agencies, having successfully provided timely, quality services on more than 3,500 individual task orders. Over half of our business is derived from helping public sector agencies manage implementation of their complex development, capital, and assistance programs. This experience encompasses more than three decades of providing similar services to such Federal clients as:

- Federal Reserve Bank
- General Services Administration
- U.S. Department of Energy
- U.S. Army Corps of Engineers
- U.S. Department of State
- U.S. Department of Transportation
- Federal Transit Administration
- U.S. Department of Defense
- Architect of the Capitol
- Smithsonian Institution
- National Park Service
- National Institutes of Health
- National Institute of Allergy and Infectious Diseases
- Federal Bureau of Prisons
- U.S. Postal Service



We have worked with regional Federal Reserve Banks in Minneapolis and Atlanta, most recently performing estimating services for branch offices in New Orleans, Miami, and Birmingham.

Experience with Renovation and New Construction Projects

Modernizing a building of any size can be a difficult process, and modernizing a large, 500,000+ SF federal building presents many challenges. However, Hill's project management experience encompasses not only large-scale renovations maintaining operational infrastructure systems, but projects that also involved renovations around renowned works of art, in historic buildings, under the highest possible security conditions, and in facilities largely open to the public at large. For the Martin Renovation, we will apply the lessons learned from all of our high-profile modernization projects to help ensure the work is delivered safely, on-time, and within budget. Relevant examples of our renovation projects include:

Lafayette Building Modernization, Washington, DC: An ongoing project, the occupied 565,000 GSF Lafayette Building will be fully renovated in multiple phases to support a 50% occupancy rate throughout the construction duration. Current building tenants, the U.S. Department of Veterans Affairs (VA) and the Export-Import Bank (EXIM), intend to remain partially occupied in dedicated swing space throughout the renovation phases and fully re-occupy renovated building spaces upon completion of the construction.



*Lafayette Building
Washington, DC*

Smithsonian Institution's National Museum of Natural History, Washington, DC: Hill served as the prime construction manager for the renovation, restoration and construction of the National Museum of Natural History. The 1.2 million SF facility contains 700,000 SF of office space, 300,000 SF of public exhibit space and 200,000 SF of collection and artifact storage. All mechanical, electrical and plumbing systems were upgraded and all installations occurred without disrupting day-to-day operations and visitor tours.



*National Museum of Natural History
Washington, DC*

To seamlessly integrate the new visitors and conferencing center and the existing Martin Building, the Board will need a Construction Administration firm with renovation and new construction experience on similar projects. We have successfully performed similar tasks on:

U.S. Supreme Court Building Modernization, Washington, DC: Hill provided construction management services to the Architect of the Capitol for a \$122 million modernization of the 335,000 SF Supreme Court building and construction of a new, 42,000 SF underground annex. The Modernization of the U.S. Supreme Court Building is the first significant renovation of the Supreme Court building since its original construction in 1935. The work has progressed in five phases, all of which Hill has managed.

Experience with and Ability to Deliver LEED Gold, Platinum Projects

Hill encourages our clients to view sustainability as an inherent and pervasive component of the building process. We have considerable experience with LEED-certified buildings and are prepared to facilitate a process that will make certain that any goals for LEED Certification are achieved. With an extensive background in U.S. Green Building Council (USGBC) principles, Hill professionals effectively utilize LEED benchmark processes, taking an integrated approach to sustainable projects. Relevant examples of our LEED certified projects include:

NASA New Town Administrative Office Building 1 (AOB1), Hampton, VA, LEED Platinum Certified: Hill's project team is completing construction management services on the first building in this program. AOB1 is a 74,000 SF, three-story class "A" office building. Many energy saving design elements such as a ground source heating and cooling, a green roof, and extensive use of natural daylighting contributed to the LEED Platinum certification.



NASA New Town AOB1
Hampton, VA

Comcast Center, Philadelphia, PA, LEED Gold Core & Shell Certification: Hill provided project management services on the Comcast Center, the tallest LEED-certified building in the U.S. The Comcast Center's sustainable features include responsible urban planning, limited hardscape surfaces exposed to the sun to reduce heat island effect, electric car charging stations, extensive water-saving measures, and utilization of a low-e glass curtain wall that blocks 60% of the heat from the sun while allowing 70% of the sun's visible light to be transmitted into the spaces.



Comcast Center
Philadelphia, PA

FF&E and Move Management Coordination Experience

Critical to the success of the project is the management of FF&E and other functions in order to quickly and efficiently move tenants into the Martin Building. The Board will need help procuring and overseeing contractors to transition quickly and successfully. Hill has extensive experience assisting clients with planning, budgeting, procuring and managing these services in order to easily orchestrate a large move.

Minimal Disruption: One of our top priorities for the project is to minimize disruptions to the Martin Building's future tenants. Sensitivity to this mission is accomplished with a strong communication plan. Hill's Construction Administrator will maintain team communication protocols throughout the contract. Scheduled briefings typically include standard project reporting metrics such as schedule, cost, and quality report summaries, as well as look-ahead schedules.



U.S. Supreme Court Building
Washington, DC

U.S. Supreme Court Building Modernization, Washington, DC: Hill completed construction while the Court remained occupied, fully operational, and open to the public for tours. This arrangement required a

series of relocations and office moves, including the use of swing space for Court personnel. Work on the justices' chambers, the main courtroom, conference rooms, and other offices was tightly scheduled. Hill worked with the Architect of the Capitol, the contractor, and the Supreme Court to minimize conflicts and maximize effort. Efforts resulted in a smooth transition for the owner.

Construction Around Critical Operating MEP Infrastructure

One of the most challenging aspects of a renovation project is implementing construction and planning around existing MEP infrastructure systems. Hill has relevant experience renovating buildings while avoiding interruption to these operational and critical infrastructure systems. We have managed similar challenges at the Lafayette Building Modernization and U.S. Capitol Power Plant projects and can guide the Board through this undertaking with the Martin and Eccles Buildings.

Lafayette Building Modernization, Washington, DC: The Lafayette Building has two below-grade floors that will accommodate underground parking and mechanical and electrical systems infrastructure. Hill is managing upgrades to mechanical, electrical, and plumbing and life safety systems throughout the building, including new chillers, variable speed HVAC equipment, 750 KW diesel emergency generator, addressable, "smart" switchgear and energy-efficient lighting. Systems will remain operational to support adjacent occupied buildings during construction.



Lafayette Building
Washington, DC

U.S. Capitol Power Plant, Washington, DC: The \$110 million program featured projects that upgraded and renovated the U.S. Capital Power Plant Campus. The upgrades included new coal handling, fuel storage and chilled water plant facilities; replacement steam plant systems; a 750KW emergency generator system; major utility relocations and underground tunnels. Hill coordinated phased, multi-project construction schedules around the 24-hour operations of the U.S. Capitol Power Plant; as well as the functioning administrative buildings and adjacent residential communities.

Coordination with Independent Commissioning Authority

Hill will work to make the Board's Commissioning Authority a part of the team and a major stakeholder in the project. The Commissioning Authority will present their requirements for the project, and Hill will work with the team to refine the construction plan and schedule accordingly. Hill will administer the Commissioning contract and assist the Board in managing and overseeing the commissioning process. We make sure commissioning meetings are happening in the appropriate phase of the project and note and correct any deficiencies before final completion of the project. We have performed these services on numerous projects and can bring our lessons learned to the Board. Projects include:

U.S. Supreme Court Building Modernization, Washington, DC: Hill manages all aspects of commissioning from pre-commissioning planning to final inspection and end-user training. We worked extensively with the

AOC's commissioning agent and helped establish the primary commissioning factors including proactive commissioning planning, pre-commissioning testing, functional performance tests, owner training, and final commissioning acceptance. Hill engaged early and aggressively in the commissioning process, getting the contractor's commissioning plan approved and the entire team to focus on commissioning related requirements well in advance of the acceptance phase. We resolved many issues before they impacted the project.

U.S. Capitol Power Plant, Washington, DC: Hill facilitated a comprehensive commissioning program through all of the project phases. The commissioning validated over 2,000 building system control points, 20% energy efficiency improvements, stringent system performance criteria, and facility operations and maintenance training. Hill utilized third-party consultants to oversee commissioning.



*U.S. Capitol Power Plant
Washington, DC*

Project Experience Matrix			Experience with Similar Project Characteristics																									
Similar Project	Client	Location	Square Footage	Planning	Marketing, Business, Reporting	LEED Management	Program Performance/Accountability Review	Scheduling	Estimating	Procurement	Value Engineering	Prevention	Construction Coordination, Scheduling	Site Safety	Quality Control	Testing, Inspection, Start-up	Final Acceptance	Master Schedule, CM, PM, Final Inspection	Project Close-out, Hand-off, CM, Final Inspection	Comprehensive Building Knowledge, Construction	LEED Certification	Energy Efficiency Systems	Blue-prints, Prefabrication, Building Security	Confidentiality, Water Testing, Laundry Spas	Controlled Access Entry	Phase Construction, Testing Spas	Construction record Operations/Physical Plant	Construction record IT/ Mobile Critical Facilities
LeFayette Building	General Services Administration	Washington, DC	340,000 SF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
U.S. Supreme Court Building Modernization	Architect of the Capitol	Washington, DC	37,000 SF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
NASA New Town Administrative Office Building 1	General Services Administration	Norfolk, VA	74,000 SF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Department of Employment Services Headquarters	D.C. Department of Public Safety Services	Washington, DC	230,000 SF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Headquarters 1 Renovations	Insurrectional Monetary Fund	Washington, DC	1,700,000 SF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
U.S. Capitol Power Plant	Architect of the Capitol	Washington, DC	614	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
National Museum of Natural History	Smithsonian Institution	Washington, DC	1,200,000 SF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
National Air and Space Museum	Smithsonian Institution	Washington, DC	1,000,000 SF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Compton Information Program	National Institute of Health	Baltimore, MD	200,000 GFA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Comcast Center	Liberty Property Trust	Philadelphia, PA	1,100,000 SF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



Lafayette Building

Washington, DC



✓	Renovations in Occupied Facility
✓	Historic Preservation Requirements
✓	Phased Construction
✓	Sustainable Design - LEED Gold Certification
✓	High Visibility
✓	High Visibility Building Tenants, including a Black
✓	Full Building Commissioning - Focus on Energy Efficiency
✓	Blast-Resistant Windows & Ballistic Protections

Client:
General Services Administration

Service:
Construction Management

Total Project Value:
\$185 Million

Completion Date:
2016

Green Design:
LEED Gold Planned

Hill is providing prime construction management services during the design, procurement, construction, commissioning, occupancy, and post construction phases for the \$185 million modernization of the historic Lafayette Building in Washington, DC, located on Vermont Avenue, NW, near the White House. The 565,000 SF building will be fully renovated in multiple phases to support a 50% occupancy rate throughout the duration of construction. It consists of 12 above-ground floors of Class-A office space and amenities for multiple tenants, and two below-grade floors that will accommodate underground parking and mechanical and electrical systems infrastructure. The modernization is designed to help the landmark building achieve a LEED Gold rating from the U.S. Green Building Council. The Lafayette Building will maintain its prestigious status on the National Register of Historic Places, and help the building comply with the GSA's stringent medium-level security requirements.

The significant project scope includes:

- Historic preservation of exterior façade and windows, as well as select interior lobbies, restrooms, and corridors.

Lafayette Building

- Sustainable energy and energy conservation features including solar hot water, photovoltaic, heat recovery and "free cooling," rain water harvesting systems, a vegetative roof, waterless urinals, low emission glazing, day light harvesting, and hazardous material remediation
- GSA standard medium-level security features, including perimeter barriers, blast and ballistic windows, select hardening as well as security cameras, intrusion detection, and card reader magnetometers
- Upgrades to mechanical, electrical, plumbing, IT/data, and life safety systems throughout the building. This includes new chillers, variable speed HVAC equipment, a 750 KW diesel emergency generator, addressable, "smart" switchgear, energy-efficient lighting, and fully addressable fire alarm
- Site upgrades featuring new PEPCO and WASA utility services
- High-end architectural features, including plaster moldings, marble veneer walls, and custom ceiling systems
- Building amenity spaces including health unit, locker rooms, cafe and new visitor screening building entrance

Quality of Product or Services

Hill has successfully managed the completion of the design phase, construction contract and FF&E procurement phases, and partial construction phase. There have been no quality problems. Hill's delivery approach includes the following professional services:

LEED Support

- Conducted a comprehensive energy study, utilizing our design and commissioning consultants and collaborating with the A/E to identify practical high performance green building initiatives. The project exceeded GSA's sustainable design goal, and is eligible for LEED Gold certification.
- Conducted the LEED kick-off meeting and are verifying compliance with GSA standards for sustainable design, energy codes and government energy mandates, constructability, and phasing.
- Implementing full building commissioning, starting at concept design phases and planned through occupancy and post construction.

Project Controls

- Established schedule, cost controls, and quality assurance plans. We managed overall master schedule, including details to support the construction procurement process and the multiple construction phases to support an occupied and fully functioning facility.
- Prepares all independent cost estimates including cost analyses to support proposed LEED credits and tenant programming requests.



Design Support

- Provided exhaustive planning necessary to address project phasing, building tenant coordination, high performance green initiatives, historic preservation, and permit and regulatory requirements.
- Conducted successful design reviews at design submission intervals of 35%, 75%, 95% and 100% construction documents.
- Conducted comprehensive constructability reviews which confirmed historic preservation, security, and occupied building constraints.
- Conducted studies to determine the construction sequence best suited for the building occupant functions and operational systems.

FF&E Management

- Managed tenant program of requirements, including procurement strategies for swing space and permanent occupancies, as well as furniture and IT/data systems to support a 500+ person organization.
- Managing contracts currently to support furniture, IT/data, and move services simultaneously with our management of the construction contract.

Timeliness of Performance

Hill managed the on-time completion of the design and construction contract procurement, which included completing milestones for concept, design development, and construction documents, as well as national regulatory design review approvals. Upon receiving American Recovery and Reinvestment Act (ARRA) funding, the project design was amended to incorporate high performance green building initiatives. Hill successfully set up the amended design milestones, managing its completion to ensure construction procurement contracts in advance of the ARRA funding deadlines.

The construction contract is currently on schedule and we have met all contract requirements including those for FF&E. The client has accelerated certain features of work and we continue to meet or exceed mandated timelines. One of the critical milestones achieved was the successful construction of the Export-Import Bank's new data center.

Cost Control

Hill is performing all routine contract administration functions, including monthly reconciliation with GSA accounting for all expenditures and allocations. Hill conducted comprehensive and independent government estimates for each design submission. Reconciliation between the A/E and CM independent estimates resulted in a 7% variance and projected costs under the project budget by 10%. Cost analyses confirmed increased green and energy efficient design features, and were used to support GSA's LEED Gold certification objectives. Hill's cost control approaches are currently saving GSA upwards of \$1 million.



Lafayette Building

Current negotiations for the construction phase have resulted in cost settlements that are 60% of the contractors proposed price.

Business Relations

Hill provided liaison support with multiple stakeholders, including the Lafayette Building tenants, the U.S. Veterans Administration and the Export-Import Bank. To understand individual tenant requirements, we initiated and facilitated partnering workshops with multiple project stakeholders.

Hill also worked with local and national regulatory compliance entities. We monitored Federal and district compliance and approvals, including approvals from the National Capital Planning Commission, the U.S. Commission on Fine Arts, and the State Historic Preservation Office. Permit requirements were identified, requiring Hill's expertise and coordination with DC regulatory agencies and third-party utilities, including Department of Transportation, Water and Sewer Authority, Potomac Electric Power Company, and Washington Gas.

Customer Satisfaction

Hill has established team liaisons with GSA's organization, and serves as a trusted representative to the GSA's Project Management team. Hill routinely assisted GSA with executive planning, including congressional level audits to justify the Lafayette project for ARRA funds, making the project viable for completion.

On behalf of the Lafayette Modernization team, it is with great pleasure that I commend Hill for its professional services during the design and construction procurement phases which are in keeping with the high standards of the construction management industry.

Alison Dressee, BA, Project Manager, General Services Administration



U.S. Supreme Court Building Modernization

Washington, DC



✓	Renovations in Occupied Facility
✓	Historic Building Renovation
✓	High Visibility
✓	Secure Spaces
✓	Multi-Phase Construction
✓	Congressional Oversight of Budget
✓	Full Commissioning Process
✓	Blast-resistant Windows
✓	Building's Systems online 24/7
✓	Third Party FF&E

Client:
Architect of the Capitol

Service:
Construction Management

Total Project Value:
\$122 Million

Completion Date:
2011

Hill provided construction management services to the Architect of the Capitol for a five-phase, \$122 million modernization of the 335,000 SF Supreme Court building, and construction of a new, 42,000 SF underground annex. This is the first significant renovation of the Supreme Court building since its original construction in 1935.

Project scope included an entirely new mechanical system complete with four new mechanical rooms; a new direct digital control (DDC) system; new electrical switchgear, back-up generators, distribution panels, and branch wiring; replacement of historic bronze light fixtures and a new dimming system; refurbishment or replacement of historic clocks and a new clock system; new fire sprinklers, including custom installations in ornate plaster ceilings in the courtroom, upper and lower great halls, library, and conference rooms; a new fire alarm system; new blast and ballistic rated bronze windows; extensive asbestos and lead abatement; rehabilitation of plaster, marble, and terrazzo finishes; custom woodwork; historic bronze gate renovations; structural reinforcement with new steel and concrete construction; and conventional architectural finishes.



Quality of Product or Services

Hill provided the full range of construction management services while the Court remained occupied, fully operational, and open to the public for tours. In particular, Hill:

Document Control

- Provided procurement phase services including coordinating technical responses to bidder inquiries, managed accuracy of drawings and specifications, and operated a secure bid room. All documents were closely protected to assure procurement integrity was maintained.
- Created and continued to operate a custom, secure, stand-alone Prolog site to track RFIs, submittals, correspondence, and meeting minutes, as well as a secure, networked file server, which gives the project team and AOC immediate access to digital copies of all project records.

Quality Control / Quality Assurance

- Oversaw all elements of project quality through a robust quality assurance program. Convened preparatory meetings before major work evolutions; verified project requirements were understood and that all necessary submittals were approved ahead of time; directly observed work in the field; observed or obtained third-party testing when required; and documented all findings and any discrepancies.
- Managed all aspects of the project to achieve the highest levels of quality attainable, including over 10,000 progress photos to support discrepancies, Notices to Comply, and punchlist items.

Liaison and Coordination Support

- Coordinated over 100 utility outages to replace or install 23 new air handling units, two main banks of electrical switchgear, and mechanical, fire sprinkler, and plumbing system piping. Systems were each cut over, tested, and commissioned without a hitch.
- Developed and implemented a first-of-its-kind full construction security plan that was recognized as the most cost-effective, unobtrusive, yet effective plan on Capitol Hill.

FF&E Management

- Integrated construction phase work with numerous third-party FF&E, including installation of carpet, laundry equipment, high-density filing systems, systems furniture, window blinds, IT/AV, and building security systems. Hill worked closely with Court telecom personnel to "make safe" all voice and data systems prior to phase initiation and demolition. Upon phase completion, we meticulously inspected system functionality to enable "plug-and-play" operation after move-in.

Timeliness of Performance

Upon removal of the ceilings it was found that the amount of asbestos was roughly four times greater than anticipated by the contract and many above ceiling obstructions were not reflected in the drawings. Hill worked closely with the contractor to have the ceiling area surveyed after removal and prior to fabrication of ductwork, to ensure coordination of the ductwork shop drawings with the existing above ceiling

U.S. Supreme Court Building Modernization

conditions. This delayed the commencement of ductwork fabrication but avoided the delay and added cost of incorrect fabrication and refabrication, resulting in a much improved schedule for the following phases of the project. Hill's agile response to unforeseeable conditions helped improve the project schedule.

Additionally, Hill was able to closely schedule operations to minimize disruptions to the client, and building tenants—such as the Supreme Court Justices. This arrangement required a series of relocations and office moves throughout the project, including the use of swing space for Court personnel. Work on the Justices' chambers, the main courtroom, conference rooms, and other offices was tightly scheduled.

Cost Control

Hill coordinated all project administration functions including updating contract drawings and processing invoices within three days. In addition, we managed change orders from initial identification and notification to successful resolution. We analyzed contractor proposals for entitlement and reasonableness; prepared independent government estimates; resolved scope discrepancies; lead and documented negotiations; and prepared signature-ready supplemental agreement packages for the contracting officer.

Faced with an average of 1.1 change orders per day, Hill created a custom, networked Access database especially for this project to manage and streamline the change order process. Through careful entitlement reviews we rejected over \$1 million in requests for work already required by the contract. So far, Hill has prepared 865 supplemental agreements, representing a change order rate of over 16% of the contract value.

Hill also assisted the AOC with claims resolution, claims avoidance, dispute resolution, preparation of appeal files, discovery support, and expert testimony. Hill defended AOC against more than 20 claims worth \$21 million, preparing Contracting Officer's Final Decisions, Rule 4 files, interrogatory responses, and other discovery and litigation-related documentation. Disputes were resolved whenever possible, but Hill also prepared Contracting Officer Final Decisions in cases where negotiation was not justified. We facilitated bi-weekly meetings with AOC Counsel and AOC Procurement, keeping records of decisions reached and spearheading a coordinated defense on behalf of AOC.

Business Relations

Hill established and maintained strong working relations that supported the Supreme Court's project goals and objectives. We interacted with project stakeholders at all levels, up to and including the Architect of the Capitol and Justices of the Supreme Court. Specifically, we:

- Fostered teamwork throughout the project team by leading and documenting weekly progress, scheduling, coordination, and issue resolution meetings. All meetings focused on current and upcoming work with the goal of resolving issues before they became problems.
- Scheduled and coordinated project partnering sessions as a proactive means of preventing disputes.

U.S. Supreme Court Building Modernization

- Resolved major issues that could have delayed the project. For example, when subcontractor performance outpaced the prime's coordination drawings, field conflicts began to hamper the project and led to disputes. Hill recognized the problem and moved quickly to correct it, convening specific purpose drawing coordination meetings that brought subcontractors around the table with the prime, design engineers, and owner's representative to review and approve reasonable solutions.

Customer Satisfaction

The project is benefiting from the ownership posture you take in resolving difficult contract and technical issues. Your insistence for excellence on project deliverables is appreciated by me, the Court and the AOC's project management team.

Alan M. Hantman, FMA, Former Architect of the Capitol

NASA New Town Administrative Office Building 1

Hampton, VA



✓	High Visibility
✓	Class "A" Office Bldg
✓	New Construction
✓	LEED Platinum Certification - Sustainable Design Features
✓	Enhanced Commissioning
✓	Design Excellence Program
✓	Intense Budget Scrutiny

Client:
United States General Services Administration

Service:
Construction Management

Total Project Value:
\$217 Million - Program
\$26.1 Million - AOB1

Completion Date:
2017 - Program
2011 - AOB1

Awards:
"Best Green Building of 2011", ENR Southeast Magazine

Green Design:
LEED Certification planned
AOB1: Platinum-rated

The National Aeronautics and Space Administration (NASA) has embarked upon a 15-year facility modernization program at its Langley Research Center (LaRC) in Hampton, Virginia. The U.S. General Services Administration (GSA) and NASA are jointly managing the implementation of this endeavor, known as New Town, which has a total estimated cost of construction at award of just under \$200 million. The program scope includes the design and construction of six new buildings and renovation of two existing buildings.

The first building, Administrative Office Building One (AOB1), is a 74,000 SF, three-story Class "A" office building that houses the Center Director as well as other key staff and departments. The building is sited prominently just inside the main gate of the center. Among its notable design features, the AOB1 project includes a dynamic parallelogram shape that "leans forward" towards outer space, a three-story interior atrium "feature wall" with artifacts on display depicting NASA LaRC's rich history, and glass-enclosed conference rooms with commanding views of the center.

Quality of Product or Services

Hill provided full construction management services and there were no quality problems. Services included project, quality, schedule, cost, safety management, and contract administration. In particular, Hill:

LEED Support

This project surpassed the minimum requirement of LEED Silver by exploring and fostering ideas leading to LEED Platinum. Early during the bridging design phase, the project team raised the bar by making sustainability a key design and construction objective. The design



NASA New Town Administrative Office Building I

incorporates many sustainable design and energy conservation features. The more significant strategies pursued for this project include:

- Day-lighting as well as sun control devices and light shelves
- An extensive green roof
- Energy efficient ground source heating and cooling for the HVAC system (a first for NASA)
- Low flow toilets and valves at showers and lavatories
- No irrigation systems throughout
- Lighting controls, increased ventilation, and underfloor air distribution
- Recycled content, locally sourced material, and no formaldehyde and VOCs in the interior
- Outdoor air delivery monitoring, chemical and pollutant source control, and construction indoor air quality management plans.
- Reduction in overall impervious cover and total parking on site
- Significant open spaces, native plantings, and bio-swale
- Enhanced Commissioning including Hill's third-party commissioning services.

Document Control

- Provided procurement phase services including coordinating technical responses to bidder inquiries and participating on source selection evaluation boards. All documents were closely protected to assure procurement integrity was maintained.
- Maintained the program and project ePM system, used to track RFIs, submittals, correspondence, and meeting minutes. Also kept on site a secure, networked file server, containing digital copies of all project records. Field-use of tablet PCs was implemented to enable access to design drawings and specifications at our inspectors' fingertips.

Quality Assurance/Quality Control

- Oversaw all elements of project quality through a robust quality assurance program. Convened preparatory meetings before major work evolutions; verified that project requirements were understood and that all necessary submittals were approved ahead of time; directly observed work in the field; observed or obtained third-party testing when required; and documented all findings and any discrepancies.
- Managed all aspects of commissioning, from pre-commissioning planning to final inspection and end-user training.

Timeliness of Performance

Overall the project was completed on time Throughout the life of the project, Hill maintained a Master Schedule that included not only the significant milestones for this project, but also those of the other projects that comprised the New Town Program. This programmatic view helped NASA and GSA coordinate timing

NASA New Town Administrative Office building 1

of project approval submissions, funding requests, and procurement plans, as well as manage occupancy moves and demolition plans for other buildings. At the beginning of the bridging design phase, Hill refined the project Master Schedule and reviewed with the project team during each bi-weekly status meeting.

When severe weather delayed the start of steel erection, the contractor quickly caught up to remain on schedule. Other setbacks along the way were treated similarly, with weekend work and re-sequencing employed to stay on schedule. As a result of the continual focus, no critical deadlines were missed.

Cost Control

Given exceptionally tight budgets, NASA had an intense interest in managing all project expenditures and obligations. Hill responded by providing detailed budget reports, earned value reports, and monthly estimate-at-completion forecasts. Each change order negotiated included open and continual dialogue with NASA to closely manage the limited project contingency funds. Hill managed change orders from initial identification and notification to successful resolution. Analyzed contractor proposals for entitlement and reasonableness; prepared independent government estimates; resolved scope discrepancies; lead and documented negotiations; and prepared supplemental agreement packages for the contracting officer. Through Hill's actions, we ensured that every dollar was spent wisely and appropriately. There were no claims on this project.

Business Relations

To ensure no scope gaps existed, Hill helped the project team complete a scope differentiation matrix that laid out end-to-end responsibility for everything from workstation data outlets to building signage and furnishings. This exercise ensured all bases were covered and there were no surprises (e.g. missing security system pathways). In addition to the positive relationships among all team members, Hill's on-site PM established and maintained a strong working relationship with the contractor's on-site PM. This relationship, marked by fair, reasonable, upfront, and honest communication, set the example for others on the team at all levels and, ultimately, resolved many issues that could easily have escalated to GSA and/or NASA for resolution. Thus, there were no claims on this project.

Customer Satisfaction

The AOB1 project won "Best Green Building of 2011" from ENR Southeast Magazine, a testament to the success of the project.

NASA is very happy to have reached the substantial completion date for our first building in the New Town Program, the NASA Langley Headquarters Building. This is our first new office facility built in over 35 years. The building is modern, efficient, and "green", resulting in a high-Gold LEED submission to the US Green Building Council. Hill International has been one of the key partners in planning and executing the program plan to make this project a success. Hill provided outstanding construction management and quality assurance functions through the planning, procurement, design, and construction phases. Thank you for a job well done.

Tom Queenville, New Town Program Manager, NASA



NASA New Town Administrative Office Building 1

I speak for our entire GSA and NASA Team in expressing our immense satisfaction with the leadership, partnering spirit, dedication and quality-of-work that you have exhibited this past year.

Anthony R. Dell'Arciprete, PE, CCM, Project Manager, U.S. GSA

Hill International provided exceptional support of NASA Langley's safety program, its inspectors and management staff, and our center's procedural requirements. Hill's onsite support team... offered their professional expertise and support at all times towards the contract as a whole each day. ...In closing, I look forward to working with Hill International at anytime in the future on projects at NASA Langley Research Center...

Frank J. Ottolano, NASA-SQA2 Construction Safety Specialist, NASA



Department of Employment Services Headquarters

Washington, DC



✓	LEED Gold Certification
✓	Class A Office Building
✓	Conference and Amenity Spaces
✓	Urban and Congested Site
✓	Coordination on FF&E, Moving more than 500 People
✓	New Construction

Client:
District of Columbia
Department of Real Estate Services

Services:
Construction Management

Project Cost:
\$61.7 Million

Completion Date:
2011

Green Design:
LEED Certification - Gold

Hill provided Construction Management services to the DC Department of Real Estate Services (DRES) for the construction of a new headquarters building for the District of Columbia's Department of Employment Services (DOES).

DOES plans, develops, and administers employment-related services for residents throughout the DC metropolitan area. The new headquarters building is located next to the Minnesota Avenue Metro Station in the northeastern section of the city. The five-story building totals 230,000 SF and contains a one-stop employment and business center on the ground floor. The building also features street-level retail space, a community meeting room, a two-level 100-space underground parking garage, and office space for 500 employees. Achieving LEED Gold certification, the building utilizes a 26,000 SF green roof, a design that allows for abundant natural lighting, bicycle storage, and electric vehicle charging stations.

Due to incomplete construction documents at the start of the project and several Owner requests, DRES modified the design at the mid-point of the project. Hill took over management of the design/redesign for the balance of the project, as well as continuing as Construction Manager.

Quality of Product or Services

Despite the design modifications, Hill managed construction and occupancies on time and within the original budget in early 2011.

LEED Support

- Carefully tracked all work and the efforts of the contractor to follow LEED guidelines, the project exceeded LEED Silver and achieved LEED Gold without any additional expense to the Owner.

Move Management

- Assumed responsibility for the move management of the 500-person Department of Employment Services. Move Management preparation started 11 months before the actual move.
- Established a new standard for DRES for how future moves will be handled by the Agency. Procedures established by this project are to become standard operating procedure for DRES.

Collaborative Approach to Issue Resolution

- Implemented a policy where field personnel were encouraged and authorized to address issues and resolve problems at their level to minimize the time necessary to resolve typical project issues. Only if issues could not be resolved at that initial level were they escalated up the chain of command; generally, only cost issues were escalated. Not only did this approach save time, it fostered an atmosphere of teamwork that created a we-can-figure-this-out-and-solve-it attitude that energized the entire project team. Issue resolution was always done face to face on site.

Timeliness of Performance

Due to incomplete construction documents at the start of the project, and several Owner requests, Hill ended up managing a major redesign for most of the project, the redesign of the tenant areas, the move of the 500-person Agency, and many other functions not in Hill's original contract. Throughout the duration of the project the Owner gave Hill additional scopes of work to manage for them. In addition, Hill continually provided guidance and advice to the Owner, the Contractor, and the design teams. Although Hill did not have "the authority of the Contracting Officer or the Project Executive," by the end of the project we had most of the responsibility to make the project happen as on-time and on-budget as possible.

About a year into the project, and 10 months into construction, the Owner terminated the original design team and contracted with Hill to hire a new design team and manage the completion of the construction documents. Hill took over the redesign of the base building project and the redesign of reformatted tenant spaces, as well as an expanded support role for the ownership.

For design changes during the Construction Phase, Hill implemented a well-defined process for project changes. These efforts supported the owner in his negotiations, enabling him to reduce the Contractor-proposed change order costs by approximately 25% and requested schedule extensions by over 90 days.

Cost Control

Hill was instrumental in delivering the project within the conceptual budget, which grew from the original bid amount. When the project was first conceived the budget was \$60 million. When the project was bid, the bids came in just above \$49 million, but the plans were not complete. By the time the plans were completed (during construction), and various owner-initiated changes were added to the project (tenant space redesign, office furniture, and a building security system), the total cost came back to the original budget of just under \$60 million. Given all that happened during the project, the Owner was delighted with this result.

Business Relations

At the onset, Hill management established the guideline with the Owner and the GC that the project would have to be a total team effort for it to have any chance of being completed near the original due date. Hill facilitated a "Win-Win" environment for a project already beset with difficulties. Due to Hill's leadership and "can do" attitude, everyone worked together under difficult circumstances. All relationships were as good, or better, at the end of the project as they were at the beginning.

The GC did not have any official reporting relationship with the CM. The CM role was one of processing and documentation. However, as the Hill team was given more and more responsibilities on the project, the GC and the CM developed unofficial "reporting" relationships to each other. Hill had the responsibility of redesigning the project, and to get whatever information the GC needed in order to finish the project. In turn, the GC had the same responsibility to get to Hill whatever was needed in order to get its job done in a timely manner. The GC and the CM had to work very closely together in order to produce all the change documentation for submittal to the Contracting Officer.

Hill was also the communication liaison between the client (DRES), the tenant (DOES), the design team, general contractor, move coordinator, commissioning agent, and other third-party consultants. In this role, Hill was the primary facilitator of all project communications. We defined and implemented a communication protocol that enabled maximum efficiency and avoided confusion by allowing decisions to be made quickly to keep the project moving forward. All written communication was done by e-mail or scanned to be re-issued by e-mail, and the entire correspondence history of the project is recorded electronically. Other tools such as scheduling and project management tracking programs were set up on web-based servers and were available to all through the Internet. Since most of the project team was on-site, most issues were discussed face-to-face, facilitating straight forward discussions and reducing lost time due to misunderstandings.

Department of Employment Services Headquarters

Customer Satisfaction

The client was extremely satisfied with the way Hill managed the project, and the way Hill took over the contracting and management of many different aspects of the project, which were not originally in our scope of work. DBES acknowledged that expanding Hill's role to include the non-traditional Agency CM activities was the primary reason the project was able to finish close to the original completion date and within the contracted time. The Owner has written a very complimentary letter regarding Hill's performance on the project.

As you are aware, the DOES Project had numerous challenges and obstacles which were overcome with the assistance and commitment of your Team. The knowledge, ability, and attitude of your team that enabled it to assume the responsibility for the redesign of the base building and tenant work, and the management of the move of 500 agency employees, in addition to all their other responsibilities, were the primary factors that kept the project on track and allowed it to succeed in spite of its initial problems.

Donald Eschiers, Executive Program Manager, District of Columbia Department of Real Estate Services

Headquarters 1 Building Renovations

Washington, DC



✓	Renovations in Occupied Facility
✓	Stringent Physical Building Security
✓	High Visibility
✓	Multi-Phase Construction
✓	Mechanical, Electrical System Upgrades and Maintenance
✓	Move Coordination with Minimal Disruptions
✓	Blast-Resistant Building Exterior

Client:
International Monetary Fund (IMF)

Service:
Construction Management
Project Management

Total Project Value:
\$20 Million

Completion Date:
2007

Hill provided prime project and construction management services to the International Monetary Fund (IMF) for multiple renovation projects at the 1.7 million GSF Headquarters 1 Building. Hill's scope of services included schedule, cost, and quality control inspection/testing, as well as intensive coordination efforts to minimize impact to IMF.

The phased projects consisted of four primary components.

Structural Hardening: The structural hardening portion of the project entailed reinforcement of columns, walls, and floors in vulnerable areas of the building, including the areas adjacent to the lobby, loading docks, and 19th Street overhangs.

Environmental Security Improvements: This scope included upgrading filters on air-handling units, provision of safe havens, closed-circuit camera coverage, protection of outside air intakes, and installation of detection equipment - essential to detect and protect against chemical, biological, and radiological attacks. This work included preliminary air measurements for existing central station air handling units through duct traverses to confirm the scheduled air quantities. Other upgrades included new automatic temperature controls devices, programming, hardware, software, wiring, conduit, and pneumatic tubing to satisfy the new sequences of operations.



Headquarters 1 Building Renovations

Parking Garage Repair: This scope featured upgrades to a three-level, below grade parking structure. The scope of work for the 900-car facility included rehabilitation efforts to repair exposed rebar, cracked decking, ceiling slabs, and construction joints.

Snow Melt Repair: This scope included replacement and upgrades to damaged snow melt heating elements located beneath the existing ramps leading to the building's parking garage. The process required demolition of the existing ramps, replacement of the heating elements, and repouring new concrete.

Quality of Product or Services

A primary project requirement was to ensure that the architectural integrity of the building was not compromised during the upgrades. The project was highly complex because the building was fully functioning and occupied during construction, IMF has a zero-tolerance policy for disruption and the project is located in a dense, urban setting with very restricted staging. To meet and exceed client expectations, Hill's approach:

- Coordinated testing, adjustment, and balancing of all air moving equipment associated with Environmental Security Improvement project.
- Oversaw an independent Commissioning Authority for the project and coordinated with the authority to complete the commissioning of the HVAC Systems, Electrical Systems, and Automatic Temperature Controls Systems.
- Reviewed structural engineering design to assess the ongoing concrete slab repairs to the existing parking garage, including the slab thickness and reinforcing steel patterns in the area of repairs.
- Developed a project-specific quality assurance plan based upon our corporate quality assurance program. This plan documented standards and procedures that we implemented for design reviews, Value Engineering studies, quality inspections, document management, submittals, and other processes.
- Provided oversight for the installation of new filter frames, HEPA filtration systems, pre-filters, filter frames, galvanized sheet metal, and hardware.
- Performed quality inspections on all phases of the IMF upgrade project.
- Monitored daily project functions for compliance with codes, and standards and regulations, to include safety, labor, and environmental regulations, during all phases of construction. There were no quality problems.
- Tested and commissioned mechanical, electrical, structural, and civil construction.

Timeliness of Performance

Due to the need to keep the IMF Headquarters building fully functioning and occupied, the rehabilitation program was conducted in multiple phases. Detailed move coordination was built into Hill's overall completion schedule and advanced communication with IMF facilities staff and occupants was a core



Headquarters 1 Building Renovations

priority throughout the construction process. Due to the large building footprint on the District city block, site usage planning was critical to completing the project phases on-time and within budget. Hill worked closely with IMF's project manager to plan and coordinate material delivery. This also required that work schedules be creatively resequenced to keep the project on-schedule and minimize impact of storage and staging of materials on IMF occupants. The phased components were completed on time.

Cost Control

Hill monitored cost and schedule, using earned value management system. We reviewed the general contractors schedule using Claim Digger and produced a monthly EV report. During the CD design reviews, Hill analyzed A/E cost estimates, and advised IMF staff when the probable cost of construction exceeded the budget. We also developed independent cost estimates to verify A/E costs and for modification of the A/E contract. Additionally, we conducted a Value Engineering study to facilitate cost control. Hill's evaluation of the structural hardening design resulted in a recommendation to change to a more efficient system to reduce life cycle costs. We managed all aspects of the change order process, developing independent cost estimates and analyzing potential schedule impacts. There were no claims.

Business Relations

Our top priority for the HQ1 project was to minimize disruptions to the IMF's operations. Sensitivity to IMF's mission was accomplished with a strong communication plan. Scheduled briefings typically included standard project reporting metrics such as schedule, cost, and quality report summaries, as well as look-ahead schedules focused on future locations of construction and the impact on operations, events, environment, and staff routines. The plan offers an effective model for efficient communication between stakeholders or changing management teams, allowing informational and program continuity throughout the project's duration. Hill developed an integrated team approach to the project and closely coordinated with the A/E and general contractor to ensure that all work, including significant electrical and mechanical upgrades, were carried out with the unified goal of minimizing impact to the building.

Hill also oversaw an independent Commissioning Authority for the project. Hill coordinated with the authority to complete the commissioning of the HVAC Systems, Electrical Systems, and Automatic Temperature Controls Systems. We coordinated and attended meetings as required with the Commissioning Authority for all testing of the central station air handling units, filter frames, collective protection filter equipment automatic temperature controls, and electrical systems, and all other systems requiring commissioning in accordance with the specifications. We also provided complete documentation on the installed equipment for use by the Commissioning Authority.

Customer Satisfaction

Hill delivered the project on time and with no claims. We succeeded in minimizing disruptions to headquarter occupants during construction. Therefore, Hill was asked to assist IMF with closeout and other supplemental services.



U.S. Capitol Power Plant

Washington, DC



✓	Renovations in Occupied Facility
✓	Stringent Physical Building Security
✓	Sustainable Design Features
✓	High Visibility
✓	Full Commissioning Process
✓	Multi-Phase Construction
✓	Mechanical, Electrical System Upgrades and Maintenance
✓	Building Systems Online 24/7
✓	Intense Budget Scrutiny

Client:
Architect of the Capitol

Service:
Construction Management
Commissioning Services

Total Project Value:
\$110 Million

Completion Date:
2007

Hill provided construction management services for the design, procurement, and construction of a multi-phased expansion and upgrade of the United States Capitol Power Plant. The \$110 million program featured eight separate projects that upgraded and renovated the U.S. Capital Power Plant Campus. The upgrades included new coal handling, fuel storage, and chilled water plant facilities; replacement steam plant systems; a 750 KW emergency generator system; major utility relocations and underground tunnels; District of Columbia public road and site improvements; and perimeter security fencing.

While the project did not apply for LEED Certification, Hill managed aspects that fulfilled significant LEED standards. The sustainable site potential credits included Stormwater Management, Brownfield Redevelopment, Material and Resources, and Energy and Atmosphere credits. Hill utilized third-party consultants to prepare the project's hazardous material remediation plans and oversee the contractor's compliance with stormwater permit requirements. Supplemental services included permit expediting, design reviews, third-party testing, and inspection for fire sprinkler, hazardous material remediation, elevator, structural steel, HVAC piping, concrete, and soils.



Quality of Product or Services

There were no quality problems. Throughout the design, procurement, construction, commissioning and close-out, and occupancy phases, Hill:

Hill's quality services were recognized by the Construction Management Association of America (CMAA) through two project achievement awards – 2007 from the National Capitol Chapter and 2008 from the National organization.

Renovation Around 24/7 Operations

- Coordinated phased, multi-project construction schedules around the 24-hour operations of the U.S. Capitol Power Plant, as well as the functioning administrative buildings and adjacent residential communities. The construction phasing required Hill's advanced planning and detailed execution plan.
- Enforced site security 24-hours-a-day. Advanced notifications were routinely issued to inform the AOC, as well as neighboring business communities of the construction events. The U.S. Capitol Power Plant was never interrupted during construction—a noteworthy achievement considering the sequence construction requirements and congested site constraints.

Project Controls

- Initiated and implemented all project procedures, and safety, quality, cost and schedule controls.
- Prepared formal reports reviewed at the AOC Executive and Congressional levels.
- Implemented an electronic project management system (Prolog) and processed over 1,500 requests for information (RFIs) and submittals within the contract-established durations.
- Administered contract functions, including assisting with GAO audits, Contracting Officer Final Decisions, payment requisition approvals, and contract accounting records.

Liaison and Coordination Support

- Established team liaisons and led all formal meetings, including a facilitated partnering workshop session.
- Interfaced frequently with AOC staff at the House Ford Office Building, including the Construction Management, Project Management, Procurement, Accounting, Design & Engineering, and Life Safety divisions.

Safety

- Monitored safety on a continuous basis and worked closely with the facility occupants to ensure that contractor work practices met all applicable safety standards. The project was recognized by the DC Metropolitan Subcontractors Association for overall job safety.

Timeliness of Performance

Hill managed the on-time completion for support of the critical Capitol Visitor Center program, despite encountering major unforeseen events, which included critical utility relocations and contaminated soil



U.S. Capitol Power Plant

remediation. Hill collaborated and orchestrated the recovery of five months worth of schedule delays and approximately \$900,000 worth of contractor-claimed overhead costs. Hill analyzed time impact schedules and identified critical path activities that could be re-sequenced around the changed conditions. Second-shift and weekend work schedules were routinely implemented to mitigate project delays. Throughout the project, significant project delays were discussed with AOC and Contractor in advance of monthly schedule reports.

Cost Control

Hill managed the project within the overall budget despite a historically high escalation market. We resolved all cost issues with no claims. Hill managed and processed over 100 contract modifications for Contracting Officer approval. Our reviews, analyses, and negotiations resulted in combined change order settlements at 79% of proposed costs, saving the AOC over \$3 million; and Value Engineering solutions were identified, saving over \$200,000. Hill assisted the AOC with a Contract novation/assignment that mutually resolved over \$1 million of potential claim issues, and secured a release of claims from the contractor.

Hill's full time, on-site cost engineering staff assisted AOC in management of the project budget. We established and maintained a financial database that monitored funding allocations, obligations, expenditures, and projected costs. On a monthly basis, Hill reconciled all funding activities with AOC accounting staff. Hill substantiated and reported the project risks. We kept the AOC informed of potential costs based on our independent risk analyses and cost estimates. When budget contingency amounts indicated additional funding and/or scope reductions, the AOC utilized the financial database to confirm budget actions with congressional staff. Hill maintained contractor payment records and reviewed and reconciled contractor monthly requisitions against the approved schedule of values, established and allocated at the beginning of construction.

Business Relations

Hill chaired weekly and biweekly progress meetings, and facilitated frequent working sessions that were dedicated to resolving RFIs, submittals, phasing, and commissioning issues. Hot lists were generated for particular issue focus, and change order and scheduling complications were discussed in advance of formal cost proposals and CPM updates. The fact that the contractor submitted one single claim is testimony to the success of the collaborative approach.

Hill's detailed financial reports were the basis for communicating the total project budget summary to congressional and General Accounting Office (GAO) staff. The GAO conducted several audits of the project, each time commending the CM financial systems and reports. Audit results were completed to GAO satisfaction, and endorsed AOC effective budget management. Hill also provided schedule and budget updates that were embedded into monthly project reports customized for multiple AOC and congressional staff. We initiated processes and procedures for change orders and prepared over 100 modification packages that eventually became standard for other AOC projects.



Customer Satisfaction

AOC recognized Hill's quality service on several occasions. In 2003, AOC issued a letter of commendation to Hill for exemplary service during the procurement phase, handling and documenting over 500 pre-bid RFIs. In 2004, AOC singled out Hill for implementing effective project controls that were commended by GAO and AOC executives. In 2005, AOC commended Hill for negotiating project delay issues and potential cost claims that were the result of unforeseen conditions encountered during the excavation phase.

Hill's successful completion enables the U.S. Capitol Power Plant to support new facilities such as the Capitol Visitor Center and reliably supply efficient cooling for the entire plant. It is quite an honor to have this recognition bestowed on this important project by professional members of the CMAA. This project is a great example of the progress we have made in institutionalizing industry's leading practices in project management.

Stephen T. Ayers, AIA, Acting Architect of the Capitol

National Museum of Natural History

Washington, DC



✓	Renovations in Occupied Facility with Minimal Disruptions to Visitors
✓	Historic Preservation Requirements
✓	Stringent Physical Building Security
✓	High Visibility
✓	Multi-Phase Construction
✓	FF&E and Move Management
✓	Conference and Amenity Spaces

Client:
Smithsonian Institution

Service:
Construction Management
Staff Augmentation

Total Project Value:
\$144 Million

Completion Date:
2009

Hill served as the prime construction manager for the renovation, restoration, and construction of the National Museum of Natural History. Opened in 1910, the building was designed in a classical style faced with granite. The design and architecture were an outgrowth of the McMillan commission recommendation for public buildings surrounding the Capitol. The 1.2 million SF facility contains 700,000 SF of office space, 300,000 SF of public exhibit space, and 200,000 SF of collection and artifact storage.

The scope comprised multiple phases and separate project tasks, including:

- Construction of the East Court Infill, a new freestanding, seven-story building for natural science research
- Restoration of historic terrazzo/marble flooring and plaster walls/ceilings
- Construction of three new adjacent buildings, including extensive new plumbing/electrical installation
- Installation of three miles of cable tray and fiber optic data cable without disrupting daily operations and visitor tours
- Installation of new fire and life safety systems throughout the museum



National Museum of Natural History

- Construction of the West Court and Discovery complex, including the IMAX Theatre

Quality of Product or Services

In order to be a highly effective and efficient construction manager for the Smithsonian Institution, all Hill team members, both individually and collectively, had to demonstrate considerable flexibility, rapid responsiveness, and sophisticated management skills. By implementing and developing these skills, there were no quality problems because we always gained a clear understanding of the client's ongoing and evolving program needs. This includes:

Minimized Disruptions

- Managed and coordinated with Smithsonian staff to maintain daily operations and allow continuous access for more than nine million visitors annually.

Project Controls

- Managed estimating, controlling, and reporting cost; reviewing contractor CPM schedules and recommending master and milestone schedules for client approval; tracking and reviewing change orders; and analyzing claims.
- Developed and implemented project reports that included project logs, files, change orders, submissions, RFIs, progress photographs, weekly meeting minutes, and monthly progress reports using the Prolog Project Management System.

Quality Assurance

- Instituted a quality assurance plan prior to the start of construction for review of contractor submittals to assure the highest standards of quality.
- Performed inspections for conformance with specifications, design criteria, and general construction quality.
- Monitored the inspection and testing of materials and equipment.

Design Reviews

- Performed pre-design and design drawing reviews, as well as constructability reviews, for a total of 1.4 million SF of renovation and new construction.
- Coordinated with architects and managed the design and construction processes for a variety of work, which covered everything from highly sophisticated museum exhibits to complex building systems and mechanical infrastructure.
- Managed all cost modeling, scheduling, administration, financial administration, financial reporting, and commissioning.



High-end Finishes

- Customized quality control procedures for selecting and approving all interior assemblies, related mock-up installation, and final acceptance. New high-end interior assemblies were customized to match the museum's original ornamental plaster ceilings, ornate display cases, marble floors, and exquisite moldings. An impressive 487-seat IMAX Theatre featured high-end finishes, state-of-the-art digital surround sound system, and 3D visual capabilities.
- Delivered close inspection during construction of sophisticated sound barrier walls and ceilings, lighting controls, ornamental metals, and custom furniture.

Timeliness of Performance

Because of the high visibility of the National Museum of Natural History as a major tourist attraction within downtown Washington, DC, the modernization efforts required a comprehensive phasing plan to minimize disruptions to the public. Hill developed detailed move plans that became integrated into the project's overall completion schedule. Hill served as the liaison between building tenant staff and internal swing space events, paying close attention to smooth transitions throughout the construction duration. A part of an overall Continuity of Operations Plan, Hill prepared site usage plans for the surrounding public and Smithsonian staff, resulting in day-to-day museum operations with minimal disruption.

Cost Control

Hill successfully administered multiple project tasks aimed at modernizing this prominent Smithsonian building. Each project was delivered on time, within budget, and in compliance with the contract documents by adhering to industry best practices for construction management. There were no claims.

Business Relations

Located in the heart of the National Mall in Washington, DC, one of the most highly visible and sensitive major urban sites, the project required close coordination with local and national regulatory agencies. Work was usually carried out within the full glare of the public domain and with the intense scrutiny and oversight that is customarily involved. Detailed site utilization plans were implemented to minimize impacts to pedestrian and vehicular traffic, as well as public visitors during the construction duration. Hill served as the liaison between building tenant staff and internal swing space events, paying close attention to smooth transitions throughout the construction duration. As part of an overall Continuity of Operations Plan, Hill prepared site usage plans for the surrounding public and Smithsonian staff, resulting in day-to-day museum operations with minimal disruption.

Hill coordinated closely and on a regular basis with a comprehensive panel of other project team members and stakeholders, including the client and its major user groups, architects, engineers, specialty consultants, jurisdictional authorities, contractors, and subcontractors. Through this protocol, we established solid

National Museum of Natural History

working relationships and, consequently, were always able to deliver the highest quality services and complete the task orders on time and within budget.

In addition, Hill planned and oversaw design reviews and constructability reviews at 35%, 65%, and 100%, and conducted value engineering. We coordinated cost modeling, budgeting, and jurisdictional approvals with local fire marshals and Federal employees of the Smithsonian, and coordinated with the local sanitary commission for location of water and sewer connections. Hill also coordinated construction staging programs consisting of field office access and protection to the museum collections and facility, some of which are on the National Register of Historic Places.

Customer Satisfaction

The National Museum of Natural History was originally completed in March 1911, and was designed in the Neoclassical style by Hornblower & Marshal. The Smithsonian Institution's main concerns were protecting collections and keeping the facility open to the public. Extensive reviews of protection requirements lessened the Museum concerns. To maintain its daily tour volume and staff activities, the needs of the public as well as special events had to be taken into consideration on a daily basis. An exterior temporary enclosure system was developed to maintain the building environment and to protect gallery artifacts that could not be relocated. During renovation, restoration, and new expansion to the museum, Hill managed and coordinated with museum staff to maintain daily operations, with included over nine million annual visitors.

I wanted to document the Office of Physical Plant's satisfaction with Hill's outstanding performance of specified work during all construction phases of numerous Smithsonian facilities. Projects have been delivered on-time, within budget and in compliance with contract documents because of Hill's competent Construction Management staff.

Derek Ross, Assistant Director of Construction, Smithsonian Institution



National Air and Space Museum

Washington, DC



✓	Renovations in Occupied Facility
✓	Historic Preservation Requirements
✓	Stringent Physical Building Security
✓	High Visibility
✓	Multi-Phase Construction
✓	Mechanical, Electrical System Upgrades and Maintenance
✓	Minimal Disruptions to Visitors

Client:
Smithsonian Institution

Service:
Construction Management

Total Project Value:
\$51 Million

Completion Date:
2009

Hill provided project management and construction management services for a wide range of Smithsonian Institution facilities, all of which were executed under more than 50 IDIQ task orders totaling over \$500 million in construction value. These services covered a broad spectrum of project/building types, including research and laboratory facilities; conference and meeting rooms and educational areas; food services areas for both the public and Smithsonian staff; bookstores, shops, and outdoor recreation areas; administrative facilities; and building services.

Hill provided construction management oversight services to the Smithsonian Institution for the rehabilitation and modernization of the National Air and Space Museum, prominently located along the National Mall in Washington, DC. The history of the National Air and Space Museum dates back to the creation of the National Advisory Committee for Aeronautics, later known as NASA. The actual museum was chartered by Congress in 1966 and opened to the public in July 1976. This unique structure symbolizes the spirit of flight. The building frame of 80-foot-high steel trusses with a façade of Tennessee pink cedar marble houses research and administrative spaces, an IMAX Theatre, the Einstein Planetarium, countless displays and exhibits of aviation and vintage aircraft, and exhibits of historic spacecraft and memorabilia.

National Air and Space Museum

Rehabilitation and restoration projects Hill managed include restoration of 10 exterior gardens and 50,000 SF of landscaping; modernization of the existing skylights and window walls; enlargement of the museum shops; drainage and erosion control for the exterior terrace; cleaning and stain removal of 40,000 SF of interior marble; replacement of existing concealed ceiling with lay-in ceiling and new lighting systems; construction of new vestibules for both the National Mall and Independence Avenue main entrances; modifications and additions to the building infrastructure including plumbing, water supply, storm, and sanitary systems; asbestos removal and abatement in the 600-space underground parking garage and areas behind gallery walls and ceiling; additional electrical rough-ins for future perimeter security installations; and state-of-the-art data cable wiring management system for all offices.

Quality of Product or Services

Hill's oversight activities ensured minimal disruption to the public and there were no quality problems. Specific technical challenges included coordination of occupied space and restricted staging and traffic flow. Many items were protected in place or relocated due to the sensitive nature of the artifact or exhibit. For example, exhibits such as the moon rocks brought back by the Apollo 11 crew, and the historic, irreplaceable original Wright Flyer were required to remain on display throughout the entire construction phase. Noise control and construction safety included the installation of exterior and interior enclosures, barrier walls, and walkways to segregate construction activities from the functioning museum. Hill oversaw required documentation, protection, relocation, monitoring, and redisplaying of various artworks including paintings, photographs, sculptures, historical artifacts, and murals as each phase was completed.

Hill worked closely with the owner to ensure that the Smithsonian's strict security requirements were met on a daily basis. Temporary security monitoring systems were installed to monitor contractor access to closed galleries. Hill also provided oversight for the installation of automatic doors and compliant door opening devices, including coordination and oversight for temporary ramps and access to the building during various phases of construction.

- Restrictive/Congested Urban Site:** The National Air and Space Museum is prominently located along the National Mall between 4th and 7th Streets along Independence Avenue, a major traffic artery in the District of Columbia. All exterior project staging was limited to the grounds of the museum. The limited interior staging created logistical challenges for material delivery and storage during the construction phase, however, the museum remained fully operational and open to the public during the course of the work. This required daily coordination with the museum operator and building occupants. Phasing plans and swing spaces were implemented by erecting temporary noise/dust control and safety barriers, including full enclosures to segregate the construction activities from the functional space.
- Significant Landscape/Hardscape:** Hill managed the replacement of numerous hardscape components. The hardscape components included the aggregate sidewalks at both entrances to the Freer Gallery of Art and the surrounding National Park Service public walk at 12th Street and Jefferson Avenue; the selective removal and replacement of stone building cladding, stone

National Air and Space Museum

paving, and concrete setting beds allowed for repairs of flashing and waterproof membrane details around the main building and the window wall of the restaurant; and new landscaping including soil and plant replacement and injection of below grade foundation wall cracks and joints with a polyurethane gel.

- **High-End Finishes:** Hill oversaw the construction of various museum exhibit areas. The exhibit areas included the "Invention of the Aerial Age" exhibit, dedicated to the birth of flight and the accomplishments of the Wright Brothers, and the "Explore the Universe" exhibit, which explains how the universe evolved due to the advancement of astronomy. These exhibits involved the installation of high-end finishes, including custom display units with unique lighting, to house rare and historically specific artifacts. MEP systems and shell were upgraded to maintain preservation protocols for historical artifacts. Hill managed the Artifacts Protection Protocol that catalogued and handled the various artwork including paintings, photographs, sculptures, historical artifacts, and murals at each phase of the project.
- **Historic Preservation:** Hill worked closely with the Smithsonian Institution's staff to preserve historical fixtures and furnishings, and other sensitive building materials. Hill put into place comprehensive chain-of-custody procedures along with photographic documentation of restoration activities. At the National Air and Space Museum, Hill implemented artifact protection procedures for many of the historic aircraft and displays, and maintained a visitor friendly environment that minimized disruption while allowing the construction activities to move forward expeditiously.

Timeliness of Performance

Hill implemented computerized systems to manage cost, schedule, scope, and document control. Daily monitoring of activities, proper coordination, and extensive documentation were all key factors in successful completion of the projects. Timely resolution of technical, as well as administrative issue, allowed for the timely completion of the work.

Cost Control

Throughout the project lifecycle, the project budget was monitored closely to ensure conformance to cost preparation guidelines as well as to provide accurate cost-to-date and anticipated cost reports. Maintaining a clear understanding of the project budget, including continuous cost monitoring, kept the project finances under control and minimized cost growth.

Each project was delivered on time, within budget, and in compliance with the contract documents by adhering to industry best practices for construction management. There were no claims.



Business Relations

In order to be a highly effective and efficient construction manager for the Smithsonian Institution, all Hill team members, both individually and collectively, had to demonstrate considerable flexibility, rapid responsiveness, and sophisticated management skills. By implementing and developing these skills, we were always able to gain a clear understanding of the client's ongoing and evolving program needs.

Hill coordinated closely and on a regular basis with a comprehensive panel of other project team members and stakeholders, including the client and its major user groups, architects, engineers, specialty consultants, jurisdictional authorities, contractors, and subcontractors. Through this protocol, we established solid working relationships and, consequently, were always able to deliver highest quality services and complete the task orders on time and within budget.

Customer Satisfaction

Hill successfully administered over 20 individual projects aimed at modernizing this prominent Smithsonian building. Each project was delivered on time, within budget, and in compliance with the contract documents by adhering to industry best practices for construction management. The Owner's main concerns were the adequate protection of collections and maintaining the facility as open to the public. Extensive reviews of protection requirements lessened the museum's concerns. To maintain its daily tour volume and staff activities, the needs of the public as well as special events had to be taken into consideration on a daily basis. An exterior temporary enclosure system was developed to maintain the building environment and to protect gallery artifacts that could not be relocated. Hill implemented artifact protection procedures for many of the historic aircraft and displays, and maintained a visitor-friendly environment that minimized disruption while allowing the construction activities to move forward expeditiously.

Projects were consistently delivered on-time, within budget and in compliance with contract documents due in large part to Hill's competent and professional staff...

Stephen B. Sumner, RA, LEED AP, Project Manager, Smithsonian Institution

Infrastructure Modernization Program

Bethesda, MD



✓	Renovations in Occupied Facility
✓	24/7 Facility
✓	Multi-Phase Construction - Night and Weekend Schedules
✓	Mechanical, Electrical System Upgrades and Maintenance

Client:
National Institutes of Health (NIH)

Services:
Construction Management
Program Management

Total Project Value:
\$200 Million

Hill provided prime project management and construction management services for the National Institutes of Health's (NIH) Infrastructure Modernization Program. The NIH is one of the world's foremost biomedical research centers, and includes over 80 buildings totaling more than 7 million GSF, which house a staff of more than 16,000 spread over a 320-acre campus in Bethesda, Maryland.

Hill assisted the NIH to design the program for anticipated future campus growth. Eleven major construction projects were successfully completed while minimizing disruption of ongoing research operations and all campus facilities.

Relevant projects included:

- **Building 11 Expansion Projects.** Renovation and additions to a three-story above grade, and three-story below grade, Central Power Plant to accommodate the installation of 10 new 5,000 ton/hr chiller systems, including new pumps, heat exchangers, cooling towers with variable frequency drives, electrical switch gear, transformers, controls, extensive underground utility relocations, new administrative offices, mechanical and electrical shops, laboratory facilities, and personnel locker/shower areas.



Infrastructure Modernization Program

- **Utility Tunnel Expansion.** New construction of over 1.5 miles of central utility tunnels to provide distribution of infrastructure services throughout the research campus.
- **Steam Plant Expansion and Renovations.** Construction of a new 200,000 lb./hr steam boiler with all associated controls renovation, and modernization of four existing steam boilers with state-of-the-art control systems. All boilers were designed with dual fuel low NOx burners to comply with the client's strict environmental requirements. Included in this project task was an added requirement to provide distribution to, and connection of, two 75,000 btu/hr temporary steam boilers to avoid any potential critical campus demand deficiencies during construction.
- **Electrical Substation Construction.** Construction of a new 15-KVA and 45 KVA electrical substations to provide for campus growth and electrical demands.
- **Co-Generation Steam Boiler/Generator.** Construction of a 23MW Cogeneration System in partnership with PEPCO.

Quality of Product or Services
Quality Assurance

- Coordinated occupancy requirements with the NIH fire prevention department.
- Performed BOCA inspections to facilitate NIH acceptance prior to occupation of more than 10,000 SF of interior space.
- Implemented a quality assurance plan in conjunction with NIH practices to assure contractor material submittals met the highest standards of quality.
- Monitored day-to-day project functions for strict compliance with OSHA safety regulations, EPA environmental regulations, and all applicable building codes.

Third-Party Testing

- Managed key testing and inspection subconsultants for geotechnical, structural steel, and welding evaluation. We also scheduled subconsultant services as necessary to control NIH costs.
- Inspected and documented environmental hazard conditions that included contaminated soils, lead paint, and asbestos. We also coordinated with NIH environment consultants to abate and document conditions.

Liaison and Coordination Support

- Coordinated a comprehensive chiller and boiler equipment demonstration plan around four plant operator shifts working 24 hours per day.
- Facilitated the shift operators' full participation in commissioning testing of all new equipment and ensured system turnover without impacts to the plant mission and functions.



Timeliness of Performance

Hill managed the program's full completion on time. We developed and maintained the program's master schedule and met several critical milestones, including adherence to the design document completion dates.

As an example of Hill schedule control during construction of Boilers One through Four, NIH determined that campus heat loads had significantly increased, requiring all four boilers to be in full operation by October 15, 2000—in time for the 2000/2001 winter heating season. Hill was challenged with accelerating the project by four months. To meet this accelerated schedule, we completed the following:

- Provided schedule and cost analysis to make sure that NIH could feasibly the acceleration.
- Recommended working multiple construction shifts and developed a plan to secure additional contractor staging areas.
- Coordinated improved contractor access. These improvements allowed the contractor to be more productive and were instrumental in mitigating significant forward-priced inefficiency costs.
- Provided oversight inspection services during second-shift and weekend work for more than eight months.
- Prepared and distributed daily reports and status briefings to validate that the acceleration program was on schedule.

Cost Control

Hill maintained a cost-to-complete summary that incorporated the data listed in the weekly and monthly cost reports that identified budget deficits or surpluses. Hill prepared a conceptual Independent Government Estimate (IGE) which NIH based its funding level on; and also developed a comparative summary cost analysis of the contractor's proposal against the IGE. We prepared a pre-negotiation Objective/Technical Review Memorandums to support negotiations and resolution of change orders. We facilitated negotiations to 80 percent of the contractor's total change order proposal value, which saved NIH over \$1 million during the upgrades of the four boilers. An example of Hill's cost controls includes:

During excavation of the Building 11 power plant, NIH encountered differing site conditions that resulted in \$1.5 million in contractor claims. Hill performed schedule analyses and identified concurrent delay periods that saved 36 delay days and \$110,000 in contractor overhead costs from NIH and the seven contractors on-site. Our investigation of daily log reports revealed that insufficient personnel were mobilized during the delay period. Our investigation disproved the contractor claim for demobilization, loss of production, or unabsorbed overhead condition, which saved an additional \$500,000 for NIH.

Business Relations

A core staff of Hill personnel was located on-site to ensure continuous efficient collaboration with the client's team of project officers. Through daily interface and reporting, Hill provided exceptional service to the NIH Contracting Officer, Project Officer, and Power Plant Manager. We met or exceeded NIH team expectations that included maintaining contract records, which were subsequently observed by the Contracting Officer to be "the best records of any CM firm at NIH."

Customer Satisfaction

Hill developed and maintained partnering relationships with NIH that spanned an 11 year period. During that time, Hill's base contract was extended frequently to execute numerous supplemental services to support many NIH campus projects. Our repeat business opportunities are a testament to NIH's full satisfaction in our performance capabilities and quality services.



Comcast Center

Philadelphia, PA



✓	LEED Gold Certification
✓	Class A Office Building
✓	Conference and Amenity Spaces
✓	Urban and Congested Site
✓	New Construction
✓	FF&E Management

Client:
Liberty Property Trust

Service:
Project Management

Total Project Value:
\$600 Million

Completion Date:
2008

Green Design:
LEED Certified, LEED Certified - Gold

Hill provided prime project management and construction management services on the Comcast Center, the tallest LEED-Certified building in the United States as of November 2009. Services included design review, document control, cost estimating, scheduling, and overall project management. The 58-story skyscraper, designed by Robert A.M. Stern, includes 1.25 million SF of Class AA office space and 40,000 SF of retail space. Located in Center City, Philadelphia, the Comcast Center features a dramatic 110-foot-high winter garden, two-story glass cafe, 15 atrium floors, and a four-story sky garden located 735 feet above a public plaza. The Comcast Center is 975 feet tall and is the tallest building in Philadelphia (cited 2009) as well as the tallest building between New York City and Chicago.



Comcast Center

The Comcast Center is the worldwide corporate headquarters of Comcast Corporation, one of the leading providers of cable, entertainment, and communication services in the world. Comcast occupies 39 of the building's 58 floors, or nearly 70 percent of the total square footage of the building.

The building was designed to meet stringent environmental standards, and is LEED Gold level certified by the U.S. Green Building Council. The Comcast Center incorporated the following green features into the design:

- Underground 52,000 SF parking facility limits hardscape surfaces exposed to the sun.
- Located less than one-half mile from mass transportation and with on-site parking limited to only 1.5 percent of its occupants, the Center discourages commuting by car.
- Electric car charging stations encourage the use of low-emission alternative vehicles.
- Extensive water-saving measures to reduce its use of potable water, including bathrooms with low-flow fixtures and waterless urinals.
- Ample daylighting via a glass curtain wall which blocks 60 percent of the heat from the sun, while allowing 70 percent of the sun's visible light to be transmitted into the spaces.
- Commitment to sustainable waste management and recycling. Even before construction began, the Comcast Center recycled over 75 percent of the waste from demolishing the previous building and diverting it from a landfill.

Quality of Product or Services

From its conception, the Comcast Center was clearly a complex assignment. Without clear direction, strong cooperation and logistics, and a clear and efficient process for dealing with dual stakeholders (a joint venture between the owner and tenants), the teams could not have maintained the high level of confidence needed throughout the fast-track process. Hill's overall management strategy included:

- A construction directive process that allowed work to proceed based on sketches and partially completed information. A cost process that supported the aforementioned construction directive process (Most work was initiated prior to costs being finalized).
- Executing the construction directive process and the cost process while still assuring fair costing.
- Cost documentation that clearly tracked costs and was based upon the responsibilities of the owner, contractor, tenants, and other parties involved.
- Reviews of the schedule by both the owner/project manager and the construction manager, with multiple processes to make needed adjustments which did not impact the contracted completion dates and budgets.
- A cooperative attitude—from the top down—on the part of all stakeholders, and a willingness on the part of all team members to work outside of traditional work hours on tasks directly and indirectly related to the project.
- Distribution of all meeting information to ensure that all parties were aware of the big picture and their specific roles.

Comcast Center

Lower levels of the Comcast Center were occupied while upper floors were still under construction. Multiple projects were running simultaneously within the Comcast Center—all on a single inter-city block shared by an historic church and a busy commuter rail station. To coordinate the progress, Hill conducted weekly site walk-throughs of the entire building, and reported the progress of all trades, for all floors, to the owner. Hill generated a comprehensive report for the owner, who then used this information to report project status to its executive board.

Timeliness of Performance

Hill overcame significant owner changes to support the program requirements for over 12 tenant agencies, completing the project on time. Hill Used Project Management software to control the schedule. Through our controls, changes were resolved, payments were timely, and claims were avoided. Hill was able to reflect the cost or schedule impact of any change on the project, identify which contractors were affected, and identify whether new equipment or materials were needed. Hill identified common scheduling pitfalls. Hill used the PM software to ensure that any flags in its reports were also flagged in the schedule, making their identification and resolution quick and easy. The Hill team also was able to use the software to report confidence levels for finish dates, costs, float, internal rate of return, and net present value. Finally, Hill's effective use of the software allowed the team to coordinate with contractors to meet key time requirements. The program was highly collaborative, and enabled all project stakeholders to directly update project status in a single, easy-to-adopt, easy-to-deploy, solution.

Cost Control

Hill kept the owner informed of potential cost issues, including quickly identifying who was responsible for added costs, and determining whether those added costs were reasonable. Hill also tracked all project costs (i.e. budgeted, actual, and projected) in Expedition, regularly went over costs with the Liberty Property Trust staff, and made recommendations regarding rectifying any potential overruns. Hill reviewed all A/E invoices with Liberty's staff before submitting them to the owner's accountants for payment. Hill used Expedition to track all A/E contract amounts as well as the amounts billed to-date. This ensured that the A/E's were paid appropriately and not more than their contracted amount.

In addition, Hill established a Tenant Change Request system using features in Expedition, and tied all costs related to tenant-requested changes to the base building. This custom-tailored system tracked all costs related to the tenant-requested changes, and ensured that there were no surprises regarding who initiated the additional costs and who was responsible for their payment.

Hill used Expedition to track the flow of documentation (drawings, requests for information, submittals, change orders, field reports, etc.). With input from the owner, Hill created a system that worked well within the owner's organization. This was a huge plus, as the owner did not have to spend extra resources to create their own document tracking system. Hill's personnel were highly professional, flexible, and responded well to the owner's specific needs. There were no claims.



Business Relations

Hill participated in weekly status meetings with the owner, architects, general contractor, and tenants to stay current with all aspects of the project. Despite late design input and many late changes, the owner and major tenant expected both the schedule and budget to be maintained, without sacrificing the expected high level of quality. To do this successfully, the entire team had to work in concert, adjust schedules, and overlap and fast-track specific processes for quality control. By working as a team in this manner, the Comcast Center project met all the time, cost, and quality goals.

Customer Satisfaction

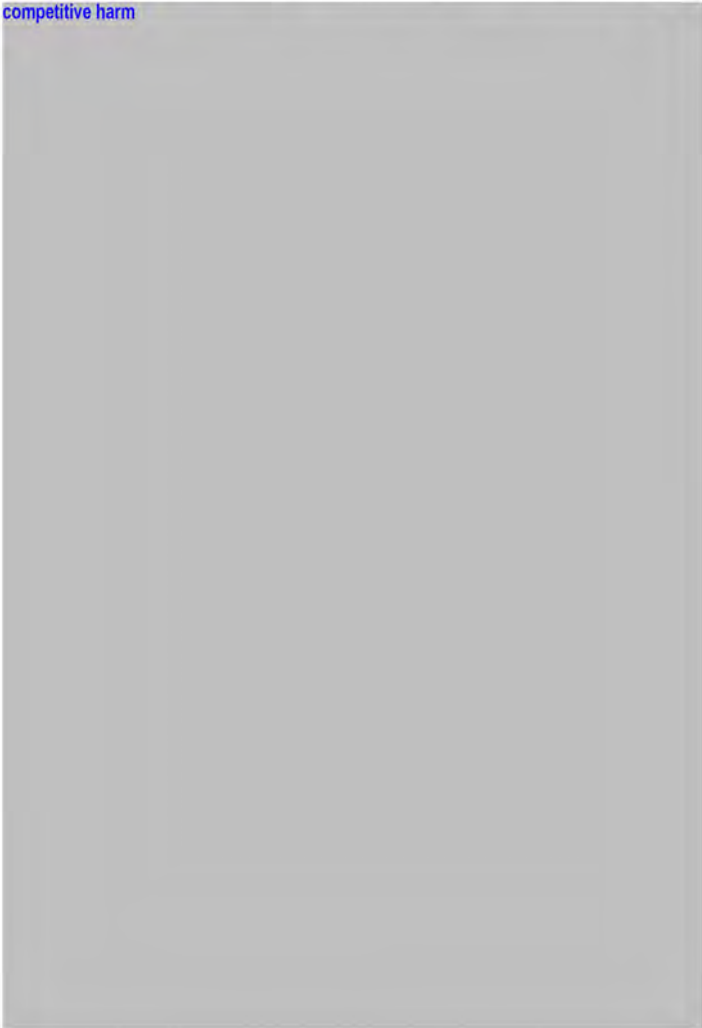
In addition to its distinction as an environmentally-sustainable building, the Comcast Center has won several national and regional industry awards. The project was named a "Best Private Project Over \$10 Million," by the Construction Management Association of America, and the "Best Office Project of 2008," by McGraw-Hill Construction.

I wanted to let you know how pleased we are with the progress on our Comcast Center project and to thank you for the efforts of your team in making it a complete success. The Liberty Property Trust is very proud of the Comcast Center project and its LEED certification.

John G. Spitz, Former Vice President, Liberty Property Trust

Offeror's Approach to Requirements

competitive harm




General Services
[competitive harm](#)



competitive harm



competitive harm



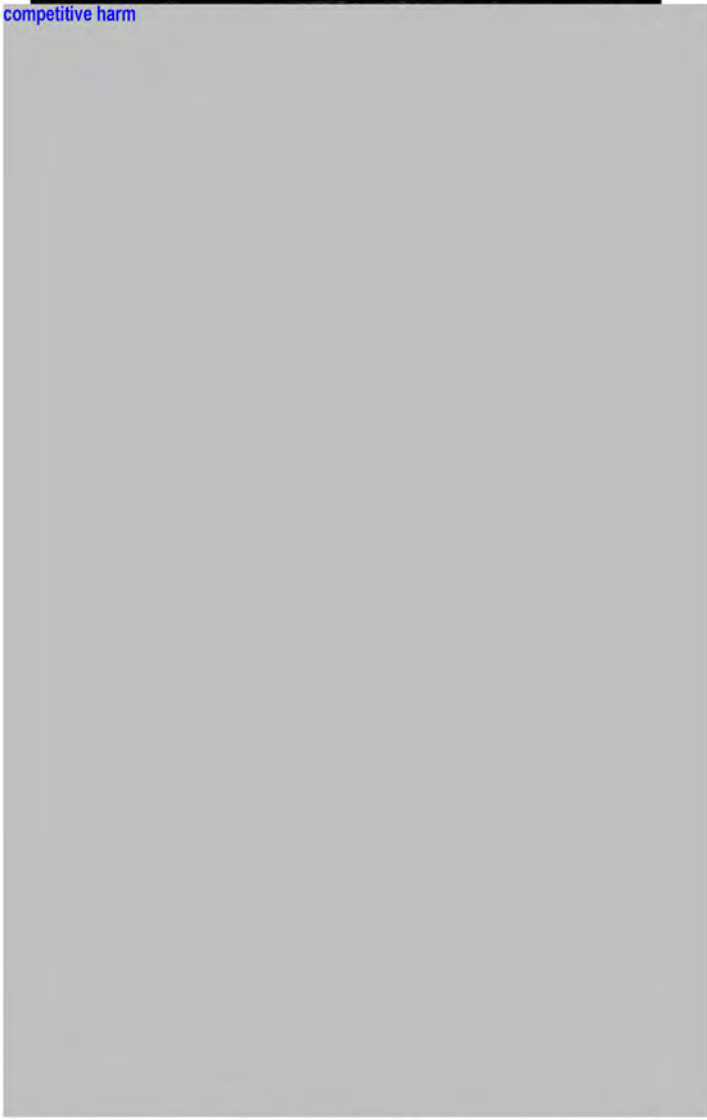
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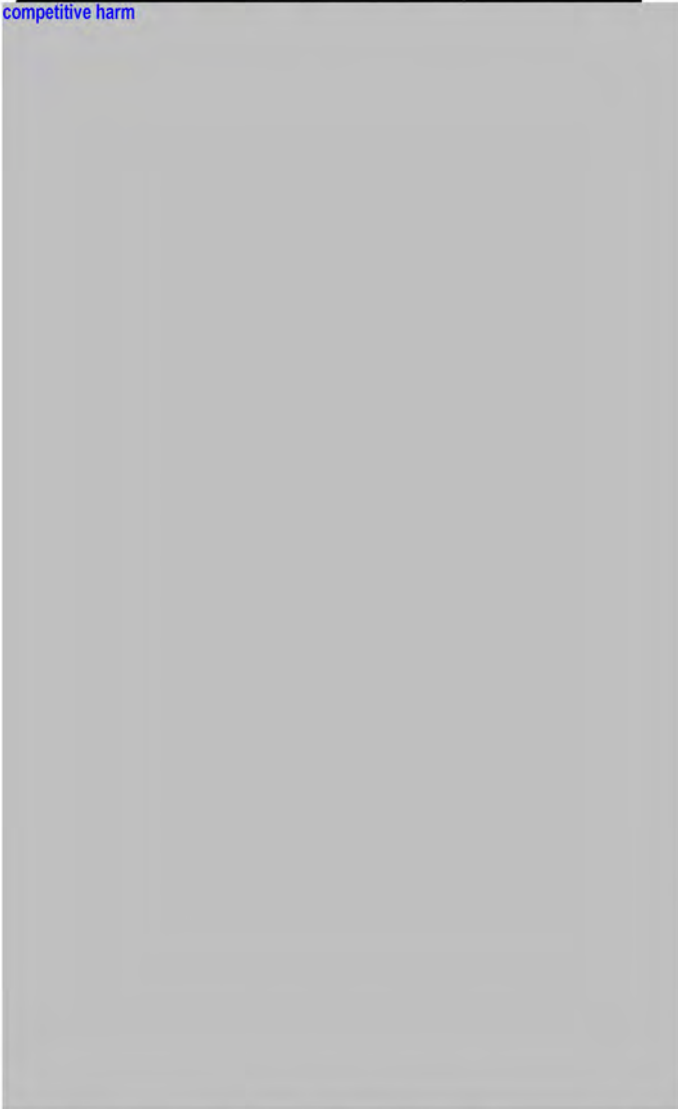
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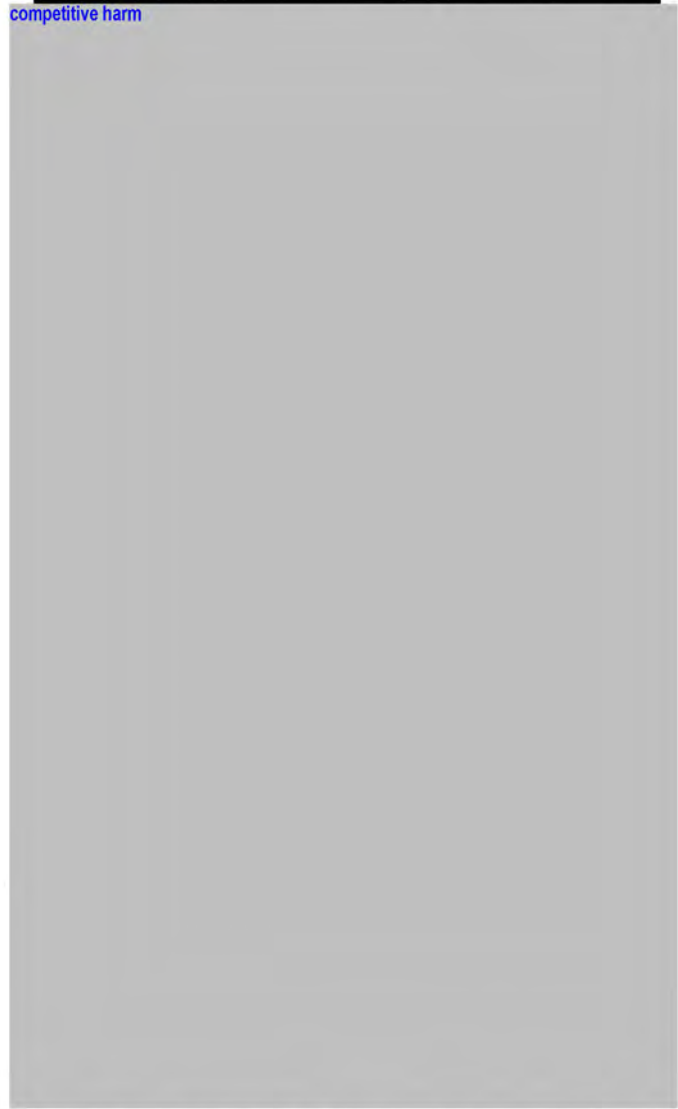
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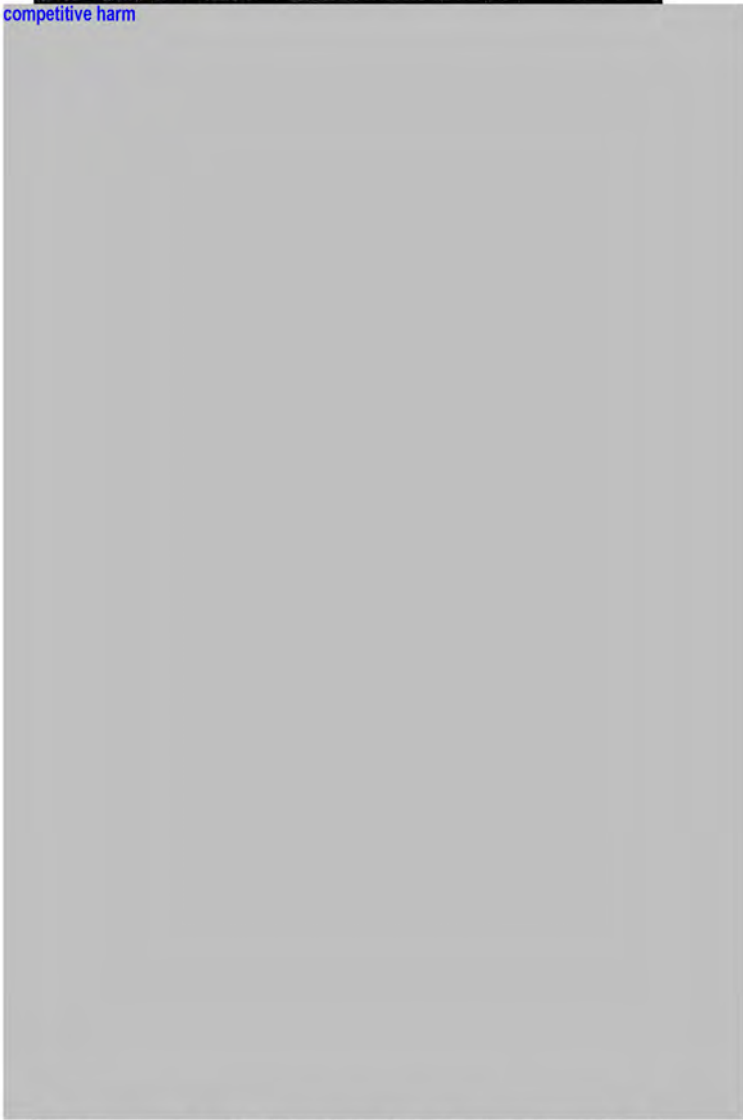
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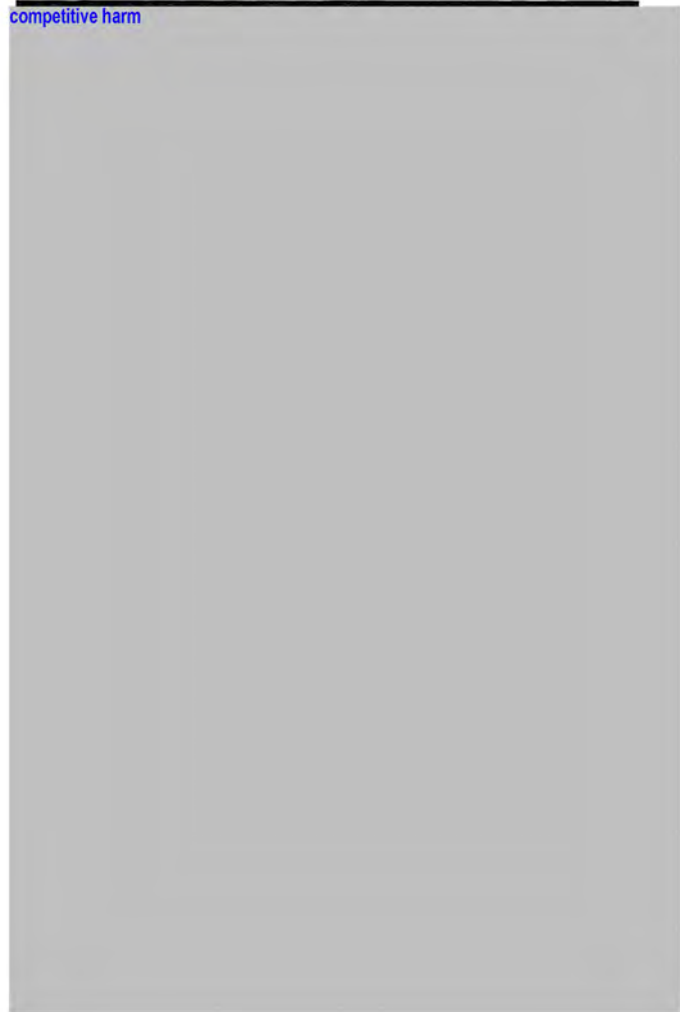
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References and Corporate Qualifications

C.4 Mandatory Requirements

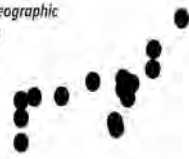
4.1 Direct Experience Working in a Similar Role for at Least 10 Projects

Hill provided construction administration, construction management, project management services for more than 50 projects over the past five years in the metropolitan Washington, DC area. Our most recent local clients include General Services Administration, the Architect of the Capitol, U.S. Department of Defense, U.S. Army Corps of Engineers, National Institute of Allergy and Infectious Diseases, George Washington University, DC Public Library System, DC Department of Real Estate Services, and International Monetary Fund.

4.2 At Least 10 Years Experience in Construction Management

Founded in 1976, Hill has been providing construction consulting services for the past 35 years.

Deep bench of professionals from 16 offices to draw upon within your geographic area



4.3 Office in Washington, DC

Hill opened its first major branch office in Washington, DC in 1980 and began our long-standing record of service to the Federal buildings market. Hill currently maintains an office in Washington, DC at 1225 Eye Street, NW, less than 2 miles from the Martin Building.

4.4 Hold, Maintain DC Licenses, Registrations

Hill was issued a Certificate of Authority from the Government of the District of Columbia, Department of Consumer and Regulatory Affairs in August 2006.



4.5.1 Construction Administrator

A Federal market veteran with 15 years experience, Hill's proposed Construction Administrator is Christopher Reilly, CCM, PMP, PSP, LEED AP. Beginning his career with a construction contracting firm, Chris moved on to serve as Project Manager for Capital Improvement Projects for the New York City School Construction Authority from 1998 to 2001. Since then he has worked in increasing level of responsibility



on Federal office building projects such as U.S. Patent and Trademark Office (USPTO) Consolidation from August 2001 to February 2006, Department of Homeland Security U.S. Coast Guard Headquarters at St. Elizabeth's Hospital from May 2005 to October 2005, and Veterans Affairs Building from July 2006 to December 2006. Since joining Hill in 2007, Chris has continued providing services to Federal office building projects: Lafayette Building Modernization in Washington, DC, and NASA New Town Administrative Office Building 1 in Hampton, Virginia, both for General Services Administration (GSA).

Chris' references are included here, as well as on his resume in Part A, Section 1 Key Personnel

Tony Dell'Arciprete, PE Project Manager GSA, Region 3 20 N. 8th Street, 9th Floor Philadelphia, PA 19008 T: 216.446.4503 F: 215.209.0525 C: 215.287.6180 Tony.dell'arciprete@gsa.gov	Thomas Quenville Program Manager NASA Langley Research Center M/S 140 Hampton, VA 23681 T: 757-864-7286 F: 757-864-7728 C: 757-951-8442 Thomas.j.quenville@nasa.gov
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Hill's proposed Alternate Construction Administrator is [name](#), PE, PSP. [name](#) is a registered Professional Civil Engineer with more than 10 years experience, who began her career in construction industry in 2000 as a Field Engineer for a heavy marine construction firm. Joining Hill in 2006, she has transitioned into providing services for Federal building projects first working on the NIAID Biocontainment Facilities Program on numerous college campuses across the country and then modernizations of both the U.S. Supreme Court Building and the Lafayette Building.

[name](#) references are included here, as well as on her resume in Part A, Section 1 Key Personnel.

Michael Regan, Project Manager Architect of the Capitol 2nd and D Streets, SW Washington, DC 20515 T: 202-479-2919 mregan@aoc.gov	Jim Yellman, Facilities Manager Architect of the Capitol 2nd and D Streets, SW Washington, DC 20515 T: 202-479-3143 jyellman@aoc.gov
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4.5.2 Estimator

Hill's Lead Estimator is [name](#), CPE. He has more than 26 years experience providing estimates at all levels of design for major design-build and competitive bid renovations, modernizations, and new buildings. As a Certified Professional Estimator, his experience includes numerous projects for local clients such as the General Services Administration, District of Columbia Public Library System, U.S. Department of Defense, and U.S. Army Corps of Engineers, Baltimore District. [name](#) also has experience in value engineering and cost control for maintaining project budgets.

[name](#) 2-year history of cost estimates compared to the actual construction costs is as follows.

Project Name	Year of Effort	Services	Bidder Price	HIII IGE
Lafayette Modernization - Phase 1 Base Bid	2009 - 2010	Concept to Final CDs	\$48,478,000	\$53,335,141
Lafayette Modernization - Building Security Systems Allowance	2009 - 2010	Concept to Final CDs	\$750,000	\$750,000
Lafayette Modernization -Option 1 Remaining Exterior Facade	2009 - 2010	Concept to Final CDs	\$3,050,000	\$4,765,169
Lafayette Modernization -Option 2 Lower Floors Renovation	2009 - 2010	Concept to Final CDs	\$41,716,000	\$43,927,611
Lafayette Modernization -Option 3 Perimeter Security and Site Upgrade	2009 - 2010	Concept to Final CDs	\$2,375,000	\$2,270,732
Lafayette Modernization -IT	2009 - 2010	Concept to Final CDs	\$1,725,000	\$1,675,000
NASA New Town Administrative Office Building 1	2009 - 2010	Concept to Bridging	\$21,750,000	\$23,143,811
NASA New Town Integrated Services Building	2010 - 2011	Concept to Bridging	bid within 2%	\$37,844,490
GSA FBI Field Office - Norfolk	2009	Programmatic Budget	\$35,451,000	\$37,168,890

[name](#) references are included here as well as on his resume in Part A, Section 1 Key Personnel.

Tony Dell'Arciprete PE, CCM Project Manager GSA Region 3 Strawbridge Building 20 North 8th St., 9th Floor Philadelphia, PA 19107 T: 215-446-4503 F: 215-209-0525 tony.dell'arciprete@gsa.gov	Anthony Teti Contracting Officer GSA Region 3 Strawbridge Building 20 North 8th St., 9th Floor Philadelphia, PA 19107 T: 215-446-4544 F: 215-446-5139 anthony.teti@gsa.gov
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4.6 References for Projects Completed or in Process over Last 2 Years

This table illustrates references for Hill's Washington, DC office projects currently ongoing and completed within the past 2 years.

Regional References

Project Name	Contact Information
Smithsonian Institution Contract II	<i>Derek Ross, Associate Director of Construction</i> Smithsonian Institution 202-275-0459
Anacostia Neighborhood Library	<i>Jeff Bonvechio</i> DC Public Library 202-727-1113
Tenley-Friendship Neighborhood Library	<i>Jeff Bonvechio</i> DC Public Library 202-727-1113
U.S. Capitol Power Plant	<i>Chuck Hill, Deputy Director of Design</i> Architect of the Capitol 202-226-8026
U.S. Supreme Court Building	<i>Joe Metzler, Project Manager</i> Architect of the Capitol 202-479-5991
NIAID Biocontainment Facilities Program	<i>Ambrose Buck Lewis, Program Officer</i> National Institute of Allergy and Infectious Diseases 301-402-8587
US Department of Defense for Other Defense Agencies (O/I/Q Services)	<i>Wade Shankle, Contracting Officer's Representative</i> U.S. Department of Defense, Washington Headquarters Services 703-692-3108
GSA Nationwide IDIQ	<i>Regina Crews, Contracting Officer</i> U.S. General Services Administration 202-208-9990
George Washington University CM/PM Support	<i>Arthur Bean, Director of Project Management</i> The George Washington University 202-994-8612
Lafayette Building	<i>Alison Dresser, Project Manager</i> U.S. General Services Administration 202-205-5858
NASA New Town Program (Langley Research Center)	<i>Tony Dell'Arciprete, Project Manager</i> U.S. General Services Administration 215-446-4503
NASA New Town Administrative Office Building 1	<i>Tony Dell'Arciprete, Project Manager</i> U.S. General Services Administration 215-446-4503

Project Name	Contact Information
National Park Service IDIQ	<i>Darin Thacker</i> U.S. National Park Service 303-969-2228
The Federal Research Center – White Oak Campus	<i>Kevin St. Clair, Project Manager</i> U.S. General Services Administration 202-219-3281
FBI Field Office - Norfolk	<i>Tony Dell'Arciprete, Project Manager</i> U.S. General Services Administration 215-446-4503
Department of Employment Services Headquarters Building	<i>Donald Eischens, PMP, LEED AP, Executive Program Manager</i> DC Office of Contracting and Procurement 202-442-8757
National Institute of Building Sciences (NIBS)	<i>Earle Kenneth, Vice President</i> The National Institute of Building Sciences (NIBS) 202-289-7800
GSA Nationwide Blanket Purchase Agreement	<i>Bradley Powers, Supervisory Contracting Officer</i> U.S. General Services Administration 253-931-7188
National Capital Region Renovation	<i>Chrischanda Smith, Contracts Specialist</i> U.S. General Services Administration 202-205-5858
Belvedere Tavern	<i>Dave Rugola</i> Jerry's Belvedere Tavern 410-435-8600

National References

Project Name	Contact Name	Company Name	Contact Phone
Cultural Affairs Unit, On-Call Construction Management Task Order Services	Wong, Steven	New York City Department of Design and Construction	718-391-2550
Georgia International Convention Center Hotel Headquarters	Groome, Chip	Grove Street Partners	770-818-4157
Phoenix Sky Harbor International Airport-Technology Program	Raabe, Nancy	City of Phoenix Aviation Department	602-262-5011
Long Island Rail Road East Side Access Project	King, William	New York Metropolitan Transportation Authority	212-878-7107
Trenton Central High School	VanStory, Joseph	New Jersey Schools Development Authority	609-943-5952
Cosmopolitan Resort & Casino	Friedmutter, Brad	Friedmutter Group	702-736-7477
Pennsylvania Convention Center Demolition	Taylor, Gary	Pennsylvania Department of General Services	717-787-7519
Philadelphia International Airport Program Management	Borda, Tracy	City of Philadelphia, Department of Commerce, Division of Aviation	215-537-5482



Project Name	Contact Name	Company Name	Contact Phone
PennDOT District 6-0 Transportation Infrastructure Improvements	Dunhelmer, George	Pennsylvania Department of Transportation	610-205-6680
Arcola Intermediate School Renovation & Skyview Upper Elementary School	Jacobe, Bill	Methacton School District	610-489-5000 ext.30405
New York City Parks Reconstruction	Fields-Mitchell, Grace	NYC Parks Department	
Philadelphia International Airport Program Management - ESCO	Borda, Tracy	City of Philadelphia, Department of Commerce, Division of Aviation	215-537-5482
New Life Ministries Church	Harris, Marlin	New Life Baptist Church	770-480-1214
Williamsburg Landing	Montgomery, Steve	Williamsburg Landing	
Aviation Cultural Center	Jenkins, Donna	Fulton County Government	404-612-4213
Atlanta Airport Marriott Gateway Center	Groome, Chip	Grove Street Partners	770-818-4197
Robert Smith Vance U.S. Courthouse	Robert McCabe	United States General Services Administration	404-331-1653
Salt River Fields at Talking Stick	Moll, Ron	Salt River Pima-Maricopa Community	480-362-7774
Harry Bridges Buffer and Street Improvements	Berg, Deborah	Berg & Associates, Inc.	310-548-9292
Metro Gold Line Rail Foothill Extension	Jue, Crandall	Metro Gold Line Extension Authority	626-471-9050
Metro Gold Line Rail Parking Facilities Design	Chow, David	IBI Group, Inc.	949-833-5588
LACCD's Proposition J Bond Program	Mandilag, Susan	Harris and Associates	925-827-4900
Andaz Wailea Hyatt	Coolidge, Michael	Hyatt Development	312-780-5373
Sand Canyon Grade Separation Project	Hashem, Reem	Orange County Transportation Authority	714-560-5446
Port of Long Beach Railroad Constructability Review	Dupras, Marlene	Port of Long Beach	562-590-4172 ext. 5241
ACRP Sound Mitigation Guidelines	DeVoto, Randy	CSDA Architects	415-693-9800
MTA HQ Estimating and Consultant Services	Mayclim, Scott	New York Metropolitan Transportation Authority	212-878-1115
Holmdel M. V. Maintenance Facility/PNC Arts Center Improvements	Simon, Rod	New Jersey Turnpike Authority	
Bachmann Springs Holdings, LLC	Bachmann, Charles	Bachmann Springs	520-457-3100
City of San Luis Obispo Services	Horn, Matt	City of San Luis Obispo	

Project Name	Contact Name	Company Name	Contact Phone
BART-Concord Station Retrofit	Jordan, Frederick	F.E. Jordan Associates Inc.	510-763-2400
Caltrans Construction Inspection on District 4 DES Structures Projects in District 4	Nichols, Patricia	CALTRANS	916-227-6067
City of Sacramento On-Call Construction Inspection 2011 and 2012	Chuck, Ricky	City of Sacramento Engineering Services Division	916-808-5050
West Stockton Boulevard Bridge Replacement	Grunwald, Gary	City of Elk Grove Development Services, Public Works	916-478-2336
Bethel Island Bridge Replacement	Emigh, Kevin	Contra Costa County, CA	925-313-2233
Port St. Lucie Professional Construction Engineering Services (CEI)	Gent, Jen	City of Port St. Lucie	772-871-7340
Civil Engineering Services Continuing Supply	Sellers, Wendi	Leon County, FL	850-606-1600
Belle Terre Parkway Four-Laning Project	Esposito, Michael	City of Palm Coast	386-986-2461
Philadelphia International Airport	Anastasi, Edward	City of Philadelphia, Department of Commerce, Division of Aviation	215-937-5414
Atlantic City Free Public Library - Richmond Avenue Branch	Frank, Maureen	Atlantic City Free Public Library	609-345-2269
Montclair State University On Call PM Services	McCann, Bill	Montclair State University	973-655-4024
Stone Bridge Middle School	Yosifon, Viola	Upper Freehold Regional Board of Education	609-259-0153
Richwood Elementary School	Scharle, Robert	Harrison Township School District	856-478-2016 Ext 153
Thomas H. Dudley Elementary School	Tsai-Ochs, Claire	New Jersey Schools Development Authority	609-943-5955
Chesterfield Elementary School	Zolkowski, Louise	Chesterfield Township Board of Education	609-298-0307
Atlantic City Elementary School Program	Mooney, Lisa	Atlantic City Board of Education	609-343-7200 Ext 2-503
Vineland Middle School	Perla, Vic	New Jersey Schools Development Authority	609-777-1654
Cumberland Regional High School Roof Replacement	McIvaine, Andrew	Cumberland Regional Board of Education	856-451-9400 Ext 210
San Francisco Municipal Transportation Agency Capital Program	Farhangi, Shahnam	San Francisco Municipal Transportation Agency	415-701-4500
United Nations Headquarters Complex	Clarkson, John	United Nations	212-963-4296
World Trade Center Reconstruction	Craccholo, Anthony	Port Authority of New York and New Jersey	212-435-5533
Queens Central Library	Nastasi, Michael	New York City Department of Design and Construction	718-591-1174



Project Name	Contact Name	Company Name	Contact Phone
Queens Theatre In the Park	Nastasi, Michael	New York City Department of Design and Construction	718-391-1174
El Museo del Barrio	Nastasi, Michael	New York City Department of Design and Construction	718-391-1174
Shower Reconstruction at ARDC, Rikers Island	Brooks, Ann Marie	New York City Department of Design and Construction	719-391-1379
Weeksville Heritage Center	Nastasi, Michael	New York City Department of Design and Construction	718-391-1174
Kingsbridge Library	Connor, Francis	New York City Department of Design and Construction	718-391-1143
No. 7 Subway Line Extension	Matthews, Paul	New York Metropolitan Transportation Authority	212-616-4462
Certification of MTA's Bus Company's Inspection Maintenance & Repair Programs	Patrissi, John	New York Metropolitan Transportation Authority	646-252-4114
New York Tree Trust	Wooley, Laura	NYC Parks Department	718-760-6846
East River Waterfront Esplanade & Piers Project	Kanc, David	Carter & Burgess, Inc.	212 619 5000
DASNY Construction Management Services - Term	Burega, Kara	The Dormitory Authority of the State of New York MAIN	518-257-3796
Queens Public Library Renovation	Silveira, Sergio	New York City Department of Design and Construction	718-391-1041
Sprinkler Installation	Burega, Kara	The Dormitory Authority of the State of New York MAIN	518-257-3796
City Hall Renovations	Silveira, Sergio	New York City Department of Design and Construction	718-391-1041
Museum of the City of New York Phase 2	Silveira, Sergio	New York City Department of Design and Construction	718-391-1041
North Infirmery Command Rikers Island	D'Oelsnitz, Alex	New York City Department of Design and Construction	718-391-1143
Kent Senior Center	Gary, Harold	Putnam County - Department of Highways and Facilities	845-878-6331
Western Connecticut State University Performing Arts Center	Fitzgerald, Kenneth	State of Connecticut Office of Policy and Management	860-713-5926
John F. Kennedy Airport, Terminal 5	Redd, Christopher	DTG at JFK T5 Venture, LLC	610-521-6707
Brooklyn College Performing Arts Center	Carmosino, Ralph	The City University of New York	212-541-0498
PATH On-Call Services	Lenahan, Shaun	Port Authority of New York and New Jersey	212-435-5526
Bank of New York Mellon Corporate Headquarters	Montiel, Patricia	Bank of New York Mellon	212-815-6922
National Gateway Initiative (NGI)	Hoey, Michael	CSXT	215-891-5520

Project Name	Contact Name	Company Name	Contact Phone
Construction Management / Construction Support Services Contract	Sotak, Thomas	Cuyahoga County Engineer	216-348-3819
Orlando World Center Resort - Pool & Water Amenities Upgrade	Muth, Roy	Host Hotels and Resorts, Inc.	240-744-5310
Orlando World Center Resort Suites Renovation	Muth, Roy	Host Hotels and Resorts, Inc.	240-744-5310
City of Santa Monica	Botham, Gene	City of Santa Monica	310-458-8729
San Bernardino Valley Area Rehabs 10/11	Doublet, David	San Bernardino County	909-387-7920
First Street Bridge Replacement	Godinez, Raul	City of Santa Ana	714-647-5027
Mountain View Avenue Widening	Merrill, Chad	Inland Valley Development Agency	909-382-4100
New City Hall and Police Station	Danko, Mike	City of Independence	503-838-1212
City of Independence, Oregon - Civic Center	Danko, Mike	City of Independence	503-838-1212
PDC-Construction Management Flexible Services Contract	Hammond, Rachel	Portland Development Commission	503-823-3200
Oregon University System - Professional Consulting	Creech, Frank	Oregon University System	541-962-3562
PPMC CORE LAB-POP III	Weylandt, Karen	Providence Health & Services	503-215-2694
Chimney Park Maintenance Building & Flavel Yard	Meamber, Susan	Portland Parks & Recreation	503-823-5883
Upper Moreland High School Renovation	Dumin, Mike	Upper Moreland School District	215-659-6800
United States DOT/FTA (PMO)	Asatoorian, Steve	Federal Transit Administration	202-366-1649
DOT/FTA (PMO) Florida	Marshall, Marilyn	Federal Transit Administration	202-366-0986
Jaindl Elementary School	Donohue, Louise	Parkland School District	610-351-5500
Upper Moreland High School	Protzmann, Harry	Upper Moreland School District	215-830-1559
Philadelphia Schools Program Controls Project	Jackson, Joel	The School District of Philadelphia	215-400-5254
The National at Old City	Bierman, Robert	The National At Old City Condominium Home Owners'	215-496-1080
Norfolk Corps of Engineers Military Base	Fink, George	FAI Construction Consultants, Inc.	646-839-4550
SCI Phoenix	O'Reilly, Elizabeth	Pennsylvania Department of General Services	717-787-7096



Project Name	Contact Name	Company Name	Contact Phone
Lights of Liberty Historic Structure and Visitor Center	Rosenberg, Steve	Historic Philadelphia Inc.	215-629-5801
Ellensburg School District Maintenance Building	Walker, Farley	Ellensburg School District No. 401	509-925-8014
Delaware River Joint Toll Bridge - Open Task Order	Harney, Chris	Delaware River Joint Toll Bridge Commission	215-295-5061
Ardmore Elementary School	Otto, Joseph	William Penn School District	610-284-8005 ext.222
Fayette County Prison	O'Reilly, Elizabeth	Pennsylvania Department of General Services	717-787-7096
Graterford Prison	O'Reilly, Elizabeth	Pennsylvania Department of General Services	717-787-7096
Southport Project Planning - Mustin Homes Housing Task 2	O'Reilly, Elizabeth	Pennsylvania Department of General Services	717-787-7096
Washington Crossing Toll-Supported Bridge Near-Term Improvements	Harney, Christopher	Delaware River Joint Toll Bridge Commission	215-295-5061
Greater Philadelphia Innovation Cluster (GPIC) HUB Bldg 661	Scott, Gregory	The Pennsylvania State University	814-863-9622
Breezeale Labs Renovation	Bechtel, John	The Pennsylvania State University	814-865-7079
Transbay Terminal	Rule Cope, Marian	TransSystems Corporation	510-853-9898
Red Lion Energy Center Project	Ketler, Steve	Bloom Energy	778-288-7488
Widener University New Academic Building	Baker, Joseph	Widener University	610-499-4039
Newtown Commons - Pedestrian Bridge Enclosure	Matthews, Dennis	Bucks County Community College	215-968-8300
Bloom Energy Corp. On-Call PM Services	Ketler, Steve	Bloom Energy	778-288-7488
Early Childhood Center 1 (ECC 1)	VanStory, Joseph	New Jersey Schools Development Authority	609-943-5952
The Texas Regional Center	Gochhour, Jeffrey	Cottonwood Partners	801-365-6200
Seaport Construction Management Services	Sweet, Brian	Port of Seattle	206 728-3000
Northern Quest Resort and Casino Expansion	Wiprud, Michael	Kalispel Tribe of Indians	509-481-2032
Northern Quest Resort and Casino - Phase II New Hotel	Wiprud, Michael	Kalispel Tribe of Indians	509-481-2032
Boise 2010 Census Project	Hanula, Malla	UGL Equis Corporation	312-424-8000
Snoqualmie Valley School District Extension	Ellis, J	Snoqualmie Valley School District #410	425-831-8000



Project Name	Contact Name	Company Name	Contact Phone
Blickleton School District No. 203 (K-12)	Palmer, Ric	Blickleton School District No. 203	509-896-5473
Jefferson Elementary School, Phase 2	Beumel, Hal	Everett School District No. 2	425-385-4190
Eastmont SD No. 206 - District Parking Lot	Christensen, Gern	Eastmont School District No. 206	509-884-7169
North Central Technical Skill Center - Tenant Improvements	Fiones, Brian	Wenatchee School District No. 246	509-663-8161
Churchill's Steak House Restoration	Alles, Bill	Sprague Avenue Partners, LLC	509-701-9887
Northern Quest Resort and Casino Complex	Caputo, Kent	Kalispel Tribe of Indians	509-481-2032
Northern Quest Resort and Casino - Convenience Store/Gas Station	Caputo, Kent	Kalispel Tribe of Indians	509-481-2032
Warden SD No. 146-161 Capital Improvement Program	Sheldon, Sandra	Warden School District No. 146-161	509-349-2366
Medical Lake SD No. 326 Capital Improvements Program	Veltri, Pam	Medical Lake School District No. 326	509-565-3100
McClure Federal Building/US Courthouse	Greer, Trudy	United States General Services Administration	253-931-7788
Eastern Oregon Higher Education Center	Turner, John	Blue Mountain Community College	541-278-5749
Clark Fork Library Branch Addition	Gunter, Wayne	East Bonner County Library District	
Republic Elementary School - Fire Sprinkler Project	McDonald, Teena	Republic School District No. 309	509-775-3173
Richland Federal Building	Tomlinson, Judith	United States General Services Administration	253-931-7188
Wellpinit SD No. 49	Ames, Timothy	Wellpinit School District No. 49	509-258-4535
Wildhorse Resort & Casino Expansion	George, Gary	Wildhorse Resort & Casino	541-966-1970
Mt. Stuart Elementary School 2010 Re-roof Project	Walker, Farley	Ellensburg School District No. 401	509-925-8014
520 Floating Bridge Replacement	Singer, Rick	Washington State Department of Transportation (WSDOT)	206-770-3609
Curlew Ferry Border Station Boiler Replacement	Ashenbrenner, Carol	United States General Services Administration	253-931-7589
William O. Douglas Federal Building & United States Courthouse	Campbell, Jessica	United States General Services Administration	253-931-7298
Wenatchee Valley Technical Skill Center (WVTS) 2011 - 2013 Projects	Fiones, Brian	Wenatchee School District No. 246	509-663-8161
Morgan Middle School	Walker, Farley	Ellensburg School District No. 401	509-925-8014



Project Name	Contact Name	Company Name	Contact Phone
Steilacoom Historical School District	Barnes, Teena	Steilacoom Historical School District No. 1	253-983-2200
East Side Bridge Hometown Streets Phase 1 Improvements Project	Popchak, Joseph	Urban Redevelopment Authority of Pittsburgh	412-255-6620
City of Pittsburgh Housing Authority Task Order Contract	McDanel, Will	Housing Authority City Of Pittsburgh	412-456-5116
Mountain View Avenue Widening	Thipeji, Jarb	City of Loma Linda	909-208-4271
I-15/Mountain Pass Construction	Melgoza, Rose	CALTRANS	909-383-4631
I-215 Projects In Riverside County	Zahedi, Masud	CALTRANS	909-383-4631
Dale Road/Kiernan Avenue	Casado, Jerry	City of Modesto	209-577-5452
Pelindale Avenue/Dale Road-McHenry Avenue	Casado, Jerry	City of Modesto	209-577-5452
Bethel Island Bridge Replacement	Emigh, Kevin	Contra Costa County Public Works	925-333-2233

4.7 Sample Documentation from Similar Projects

At the end of this section, we have included the following sample documentation from similar projects:

1. A/E Contract Record
2. Budget Summary
3. Change Order Log
4. Financial Summary Report
5. Earned Value Curve
6. Design Review Matrix
7. Constructability Report
8. Daily Construction Report
9. Weekly Report
10. RFI Log
11. Submittal Log
12. Procurement Bidder Questions
13. Meeting Minutes
14. Risk Register
15. Permit Strategy Plan
16. QA/Start up/Commissioning Matrix
17. Site Safety Inspection Report

CONTRACT RECORDS
UNIT RECORDS DESIGN CONTRACT

STATE OF WISCONSIN
DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
1000 Lincoln Drive
Madison, WI 53704

WORK NO.: 061105040001
W.D. No.: P12062001
ACT No.:

DATE: 12/22/2006

PROJECT: 061105040001
SUBJECT: 061105040001

The Reports that Hill Drafted for an Unrelated Project for Another Agency were Withheld Because These Materials are Considered the Property of that Other Agency and Hill's Commercial Work Product



NASA AOB1 New Town Project

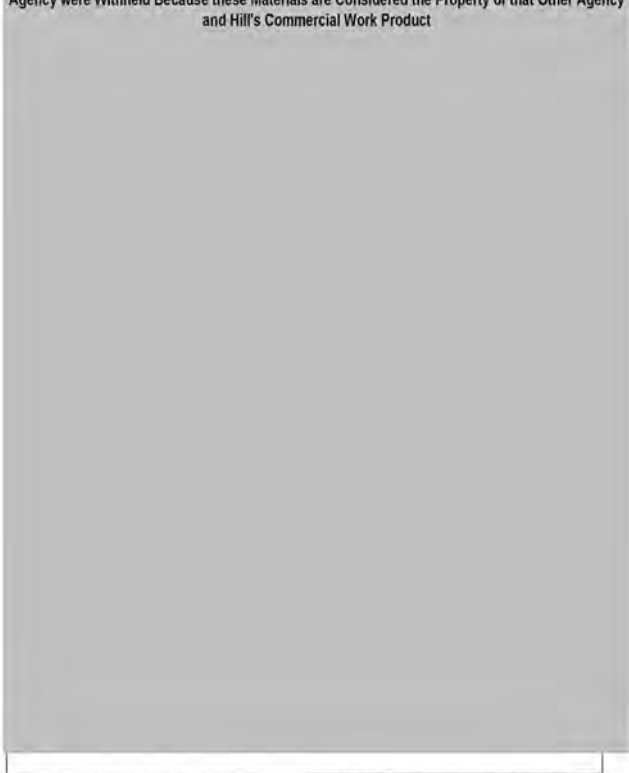


Hill International

Daily Inspection Report

Tuesday, February 15, 2011

The Daily Inspection Report and Other Reports that Hill Drafted for an Unrelated Project for Another Agency were Withheld Because these Materials are Considered the Property of that Other Agency and Hill's Commercial Work Product



Page 1 of 13






Hill International

Lafayette Building Modernization

Weekly Report

October 22, 2011- Report No. 0049

The Weekly Reports that Hill Drafted for an Unrelated Project for Another Agency were Withheld Because these Materials are Considered the Property of that Other Agency and Hill's Commercial Work Product





Hill International

Site Safety Inspection

Project Name: *USA - A0B1*

Date: *15 Feb 11*

The Reports that Hill Drafted for an Unrelated Project for Another Agency were Withheld Because these Materials are Considered the Property of that Other Agency and Hill's Commercial Work Product

References

Hill has successfully provided professional construction management services on several major projects that are similar in scope, size, and complexity to the Martin Renovation. Without exception, Hill's past clients have relied upon our expertise to assist with delivery of their projects. We believe our past performance outcomes and clients' satisfaction testify to Hill's ability to make the Martin Renovation successful for the Board.



*The Lafayette Building
Washington, DC*

U.S. General Services Administration

Allison Dresser, Project Manager
U.S. General Services Administration
7th and D Streets, SW, Room 2130
Washington, DC 10407
Tel: 202-708-8504
Allison.dresser@gsa.gov

The Lafayette Building Washington, DC

Hill is providing construction management services through the design, procurement, and construction phases for the \$185 million, 565,000 SF modernization of the historic Lafayette Building, which features major systems upgrade including mechanical, electrical, plumbing, fire and life safety, energy-efficient lighting, perimeter security, blast-resistant windows, restoration of the elevator cabs, and facade restoration.

Our subconsultants Wiley|Wilson, ONIX, McKeever, Elocen, and Presti are also working on this project with Hill.

Total Project Value: \$185 million

CM Contract Value: \$11 million

Status: Currently providing services

Contracting Officer: Michelle Mailhot, 7th and D Streets, SW, Room 2130, Washington, DC 10407, Tel: 202-401-1835, michelle.mailhot@gsa.gov



U.S. Supreme Court Building
Washington, DC

Architect of the Capitol

U.S. Supreme Court Building
Washington, DC

Joe Metzler, Project Manager
Architect of the Capitol
1 First Street NE, Room 6-14
Washington, DC 20543
Tel: 202-479-5991
jmetzler@aac.gov

Hill provided construction management services during the design, procurement, and construction phases to the Architect of the Capitol for a \$122 million modernization of the 335,000 SF U.S. Supreme Court Building, and construction of a new 42,000 SF underground annex. Scope included replacement of the entire mechanical system; replacement of electrical systems; a new lighting/dimming system; a new fire sprinkler and alarm system; replacement bronze windows; and abatement of hazardous materials incident to new construction.

Our subconsultants Wiley|Wilson, Elocen, and Presti also worked on this project with Hill.

Total Project Value: \$122 million

CM Contract Value: \$7 million

Status: Complete

Contracting Officer: Chris Lindsay, House Ford Office Building, 2nd and D Streets, SW, Washington, DC 20024, Tel: 202-226-2172, clindsay@aac.gov



NASA New Town
Hampton, VA

U.S. General Services Administration

**NASA New Town
Administrative Office Building 1**
Hampton, VA

Tony Dell'Arciprete PE, CCM,
Project Manager
U.S. General Services Administration,
Region 3
20 North 8th Street, 9th Floor
Philadelphia, PA 19107
Tel: 215-446-4503
tony.dell'arciprete@gsa.gov

Hill is providing integrated construction management services for the National Aeronautics and Space Administration's (NASA) 15-year facility modernization program at its Langley Research Center in Hampton, Virginia, known as New Town. The first project completed under the program is a 78,000 SF design-build headquarters building, the Administrative Office Building 1 (AOB1). The AOB1 incorporates many energy saving design elements, such as a ground source heating and cooling, and green roof, photo-voltaics. The USGBC awarded the headquarters project a LEED Platinum certification, and the building was also selected by *Engineering News-Record* as the 2011 "Best Green Building" for the Southeast Region.

Our subconsultant ONIX also worked on this project with Hill.

Total Project Value: \$26.1 million

CM Contract Value: \$2.6 million

Status: Complete

Contracting Officer: Anthony Teti, 20 North 8th Street, 9th Floor, Philadelphia, PA 19107, Tel: 215-446-4544, anthony.teti@gsa.gov



U.S. Capitol Power Plant
Washington, DC

Architect of the Capitol

U.S. Capitol Power Plant
Washington, DC

Chuck Iliff, PE,
Director of Sustainability
Architect of the Capitol
House Ford Office Building
2nd and D Streets, SW
Washington, DC 20024
Tel: 202-226-8026
Fax: 202-225-7308
ciliff@eoc.gov

Hill provided construction management services for the design, procurement and construction of a multi-phased expansion and upgrade of United States Capitol Power Plant. The \$110 million project involves upgrades to the existing historic power plant, including new refrigeration and electrical infrastructure distribution, installation of state-of-the-art energy controls, and the provision of an additional 36,000 tons of cooling capacity to support future growth at the Capitol campus.

Our subconsultants Presti and Applied Environmental also worked on this project with Hill.

Total Project Value: \$110 million

CM Contract Value: \$7 million

Status: Complete

Contracting Officer: Cynthia Bennett (retired 2011), Chuck Iliff served as Contracting Officer Technical Representative.

Corporate Qualifications

Project Management Services

- Program Management
- Project Management
- Construction Management
- Project Management Oversight
- Troubled Project Turnaround
- Staff Augmentation
- Project Labor Agreements
- Labor Compliance Management (MyLCM®)
- Management Consulting
- Commissioning
- Estimating and Cost Management

Construction Claims and Consulting Services

- Claims Consulting
- Litigation Support
- Expert Witness Testimony
- Cost and Damages Assessment
- Delay and Disruption Analysis
- Adjudication
- Lender Advisory
- Risk Management
- Forensic Accounting
- Fraud Investigation
- Project Neutral®

HILL LISTED NYSE

Hill is a leading international construction consulting firm that provides program and project management, construction management, cost engineering and estimating, quality assurance, inspection, scheduling, claims analysis, innovative dispute resolution, and staff augmentation services to clients involved in major construction projects worldwide. Hill has the expertise and experience to manage major projects from concept to successful completion. We have successfully managed more than 5,000 projects with a total construction value over \$250 billion, and we are **the largest pure construction management firm in the country**. Hill is a publicly-traded company listed on the New York Stock Exchange.

Hill is also an international leader in construction claims management, considered to be **the largest construction claims firm in the world**. Founded in 1976 as a multi-disciplined management consulting firm that helps construction participants minimize risks, Hill has developed a reputation for our innovative approaches to preventing and resolving construction schedule and cost overruns. We offer public and private clients a full spectrum of construction-related services that enable them to complete construction on-time and within budget while minimizing claims and other problems. Hill has helped our clients resolve more than 25,000 claims and disputes valued at more than \$100 billion.

Local Presence

Established in 1980, our regional office in Washington, DC, is comprised of construction professionals experienced in overseeing construction activities to assure all work conforms to the owner's specifications and that quality assurance and public safety concerns are addressed before work begins. Hill currently employs over 100 construction professionals who live and work in the metropolitan DC area with the following skills sets:

- Project Managers
- Construction Inspectors
- Construction Managers
- Project Engineers
- Estimators
- Schedulers
- Project Administration/ Document Control
- Claims Analysts



We manage our workload within a matrix organization where resources are shared across the company and deployed to meet our clients' needs and project requirements. By utilizing this model, Hill's projects are always performed in a timely manner and our workload is more evenly controlled. As a result, our contracts are not typically assigned to a specific office; rather, they are assigned based on our ability to provide best value in terms of technical resources, economic value, and project proximity, allowing for better adherence to the project schedule.

Personnel

Hill employs more than 3,000 professionals and support personnel in 100 offices in 35 countries. Our staff includes architects, engineers in all construction and building-related disciplines, planners, schedulers, estimators, value engineering specialists, construction managers worldwide, resident engineers, construction inspectors and a full range of technical and support staff to represent owners. The table on the right provides a breakdown of our professional staff by discipline.

Sustainability

Hill views sustainability as an inherent and pervasive component of the building process. We have successfully managed an extensive list of LEED projects certified by the U.S. Green Building Council, ranging from Silver to Platinum. Our expertise provides us the ability to quickly surmise a project's potential, as well as navigate and assist less experienced design and construction teams through the process, eliminating the learning curve and reducing incremental costs. Our initial cost estimating removes the guess work, providing you with a solid foundation for decision making on whether or not you choose to pursue certification and aid in evaluating where to best spend project budget dollars to achieve levels of certification.

Professional Staff by Discipline

Accounting	35
Administration	278
Architects	85
Chemical Engineer	2
Civil Engineers	133
Claims Analysts/Attorneys	144
Communication Engineer	7
Computer Specialists	48
Construction Inspectors	107
Construction Managers	158
Contract Administrators	66
Cost/Accounting Engineers	63
Economists	7
Electrical Engineers	51
Environmental Engineers	13
Estimators	62
Landscape Architects	17
Management Consultants	29
Mechanical Engineers	61
Planners: Urban/Regional	5
Project Controls	14
Project Managers	271
QA/QC	13
Safety Engineers	1
Schedulers	77
Structural Engineers	22
Surveyors	26
Technicians	20
Transportation Engineers	13
Other	1,182
TOTAL	3,010



Services

Construction Management

Successful construction management (CM) demands a detail-diligent approach, proactively managed by professionals who have the experience, skills, and technical support each project demands. Hill's professionals are not only credentialed, they have seasoned, hands-on experience in the construction industry. This experience, gained in the trenches of construction projects across the globe, gives our project teams the practical knowledge they need to effectively manage virtually any type of capital project. Hill's CM teams include construction managers, resident engineers, construction superintendents, estimators, schedulers, inspectors, contract administrators, and construction claims avoidance experts.

Program Management

Hill's comprehensive program management services help clients keep multiple, interrelated projects in-sync, on-time and within budget. We help owners, financial institutions, sureties, and others reduce the uncertainty and risk in their capital programs. Hill's managers review every detail of all projects, set up objectives, plans, and priorities, manage and control the process, and identify and resolve problems. Our experienced professionals and technical resources work with the client to define, plan, implement, and integrate every aspect of each project. When managing an entire multi-disciplinary program, our service improves timing, cost, and quality. Our client benefits from a single point of management responsibility for planning, design management, permitting compliance, construction management, and ongoing operations services.

Project Management

Hill has developed its project management approach based on extensive Project Management assignments and claims experience, which gives us a unique and in-depth understanding of what can go wrong on a project. We use this knowledge to identify potential trouble spots on a project before they develop into problems and recommend or initiate preventive action through strategic planning and controls. We vigilantly watch over all aspects of a project, from design review and long-lead items through schedule and budget updates and inspection during construction. As Project/Construction Manager or Owner's Representatives, Hill has managed all phases of the construction process from pre-design through completion, including cost/budget controls, scheduling, estimating, expediting, contract administration, inspections, and control of contractors and suppliers.

Project Management Oversight

Our project management oversight (PMO) services support project success by independently anticipating problems, identifying setbacks and recommending solutions in every project phase. This is the essence of PMO: to give clients objective information, allowing them to make prudent decisions about key issues before major problems occur.



Hill's PMO teams provide timely and objective reporting, from evaluating the performance of the construction manager, designer, and contractors, to monitoring schedules, analyzing costs, and identifying and managing project risks. Teams include specialists in all phases of construction so that the myriad events that occur on a project can be assessed and evaluated in a timely way by the right expert. Because Hill's staff includes experts who are leaders in their disciplines, our clients benefit from strong recommendations that are technically and financially sound.

Claims Consulting

Even the most carefully planned construction project can encounter claims. How those claims are handled, however, can make a difference in the success of the project. Hill's approach to claims resolution is broad-based and relies on the participation of Hill's multi-disciplined staff of engineers, architects, attorneys, contract administrators, construction managers, accountants, and scheduling specialists. Such a range of expertise is essential in analyzing the often complex liability, causation, and damage components of a claim. Hill's technical and contract experts conduct a detailed analysis of the claims, break them down event-by-event and issue-by-issue, to help facilitate resolution. By reviewing and analyzing all relevant project documents and performance data, our team can help get to the root of any dispute.

Project Controls

Hill provides state-of-the-art project controls systems as part of our project management services. Our systems incorporate schedules, budgets, and contract administration meeting the needs of today's clients for successful control of and timely, accurate information on cash flow needs, costs, schedules, changes, progress, claims, material, equipment, and labor. Hill provides its renown project controls services using both customized and industry recognized software systems allowing full flexibility to meet clients needs.

We have worked extensively with performance measurement techniques to manage project schedules. Our computerized system helps monitor schedule and cost information by keeping track of thousands of activities and flagging those requiring management attention. Hill's nationally known experts in CPM scheduling can analyze contractors' project schedules, advise management of the accuracy of these schedules, and present effective assessments and recommendations, thereby minimizing potential problems.

Hill provides estimating services in order to provide a basis from which to award bids and to forecast and manage total capital cost. Contract administration is an important function that supports the project through change order management control, resulting in minimal claims costs for the project.

Cost Estimating

Hill has successfully prepared cost estimates on projects ranging from thousands to billions of dollars. Our estimates support planning, design, construction, renovation, operations and maintenance, change order negotiations, and claims support. We help assure accurate estimates of construction costs through the collaborative involvement of the client and the architectural and engineering staff.



We develop budgetary and detailed cost estimates in accordance with the Board's standards. We solicit vendor quotes, where appropriate, and obtain local material costs from suppliers in the vicinity of the project. Hill derives labor productivity rates from project experience and historical rates. Using a combination of the MC2 estimating program with On Center Take Off, Hill maintains RS Means Cost Works and the web-based Success Enterprise System. Additionally, Hill maintains RS Means Cost Works and the U.S. Army Corps of Engineers' Micro Computer-Aided Cost Engineering Program as estimating systems / software to offer a versatile estimating capability to our clients.

Hill's Estimating and Cost Management Services include:

- Master Budget Planning
- Conceptual Budget Estimates
- Estimates at Schematic, Design Development and 95% & 100% CDs
- Project Work Schedules
- Constructability Reviews
- Value Engineering
- Change Orders Administration
- Long Lead Items Identification and Document
- Information Control Systems

Scheduling

Hill's nationally known experts in CPM scheduling can analyze contractors' project schedules, advise management of the accuracy of these schedules, and present effective assessments and recommendations, thereby minimizing potential problems. A team of Hill professionals with in-depth industry experience will evaluate your project's schedule and identify all possible pitfalls in scope, logic, sequence, and duration. They will help sort out critical vs. non critical activities, evaluate resource loading, and perform "What If" and "Time-Window Based" analysis. Hill's experts use the most sophisticated methods for establishing and evaluating schedule conflicts, analyzing delays/acceleration, conducting productivity analysis, auditing costs, and determining damages.

Commissioning

Hill has in-house capabilities to provide commissioning services and recognizes that each building has a unique set of requirements that need to be met for a successful project to be realized. Our approach is one that is not only tailored to each project but also follows well-established guidelines.

While following guidelines as established by the Building Commissioning Association (BCA) and as provided in Guideline 0-2005, The Commissioning Process, from the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), Hill develops commissioning plans and documentation customized to meet our clients' needs while maintaining the flexibility necessary to achieve the project's goals.

Construction Dispute Resolution Services

As a world leader and innovator in the field of construction claims management, Hill has participated in the resolution of thousands of construction claims. We have developed a staff of professionals who are



expert at examining construction documents, schedules, and inspecting work to identify relevant issues and solutions. Our claims services include claims resolution, case strategy, issue analysis, establishing causation, cost recovery, damage analysis, delay analysis, litigation support, expert witness testimony and support, mitigation, prevention programs, training programs, and other management support.

Summary

The combined resources of the Hill staff allows us to provide such services as project management, project controls, engineering, design, construction management, and claims management to major commercial and industrial, federal, state, and local government clients. Hill provides a level of expertise not available elsewhere, and can offer clients the professional consulting services necessary to successfully manage all aspects of capital projects, from inception through close-out and occupancy.

Industry Sectors Served

For over a quarter century, clients worldwide have selected Hill as consultants on their most complex projects. Each client has unique needs and goals, yet they choose Hill because they want experts who can prevent problems, minimize risks, and eliminate surprises. Our mission: to meet our clients' diverse needs in handling project risk and exceed their highest expectations.


Hill has served public and private sector clients in a wide range of sectors, including those listed below.

Buildings	Industrial and Process	Manufacturing Facilities
Apartment/Housing Facilities	Cement and Aggregates	Vehicles
Commercial Office Buildings	Chemical	
Educational Facilities	Pharmaceutical	Telecommunications/ Technology
Entertainment Facilities	Pulp and Paper	Communication Centers
Government Facilities	Steel and Metal	Chip Manufacturing Plants
Hospital/Healthcare Facilities		
Hotels, Casinos and Resorts	Power	Oil and Gas
Religious Facilities	Cogeneration Facilities	Pipelines
Retail Facilities	Fossil Fuel Power Plants	Refineries
Sports Facilities	Hydroelectric Facilities	Petrochemical Processing Plants
Theme Parks and Zoos	Nuclear Power Plants	Liquefied Natural Gas Plants
	Renewable Energy	Gas Wells
Transportation	Waste-to-Energy Facilities	Gas Recolving Facilities
Airports		
Bridges	Environmental	
Ports and Harbors	Hazardous Waste	
Rail and Transit	Sewerage and Solid Waste	
Roads and Highways	Water Supply	
Tunnels		



Implementation Plan

competitive harm



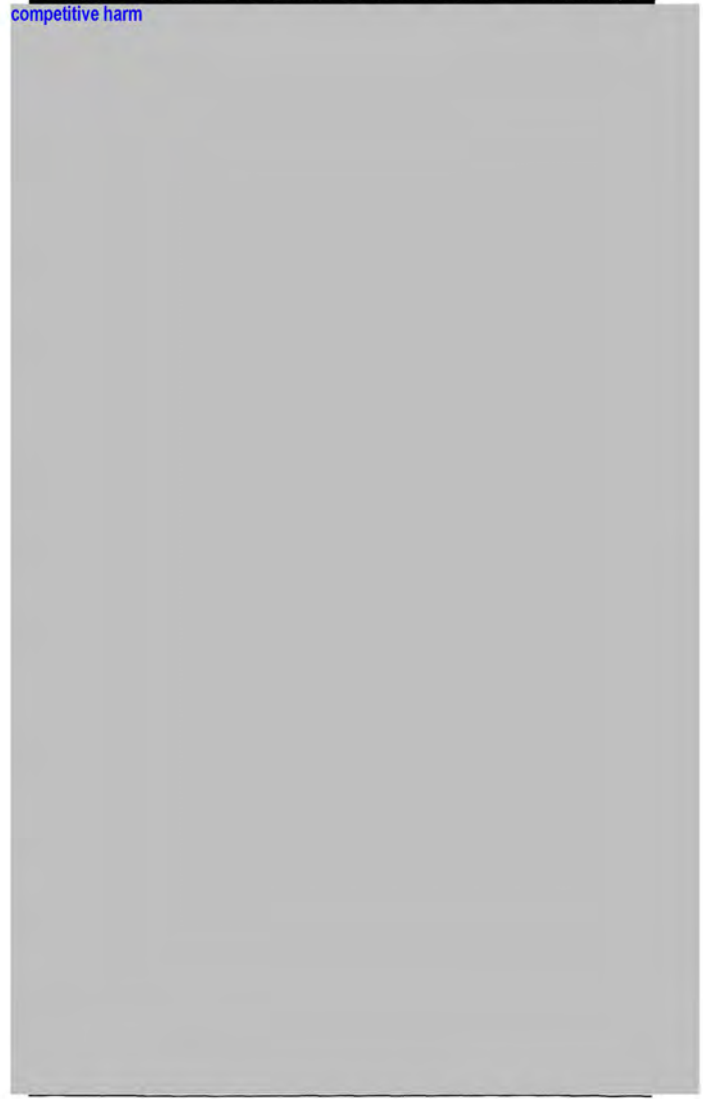
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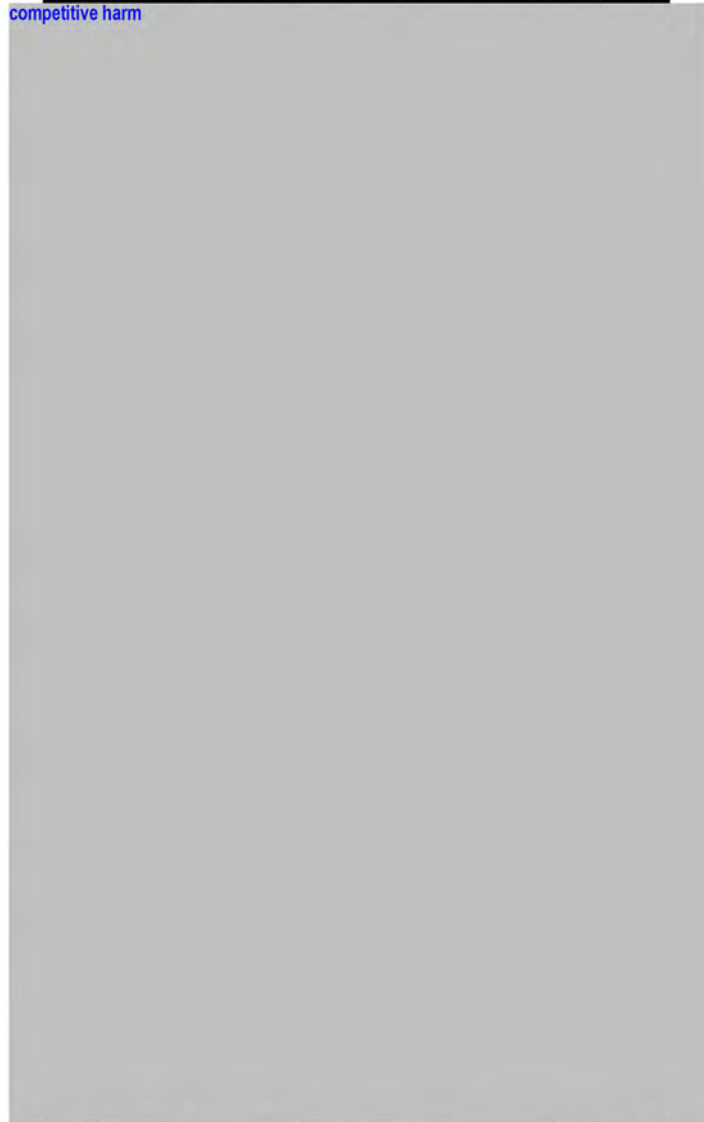
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Sample Project Implementation Schedule

Activity	Activity Description	Orig. Start	Early Start	Early Finish	Barry Finish
Martin Building Renovation					
1300	Hannock, CA Implementation	1/30/17	03/JAN/17	17/JAN/17	
1301	CA Award	0	03/JAN/17		
1302	CA Program Review	22	03/JAN/17	02/FEB/17	
1303	Submit Preliminary Master Schedule	0	02/FEB/17		
1304	Confirm initial project budget	9	02/FEB/17	12/FEB/17	
1305	Adjust initial project budget	9	02/FEB/17	12/FEB/17	
1306	Update project budget to board	30	02/FEB/17	01/MAR/17	
1307	1st draft PMP	0	16/MAR/17	16/MAR/17	
1308	Board comments 1st draft PMP	10	19/MAR/17	20/MAR/17	
1309	2nd draft PMP	10	20/MAR/17	20/MAR/17	
1310	Board comments 2nd draft PMP	10	20/MAR/17	27/MAR/17	
1311	Final PMP	10	20/MAR/17	11/MAY/17	
1312	Review/confirm KCCT LEED Plan	22	02/FEB/17	02/MAR/17	
1313	Prepare for LEED workshop	53	07/MAR/17	22/MAY/17	
1314	LEED workshop - 1	0	22/MAY/17	02/JUN/17	
1315	Prepare for LEED workshop - 2	2	23/MAY/17	28/FEB/17	
1316	LEED workshop - 2	0	15/OCT/17	15/JAN/17	
1317	Assess LEED Plan at 30% Design	15	28/DEC/17	15/JAN/17	
1318	Assess LEED Plan at 50% Design	15	19/JUL/17	08/AUG/17	
1319	1st draft USGBC application	10	08/AUG/17	22/AUG/17	
1320	Final draft USGBC application	10	13/SEP/17	28/SEP/17	
1321	Submit permit plan to Board	0	02/OCT/17	20/OCT/17	
1322	Updated permit strategies	22	02/FEB/17	07/MAR/17	
1323	Final permit strategy plan	45	08/MAR/17	07/MAR/17	
1324	Integrate permit strategy into design	45	08/MAR/17	09/MAY/17	
1325	Deviate cost estimate uniform	25	02/FEB/17	02/MAR/17	
1326	Deviate cost estimate uniform	25	02/FEB/17	02/MAR/17	

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Project Name: Martin Building Renovation
 Project Code: 13062111416
 Start Date: 1/30/17
 End Date: 1/30/17

Overall Schedule

188 International Inc.,
 Martin Building Renovation

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Activity	Activity Description	Orig Date	Early Date	Early Date	Activity	Orig Date	Early Date	Early Date
1630	Assess initial construction budget	10/31/MA/12	13/31/12		Assess initial construction budget	10/31/MA/12	13/31/12	
1635	Assessment of final construction budget	10/16/AUG/13	29/AUG/13		Assessment of final construction budget	10/16/AUG/13	29/AUG/13	
1640	Conduct value engineering	10/09/OCT/12	22/OCT/12		Conduct value engineering	10/09/OCT/12	22/OCT/12	
1650	Complete internal constructab. review 30% design	10/10/SEP/12	21/SEP/12		Complete internal constructab. review 30% design	10/10/SEP/12	21/SEP/12	
1660	Develop review comments, present to KCCT	3/24/SEP/12	24/SEP/12		Develop review comments, present to KCCT	3/24/SEP/12	24/SEP/12	
1670	KCCT validate comments	3/27/SEP/12	01/OCT/12		KCCT validate comments	3/27/SEP/12	01/OCT/12	
1680	Draft constructability review report	01/02/OCT/12	08/OCT/12		Draft constructability review report	01/02/OCT/12	08/OCT/12	
1690	Issue report to Board	10/22/JAN/13	04/FEB/13		Issue report to Board	10/22/JAN/13	04/FEB/13	
1700	Complete internal Constructab review 60% Design	3/07/FEB/13	07/FEB/13		Complete internal Constructab review 60% Design	3/07/FEB/13	07/FEB/13	
1710	Develop review comments, present to KCCT	3/07/FEB/13	07/FEB/13		Develop review comments, present to KCCT	3/07/FEB/13	07/FEB/13	
1720	Draft constructability review report	5/13/FEB/13	20/FEB/13		Draft constructability review report	5/13/FEB/13	20/FEB/13	
1730	Issue report to Board	10/18/JUL/13	01/AUG/13		Issue report to Board	10/18/JUL/13	01/AUG/13	
1740	KCCT validate comments	3/02/AUG/13	08/AUG/13		KCCT validate comments	3/02/AUG/13	08/AUG/13	
1750	Complete internal Constructab review 95% Design	5/27/SEP/13	05/OCT/13		Complete internal Constructab review 95% Design	5/27/SEP/13	05/OCT/13	
1760	Develop review comments, present to KCCT	5/27/SEP/13	05/OCT/13		Develop review comments, present to KCCT	5/27/SEP/13	05/OCT/13	
1770	Draft constructability review report	5/12/AUG/13	16/AUG/13		Draft constructability review report	5/12/AUG/13	16/AUG/13	
1780	Issue report to Board	7/5/OCT/12	28/JAN/13		Issue report to Board	7/5/OCT/12	28/JAN/13	
1800	Develop final procurement strategy plan	20/25/JAN/13	28/FEB/13		Develop final procurement strategy plan	20/25/JAN/13	28/FEB/13	
1810	Develop general conditions	20/27/FEB/13	29/MAR/13		Develop general conditions	20/27/FEB/13	29/MAR/13	
1820	Draft construction contract solicitation	20/27/MAR/13	23/APR/13		Draft construction contract solicitation	20/27/MAR/13	23/APR/13	
1830	Initiate process for pre-bid questions	01/02/OCT/13	01/OCT/13		Initiate process for pre-bid questions	01/02/OCT/13	01/OCT/13	
1840	Pre-Construction meeting	01/02/OCT/13	01/OCT/13		Pre-Construction meeting	01/02/OCT/13	01/OCT/13	
1850	Site utility and security plan	25/01/NOV/13	15/NOV/13		Site utility and security plan	25/01/NOV/13	15/NOV/13	
1860	OC, Safety, Demolition, Erosion & HAZ mat plans	30/01/NOV/13	18/DEC/13		OC, Safety, Demolition, Erosion & HAZ mat plans	30/01/NOV/13	18/DEC/13	
1870	LEED kick off meeting	01/JAN/14			LEED kick off meeting	01/JAN/14		
1880	Commissioning kick off meeting	01/JAN/14			Commissioning kick off meeting	01/JAN/14		
1900	Baseline construction schedule	44/01/NOV/13	07/JAN/14		Baseline construction schedule	44/01/NOV/13	07/JAN/14	
1910	Schedule of values	25/01/JAN/14	07/FEB/14		Schedule of values	25/01/JAN/14	07/FEB/14	
1920	GDCA kick off meeting	01/DEC/13	08/AUG/16		GDCA kick off meeting	01/DEC/13	08/AUG/16	
1930	Complete procurement solicitation	01/MAY/14	23/AUG/16		Complete procurement solicitation	01/MAY/14	23/AUG/16	
1940	Complete procurement documentation	66/08/SEP/16	13/DEC/16		Complete procurement documentation	66/08/SEP/16	13/DEC/16	
1970	Final LEED report	86/24/AUG/16	30/DEC/16		Final LEED report	86/24/AUG/16	30/DEC/16	
1980	Final LEED package - USOBC	10/03/JAN/17	17/JAN/17		Final LEED package - USOBC	10/03/JAN/17	17/JAN/17	

Activity ID	Activity Description	Orig. Dur	Early Start	Early Finish	2011	2012	2013	2014	2015	2016	2017
100	Hammock overall project	1,241	15NOV11	15MAY17							
110	hammock design phase	407	15NOV11	28JUN13							
115	Notice to Proceed w/Design			14DEC11							
120	Pre-Design kick-off meeting	1	15DEC11	15NOV11							
130	Design Charrette	5	15NOV11	15NOV11							
140	AE Develop & Submit Report	60	15NOV11	15FEB12							
150	Review & Approve	20	14FEB12	13MAY12							
160	Revised Program Review & Verification Report										
170	Design Charrette	5	14MAY12	20MAY12							
180	AE Develop & Submit Report	15	21MAY12	10APR12							
190	Review & Approve	5	11APR12	17APR12							
200	Final Program Review & Verification Report										
210	AE Develop & Submit	10	18APR12	01MAY12							
220	Develop Commissioning Plan	3	01MAY12	01MAY12							
230	Final Design Presentation/Submission	6	01MAY12	01MAY12							
240	Final Program Review - Cost Estimate										
250	AE Develop & Submit IOE	15	02MAY12	28MAY12							
260	Review & Approve	3	28MAY12	30MAY12							
270	Review & Approve	2	28MAY12	30MAY12							
280	30% Submission										
290	AE Develop & Submit	70	31MAY12	07SEP12							
300	CA Design & Constructability Review	10	10SEP12	21SEP12							
310	Review & Approve	10	24SEP12	03OCT12							
320	30% Submission - Cost Estimate										
330	AE Develop & Submit IOE	15	10SEP12	05SEP12							
340	CA Design IOE	10	10SEP12	21SEP12							
350	Reconciliation	3	01OCT12	03OCT12							
360	Review & Approve	2	04OCT12	05OCT12							
370	80% Submission										
380	AE Develop & Submit	70	05OCT12	18JAN13							
390	CA Design & Constructability Review	10	20JAN13	04FEB13							
400	Review & Approve	10	04FEB13	04FEB13							

Activity ID	Activity Description	Orig Dur	Early Start	Early Finish	2011	2012	2013	2014	2015	2016	2017
687	30% Submittal - Cost Estimate										
687	AE Develop & Submit ISE	15	22JAN13	11FEB13							
687	CM Develop ISE	15	22JAN13	11FEB13							
687	Reconciliation	3	12FEB13	14FEB13							
700	Review & Approve	2	19FEB13	19FEB13							
395	35% Submittal										
720	Develop & Submit	100	05FEB13	15JUL13							
720	CM Develop & Constructability Review	10	08JUL13	01AUG13							
740	Review & Approve	5	19AUG13	23AUG13							
395	35% Submittal - Cost Estimate										
760	AE Develop & Submit ISE	15	16JUL13	09AUG13							
770	CM Develop ISE	15	16JUL13	09AUG13							
780	Reconciliation	3	09AUG13	13AUG13							
790	Review & Approve	2	14AUG13	15AUG13							
100	100% Submittal										
810	AE Develop & Submit	20	18AUG13	12SEP13							
820	On Board Review	2	13SEP13	16SEP13							
IT/Telecom/AV											
890	IT/Telecom/AV	200	10SEP12	26JAN13							
900	FF & E Design	200	10SEP12	26JAN13							
905	Building Security System Design	200	10SEP12	26JAN13							
910	Procurement Phase - Construction	100	10MAY13	09OCT13							
920	Develop Source Selection Plan	20	10MAY13	07JUN13							
930	Develop Request for Proposal	20	10MAY13	07JUN13							
940	Develop Market Survey Plan	20	10MAY13	07JUN13							
950	RFP Notice	0	10JUN13	07JUN13							
970	CA & FRB Develop GC Solicitation	20	10JUN13	06JUL13							
980	CA & FRB Issue GC Solicitation	0	08JUL13	05AUG13							
990	GC Develop Proposals	20	09JUL13	05AUG13							
1000	GC Submit Proposals	0	09AUG13	05SEP13							
1010	CA & FRB Evaluate Proposal	20	10SEP13	05SEP13							
1020	CA to Draft evaluation report	20	10SEP13	05OCT13							
1030	FRB GC Legal Interim report	20	10SEP13	05OCT13							

Activity ID	Activity Description	Orig. Dur.	Early Start	Early Finish	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1109	FFBE Award to GC	D	08OCT13	08OCT13											
Other Contract Procurements															
1115	IT/Telecom/AV Procurement	D	05OCT13	14JAN14											
1117	Award IT/Telecom/AV Contract	D	05OCT13	14JAN14											
1118	Building Security System Procurement	D	05OCT13	14JAN14											
1119	Award Building Security System Contract	D	05OCT13	14JAN14											
1121	FFBE Procurement	D	05OCT13	14JAN14											
1122	FFBE Award	D	05OCT13	14JAN14											
Construction Phase Hammock															
1120	Construction Phase Hammock	D	04NOV13	27MAY16											
Construction															
1136	BOARD Issue RTP to GC	D	01NOV13	06MAY16											
1140	Construction VOCC & Renewal Martin Bldg	D	01NOV13	06MAY16											
1141	Interior Fit-out	D	20JUN15	06MAY16											
1142	Interior Painting	D	20JUN15	06MAY16											
1143	Fire & Life Safety Systems Testing	D	06MAY16	20MAY16											
1144	HVAC Finish out (LEED)	D	5JUN16	27MAY16											
1150	Substantial Completion	D		27MAY16											
Hammock															
1156	Post Construction	D	20JUN16	19MAR17											
Post Construction															
1172	IT/Telecom/AV Installation	D	44JUN16	01AUG16											
1173	FFBE Installation	D	44JUN16	01AUG16											
1177	Building Security Systems Installation	D	44JUN16	01AUG16											
1180	Punchlist	D	30JUN16	12JUL16											
1200	Occupancy/Move In	D	20JUL16	09AUG16											
1210	Contract Close-out/Handover	D	30JUN16	21SEP16											
1220	Seasonal Commissioning	D	05DEC16	09MAR17											
1250	Priorize LEED on the subdomains	D	10JUN17	19MAR17											

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SECTION C

STATEMENT OF WORK

1. BACKGROUND

The Board of Governors of the Federal Reserve System (the "Board") intends to renovate its Martin Building (the "building") located at 20th and C Streets, NW, Washington, DC (the "Renovation") and to construct a new visitors and conferencing center ("VC/CC") on the podium level of the building (the "Project"). The Renovation will include mechanical and electrical upgrades, civil engineering components, ~~confidential security~~ and elements, roof replacement, complete demolition and replacement of interior partitions and wall systems. A description of the Board's requirements, criteria and expectations for the Renovation and the VC/CC are set forth, respectively, in Appendix 1 and Appendix 2.

The Board has engaged Kam Charuhaus Chapman & Twohey ("KCCT," the "A/E" or the "Architect") as its architect and engineer of record for the Project pursuant to Contract No. 250548. A copy of the A/E's Statement of Work, as amended, is attached as Appendix 3.

The Board's proposed re-design of the Building's exterior has been approved by the United States Commission of Fine Arts. The design of the Renovation has not yet commenced. The most current set of Design Documents for the Project will be available for review by Offerors by appointment at KCCT's offices during regular business hours. Offerors are expected to review the Design Documents prior to submitting their proposals.

The A/E is expected to provide a design solution that is suitable for employees of the central bank of the United States but is also fiscally responsible. The Board expects to establish its Construction Cost budget for the Project (referred to as the "Stated Cost Limitation") after receiving Design Documents representing completion of 30% of the Construction Documents. Thereafter, the A/E is expected to perform the Design Services so that the Construction Cost of the Project shall not exceed the Board's most recently approved Stated Cost Limitation.

The Board expects Design Services for the Project to be completed by the end of the second quarter of 2011. This time frame is expected to include review and approval periods by the Board, Governing Authorities and the Commissioning Authority (identified below).

The Board anticipates awarding construction of the Project to one general contractor (the "Construction Contractor") on a fixed price basis utilizing a competitive bidding process. The Board expects construction of the Project to be substantially completed within thirty-one (31) months of its commencement. The Project construction will take place in an unoccupied building, however, ~~confidential security~~

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(The Eccles building does have its own air handler units). The design, phasing, construction and commissioning of the Martin Building systems will need to take the interrelationship between the Martin and Eccles buildings into account.

The Board intends for the Project to be registered with the United States Green Building Council ("USGBC") for certification under the Leadership in Energy and Environmental Design ("LEED®") program. The Board has directed the A/E to design the Project so as to achieve no less than a "gold" level rating from the USGBC under the LEED® 2009 rating system for New Construction, Core & Shell and Schools ("LEED®-NC") including satisfying the requirements for LEED®-NC's Energy & Atmosphere Credit No. 3 ("EAc3") for Enhanced Commissioning. Accordingly, the Board has engaged Jacobs Project Management Company as the Commissioning Authority ("CxA") to perform the services required by EAc3. It is also the Board's expectation for the Project to achieve at least a gold rating under the USGBC's LEED® 2009 for Existing Buildings: Operations & Maintenance rating system once the Project is completed. The Board also believes that the design and construction of the Project will benefit from utilizing the USGBC's two phase review process and obtaining the USGBC's review of the targeted LEED®-NC design phase credits upon completion of the Construction Documents.

The CxA also will be engaged to perform a peer review of the Design Documents at three stages in their development and to perform, on the Board's behalf, the tests and inspections of materials and equipment required by the Construction Documents and by Applicable Laws. The Construction Administrator is expected to work closely, and in a collaborative manner, with the A/E, CxA and Construction Contractor.

The Board desires to retain an experienced Construction Administrator ("Construction Administrator") to provide the Board with comprehensive construction management services in connection with the design, permitting, procurement, construction, commissioning and LEED®-NC certification of the Project, as more particularly described in Part 2 of this Section C and elsewhere in this Solicitation.

2. CONSTRUCTION ADMINISTRATOR'S SERVICES

2.1. Generally

2.1.1. Scope of Basic Services. The Construction Administrator shall provide and perform, in a diligent, careful and vigilant manner, the construction management services for the Project set forth in this Part 2 of Section C and in accordance with terms and conditions set forth elsewhere in this Solicitation (the "Basic Services"). The Parties agree that the Basic Services are intended to include all services necessary or required for the Construction Administrator to provide the Board with its knowledge, ideas, experience and abilities relating to the planning, design, procurement, construction, LEED® certification and administration of the Project; to monitor the performances of KCCT and its Consultants (sometimes referred to as the "Design Team"), the Construction Contractor (and its Subcontractors) engaged to perform the Work (sometimes referred to collectively as

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the "Construction Team") and the CxA (the Design Team, Construction Team and CxA may be referred to collectively as the "Project Team"); and to advise and make recommendations to the Board to ensure that the Project is completed in the most expeditious and economical manner consistent with the interests and objectives of the Board, this Contract, Applicable Law and other applicable requirements, whether or not those services are individually expressed in this Contract. (The Basic Services and approved Additional Services (as defined in Section M.15(d)) are referred to collectively as the "Services").

2.1.2. Term. The term of this Contract (the "Term") shall commence on the Effective Date and, unless earlier terminated as provided herein, shall expire thirty (30) days after (i) final payment is made to the last Construction Contractor involved in completing the Project; or (ii) completion (and/or payment) of any corrective work required as a result of the CxA's review of building operations pursuant to LEED®-NC EA c3, whichever is later. Notwithstanding the expiration of the term of this Contract, Construction Administrator shall continue to perform all Services that survive final payment in accordance with this Contract.

2.1.3. Organization. Construction Administrator shall provide a sufficient and competent organization, including project managers, engineers and field staff, estimators, schedulers, project control, reporting and logistics personnel, administrative, communications, document control and clerical personnel, and others, as the Services may require. Construction Administrator may delegate the performance of all or part of the Services to independent contractors, agents or subcontractors ("Consultants"). The Board shall have the right to review the qualifications of, interview and approve Construction Administrator's personnel and Consultants that the Construction Administrator proposes to use to perform Services. If, at any time during the course of the Project, the Board determines in its sole discretion that an employee, agent or subcontractor of the Construction Administrator or Consultant performing Services is unqualified or that his, her or its performance is unsatisfactory to the Board, the Board may require the Construction Administrator to replace, or cause the Consultant to replace such employee, agent or subcontractor from the Project immediately and replace such employee at no cost or penalty to the Board, including for resulting delays, inefficiencies or increased costs of performance; provided, however, if the Board exercises this authority within the first ten (10) days of a person's involvement on the Project, the Board shall not be invoiced for such person's time or the expenses associated with such person's involvement. Any such personnel shall be replaced with personnel reasonably satisfactory to the Board. The Construction Administrator shall not replace any person designated by the Board as Key Personnel on Attachment B-2 without the Board's prior written consent, which consent shall not be unreasonably withheld. If any person engaged in performance of the Services becomes disabled, voluntarily terminates his/her employment with the Construction Administrator or Consultant,

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or otherwise becomes unable to perform, then such persons shall be replaced with a person of equal or better skill and experience. Construction Administrator shall furnish efficient business administration and superintendence, and shall use its best efforts to furnish at all times an adequate supply of workers and materials and to perform the Services in the best, most expeditious and most economical manner consistent with the interests of the Board. The Construction Administrator shall be liable to the Board for the acts, omissions and performance of the employees, agents, and subcontractors of the Construction Administrator and any Consultant of the Construction Administrator.

2.1.4. Construction Administrator Employees and Independent Contractors. All persons employed by the Construction Administrator in connection with the Services shall be employees, agents or independent contractors of either the Construction Administrator or a Consultant, and shall not be employees of the Board. The Construction Administrator shall be solely responsible for the salaries of its employees, and for the compensation of any employee, agent or independent contractor of any Consultant, along with any employee or other benefits, including without limitation, wages, worker's compensation benefits, employment and social security taxes and fringe benefits, to which such employees may be entitled. The Construction Administrator shall fully comply with, and shall cause its Consultants to fully comply with, Applicable Law having to do with worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related subjects. Should the Board be required by any governmental agency to withhold income tax, pay Social Security or employment tax, provide medical coverage or pension benefits, etc., on account of any employee, agent or independent contractor of the Construction Administrator or any Consultant or their dependents, then the actual sums so paid shall be deducted from Construction Administrator's compensation.

2.1.5. Standard of Care. Construction Administrator represents that it is skilled in the professional callings necessary to perform the Services and acknowledges that the Board, not being skilled in such matters, is relying upon the skill and knowledge of the Construction Administrator. Construction Administrator accepts the relationship of trust and confidence established by this Contract and shall exercise its professional skill and judgment, and shall cooperate with the Board, to further the interests of the Board. Construction Administrator shall perform, and shall cause the Consultants engaged by Construction Administrator to perform, the Services in accordance with the professional standard and quality which prevails among licensed, reputable, well-qualified and nationally recognized, architectural, engineering and construction management firms performing services in the Washington, DC metropolitan area of the nature encompassed within this Contract; provided, however, the Construction Administrator's Services shall not relieve any such architect, engineer, contractor or consultant of responsibility, in

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whole or in part, for deviations from the requirements of its respective contract with the Board, Applicable Law and applicable Standard of Care. Construction Administrator shall deal in good faith and at arms' length with all third parties and Construction Administrator shall serve the Board's interests at all times with undivided loyalty. Construction Administrator shall not conduct, contract or direct business to any affiliate of Construction Administrator without the prior written consent of the Board, which consent may be granted or withheld in Board's sole and absolute subjective discretion. The Construction Administrator's Services shall be provided and completed promptly to avoid hindrance, interruption or delay to the orderly progress and timely completion of the design, permitting and construction of the Project.

2.1.6. Scope of Construction Administrator Authority: Board Administration. The Construction Administrator has no authority to act on behalf of the Board, the Contracting Officer ("CO") or the Contracting Officer's Technical Representative ("COTR") except as expressly set forth in this Contract. (References to the "Board" in this Contract shall include, as applicable, the Board acting through the Contracting Officer and the Contracting Officer acting through the COTR). The CO is the only representative of the Board authorized to execute this Contract or to create any financial, legal, or other liability on the part of the Board. Moreover, the CO is the only representative of Board authorized to execute in connection with the Project: (i) any contract between the Board and any architect, engineer, contractor or other consultant relating to the Project (hereinafter referred to as a "Project Contract"); (ii) any form of authorization or notice to proceed; and (iii) any Change Order that increases or reduces the Contract Sum or Contract Time under this Contract or under any Project Contract. The Construction Administrator does not have authority to execute or enter into any contract (including any Change Orders) binding the Board to the payment of any cost or expense relating to the Project, to modify the terms or conditions of any Project Contract, to approve (or reject) the payment of any member of the Project Team, or, except as set forth in Section C.2.5.3 and Section C.2.5.12, to accept (or reject) any work, service or deliverable for which acceptance by the Board, CO or COTR is required under any Project Contract. In no event shall the CO, COTR or any Board employee designated to act on behalf of the CO be personally liable to the Construction Administrator or any consultant. The duties, responsibilities and limitations of authority of the CO and the Construction Administrator as set forth in this Contract shall not be restricted, modified or extended without the written consent of the CO. In no event shall the Board, the CO or COTR have control over, charge of, or any responsibility for design, construction or consulting means, methods, techniques, sequences, or for safety precautions and programs in connection with the performance of the Services, notwithstanding any of the rights and authority granted the Board, the CO, or the COTR in this Contract. .

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2.1.7. Examination and Audit of Records and Document Retention. All Services shall be performed by the Construction Administrator and its Consultants on an "open book" basis. Construction Administrator shall keep, and shall cause each Consultant to keep, full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles consistently applied. Construction Administrator shall retain, and shall cause its Consultants to retain, paper documents and electronically stored information in accordance with the terms of Appendix 4. In addition and without limitation to the audit and inspection rights set forth in Section M.9, the Board and its authorized representative shall have the right, during the performance of the Construction Administrator Services and for a period of three (3) years after Final Payment has been made, to be given access to, and to copy, Construction Administrator's and each Consultant's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data and documents relating to the Construction Administrator Services and to interview employees of Construction Administrator and its Consultants in connection with such audit. Construction Administrator shall provide adequate and appropriate work space for the Board or its representatives to conduct audits in compliance with this Section. Construction Administrator shall cooperate with all audit procedures including the furnishing of a management representation letter upon request of the auditor. Construction Administrator's Consultants, if any, shall have the same obligations to retain records and cooperate with audits as are required of the Construction Administrator under this Section. If any audit by the Board reveals that the amounts charged to the Board by Construction Administrator, or by any Consultant, exceeded the actual compensation to which Construction Administrator or the Consultant was entitled for Construction Administrator Services, then Construction Administrator shall pay the Board, or cause the Consultant to pay the Board, an amount equal to (a) the amount overcharged; plus (b) interest at the rate fixed by the Secretary of the Treasury pursuant to Pub. L. 92-41 (85 Stat 97), which is applicable from the date of the overcharge to its payment; and (c) the cost of the audit if the amount overcharged exceeds Ten Thousand Dollars (\$10,000.00). The requirements of this Section 2.1.7 shall not apply to any portion of an overcharge that is subject of a good-faith dispute between the Board and the Construction Administrator.

2.1.8. Time is of the Essence. Time is of the essence as to performance of the Services by the Construction Administrator (and its Consultants) under this Contract. The Construction Administrator shall complete performance of the Services by the Milestone Dates set forth in the (i) Project Schedule; and (ii) any approved schedule included among the Contract Documents applicable to the performance of any member of the Project Team. Throughout the Project, the Construction Administrator shall closely monitor the progress of the Project including, but not limited to, the Services, the Design Services supplied by KCCT

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and its consultants, the commissioning services provided by the CxA, and the Work performed by the Construction Contractor and its Subcontractors, for conformance with the requirements of their applicable Project Contracts and Contract Documents and shall promptly advise the Board of any delays or potential delays. In the event any progress report indicates a delay in the progress of the Project or in the performance of any member of the Project Team, including any permitting related thereto, the Construction Administrator shall propose an affirmative plan to correct the delay, including overtime and/or additional labor, if necessary; in no event, however, shall any progress report constitute an adjustment in the Project Schedule or the Contract Time under any Project Contract unless any such adjustment is agreed to by Board and authorized pursuant to Change Order.

2.1.9. Project Systems and Control Plans. Commencing on the Effective Date, the Construction Administrator shall implement the Project Management and Control Plans ("PM/PC Plans") set forth below, subject to the Board's approval and any modifications required to conform such systems and control plans to Applicable Law and Board policies, procedures and practices.

2.1.9.1. Cost Control System. A system of cost control procedures to be used by the Construction Administrator to monitor the on-going planning, design and construction costs associated with the Project and to advise the Board of the financial condition of the Project. Such cost control system shall include, but not be limited to, the development of cash flow reports, forecasts and other financial reports, including those reflecting variations between actual and projected Project costs; and monitoring and advising Board of costs pertaining to potential, pending and completed Changes or Additional Services. Construction Administrator shall prepare and submit cost reports to Board on a monthly basis unless the Board reasonably determines that more frequent cost reports are required.

2.1.9.2. Information Control System. A system of procedures and report definitions and formats to establish the basis for communication between (A) the Board and the Construction Administrator, (B) the Construction Administrator and all members of the Project Team; and (C) between the members of the Project Team and each other. Construction Administrator will assist the Board in determining the types of information necessary, the reporting format, the frequency of various reports, and the distribution requirements for an effective "management information control system" to be established for the Project. Construction Administrator will meet with those members of the Board's staff as the Board may hereafter designate on a periodic basis, but not less often than weekly, to provide general status reports regarding the overall planning of the Project. Construction Administrator shall continuously monitor and coordinate the activities of the Project Team members, and establish, implement and monitor a system for the processing of information between and among them in order to

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promote and maintain open lines of communication and the smooth flow of all required information.

- 2.1.9.3. Tracking and Collection of Project Documents and Records. The Construction Administrator shall design a document control system to monitor the preparation, timely submittal, and retention of the documents and records required of Project Team Members under their respective Project Contracts and Contract Documents. The Construction Administrator shall collect, organize and maintain for the Board all in good order one record copy of all such documents and records including, but not limited, to Project Contracts, Contract Documents, purchase orders, notices to proceed, Drawings, Specifications, addenda, Change Orders, Construction Change Directives, modifications thereto, and correspondence; applications and invoices for, and certifications of, payment; requests for information, responses, approved Shop Drawings, Product Data, Samples and similar required submittals, and equipment, maintenance and operating manuals and instructions, Applicable Codes and Standards, insurance certificates, bonds and other construction-related documents, including all revisions, relating to the Project. The Construction Administrator shall obtain all required warranties, guarantees, affidavits, waivers and releases. Construction Administrator shall maintain records of principal building layout lines, elevations of the bottoms of footings, floor levels, and key site elevations to the extent certified by a qualified surveyor or professional engineer and any test results. The Construction Administrator shall make all such records available to the Board and upon completion of the Project shall deliver them to the Board.
- 2.1.9.4. Project Controls Plan. A Project Controls Plan detailing the procedures to be used by the Construction Administrator, and that the Construction Administrator shall require Project Team Members to use, in order to maintain the scheduling, control, progress, Change Order control, and reporting of all activities required to ensure that the Project is completed on schedule.
- 2.1.9.5. Project Quality Control Plan. A detailed quality assurance and inspection plan (the "Project Quality Plan") to be utilized by Construction Administrator to inspect the Work (and major fabricated equipment) for conformance with the applicable Contract Documents, Applicable Codes and Standards, and generally accepted quality standards for fabrication to guard against defects and deficiencies in manufacturing and workmanship. The Project Quality Plan shall define the organization and responsibilities of Construction Administrator's quality management group personnel and shall detail the procedures Construction Administrator intends to use, and that Construction Administrator shall require Construction Contractors and Subcontractors to use, to manage and control those aspects of the

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Construction Contractors' work, including, as appropriate, at the equipment vendor's location and/or when the equipment arrives at the Project site.

2.1.10. Advice on Additional Services and Positions: Construction Administrator shall promptly advise the Board of any Additional Services, positions, or equipment it considers necessary to achieve the intent of this engagement and the Board's program, to carry out the Construction Administrator's obligations, and to protect the Board's interests, so that the Board may approve and authorize the performance, retention or requisition of the same.

2.1.11. Meetings: Meeting Minutes. The Construction Administrator shall attend all meetings at which the attendance of (i) the A/E under Contract No. 250548 is required, including pursuant to Section C.2.1.n of Contract No. 250548; and (ii) any Construction Contractor under any applicable Project Contract is required. The Construction Administrator will review and comment upon the minutes prepared by the A/E pursuant to Section C.2.1.n.6 of Contract No. 250548. The Construction Administrator is expected to schedule and conduct no less than weekly meetings with each Construction Contractor to discuss such matters as procedures, progress and scheduling and to prepare the minutes of such meetings for distribution to the attendees, Construction Contractor, CO and COTR. The minutes must use a format that is acceptable to the COTR. All minutes must include the following information: Meeting date and time; Agenda and meeting location; List of participants with their affiliations; Participant addresses, telephone numbers, and e-mail addresses; A full description of the issues, problems, and decisions made; Action items with names of responsible parties and deadlines; Meeting handout materials will be included as attachments to the meeting minutes unless the materials are part of a formal submission. The Construction Administrator shall provide complete copies of all minutes to the COTR and meeting attendees within three (3) business days after meetings occur. The COTR and attendees will provide the Construction Administrator with corrections or changes to the minutes three (3) business days after distribution. All changes to the minutes will be reflected in revised versions and will be distributed to everyone who received the previous account.

2.1.12. Progress Reports.

2.1.12.1. A/E Progress Reports. The Construction Administrator shall review, and comment upon, the Bi-Weekly Progress Reports prepared by the A/E in accordance with Section C.2.1.o of Contract No. 250548 including the submittal progress and the A/E's accounting of costs; and

2.1.12.2. Project Progress Reports. Each week the Construction Administrator shall prepare and submit to the Board a Project Progress Report, which shall, at a minimum, include the following:

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- 2.1.12.2.1. A narrative which accurately states the details of progress made to date and any problems, delays, anticipated changes, or other items of particular interest. The narrative shall indicate whether or not the Project is on schedule and include an explanation if it is behind schedule.
- 2.1.12.2.2. The information required by Section 2.5.2 of the Contract;
- 2.1.12.2.3. An updated version of the Project Schedule depicting both the planned and actual progress of work. This should also highlight the blocks of work planned to be accomplished by the next project performance review meeting. The Construction Administrator shall use bar charts or other suitable graphs for illustration and clarification. An updated version of the submittal schedule described in Section C.2.6.a; and
- 2.1.12.2.4. An accounting of Project costs including requested and potential Additional Services, Change Orders and Changes in the Work.

2.1.13. Conduct and Personnel

- 2.1.13.1. The Construction Administrator's personnel shall conduct themselves in a professional manner at all times and are strictly forbidden from disturbing papers on desks, opening desk drawers or cabinets, or using telephone or office equipment, other than what is specifically provided to the Construction Administrator for official business use.
- 2.1.13.2. The Construction Administrator will be working on the premises of the central bank of the United States and shall dress neatly, commensurate with the task being performed. The Board reserves the right to deny entry or access to its premises to any personnel of the Construction Administrator or its consultants whose presence, dress, or conduct the Board deems detrimental to the good order and productivity of its operations and staff. Such personnel shall be replaced by the Construction Administrator immediately upon notification by the CO, or his designee, that a problem exists with the Construction Administrator's personnel. This replacement shall be made at no additional cost to the Board.
- 2.1.13.3. The Construction Administrator and its consultants are not authorized to accept any instructions, interpretations, or requests for work; honor any changes or revisions to the Contract which may incur expenditures or affect price; or take actions not required by the Contract without written notification signed by the CO.
- 2.1.13.4. The Construction Administrator and its consultants are required to assign only senior professional personnel who are registered in the District of Columbia to recommend approval of any services or work performed by professional personnel themselves registered in the District of Columbia.
- 2.1.13.5. In the event that any approved personnel and/or consultants are unable to perform, the Construction Administrator shall promptly submit to the CO detailed written explanations of the circumstances necessitating the proposed substitutions, complete resumes for the proposed substitutes, and any

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other information the COTR deems pertinent for the approvals of substitutions. No substitutions shall be made without the prior written approval of the Board. No increases in contract pricing will be allowed when the Board authorizes substitutions.

- 2.1.13.6. Substitutions of subcontracted or consultant support included in the original contract are subject to the written approval of the CO. This Contract must be modified before the substitute commences work. Changes in individuals employed by these firms will be processed administratively by letter between the CO and the Construction Administrator. Personnel possessing unique technical specialties may be required for supplementary expertise related to project services. Such personnel shall have qualifications as required and approved by the COTR which are appropriate to the nature of the services that will be provided.
- 2.1.13.7. Repeated failure or excessive delays by the Construction Administrator to provide qualified personnel, who meet the stated requirements, may be reason for COTR to recommend termination of this contract by the CO due to default by the Construction Administrator.

2.2. LEED®-Related Services Generally

2.2.1. Collaboration Among the Project Team. Construction Administrator acknowledges that the likelihood of the Project achieving the Board's LEED®-related objectives in an efficient, timely and economic manner will be increased if, during the design process and prior to commencement of construction, there is collaboration and clear communication between the Board, the Construction Administrator, the CxA and KCCT and KCCT's Consultants. The Construction Administrator agrees to perform the Services in such collaborative fashion, to foster collaboration between members of the Project Team and to notify the Board if any lack of collaboration by any member of the Project Team jeopardizes the best interests of the Board or the Project. As part of this collaborative approach, the Construction Administrator shall:

- 2.2.1.1. Participate in the LEED®Workshop described in KCCT's agreement with the Board and provide its input and recommendations regarding, among other things, the LEED® points to be targeted, the impact of pursuing particular LEED® credits on the Board's program and budget, strategies for their implementation including identifying potential coordination issues, delays and sequencing conflicts of long lead-time "green" materials, identifying and recruiting subcontractors and suppliers that have validated experience and skills in "green" construction, avoiding "green washing" and unnecessary "green premiums" on materials and equipment, establishing processes and systems for collecting and maintaining LEED® submittal documentation and establishing milestones in the Project Schedule for the review of design documents by appropriate Project participants, the review of LEED® submittal documentation by the

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- Construction Administrator prior to submission to USGBC, and the completion, and submittal, of LEED® submittal documentation to the USGBC;
- 2.2.1.2. Review the LEED® Certification Plan prepared by KCCT and make recommendations to the Board regarding its approval;
 - 2.2.1.3. Assist the Project Team in development of, and make recommendations regarding, the Owner's Project Requirements ("OPR") required by EAp1;
 - 2.2.1.4. Prior to commencement of the Design Development Phase, review, and make recommendations regarding, the Basis of Design ("BOD") prepared by the Design Team as required by EAp1;
 - 2.2.1.5. Prior to commencement of the Design Development Phase, review, and make recommendations regarding, the Commissioning Plan required by EAp1, and thereafter monitor implementation of the Commissioning Plan in accordance with the Reference Guide;
 - 2.2.1.6. Assist the CxA in developing a systems manual for the commissioned systems and in verifying that the requirements for training operating personnel and buildings occupants are completed;
 - 2.2.1.7. Review the completed Schematic Design Documents, Design Development and Construction Documents prior to submitting these documents to the Board for the Board's approval, and make recommendations to KCCT and the Board regarding their conformance with the LEED® Certification Plan and the Board's Program for the Project. Without intending to limit the generality of the foregoing, the Construction Administrator shall pay particular attention that (i) the specifications incorporate LEED® requirements conspicuously in both the Drawings and Specifications including, but not limited to, all LEED® submittal documentation described in the LEED® Reference Guide with respect to EAp1 and, to the extent being pursued, each of the following Credits: SSc5.1, SSc7.1, EAe3; MRc1.2; MRc2-7; EQc3.1-3.2; and EQc4.1-4.4; (ii) the Contract Documents define the Construction Contractor's responsibilities and documentation requirements related to LEED® certification, including Construction Waste Management, Construction Indoor Air Quality, and obtaining materials credits; and (iii) the LEED® Prerequisite and Credit requirements are referenced in both Division 1 of the Specifications and in the applicable technical division(s);
 - 2.2.1.8. Attend the pre-bid meeting with Contractors, assist KCCT in explaining to Bidders the differences between current standard construction means, methods, techniques and practices and LEED® principles, procedures, and requirements; and review, and comment upon, KCCT's responses to questions from prospective bidders; and
 - 2.2.1.9. Prior to their submission to the USGBC, review the Board's application for certification of design phase credits and the Board's application for certification of construction phase credits prepared by KCCT and make

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recommendations to the Board regarding whether to approve such applications.

2.2.2. Credit Interpretation Rulings. The Construction Administrator shall review, and make recommendations to the Board regarding, the proposed submittal of Credit Interpretation Rulings to the USGBC for interpretation of credit language, principles, or implementation strategies. The review of two (2) CIR submittals is included as part of the Basic Services; the review of additional CIR submittals shall be compensable as an Additional Service subject to Construction Administrator's compliance with the provisions of Section M.15 of the Contract.

2.2.3. Appeals. The Construction Administrator shall review, and make recommendations to the Board regarding, the proposed submittal of an appeal by KCCT of the USGBC's denial of any claimed credit within the time frames required by the USGBC. If, after an appeal, a design phase credit is not redesignated by the USGBC as "Anticipated", the Construction Administrator shall make recommendations to the Board regarding whether to direct the Project Team to (i) develop an alternative design to satisfy the originally targeted credit(s); and/or (ii) modify the LEED® Certification Plan to target a different credit or credits that will conform to the Board's previously established LEED®-related objectives and Program for the Project and which, if achieved, will equal or exceed the number of targeted points established in the original LEED® Certification Plan.

2.3. Pre-Procurement Phase Services

2.3.1. Program and Design Review. Within thirty (30) days of the Effective Date, the Construction Administrator shall review, comment upon and make written recommendations to the Board regarding the (A) Board's current concept, requirements and development strategy, schedule and budget for the Project ("Program"), each in terms of the other, major materials and systems and, in general, their quality levels, performance standards, requirements or criteria; and major equipment layouts; (B) the Design Schedule (or proposed Design Schedule) prepared by the Architect; and (C) status of the completion and approvals of the Drawings and Specifications, and any other Design Documents, permits or approvals required or necessary for completion of the Project.

2.3.2. Project Schedule. Based upon its review of the Board's Program, the Construction Administrator shall prepare, within thirty (30) days of the Effective Date, for the CO's review and approval, a schedule that shall include milestones for the completion of the Design Services and Design Documents to be provided by the A/E and A/E's Consultants during the Schematic Design, Design Development and Construction Document phases for the Project and the anticipated dates for the commencement of the Construction Phase and for Substantial Completion of the Project (the "Project Schedule"). The Project Schedule shall include allowances for

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periods of time required for review by the Board, CO, COTR, and the CxA, for review and approval by Governing Authorities and by others with interests in the Project (collectively "Third Party Stakeholders"), and for review and approval by the USGBC of the Design Phase Credits targeted in the LEED® Certification Plan. Unless otherwise agreed, the Project Schedule shall include, but not be limited to, the Design Deliverables and Milestones set forth in Section C.2.L.1 of Contract No. 250548. The Construction Administrator shall comment upon any discrepancies between its proposed Project Schedule and the Design Schedule prepared by the Architect (or approved by the Board). The Project Schedule shall be in detailed precedence-style critical path management or primavera-type format satisfactory to the Board and include proposed starting and completion dates for the various activities necessary to be accomplished during the pre-construction, procurement and construction phases for each component of the Project. The parties acknowledge that the Project Schedule is critical to allowing the parties to monitor the development of the Project, and Construction Administrator shall prepare and regularly update the Project Schedule so as to be as detailed and accurate as possible. Once the Project Schedule is approved by the Board, the Construction Administrator shall track all Project Team Members' adherence to it throughout the design and construction phases and advise Board and other parties on any necessary recovery scheduling. If Project Schedule updates indicate that previously approved schedules may not be met, the Construction Administrator shall make appropriate remedial recommendations to the Board.

2.3.3. Permitting & Entitlement Plan. Construction Administrator will prepare, and thereafter implement, an entitlement strategy (or review and comment upon any previously prepared entitlement strategy) for obtaining all necessary authorizations, agreements, permits, licenses and similar documents from the appropriate Governing Authorities, utility companies and Third Party Stakeholders necessary or required for completion of the Project ("Required Approvals"); provided, however, the Construction Administrator is not authorized to agree to any condition or limitation on or with respect to the issuance of any Required Approval without obtaining the Board's written consent. Construction Administrator shall respond to, or cause the Board, Architect or other applicable member of the Project Team to respond to, requests of Governing Authorities for submittals, re-submittals, or other design information or documentation, expeditiously so as not to cause delay in permitting. Construction Administrator shall oversee the progress of submittals and permits, including without limitation communicating as appropriate with Governing Authorities to obtain commitments as to time frames for responses; communicating status regularly to the Board; and communicating any unusual, costly and/or significant corrections in writing to the Board promptly upon receipt and review. Construction Administrator shall coordinate with the Board with respect to the negotiation of any such agreements or arrangements and on making such

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appearances and attending such meetings and shall supervise the performance of such agreement after their execution.

2.3.4. Consultations, Design and Constructability Reviews. In addition to its specific LEED®-related Services set forth in Section C.2.2, the Construction Administrator shall schedule and attend meetings with the Board, the Architect and its consultants, the CxA and other members of the Project Team to assist in the development and/or refinement of the Design Documents as necessary or required to complete the Project in accordance with the Board's Program. Among other things, the Construction Administrator shall:

- 2.3.4.1. assist the Board in identifying, selecting and retaining the services of other design or professional consultants required to complete the Project;
- 2.3.4.2. make recommendations designed to minimize adverse effects of labor or material shortages; and time requirements for procurement, installation, and construction completion;
- 2.3.4.3. timely review existing site conditions, and civil, geotechnical, structural and site infrastructure information, designs and recommendations including, but not limited to storm water management and site utilities;
- 2.3.4.4. make recommendations to the Board and Architect regarding the phased issuance of Drawings and Specifications to facilitate phased construction of the Work, taking into consideration such factors as economies, time of performance, availability of labor and materials, and provisions for temporary facilities.
- 2.3.4.5. conduct full and complete reviews of the Design Documents for construction feasibility upon the Architect's submission to the Board of the 30% Submission, 60% Submission, and 95% Submission. Unless otherwise agreed by the CO and the Construction Administrator, such review shall be completed by the Construction Administrator within thirty (30) days of its receipt of these submissions from the A/E. Construction Administrator shall assist the Architect in preparing a constructability plan for the Project to reduce cost, save time, improve quality, reduce risk, and improve the overall process of Project delivery. The constructability reviews at a minimum shall determine that the materials, processes, equipment, and labor are appropriate, available, and non-proprietary; the drawings are complete and coordinated among disciplines; defects, conflicts, ambiguities, or lack of clarity in documents are identified for correction; existing conditions are shown correctly and adequately; all required construction work is included in the construction documents; selected building systems are compatible and viable; and construction details are buildable and workable; and
- 2.3.4.6. if multiple construction contracts are to be awarded, Construction Administrator shall review the construction documents and make recommendations as required to provide that (1) the work of Contractors is

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coordinated, (2) all requirements for the Project have been assigned to the appropriate contract without redundancy between contractors/designers, (3) the likelihood of disputes between contractors/designers has been minimized, and (4) proper coordination has been provided for phased construction.

2.3.5. Project Cost and Construction Cost Estimates. The Construction Administrator shall prepare an estimate of the Project Cost based upon each of the following deliverables to be submitted by the Architect: (a) the Program Review and Verification Report; (b) the 30% Submission; (c) the 60% Submission; (d) the 95% Submission. In its Project Cost estimates, the Construction Administrator shall comment upon any discrepancies between its estimate of Construction Cost and the Construction Cost estimate submitted by the Architect.

- 2.3.5.1. The Project Cost will itemize the estimated cost of (i) design, procurement and permitting; (ii) the Construction Cost (as defined below); and (iii) any non-construction related acquisitions, such as equipment, data and telephone, security systems, signage, fees, and taxes. The Construction Cost shall be the total cost to the Board to construct all elements of each of these components of the Project designed, specified, selected or specially provided for by the Architect and shall include the costs of management or supervision of construction or installation provided by the Contractors, the Contractors' general conditions costs, plus a reasonable allowance for overhead and profit. The Construction Cost estimates shall be broken down by (i) the VC/CC and the Renovation; and (ii) the sixteen trade sub-categories recognized by the American Institute of Architects (AIA).
- 2.3.5.2. If any Project Cost and/or Construction Cost estimate exceeds the Stated Cost Limitation approved by the Board, the Construction Administrator shall make appropriate recommendations to the Board including, without limitation, recommendations for alternative designs, materials, systems, schedules or other changes or economies, that are feasible to implement in order to bring the estimated Construction and/or Project cost within the previously approved Stated Cost Limitation. The "Stated Cost Limitation" refers to the maximum Project and/or Construction Cost that the Board is willing to incur to complete construction of the Project. The Board will provide its initial Stated Cost Limitation as part of its approval of the Architect's 30% Submission.
- 2.3.5.3. Unless otherwise agreed by the CO and the Construction Administrator, the Construction Administrator's Project Cost estimates shall be submitted within thirty (30) days of its receipt of each of the aforementioned submittals from the A/E.

2.3.6. Value Design and Engineering. At such times as the Project Cost estimates are prepared, the Construction Administrator shall make recommendations

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to the Board on project improvement factors related to construction cost, including review of proposed substitutions and estimates of alternative designs or materials, and possible economies as follows: If, upon completing its review of the Design Documents at the intervals set forth in Sections 2.3.4 and 2.3.5, the Construction Administrator believes that the Work depicted in the Design Documents, construction processes/procedures, specified materials and equipment or other aspects of the Design Documents can be modified to reduce the Construction Cost and/or time for achieving completion of the Project without diminution in the quality of materials, equipment, workmanship, scope or intended purposes of the Project, Construction Administrator shall make written recommendations to the Board and, if approved by the Board, to the Architect to modify the Design Documents. The Board shall have the sole and exclusive discretion to accept or reject some, all or none of Construction Administrator's recommendations. If any of Construction Administrator's recommendations are accepted, Construction Administrator shall review the Design Documents as modified for confirmation that the accepted modifications are incorporated into the Design Documents.

2.3.7. To facilitate the Construction Administrator's reviews of the A/E's submissions set forth above and to prevent unnecessary work by the A/E, the A/E will provide the Construction Administrator with the opportunity to perform "over-the-shoulder" reviews of the design and engineering of the Project in progress. The Construction Administrator shall schedule such reviews as it deems appropriate to maintain the Project Schedule. Such reviews may be conducted at A/E's offices, at any of the A/E's Consultants' offices or remotely by electronic internet access. The reviews may be of progress prints, computer images, draft documents, working calculations, draft specifications or reports, drawings, specifications or other Design Documents determined by the Construction Administrator and A/E.

2.4. Procurement Phase Services

2.4.1. LEED®-related Procurement Services. In addition to the procurement phase Services described below, the Construction Administrator, in collaboration with the A/E, shall assist the Board in bid validation and proposal evaluation and determination of the successful bid or proposal as it relates to the Project's goal of LEED® certification including the experience of Bidders and their Subcontractors on LEED® projects and the avoidance of bids that contain unjustified "green premiums." As part of the Bidding Process, the Construction Administrator shall require Bidders to identify (A) their experience and their Subcontractors' experience on LEED® projects, including the experience that their Project Manager and job superintendent have had, and their Subcontractors' Project Managers and job superintendents have had, on LEED® projects; and (B) the manufacturers or suppliers of, and specifications relating to, the materials that Contractor intends to use to comply with any of the following credits targeted by the LEED® Certification Plan: MRc2-7; and EQc4.1-4.4. Construction Administrator

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shall use commercially reasonable efforts to prevent the use of materials and equipment that have been "green washed", i.e., that include inaccurate representations or labeling that the materials or equipment are sustainable, "green," or comply with LEED®—specific obligations.

2.4.2. Specific Procurement Services. In connection with bidding the Project, the Construction Administrator shall:

- 2.4.2.1. Develop interest in the Project among Construction Contractors, Subcontractors and suppliers and furnish to the Board for its information a list of possible Construction Contractors and suppliers who are to furnish materials or equipment fabricated to a special design, from which proposals will be requested for each principal portion of the Work. The receipt of such list shall not require the Board to investigate the qualifications of proposed Subcontractors or suppliers, nor shall it waive the right of the Board later to object to or reject any proposed Construction Contractor or supplier;
- 2.4.2.2. Assist in developing logical, competitive, seamless, and distinct trade contractor bid packages for each component of the Project with all scopes of work include in the packages. These trade contractor bid packages shall include bid alternatives, as required to enable full utilization of the project budget, and the portion or subset of the Project Schedule that applies to that trade.
- 2.4.2.3. Assist in the preparation and distribution of the Bidding Documents to prospective bidders, requesting their return upon completion of the bidding process, and maintain a log of distribution and retrieval and of the amounts of deposits, if any, received from and returned to prospective bidders;
- 2.4.2.4. Assist the Board in securing at least three (3) qualified bids from Construction Contractors to complete the construction of the Project;
- 2.4.2.5. Organize and conduct a pre-bid conference for prospective bidders;
- 2.4.2.6. Ensure that written responses to requests for information or clarification, as required, are prepared by the appropriate member of the Design Team and if approved by the Board, monitor the revision of the Construction Documents by addenda as necessary to facilitate bidding or negotiation;
- 2.4.2.7. Require Construction Contractors (and bidding Subcontractors) to conduct all necessary and prudent site investigations, verifications of existing conditions and other due diligence inspections and investigations to adequately familiarize them with the conditions under which the Project is to be developed;
- 2.4.2.8. Review all bids received for responsiveness, investigating the responsibility of the bidders and any Subcontractor or material supplier proposed by such bidder. As necessary or appropriate, Construction

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Administrator shall conduct separate conferences and negotiations with bidders for specific work or services; and

- 2.4.2.9. Deliver to the Board a summary of all bids received and certifying, to the best of Construction Administrator's knowledge, which bids are *bona fide*, complete and reasonable from both a technical and fiscal perspective. As part of its bid analysis, Construction Administrator shall notify the Board of any bid that does not conform to Bidding Documents, the Program, or Construction Documents. Upon Board's request from time to time, Construction Administrator shall deliver to Board complete copies of all bids received and all other pertinent data. The Board may attend all bid openings. Construction Administrator shall keep all bid results confidential.

2.4.3. Requests for Substitutions. Construction Administrator shall review, and make recommendations regarding any requests for substitutions made by Construction Contractors, if permitted by the Bidding Documents, or for changes in relation to the LEED® Certification Plan. Construction Administrator acknowledges that substitutions, changes and "value engineering" proposed by Construction Contractors that are inconsistent, or not properly coordinated, with the LEED® Certification Plan, could prevent the Project from achieving its desired level of LEED® certification and, because of the interrelationship of building systems and elements in LEED® projects, could require costly remediation or changes to other elements of the Project. If the Construction Administrator determines that implementation of the requested change would result in a material change to the LEED® Certification Plan, the Construction Administrator shall notify the Board, who may authorize further investigation of such change. Upon such authorization, and based upon information furnished by the Contractor, if any, the Construction Administrator shall make a recommendation to the Board regarding the implementation of the requested change.

2.4.4. Board's Rights upon Receipt of Nonconforming Bids. If the lowest *bona fide* bid proposal exceeds the most recently approved Stated Cost Limitation, the Construction Administrator shall make recommendations to Board for alternative designs, materials, systems, schedules or other changes or economies, that are feasible to implement in order to reduce the Construction Cost.

2.5. Construction Phase Services

2.5.1. General Duties. Construction Administrator shall provide administration of the Project, technical, management and related services, and coordination of scheduled activities and responsibilities of, and between, members of the Design and Construction Teams. Construction Administrator shall maintain competent, full-time staff at the Project site at all times Work is in preparation or in progress on the Project and shall establish and implement on-site organization and

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authority so that the Work may be accomplished timely and efficiently and in accordance with respective Contract Documents of each Construction Contractor. At least one (1) supervisory member of the Construction Administrator's staff shall be present at the Project site at all times site once the Work commences. Construction Administrator shall facilitate communication among all members of the Project Team and attend and/or schedule and conduct such progress meetings specified in the Contract or necessary for the orderly and efficient completion of the Project.

2.5.2. Project Progress. Construction Administrator shall record the progress of the Project, including photographs reflecting the status of Project construction, and provide written reports to the Board on a weekly basis. Such reports shall include, without limitation, information on the work of each Construction Contractor and their respective Subcontractors and Vendors (including any defective work and the required corrective action), the completion status of the entire Project showing percentages of completion and any other information reasonably requested by the Board. Construction Administrator shall keep a log (on forms acceptable to the CO) containing a daily record of weather, number of workers on site for each Construction Contractor, identification of Operating Equipment, work accomplished, problems encountered and other similar relevant data affecting the Project, completion of the Project or construction costs. Construction Administrator shall require Construction Contractors to provide records of any materials that require long lead-time and to certify that such materials have been ordered for timely delivery to the Project. Construction Administrator shall review the sufficiency of the Construction Contractors' workforces and the number and types of equipment assigned and provided by each Construction Contractor and shall make recommendations to the Board about the adequacy of such workforces and equipment. Construction Administrator shall inform the Board of the need to update the Project Schedule including, as required, conforming the Project Schedule to current conditions or to postpone any scheduled activity. Construction Administrator may revise the Project Schedule to conform to current conditions except that Construction Administrator may not revise the Contract Time or the dates of Substantial and Final Completion of the Work (or for that portion of the Work that is the subject of a particular Construction Contractor's Contract Documents) without the Board's written approval in advance. If current conditions indicate that a Milestone Date(s) shown on the Project Schedule has not been or will not be met, Construction Administrator shall recommend corrective action, recovery measures or acceleration and shall carry out the directions of the Board so that the Milestone Dates may be met, unless the Board agrees in writing to revise the Milestone Date.

2.5.3. Site Safety. Prior to their performance of any Work at the site, Construction Administrator shall review the safety programs developed by

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Construction Contractors and each of their respective Subcontractors for adequacy and coordination and conformance with the requirements of any applicable policy of insurance, and provide written recommendations to the Board and such Construction Contractor with regard to such programs, including correction of any deficiencies. Construction Administrator shall monitor compliance with applicable safety programs and advise the Board of measures, if any, necessary or appropriate to obtain compliance with such program. Construction Administrator shall coordinate the preparation of all documents required for compliance by the Board with the OSHA and other applicable safety laws and regulations. Construction Administrator shall notify the Board (and its insurers, if required) and the applicable Construction Contractor in writing of all Construction Administrator observed instances of a Construction Contractor's failure to comply with applicable safety requirements. In the event of a safety violation or other unsafe conditions on or about the Project Site which have an immediate potential or actual adverse effect on life or property, Construction Administrator is authorized, without prior notice to the Board or prior directive of the Board, to take all actions deemed necessary and appropriate by Construction Administrator under the then existing circumstances to prevent such actual or potential adverse effect. Construction Administrator is responsible for verifying that each Construction Contractor has established a safety program, that the safety program established by each Construction Contractor is in compliance with Applicable Law and applicable policies of insurance and that each Construction Contractor has implemented its safety program.

2.5.4. Insurance. Construction Administrator shall receive certificates of insurance from each Construction Contractor, and Subcontractors and verify their conformance with the applicable Contract Documents.

2.5.5. Ongoing Technical Assistance, Consultations and Design Review. Construction Administrator shall provide recommendations and information as set forth in Section 2.3.3 during the Construction Phase of the Project as required or necessary given the progress of the design and construction of the Project. Construction Administrator shall monitor the Architect's review of requests for information ("RFIs") and requests for interpretations of the meaning and intent of the Construction Documents. Construction Administrator shall ensure that any such response or interpretation conforms to the Program, Construction Documents and Applicable Law. Construction Administration shall maintain an RFI log.

2.5.6. Monitoring LEED® Submittal Documentation. The Construction Administrator shall monitor KCCT's performance as the Project's LEED® Administrator including KCCT's collection and uploading of the information and calculations required to satisfy the LEED® Prerequisite and Credit submittal requirements for the Prerequisites and Credits targeted in the Project's LEED® Certification Plan (collectively "LEED® submittal documentation"). The LEED®

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submittal documentation shall conform to the requirements set forth in the latest version of the applicable USGBC Reference Guide, as such Reference Guide may be modified by the USGBC in Credit Interpretation Rulings or otherwise (hereinafter the "Reference Guide"). Construction Administrator shall immediately report to the Board any deficiencies in KCCT's performance or in the LEED® submittal documentation submitted by any member of the Project's design or construction teams.

2.5.7. Construction Contractor Compliance with LEED® Certification Plan. Construction Administrator acknowledges that (i) the Board's application for LEED® certification must include a verification that the Work was completed in conformance with the designs for which LEED® Prerequisites and Credits are being claimed; and (ii) satisfaction of SSc5.1, SSc7.1, EA p1; EAc3; MRc1.2; MRc2-7; EQc3.1-3.2; EQc4.1-4.4, to the extent targeted in the LEED® Certification Plan, depend, in particular, upon the performance of the Construction Contractor and its Subcontractors and of their supplying the required LEED® submittal documentation either directly to A/E or, if authorized pursuant to Section 2.2, uploading via LEED® OnLine. Accordingly, in addition to its evaluations of the Work described in Section 2.5.11 of the Contract, the Construction Administrator and/or Construction Administrator's Consultants shall ascertain the extent of the Construction Contractor's compliance with the LEED® Certification Plan and the requirements of the LEED® Prerequisites and targeted Credits and to keep the Board informed about the progress and quality of the portions of the Work related to LEED® certification. Construction Administrator shall immediately report to the Board any deficiencies discovered in the Construction Contractor's performance of its LEED®-related performance and obligations.

2.5.8. Review of Submittals and Shop Drawings. Construction Administrator shall establish and implement procedures for expediting the processing and approval of Shop Drawings, Product Data, Samples and other submittals from Construction Contractors and FF&E Vendors (pursuant to Section 2.5.16) (collectively "Submittals") and shall monitor conformance with those procedures by KCCT, the CxA or other members of the Design Team. These procedures shall include, at a minimum, maintenance of a record of each submittal received, the subject matter of the submittal, the related specification section number, the provider or supplier of the subject item, material, or system, the date received, the action taken, and the date transmitted to the applicable Contractor. The Construction Administrator shall review all Submittals, and shall cause KCCT to review, approve or take other appropriate action upon all Submittals. These actions shall be taken by the Construction Administrator and KCCT with such reasonable promptness as to cause no delay in the Work or in the activities of Construction Contractors, Subcontractors and FF&E Vendors.

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2.5.9. LEED®-Related Submittal Review. Construction Administrator also acknowledges that the use and installation of the materials and equipment specified in the Contract Documents (or, if not specified, the requirements set forth in the Reference Guide for the targeted credits) is critical to the Project achieving its desired LEED® certification including, but not limited to, the successful commissioning of specified systems (including those required to be commissioned by EAp1) and to satisfying the requirements of MRc2-7 and EQc4.1-4.4 to the extent targeted in the LEED® Certification Plan. Accordingly, in addition to its obligations under Section 2.5.8, the Construction Administrator shall (i) review, and shall cause the Architect to review, approve or take other appropriate action upon all Submittals as necessary to ascertain their conformance with the requirements of the LEED® Prerequisites and Credits identified in the LEED® Certification Plan; and (ii) use commercially reasonable efforts to prevent the use of “green washed” materials and equipment.

2.5.10. Ongoing Permitting Oversight. Construction Administrator will continue to undertake diligent and good faith efforts to obtain, and/or assist the Architect and Construction Contractors in obtaining, all Required Approvals.

2.5.11. Evaluations of the Work. Construction Administrator shall implement the approved quality control program to inspect the Work, including major fabricated equipment, for conformance with the applicable Construction Documents, Applicable Codes and Standards, and generally accepted quality standards of workmanship and fabrication to guard the Board in all material respects against defects and deficiencies in manufacturing and workmanship, and to determine if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the applicable Contract Documents. The Construction Administrator shall keep the Board reasonably informed about the progress and quality or quantity of the portion of the Work completed, and report this information to the Board in its weekly Progress Report. This report shall include all relevant facts including without limitation (1) a description of all known deviations from the Contract Documents, from the most recent Project Schedule submitted by the Construction Administrator, or from other items, such as RFI responses and shop drawings; (2) defects and deficiencies observed in the Work; and (3) any items reviewed or discussed. Construction Administrator shall recommend solutions to any issues if known or shall recommend appropriate action to address such issues. Such inspections will be performed, as appropriate, at the equipment vendor's location and/or when the equipment arrives at the Project site.

2.5.12. Rejection of Work. The Construction Administrator shall make recommendations to the CO and/or COTR to reject Work that does not conform to the Contract Documents; provided, however, the Construction

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Administrator shall reject Work without prior notice to the Board or prior directive of the Board, under the circumstances set forth in Section 2.5.3. Whenever the Construction Administrator considers it necessary or advisable, the Construction Administrator shall recommend to the CO to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Construction Administrator nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Construction Administrator or CO to the Construction Contractor, Subcontractors, material and equipment suppliers, their agents or employees or other persons or entities performing portions of the Work.

2.5.13. Payment of Construction Contractors. Construction Administrator shall receive and review all pay applications from the Architect, each Construction Contractor and their respective consultants and Subcontractors to verify that the same are correct and complete. The Construction Administrator shall make recommendations to the Board of the amounts due each payment applicant on the basis of (1) the payment provisions of the applicable Project Contract; (2) the Board's Payment Procedures and approved PM/PC regarding cost controls; and (3) the data making up the Application for Payment. Construction Administrator's recommendation for payment shall constitute a representation to the Board, based on the Construction Administrator's evaluation of the Work as provided in Section 2.5.11 and on the data comprising the Application for Payment, that the Work has progressed to the point indicated, the quality of the Work is in accordance with the applicable Contract Documents (subject to specific qualifications expressed by the Construction Administrator) and that Applicable Law governing procurement, payment and administration of construction projects by the Board to the extent administered by Construction Administrator under this Contract have been met. Construction Administrator's recommendation pursuant to this section shall be a representation that the applicable Construction Contractor is entitled to payment in the amount so certified.

2.5.13.1. The Construction Administrator shall not recommend payment to a Construction Contractor or any Subcontractor that is not in compliance with its LEED®-related obligations or has not supplied to Construction Administrator or uploaded via LEED® OnLine the LEED® submittal documentation available as of that stage of construction for the Prerequisites and Credits targeted in the LEED® Certification Plan.

2.5.14. Change Order Controls. Construction Administrator shall coordinate and disseminate correspondence, drawings and other written materials by and between the Board, Construction Contractor and Architect relating to changes or proposed Changes in the Work. The Construction Administrator will maintain a log or other written records to monitor the pendency and disposition of Changes and

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Change Orders to keep the Board advised of the status of the same and the actual or potential impact of any particular Change or Change Order or the cumulative effects thereof on the cost of the construction or time for completion of Project. Construction Administrator shall review, evaluate and make recommendations to the Board regarding (i) requests for the issuance of Change Orders or Additional Services by a Contractor or Design Team member, and (ii) the initiation of Change Orders on the Board's behalf if, in the Construction Administrator's judgment, such Change is necessary or required to complete the Project in accordance with the Board's Program. Construction Administrator shall advise the Board on the Construction Contractor's proposed cost for a Change, provide estimates made by qualified personnel relating to a proposed Change and assist in negotiating Change Orders. If a Change is approved or authorized by the Board, Construction Administrator will prepare the Change Order or Construction Change Directive.

2.5.15. Tests; Inspections; Start-Up. Construction Administrator shall (i) ensure that the tests, inspections and approvals of portions of the Work required by the Contract Documents or by Applicable Law shall be made at the appropriate time; and (ii) assist the Architect, CxA and Construction Contractors in the planning and coordinating of building systems and equipment pre-operational tests, start-up performance tests, commissioning, on-site observation and troubleshooting. Construction Administrator shall advise and consult with the Board as to the need for any special testing or inspections of the Work. The Construction Administrator shall make arrangements with the CxA when such tests, inspections and approvals are within the scope of the CxA's services and, if not with the CxA's scope of services, with an independent testing laboratory or other entity approved in advance by the Board. The Board shall reimburse the Construction Administrator for any actual third party costs of tests, inspections and approvals required by the Contract Documents or by Applicable Law arranged with an independent testing laboratory or other entity acceptable to the Board. Construction Administrator will monitor all quality control testing executed by Construction Contractors and their respective suppliers. Construction Administrator will collect and log all quality testing reports, report any deficiencies to the Board and make recommendations, as appropriate, for solving problems identified by the testing or whether to accept the results of such tests. Construction Administrator shall observe and report to the Board regarding the commissioning of all commissioned systems by the CxA, final testing and start-up of utilities, operations, systems and Operating Equipment for conformity with applicable quality control criteria, and will determine whether or not to recommend to the Board to accept the results of such tests as demonstrating conformance with the Contract Documents. Construction Administrator will notify vendors regarding necessary modifications, if any, to equipment, and coordinate the services to be provided by manufacturers in adjusting, calibrating and verifying the correct installation of their equipment. Construction Administrator shall give, or shall cause the Construction Contractor to

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give, the Board timely notice of when and where tests and inspections are to be made so that the Board may be present for such test and procedures including factory acceptance tests. Construction Administrator will arrange for, procure and coordinate the supply of any materials necessary for any Contractor to perform its start-up services.

2.5.16. Board Furnished/Contractor Installed FF&E. Construction Administrator shall provide administration of the contracts for furniture, furnishings and equipment ("FF&E") made directly by the Board with vendors other than Construction Contractors ("FF&E Vendors") including the storage, protection and security of FF&E until such items are incorporated into the Project. The Construction Administrator shall coordinate the schedules for fabrication, delivery and installation of FF&E with the Work of Construction Contractors and the services of the CxA and Architect including review of Submittals pursuant to Section 2.5.8 and testing and commissioning pursuant to Section 2.5.15. The Construction Administrator shall receive and inspect FF&E at the time of their delivery to the premises and shall make recommendations to the Board whether to accept or reject, or to make payment in whole or in part for, such FF&E.

2.5.17. Substantial and Final Completion of the Work. The Construction Administrator shall inspect the Work to determine the date or dates of Substantial Completion of the Work and the date of Final Completion of the Work (or for each phase of the Work or for that portion of the Work that is the subject of a particular Construction Contractor's Contract Documents). If, upon inspection, Construction Administrator determines that Substantial Completion has not been achieved, Construction Administrator will identify the measures necessary for each Construction Contractor to fulfill the necessary conditions. When Construction Administrator considers the Work of a Construction Contractor (or any designated portion thereof) to be substantially complete, it shall prepare, for approval by the CO, a Punch List and a schedule for the completion of the items on the Punch List. Construction Administrator also shall prepare Certificates of Substantial Completion when same is achieved subject to the Board's consent as set forth below; receive from the Construction Contractor and forward to the Board, for Board's review and records, written warranties and related documents required by the Contract Documents and assembled by the Construction Contractor; and shall recommend to the Board whether to issue a final Certificate for Payment based upon a final review indicating the Work complies with the requirements of the Contract Documents. The Construction Administrator's inspections to determine Substantial Completion and Final Completion shall be conducted with the Board and such other persons as the Board may designate to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the Punch List submitted by the Construction Contractor of Work to be completed or corrected. Construction Administrator shall not issue a Certificate of Substantial

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Completion or Final Completion without Board's consent. The Construction Administrator shall receive from the Construction Contractor and forward to Board the following information to be received from the Construction Contractor: (1) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment; (2) affidavits, receipts, releases and waivers of liens or bonds indemnifying the Board against liens; and (3) any other documentation required of the Construction Contractor under the Contract Documents. Upon completion of the Work, any materials, supplies, equipment, or tools (not owned by the workers) that are not consumed in the performance of the Work, which are paid for by the Board, at the Board's election, shall be either (i) delivered to the Board in accordance with instructions furnished by the Board; or (ii) sold by Construction Administrator or Construction Contractor and the proceeds therefrom remitted to the Board.

2.5.17.1. In addition to the requirements set forth elsewhere in the Contract Documents, the Work (or any designated portion thereof) shall not be considered to be (A) "substantially complete", and Construction Administrator shall not recommend that the Board issue a Certificate of Substantial Completion, until (i) the successful commissioning of all applicable systems, equipment and components pursuant to EAc3 as determined by the CxA; and (ii) each Construction Contractor and applicable Subcontractor has supplied to Construction Administrator or uploaded via LEED® OnLine all required LEED® submittal documentation available at that stage of the construction for the Prerequisites and Credits targeted in the LEED® Certification Plan; and (B) "finally complete" until (i) each Construction Contractor and applicable Subcontractors have supplied to Construction Administrator or uploaded via LEED® OnLine all required LEED® submittal documentation for the Prerequisites and Credits targeted in the LEED® Certification Plan; and (ii) confirmation from the CxA that training of the Board's operations personnel by Construction Contractor has been completed.

2.5.18. As-built Records. Construction Administrator shall cause Construction Contractors to keep an accurate record of as-built conditions to record any variations from the Drawings and Specifications (including working, shop and engineering drawings) with particular reference to work which will be subsequently concealed. Construction Administrator will review such drawings on a monthly basis throughout the Construction Phase and again just prior to Final Completion of the Work to verify the accuracy and completeness of the information contained therein. Construction Administrator will deliver these as-built documents monthly to the A/E for its review. Construction Administrator shall confirm for the Board that, at a minimum, the drawings include: the size and location of concealed and embedded construction, construction due to change orders and field revisions, and

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the incorporation and coordination of supplemental instructions into the Construction Documents. Upon completion of the Work, Construction Administrator shall deliver to the Board the marked-up Drawings reflecting any such variations. Construction Administrator shall transmit, or authorize transmittal of, the verified As-Built drawings to the A/E for the preparation of Record Drawings.

2.5.19. Asbestos or Hazardous Materials. Construction Administrator shall cause Construction Administrator personnel and Consultants, Construction Contractors, Subcontractors and each of their respective employees, agents, consultants to take all reasonable precautions necessary to prevent their exposure to any asbestos, polychlorinated biphenyl (PCB) and other hazardous materials disclosed by the Board or otherwise known by Construction Administrator as being present at the Project Property. If after Work commences at the Project Site asbestos or Hazardous Materials or substances, as defined in Applicable Law, in any form are encountered or are reasonably believed to be encountered, Construction Administrator will ensure that Work in the affected portions of the Project is stopped by Construction Contractors to permit testing and evaluation. The work in the affected area shall not thereafter be resumed except by written agreement of the Board and Construction Administrator (and between the Board and Construction Administrator and any Construction Contractor) if in fact the material is asbestos or PCB or other hazardous material or substance and has not been rendered harmless. The work in the affected area shall be resumed in the absence of asbestos or PCB or other Hazardous Material or substance (or when it has been rendered harmless) by written agreement of the Board and Construction Administrator. The Board recognizes that Construction Administrator assumes no risk and/or liability for remediating hazardous waste at the Project Property. In no event, however, shall the Board have any responsibility for any substance or material that is brought to the Project site by Construction Administrator, a Construction Contractor and their respective consultants or Subcontractors, or any entity for which any of them is responsible. The term "rendered harmless" shall be interpreted to mean that levels of asbestos and polychlorinated biphenyls, or any other hazardous substances, are less than any applicable exposure standards set forth in Applicable Law.

2.6. Post Construction Phase Services. Construction Administrator shall perform the following Services during the Post-Construction Phase of the Project:

2.6.1. Review and Transmittal of Closeout Documents. Construction Administrator shall receive the closeout documents and items to be submitted by each Construction Contractor under the terms of their respective Contract Documents including, but not limited to, affidavits, certifications, as-built drawings, keys, manuals, and the originals of any guarantees, warranties, releases,

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bonds, and waivers (collectively "Closeout Documents") and secure and transmit them to the Board in bound and indexed form. Construction Administrator shall review the Closeout Documents to determine their conformity with the requirements of the applicable Contract Documents including, but not limited to, that warranties are issued in the Board's name and policies of insurance that continue beyond the completion of the Work are in place. If Construction Administrator determines that that any of the Closeout Documents are not in conformity with requirements of the applicable Contract Documents, Construction Administrator shall make recommendations to Board for measures to secure compliance with the requirements.

2.6.2. Project Reports. Construction Administrator shall monitor the filing of all reports and other actions required by Applicable Law to be undertaken by any Construction Contractor, by the CxA or by any inspector retained by Construction Administrator upon completion of construction. If any Construction Contractor or any inspector has not filed reports or taken other actions required upon completion of Project construction, Construction Administrator shall secure their compliance with regard to such requirements. Construction Administrator will complete and submit the reports and other actions required to be undertaken by the Board upon completion of Project construction pursuant to Applicable Law.

2.6.3. Final LEED® Certification Report. The Construction Administrator shall assist in the preparation of a Final LEED® Certification Report documenting the LEED® rating the Project achieved, including the LEED® Certification Plan, LEED® submittal documentation, LEED® Certification Reviews received from the USGBC, together with the specific LEED® points that the Project is recognized as having received, all clarifications or interpretations of credits, and any re-certification requirements.

2.6.4. Review of Building Operations by CxA. The Construction Administrator shall coordinate the review of building operations to be performed by the CxA in accordance with LEED® – NC EAc3 and secure the required corrective or remedial work from the applicable Construction Contractor.

2.6.5. Claims. The Construction Administrator shall assist the Board in the review, evaluation, processing and documentation of all claims (including Change Order disputes and other claims for extra compensation or time) asserted by any Construction Contractor, Subcontractor or other member of the Project Team, and any and all back charge claims that the Board may have or assert against any Construction Contractor or other member of the Project Team. Construction Administrator will make recommendations to the Board as to the merit, handling and disposition of such claims and, if requested by the Board, will attend dispute resolution meetings related to each claim. The Construction Administrator shall

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negotiate claims on the Board's behalf only if requested by the Board. The Construction Administrator shall have no authority to settle or release claims, except as expressly set forth by the Contracting Officer in writing.

2.6.6. Securing Post-Construction Obligations. Construction Administrator shall monitor any agreed training or post-completion services included as part of the Contract Documents of a member of the Project Team. Construction Administrator shall secure compliance by any Construction Contractor with their respective post-construction obligations.

2.6.7. Warranty Inspection. The Construction Administrator shall coordinate, and assist as necessary, with the CxA's review of the Project and its performance in the 8 to 10 months following Substantial Completion as required by EAc3. During this same period, the Construction Administrator shall review the Work that is not the subject of the CxA's review and shall prepare a report to be issued to the Board and, at the Board's direction, to the Construction Contractor indicating outstanding Work to be corrected and warranty issues to be addressed by the Construction Contractor. Any follow-up by the Construction Administrator to the CxA's or Construction Administrator's site visits and reports requested by Board shall be compensable as an Additional Service.

C.3 RIGHTS OF OWNERSHIP

3.1. Design Documents, drawings, sketches, calculations, descriptions, narratives, specifications, models, renderings, and any other data, studies, reports and written information related to or developed during the performance of the Services hereunder by, or on behalf of, Construction Administrator or by any Construction Administrator Consultant ("Work Product") shall be considered "work made for hire" commissioned by the Board, and any and all legal rights to such Work Product, including all copyrights, shall be deemed permanently vested in Board, regardless whether the Project for which it is prepared is executed or not, and the Construction Administrator hereby unconditionally and irrevocably transfers to Board any and all rights Construction Administrator may be deemed to have to such Work Product. The suspension, termination, breach of contract by Board (other than for the Board's wrongfully withholding of undisputed sums in breach of this Contract) or other dispute between Board and Construction Administrator shall not affect the rights granted to Board hereunder. No information gathered or generated in the performance of the work shall be disclosed to any third party without the written consent of the Board. Construction Administrator agrees to prepare or modify all documents used or prepared by the Construction Administrator, including, but not limited to, agreements between the Construction Administrator and Construction Administrator Consultants to be consistent with the provisions of this Section C.3.

3.2. If the Board takes steps to terminate the Construction Administrator's right to perform services under this Agreement as provided in Section M.20 or M.21, the Construction

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Administrator shall cooperate fully with the Board by immediately turning over possession and control to the Board of all Work Product not yet delivered to Board, if any, as well as all digital and reproducible copies of the Work Product either stored for use on computers or in any other type of media and otherwise assist the Board's successor designers to complete the design or perform redesign work. The only charges that may be assessed to Board by the Construction Administrator for the turnover of possession and control of Work Product are the direct cost of reproduction by photocopying, or other data duplication methods selected by the Board at its sole discretion. However, no charges for services may be imposed or required as a condition of turning over possession and control of Work Product.

C.4 MANDATORY REQUIREMENTS

4.1 The Offeror (the entity submitting a proposal in response to this SOA) shall have relevant, direct experience working in a similar role in at least ten (10) similar projects.

4.2 Offeror shall have at least ten (10) years experience in Construction Management or Administration.

4.3 The Offeror shall have and maintain an office in the Washington, DC Metropolitan area which is located not more than a one hour's non-rush hour drive from the Board's Martin Building. The office shall serve as the location of the Contractor for purposes of contractual communications.

4.4 The Offeror shall be established as a firm in the Washington, DC Metropolitan area, and shall hold and maintain throughout the term of this Contract all licenses and registrations required to perform the services described in this SOA in Washington, DC.

4.5 The Offeror shall be capable of providing Key Personnel who will be dedicated to providing services under this SOA and who meet the following mandatory requirements, at a minimum.

4.5.1 Construction Administrator: The Offeror shall submit resumes with references and contacts for at least two (2) Construction Administrators as follows:

4.5.1.1 Each Construction Administrator shall have at least ten (10) years of experience as a Construction Administrator or equivalent, on similar types of project(s) as described in this SOA.

4.5.1.2 One Construction Administrator shall be designated as "proposed" and the other Construction Administrator shall be designated as the "proposed alternate."

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4.5.2 Estimator: The Offeror shall provide the resume' of the lead estimator including his/her references (with contracts) and a history of all his/her estimates for the last two (2) years with the estimate and the actual proposal price of the project.

4.6 Offeror shall provide references of all construction projects completed or in process over the last two (2) years with contact names and telephone numbers.

4.7 Documentation: Offeror will provide sample documentation from similar projects to include but not limited to project log books, meeting minutes, record tracking documents (systems), and other pertinent records.

SECTION D
[RESERVED]

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SECTION E

INSPECTION AND ACCEPTANCE

E.1 INSPECTION AND ACCEPTANCE

The COTR will inspect and accept the goods and services at intervals that he/she specifies.

E.2 REDELIVERY OF WORK AND SERVICES

If any of the services delivered by the Contractor under this Contract do not conform to the requirements of Section C, the Statement of Work, the Contracting Officer may direct the Contractor to deliver the services again, in conformity with Section C, and the Contractor shall not re-invoice the Board for such rework. When defects in services cannot be corrected by re-delivery, as determined by the COTR, the Contracting Officer may require the Contractor to (1) take actions to assure the Board that future deliveries will conform to contract requirements, and (2) reduce the future amounts invoiced by the Contractor to reflect the reduced value of the nonconforming services.

If the Contractor again fails to deliver conforming services after attempting to re-deliver, or to take the actions necessary to ensure future conformance with contract requirements, the Board may (1) by contract or otherwise, engage a third party to perform and deliver the services in place of the Contractor and charge to the Contractor any charges incurred by the Board that are directly related to this third-party performance, or (2) terminate this Contract for default in accordance with the General Contract Provisions.

Notwithstanding any of the foregoing provisions, at any time, the Contracting Officer may require the Contractor to remedy by correcting or replacing the Contractor's personnel, without cost to the Board, any failure by the Contractor to comply with the requirements of this Contract if failure is due to (1) fraud, lack of good faith, or willful misconduct on the part of any of the Contractor's personnel, or (2) the conduct of one or more of Contractor's personnel selected or retained by the Contractor after the Contractor's management or the Board has grounds to believe that Contractor's personnel are unqualified or habitually careless.

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SECTION F

CONTRACT DELIVERABLES

F.1 DELIVERABLES

The Construction Administrator shall timely prepare and/or deliver to the Board (or necessary third party) all of the items that Section C, Statement of Work, requires including, but not limited to, Project Management and Control Plans, Permitting & Entitlement Plan, Constructability Reviews, Project Cost Estimates, Project Schedule, recommendations, Value Engineering, Bid Packages, Bid Validations, Progress Reports, Meeting Minutes, recommended Certifications of Payment, recommended Certificates of Substantial and Final Completion of the Work, and Closeout Documents.

In addition, the Construction Administrator shall ensure the timely delivery of all deliverables and documents required of the A/E, CxA, Construction Contractor and any other contractor, consultant, vendor or other third party engaged by the Board to complete the Project set forth in their respective Contract Documents including, but not limited to, executed contracts, Design Documents, Permits, LEED® Certification Plan, Owner Project Requirements, Basis of Design, Peer Reviews, Safety Plans, Test Reports and Results, Submittals, Commissioning Plans and Reports, labor, materials and equipment, insurance certificates, bonds, logs, responses to requests for information, applications for payment, payments, lien waivers, LEED® Submittal Documentation, training, "as-built" and record drawings, keys, systems, operations and maintenance manuals, warranties, Closeout Documents and maintenance stocks.

F.2 WARRANTIES

As a condition precedent to final payment, the Construction Administrator shall provide copies of all warranties that the Contract Documents require of any Construction Contractor, consultant, vendor or other third party engaged by the Board to complete the Project, for both material and labor.

F.3 REPORTS

See Section F.1.

F.4 INSURANCE CERTIFICATES

The Construction Administrator shall provide the Board with insurance certificates, and endorsements signed by the applicable insurer naming the Board Indemnitees (as defined in Section L.7.b, as amended) as Additional Insureds, for each insurance policy that is required to be in effect throughout the performance period (including ongoing and completed operations)

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insuring the Construction Administrator and any Construction Contractor, consultant, vendor or other third party engaged by the Board to complete the Project.

F.5 MANUALS

The Construction Administrator shall ensure the timely delivery of all systems, operations and maintenance manuals required by the Contract Documents of the Architect, Commissioning Authority, Construction Contractor and any other contractor, consultant, vendor or other third party engaged by the Board to complete the Project.

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SECTION G

INQUIRIES

G.1 POINT OF CONTACT

The Board's contact person responsible for providing additional information and answering inquiries about this Solicitation is the Supervisory Contracts Analyst.

- a. The Offeror shall submit all communications, such as requests for clarification and/or information concerning this Solicitation, in writing via electronic mail followed up by postal mail to the following address:

The Federal Reserve Board
Procurement Section, Mail Stop 128
20th and C Streets, NW
Washington, DC 20551
Attention: Kimberly Prince
RE: Solicitation 201000405

Telephone (202) 452-2527/Fax (202) 728-5826/E-mail kimberly.m.prince@frb.gov

- b. Inquiries shall be submitted in writing no later than ZZZ, 2011
- c. The Supervisory Contracts Analyst will provide answers to questions to potential Offerors giving due regard for the proper protection of proprietary information.

The Supervisory Contracts Analyst will not provide information concerning this Solicitation or requests for clarification in response to Offeror-initiated telephone calls. The Offeror shall make all such requests in writing via e-mail followed up by postal mail to the above address. Questions shall identify the specific area of this Solicitation, citing the particular section and paragraph of this Solicitation in which clarification is desired. The Supervisory Contracts Analyst will provide questions and answers to all prospective Offerors. Sources of questions will not be identified.

Note: Offerors are instructed specifically to contact only Kimberly Prince in connection with any aspect of this requirement prior to the Contract's award. The Offeror shall submit proposals and all correspondence relating to this document to Kimberly Prince.

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SECTION H

KEY PERSONNEL

H.1 APPROVAL OF KEY PERSONNEL

Offerors shall submit resumes with their Technical Proposals (Volume II) of those persons that are essential for the performance of the Services described in Section C, the Statement of Work, and who will be assigned to the resulting Contract (Key Personnel). The Construction Administrator shall not remove or replace Key Personnel without prior notification to and approval by the COTR, and the COTR will approve any replacement of Key Personnel prior to their replacement. Approval of Key Personnel will not be unreasonably withheld. If any Key Personnel, become disabled, voluntarily terminate their employment with the Construction Administrator, or otherwise become unable to perform, then such persons shall be replaced with persons of equal or better skill and experience. Substitutions of subcontracted or consultant support included in the original contract are subject to the written approval of the CO. This Contract must be modified before the substitute commences work. Changes in individuals employed by these firms will be processed administratively by letter between the CO and the Construction Administrator. Personnel possessing unique technical specialties may be required for supplementary expertise related to project services. Such personnel shall have qualifications as required and approved by the COTR which are appropriate to the nature of the services that will be provided.

H.2 PERSONNEL QUALIFICATIONS

Offerors shall indicate in their Technical Proposals how their Key Personnel will direct or perform the Services as described in Section C. In addition, Offerors shall explain the procedures for training Key Personnel. Letters of commitment shall be included in the Technical Proposals for all Key Personnel. Repeated failure or excessive delays by the Construction Administrator to provide qualified personnel, who meet the stated requirements, may be reason for COTR to recommend termination of this contract by the CO.

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SECTION I

EVALUATION AND AWARD PROCESS

L1 EVALUATION OF PROPOSALS - MANDATORY REQUIREMENT(S) AND PRICE AND TECHNICAL POINTS

- a. Each Offeror shall submit a technical proposal and a cost/price proposal according to the guidelines presented in Section L, General Instructions and Information, Proposal Submission. In addition, the Offeror shall submit the cost/price proposal in the same format as the sample form provided in Section B, the Cost/Price Proposal Form.

Each response to this Solicitation shall be subject to the same review and assessment process by the Board's technical and cost evaluation teams.

Each proposal will first be examined to determine if the Offeror is responsible (see L.2) and if the proposal meets all mandatory requirements set forth in Section C, Statement of Work. If any mandatory requirement is not met, the proposal will be rejected and will receive no further consideration. Technical proposals that meet all mandatory requirements qualify for further evaluation and will receive up to fifty (50) technical points. In addition, these proposals will receive fifty (50) cost points in inverse proportion to the ratio of their cost to that of the lowest proposal. Technical and cost points will be combined to determine who is awarded the Contract.

- b. Technical proposal

Factor No. 1: Personnel/past performance. This factor involves an evaluation of the Offeror's references, experience and past performance and the references and experience of its Key Personnel. The Offeror shall demonstrate satisfactory past performance under prior contracts for similar project services.

Factor No. 2: Overall strategy, technical approach, and methodology. This factor involves evaluating the data submitted with the offer that explains the Offeror's procedures for completing the solicitation requirements.

Factor No. 3: Detailed implementation plan. This factor involves evaluating how thorough the Offeror explains and outlines the work plan.

Factor No. 4: Interview. The Offeror shall be interviewed on past projects and their relevance to this project, discussion of their role in the project team and how they would execute that role, demonstrate their vision of how they would support the Board's project goals and intent. They shall demonstrate an understanding of the project and their role in

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the project. Both the proposed primary construction administrator and estimator shall be present at the interview.

c. Cost/price proposal

A Board price evaluation team will use the same review process to evaluate each Offeror's cost/price proposal as formatted according to Section B. Offerors are reminded that they must use the format set forth in Section B in submitting their cost/price proposals. The price evaluation team will evaluate the cost/price proposals for price reasonableness, realism, risk, and any other criteria set forth in Section B. The price evaluation team may reject unrealistically low or materially unbalanced offers. The lowest price, acceptable proposal will be awarded fifty (50) points, and higher priced bids will get points in an inverse proportion.

d. Covered Company Preference

If a covered company, as defined in Section M.25, is among the Offerors whose cost/price proposal is being evaluated under this section, costs will be adjusted as described in subparagraph 1., below. The adjusted costs will be used when awarding cost points under the process described in paragraph c., above.

1. Except for the acquisitions described in subparagraph 2., below, if a responsible covered company submits a responsive bid, quotation, or proposal, the Contracting Officer shall, for the purpose of price evaluation, add to each noncovered company's proposal the following factor(s): three percent (3%) of the first \$500,000, plus one percent (1%) for any amount of the bid, quotation, or proposal that exceeds \$500,000. After applying this price adjustment, the Contracting Officer will evaluate the proposals and award the Contract as provided in paragraphs a. and c., above.
2. No price adjustment will be calculated in any of the following acquisitions, even if a covered company is a bidder: (1) the value of the contract is equal to or less than \$100,000, (2) the acquisition is a set-aside under the Board's Small and Disadvantaged Business Acquisition Policy, (3) the covered company has executed a waiver of the price preference, (4) price is not a factor in the evaluation, or (5) the contract is being awarded pursuant to the Trade Agreements Act or another international agreement.

1.2 FACTORS TO DETERMINE A RESPONSIBLE OFFEROR

- a. The Offeror shall provide financial statements for its two most recently completed fiscal years.

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- b. The Offeror shall disclose any actions pending before any body competent to rule on, adjudicate, or referee any legal dispute, including labor or workers' compensation controversies, or bankruptcy filings.
- c. The Offeror shall possess, as of the date of release of this Solicitation, all required licenses and/or permits to conduct business both in the jurisdiction in which their main offices are located, and in Washington, DC. The Offeror shall indicate the type(s) of licenses and/or permits that have been issued to them, and the names of the issuing jurisdictions. The Offeror shall provide copies of such licenses and/or permits if requested. The Offeror shall keep current all required licenses and permits.
- d. The Offeror shall certify, as of the date of release of this Solicitation, that it has paid all taxes due, withholding or otherwise, and that it is not a party to any action by any taxing jurisdiction or authority to collect overdue or back taxes.
- e. If an Offeror has financial statements that are weak, has any actions pending, has not obtained or retained the required licenses and/or permits, has any outstanding taxes, or fails to provide any other information required by this Solicitation, the Offeror shall fully explain such action or deficiency so that the Contracting Officer may have sufficient information to determine whether the Offeror is a responsible Offeror.
- f. The Offeror's past performance (see Factor No. 1 of the technical proposal evaluation) will be evaluated as follows:
 1. Quality of product or service. This refers to compliance with contract requirements, accuracy of reports, and technical excellence. Excellent: there were no quality problems.
 2. Timeliness of performance. This refers to whether the Offeror met interim milestones, was reliable and responsive to technical direction, completed the project on time, including wrap-up and contract administration, and no liquidated damages. Excellent: there were no unexcused delays.
 3. Cost control. This refers to the budget and cost efficiencies, and also whether the invoices were accurate and complete, and there were no overruns. Excellent: there were no cost issues.
 4. Business relations. This refers to effective management, effective small and small disadvantaged-business subcontracting programs, reasonable and cooperative behavior, flexible effective Construction Administrator-recommended solutions, and business-like concern for the organization's interest. Excellent: response to inquiries and to technical, service, and administrative issues was effective and responsive.

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5. Customer satisfaction. This refers to end user satisfaction with the Contractor's service. Excellent: ninety (90) percent or more of end users surveyed rated the service as excellent or better.

1.3 PROTESTS

Any actual or prospective Contractor who is aggrieved in connection with the solicitation or award of a contract may submit a written protest consistent with the provisions of Section M.23.

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SECTION J

CONTRACT ADMINISTRATION

J.1 CONTRACT TYPE

It is contemplated that the Board will award a "Time & Materials" contract to the successful Offeror with not-to-exceed values established for each phase of the Project and for the Project in its entirety as described in Section M.6 and Attachment B-1. The Board will not be obligated to compensate Offeror for the performance of Services that exceed these not-to-exceed values absent the Board's advance written authorization.

J.2 PERIOD OF PERFORMANCE

The term of this Contract shall commence on the Effective Date and, unless earlier terminated as provided herein, shall expire thirty (30) days after (i) final payment is made to the last Construction Contractor involved in completing the Project; or (ii) completion of (and payment for) any remedial work required as a result of the CxA's review of building operations pursuant to LEED®-NC EAc3, whichever is later. Notwithstanding the expiration of the term of this Contract, Construction Administrator shall continue to perform all Services that survive final payment in accordance with this Contract.

J.3 INVOICES AND PAYMENTS

Pursuant to Section M.6.f, the Construction Administrator shall submit invoices in arrears and on a thirty-day (30) cycle. The terms are net 30/prompt payment. All invoices shall show the contract number, contract line item number, and modification number (if issued).

The Construction Administrator shall submit invoices via electronic mail to MGT-Accounts-Payable@frb.gov or by facsimile to (202) 452-2840. If the Construction Administrator does not have access to electronic mail or facsimile equipment, it may also submit the invoice by postal mail in duplicate (original and one copy) to:

The Federal Reserve Board
Accounting Section, Mail Stop 152
20th and C Streets, NW
Washington, DC 20551

If any travel is authorized under this Contract, the Construction Administrator shall attach to the invoice all documentation for travel expenses. The Construction Administrator shall be reimbursed according to the Board's travel policy in effect on the date of travel.

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The Board will make payment by electronic funds transfer. Notification will be provided by facsimile to the Construction Administrator on the date of payment.

J.4 CONTRACT MANAGEMENT

Contract management is as follows:

Name	Title
Christine Fields	Contracting Officer
Michael Kelly	Procurement Manager
Kimberly Prince	Supervisory Contracts Analyst
Keith Bates, P.E.	COTR

J.5 COTR FUNCTIONS AND LIMITATIONS

Keith Bates, P.E., Assistant Director of Facilities, is designated the cognizant COTR who represents the Contracting Officer in administering technical details within the scope of the Contract and in inspecting and accepting. The COTR is not otherwise authorized to make any representations or commitments of any kind on behalf of the Contracting Officer or the Board. The COTR does not have the authority to alter the Construction Administrator's obligations or change the terms and conditions of the Contract. If, as a result of technical discussions, it is desirable to alter or change the terms and conditions of the Contract, changes will be issued in writing and signed by the Contracting Officer or his/her authorized representative. The Construction Administrator and Construction Administrator consultants are not authorized to accept any instructions, interpretations, or requests for work; honor any changes or revisions which may incur expenditures or affect price; or take actions which affect the terms of performance or any other requirements of the Contract without written notification signed by the CO.

Some of the types of actions within the scope of the COTR's authority are:

- a. To assure compliance of the Construction Administrator's performance with Section C, the Statement of Work.
- b. To perform or cause to be performed those inspections necessary to determine the Construction Administrator's compliance with the technical requirements of the Statement of Work.

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- c. To maintain both oral and written communications with the Construction Administrator concerning those aspects of this Contract within his/her purview.
- d. To monitor the Construction Administrator's performance and to advise the Board's Supervisory Contracts Analyst of any deficiencies.
- e. To coordinate the availability of Board-furnished property and services and to provide entry to the work area for the Construction Administrator's personnel, as required.
- f. To obtain the Construction Administrator's proposal for a change order and to relay the information in a memo to the Supervisory Contracts Analyst.
- g. To review invoices and, based on satisfactory performance of the terms and conditions of the Contract, to notify the Accounting Section that a payment should be made pursuant to the Contract.
- h. To determine final acceptance of services provided under this Contract.

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SECTION K

REPRESENTATIONS AND OTHER STATEMENTS OF OFFEROR

The Offeror shall include one copy of Section K, Representations and Other Statements of Offeror, in Volume I (Offer). To make the offer binding, the Offeror shall complete all blocks of Section K, as required, type in the name of the authorized signing official in the space reserved for his/her signature, and sign the form on that space.

1. Small business concern
2. Regular dealer-manufacturer
3. Quotation acceptance period
4. Contingent fee
5. Type of business organization
6. Persons authorized to conduct negotiations for Offeror
7. Previous contracts and compliance reports
8. Affirmative action compliance
9. Equal employment compliance
10. Intended place(s) of performance or other establishment(s) from which the supplies are to be furnished or services are to be performed
11. Acknowledgment of amendments
12. Acknowledgment of duties, responsibilities, and authority

Updated Representations and Other Statements of Offeror

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REPRESENTATIONS AND OTHER STATEMENTS OF OFFEROR

K.1 SMALL BUSINESS CONCERN

The Offeror () is, (X) is not a small business concern.¹ If the Offeror is a small business concern and is not the manufacturer of the supplies offered, it also represents that all supplies to be furnished hereunder () will, () will not be manufactured or produced by a small business concern in the United States, its possessions or Puerto Rico.

K.2 REGULAR DEALER-MANUFACTURER (applicable only to supply contracts exceeding \$10,000.)

The Offeror is a () regular dealer in, () manufacturer of the supplies offered.

K.3 QUOTATION ACCEPTANCE PERIOD

This quotation is valid for 120 days from date of submission

K.4 CONTINGENT FEE (applicable only to supply contracts exceeding \$100,000)

- a. The Offeror () has, (X) has not employed or retained any company or person (other than a full-time, bona fide employee working solely for the Offeror) to solicit or secure this Contract; and
- b. The Offeror () has, (X) has not paid or agreed to pay any company or person (other than a full-time, bona fide employee working solely for the Offeror) any fee, commission, percentage, or brokerage fee contingent upon or resulting from the award of this contract; and
- c. The Offeror agrees to furnish information relating to (a) and (b) above, as requested by the Contracting Officer.

If the Offeror, by checking the appropriate box, has represented that it has employed or retained a company or a person (other than a full-time bona fide employee working solely for the Offeror) to solicit or secure this Contract, or that it has paid or agreed to pay any

¹ A small business concern for the purpose of government procurement is a concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operation in which it is quoting on government contracts, and can further qualify under the criteria concerning number of employees, average annual receipts, or other criteria, as prescribed by the Small Business Administration. (See Code of The Board Regulations, Title 13, Part 121, as amended, which contains detailed industry definitions and related procedures.)



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fee, commission, percentage or brokerage fee to any company or person contingent upon or resulting from the award of this contract, the Offeror shall provide a statement that:

1. Provides the full name and business address of any or all company(ies) or person(s) employed or retained to solicit or obtain this contract and indicate whether such is an individual, a partnership or a corporation.
2. Describes the relationship of the Offeror to such person or entity (for instance, a sales or purchasing representative, a broker, an employee, or a corporate officer or principal and,
3. Indicates whether a written contract or agreement exists regarding such relationship. If a contract exists, the Offeror must provide a copy of such contract; otherwise, it must state in detail the terms of such arrangement including the amount and the method of computation of compensation and expenses.

The Offeror shall submit two copies of this statement, each signed by an authorized principal. If the Offeror has previously submitted a completed statement to the office issuing this Solicitation, the Offeror may accompany its quotation with a signed statement (i) indicating when it previously furnished such completed form, (ii) identifying by number the previous solicitation or contract, if any, in connection with which it submitted such form, and (iii) representing that the statement in such form is applicable to this quotation.

K.5 TYPE OF BUSINESS ORGANIZATION

The Offeror operates as () an individual, () a partnership, () a nonprofit organization, (X) a corporation incorporated under the laws of the State of Delaware

K.6 PERSONS AUTHORIZED TO CONDUCT NEGOTIATIONS FOR OFFEROR SHALL BE THE FOLLOWING:

Name(s)/Title(s)	Phone No(s)
James E. Koch/Senior Vice President	202-408-3001
Thomas I. Spearing, III/President, Project Management Group Americas	856-810-5868
Vincent J. D'Ambrosio/Senior Vice President	856-810-6282

K.7 PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (NOTE: Applicable only to contracts or subcontracts that are not exempt from the equal opportunity compliance clause.)

The Offeror represents that:



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- a. It has, has not participated in a previous contract or subcontract subject either to the Equal Opportunity Compliance clause herein or the clause originally contained in Section 301 of Executive Order No. 10925, dated March 6, 1961, or the clause contained in Section 201 of Executive Order No. 11114, dated June 22, 1963;
- b. It has, has not filed all required compliance reports; and
- c. It shall obtain representations indicating submission of required compliance reports, signed by proposed subcontractors, prior to subcontract award(s).

K.8 AFFIRMATIVE ACTION COMPLIANCE

The Offeror represents that it has, has not developed and maintained at each of its establishments a written affirmative action compliance program policy.

K.9 EQUAL EMPLOYMENT COMPLIANCE

By submission of this offer, the Offeror represents that:

- a. To the best of its knowledge and belief, except as noted below, up to the date of this offer no written notice such as a show cause letter, a letter indicating probable cause, or any other written notification citing specific deficiencies, has been received by the Offeror from any The Federal government agency or representative that the Offeror or any of its divisions or affiliates or known first-tier subcontractors is in violation of (i) any of the provisions of Executive Order 11246 of September 24, 1965, as amended, or (ii) the rules and regulations of the Secretary of Labor and specifically as to not having an acceptable Affirmative Action Compliance Program or being in noncompliance with any other aspect of the Equal Employment Opportunity Program.
- b. Should there be any change (i) in the Offeror's status or circumstances between this date and the date of expiration of this offer or any extension thereof, or (ii) during any Contract's performance period or extension thereof resulting from this Solicitation, the Offeror will promptly notify the Contracting Officer.

K.10 INTENDED PLACE(S) OF PERFORMANCE OR OTHER ESTABLISHMENT(S) FROM WHICH THE SUPPLIES ARE TO BE FURNISHED OR SERVICES ARE TO BE PERFORMED

The Offeror shall stipulate in its offer the following: the place(s) where the Services are to be performed, the street address(es), and the name(s) and address(es) of the Services providers if other than the Offeror.



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Hill International, Inc.
Company Name

1225 Eye Street, NW, Suite 601
Street Address

Washington, DC 20005
City/County/State/Zip Code

NOTE: If additional space is needed, attach an addendum.

K.11 ACKNOWLEDGMENT OF AMENDMENTS

Amendment No.	Date	Amendment No.	Date
1	October 18, 2011	4	August 16, 2012
2	November 16, 2011	5	September 12, 2012
3	November 28, 2011		

K.12 ACKNOWLEDGMENT OF DUTIES, RESPONSIBILITIES AND AUTHORITY

The undersigned acknowledges his/her company's understanding that:

- a. The Board's Contracting Officer is the only person authorized to sign contracts or contract modifications on behalf of the Board.
- b. The Board's Contracting Officer is the only person authorized to issue change orders to the Board contracts, including this Contract. The Contracting Officer will only issue changes in accordance with Section C, ¶2.7 and the changes clause of the General Contract Provisions.
- c. A person designated in any Board contract as a representative of the Contracting Officer to inspect and accept products or services on behalf of the Contracting Officer or to provide technical oversight during contract performance, does not have the authority to make changes to the contract terms and conditions for any reason whatsoever. Such person may have the designation of COTR or Contracting Officer's Representative, or any other designation.
- d. As a contractor for the Board, any services performed by the Construction Administrator not specifically required under the Contract's terms and conditions or any Additional Services performed by the Construction Administrator in the absence of a written change order from the Contracting Officer authorizing such Additional Services in advance shall



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be provided at the Construction Administrator's own expense and the Construction Administrator shall not file any claim for reimbursement from the Board.

This acknowledgment is a material representation of fact upon which reliance will be placed by the Board in any contract agreed to as a result of this solicitation.

Hill International, Inc., 1225 Eye Street, NW, Washington, DC 20005
Company Name and Address (Typed)

James E. Koch, Senior Vice President
Name and Title (Typed)

October 1, 2012
Date


Signature

K.13 OTHER AGREEMENTS

Construction Administrator represents that it is not a party to any existing agreement which would prevent Construction Administrator from entering into and performing this Contract.



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SECTION L

GENERAL INSTRUCTIONS AND INFORMATION

L.1 GENERAL INSTRUCTIONS

- a. A Solicitation, Offer, and Award form, completed and signed by the Offeror, constitutes the Offeror's acceptance of the terms and conditions of this solicitation. The Offeror shall type in the name of the authorized signing official in Block 15 of the Solicitation, Offer, and Award form. The form shall be executed by a representative of the Offeror who is authorized to commit the Offeror to contractual obligations.
- b. A Solicitation, Offer, and Award form, completed and signed by the Offeror constitutes the Offeror's representation that it has examined the entire solicitation document, the Project Site and the most current set of Design Documents, familiarized itself with the local conditions under which the Services required hereunder are to be performed and correlated its reviews and observations of the same with all of the requirements of this Contract. If Offeror has not conducted such careful investigation, it is deemed to assume all risk of conditions or circumstances, now existing or arising in the course of the Services which could make the Services more expensive or more difficult to perform than was contemplated by Offeror. Offeror shall have no claim arising from or in connection with conditions which could reasonably have been ascertained by such investigation or other due diligence undertaken prior to the execution of the Contract including, without limitation, claims to increase the Maximum Fully Burdened Rates (or components thereof), the Not-to-Exceed Fee for Basic Services, the NTE Fees by Phase, or damages.
- c. Each Offeror shall furnish all information required by this Solicitation. The Offeror shall also fill in all blocks of Section K as required, and shall enter in the name of the authorized signing official in the space reserved for his/her signature.

L.2 DEFINITIONS

The following terms shall have the meaning as set forth below for this Solicitation:

- a. *Actual Fully Burdened Hourly Rates* is defined in Section M.6.d and Attachment B-1.
- b. *Applicable Codes and Standards* means any and all codes, standards or requirements applicable to the Services, the Work of any Construction Contractor or to the Project set forth in the Contract or in any Applicable Law. In the event of an inconsistency or conflict between any of the Applicable Codes and Standards, the highest performance standard as contemplated therein shall govern performance of the applicable person. For purposes of this Contract, Applicable Codes and Standards shall include the codes, statutes and requirements of the District of Columbia applicable to similarly situated

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projects in the District of Columbia even though the Martin Building is legally exempt from such requirements.

- c. *Applicable Law* means all laws, statutes, ordinances, certifications, orders, decrees, injunctions, permits, agreements, rules and regulations, including any conditions thereto of any Governing Authority, or other legislative or administrative action of a Governing Authority, or a final decree, judgment or order of a court which relates to the performance of the Services, the Work or services of any Construction Contractor or the interpretation or application of this Contract or any applicable Contract Documents, including (a) any and all permits, authorizations, certifications, or other approvals or orders, (b) any Applicable Codes and Standards set forth in Applicable Law; and (c) any Applicable Law related to (i) conservation, regulation, improvement, protection, pollution, contamination or remediation of the environment; or (ii) Hazardous Substances or any handling, treatment, storage, release, use and disposal or other disposition of Hazardous Substances. For purposes of this Contract, Applicable Law includes the laws of the District of Columbia applicable to similarly situated projects in the District of Columbia even though the Martin Building is legally exempt from these requirements.
- d. *Board* means the Board of Governors of The Federal Reserve System.
- e. *Board Indemnitees* is defined in Section L.7.a.
- f. *Change* means an addition, deletion, suspension of, revision or any other modification or amendment to (i) the Basic Services; or (ii) the Work or services of any Construction Contractor or any other material requirement under the applicable Contract Documents. Adjustment to any Maximum Fully Burdened Rate (or component thereof), to the NTE Fee, to any NTE Fee by Phase or to the Project Schedule shall in every instance constitute a Change.
- g. *Construction Administrator* means the Offeror who is awarded a Contract under this Solicitation.
- h. *Construction Contractor* means an individual, partnership, corporation, or other entity responsible for performing the Work, or a portion thereof. Construction Contractor shall include Subcontractors of any tier.
- i. *Construction Cost* is defined in Section C.2.3.5.
- j. *Construction Documents* refer to the Design Documents consisting of the Drawings and Specifications setting forth in detail the quality levels of materials and systems and other requirements for the construction of the Work.
- k. *Construction Team* is defined in Section C.2.1.1.

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- l. *Consultants or Construction Administrator's Consultants* are defined in Section C. 2.1.3.
- m. *Contract* means this Solicitation, Offer, and Award after execution of the Award section of the Solicitation, Offer, and Award form by the Contracting Officer.
- n. *Contract Documents* consist of the Project Contract and all documents enumerated as a Contract Document in a Project Contract and comprise the agreement between the Board and any consultant, vendor, design professional, Construction Contractor or other third party for the procurement of labor, services, material and/or equipment in connection with completion of the Project. Depending on the scope of services, Contract Documents can include, but not be limited to, purchase orders for the procurement of supplies, services, printing, and/or equipment, Drawings, Specifications, Design Documents, Project Schedules, Schedules of Value, and other materials identified as Contract Document in those agreements. Contract Documents includes amendments and supplemental agreements with respect to any of the foregoing.
- o. *Contracting Officer* means the person executing this Contract on behalf of the Board or his/her successor or successors.
- p. *Contracting Officer's Technical Representative* means the person designated to represent the Contracting Officer in administering the technical details of this Solicitation as more fully described in Section J.5.
- q. *Contractor* means the individual, partnership, corporation, or other entity awarded this Contract for Construction Administration Services. In this Solicitation and Contract, Contractor and Construction Administrator are synonymous.
- r. *Contract Sum* shall mean the amount payable to any Construction Contractor under a Project Contract or Subcontract.
- s. *Contract Time* shall mean (i) with respect to this Contract, the Period of Performance set forth in Section J.2; and (ii) with respect to other Project Contracts, the period of time, including adjustments authorized by approved Change Orders, allotted in the Contract Documents for the Substantial Completion of the Work or services.
- t. *Design Documents* mean the Drawings, Specifications, calculations and other work product and Instruments of Service prepared by the Architect, the Architect's Consultants or any other design professional or Construction Contractor engaged by the Board to perform Design Services in connection with the development of the Project including, but not limited to, Schematic Design Documents, Design Development Documents, Construction Documents and Addenda thereto.

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- u. *Design Services* shall mean the professional architectural, engineering and design services performed by the Architect, the Architect's Consultants or any other design professional or Construction Contractor engaged by the Board to complete Design Documents for the Project.
- v. *Effective Date* is the date this Solicitation is signed by the Contracting Officer awarding this Solicitation to an Offeror.
- w. *Final Completion of the Work* refers to when all of the following have occurred: (i) the performance of the Work has been fully completed (including, without limitation, all Punch List items), (ii) all final releases, documents and manuals required by the Contract Documents of Construction Contractors have been delivered to the Contracting Officer, (iii) all start-up testing, inspection, commissioning and calibration of building systems and equipment and Operating Equipment have been completed, and a commissioning report from the CxA states that all applicable systems and equipment have been successfully commissioned pursuant to LEED®-NC EAc3; (iv) confirmation from the Architect that all Construction Contractors has uploaded via LEED® OnLine or supplied to Architect all data and documentation required to demonstrate compliance with, and to complete the applicable calculations and Submittal Templates for, each applicable LEED® credit where such data or documentation is the Contractor's responsibility; and (v) confirmation from the CxA that training of the Board's operations personnel has been completed;. Unless otherwise agreed in the applicable Contract Documents, Final Completion of the Work shall occur within thirty (30) days following Substantial Completion of the Work (or any agreed phase of the Work) and agreement upon a Punch List.
- x. *Governing Authority* means any department, office, instrumentality, agency, board or commission of the Federal Government, and any state or local government having jurisdiction over a Party or any portion of the Services, the Work, or the Project.
- y. *Offerors* means those persons to whom the Board sent a Solicitation.
- z. *NTE Fee for Basic Services* is defined in Section M.6.a and Attachment B-1.
- aa. *NTE Fees by Phase* is defined in Section M.6.a and Attachment B-1.
- bb. *Offerors* means those persons to whom the Board sent a Solicitation.
- cc. *Operating Equipment* means the apparatus, equipment, machinery, systems, instrumentation and vehicles intended to form or forming part of the Work
- dd. *Project Contract* refers to any agreement, contract or purchase order between the Board and any consultant, vendor, design professional, Construction Contractor or other third

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- party for the procurement of labor, services, material and/or equipment in connection with completion of the Project. It includes amendments and supplemental agreements with respect to any of the foregoing.
- ee. *Punch List* shall mean a comprehensive list of minor items to be completed or corrected following Substantial Completion of the Work on the Project, which items shall not materially affect the use, occupancy or operation of the Project by the Board.
- ff. *Solicitation* means this Solicitation, Offer, and Award document initially issued by the Board seeking proposals from Offerors.
- gg. *Subcontract* refers to any contract between a Construction Contractor and any person, or between a Subcontractor (of any tier) and any person to perform, supply, or furnish a portion of the Work on the Project.
- hh. *Subcontractor* refers to any person performing, supplying, or furnishing a portion of the Work on the Project under a Subcontract.
- ii. *Substantial Completion* refers to the stage in the progress of the Work (or a designated phase or portion thereof) when all of the following have occurred: (i) issuance by applicable Governing Authorities of a certificate of occupancy or temporary certificate of occupancy, as the case may be, and all other approvals, licenses or permits necessary to permit the Board to occupy the building (or portion thereof) with its personnel; (ii) inspection of the Work by the Board and Construction Administrator of reasonable scope and duration resulting in a determination by them that the entire Work (or a designated phase or portion thereof), excluding "Punch List" work identified during inspection, has been sufficiently completed in strict accordance with the Contract Documents and to the Board's satisfaction so that the Board can utilize or occupy the Work for its intended purpose; (ii) issuance of a certificate of Substantial Completion approved by the Board.
- jj. "*Work*" means the totality of the obligations described in, and reasonably inferable from, the Contract Documents of each Construction Contractor, including all labor, services, materials and equipment, necessary to construct and complete, in a good and workmanlike manner, the Project or designated portion thereof including, without limitation, the procurement, assembly, installation, testing and calibration of all Operating Equipment.

L.3 QUALIFICATION OF PROSPECTIVE CONTRACTOR

The Board will consider proposals only from Offerors who are regularly established in the business called for, and who are financially responsible and able to show evidence of their reliability, capability, and experience. The Offeror shall have the equipment, facilities, and personnel directly employed or supervised by it to render prompt and satisfactory performance at

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the time of award. If the Offeror intends to subcontract any portion of the operation, it shall be so stated in its proposals. The qualifications of the identified subcontractor(s) will then be considered along with those of the prime Contractor.

L.4 CONDITIONS

- a. This Solicitation does not commit the Board to pay any cost incurred in the preparation or submission of any proposal. The Board is not liable for any costs incurred in anticipation of a contract award. The Contracting Officer, at his/her sole discretion, may allow those costs that if incurred after contract award would be allowable.
- b. This Solicitation in no way obligates the Board to award a contract(s), and the Board reserves the right to reject any and all offers for any reason that the Contracting Officer determines.
- c. The Board reserves the right to award to other than the low-cost Offeror.
- d. The Board reserves the right to award a contract(s), after receipt of proposals, without further discussion. Therefore, it is emphasized that all proposals should be submitted initially on the most favorable terms from a cost and technical standpoint that the Offeror can submit to the Board.
- e. The proposal shall be signed by an official authorized to commit the Offeror to a contract.
- f. The Offeror will guarantee its prices for a minimum of sixty (60) days from the due date of proposal.

L.5 FORBIDDEN CONTACT

Offerors are cautioned against discussing the preparation of proposals or technical questions with Board technical personnel. The circumstances of any unauthorized contact, when verified, may result in disqualification of the Offeror's proposal. Discussions with Board technical personnel concerning the specifications, the documents incorporated by reference, pricing, or any other technical matters are strictly forbidden.

L.6 INTERPRETATION OF CONTRACT REQUIREMENTS

No interpretation of any provision of this Solicitation, including applicable specifications, shall be binding on the Board unless furnished or agreed upon in writing by the Contracting Officer or his/her designated representative authorized to make such interpretation.

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L.7 INSURANCE

- a. Subject to Section L.7.1., the Offeror shall procure, pay for, and maintain during the term of this Contract and thereafter as required, the following insurance coverage with limits not less than those set forth below with insurers authorized or approved to do business in the District of Columbia and otherwise acceptable to the Board and under forms of policies satisfactory to the Board. The Offeror is responsible for the payment of all deductibles on these policies. None of the requirements contained herein as to types, limits or the Board's approval of insurance coverage to be maintained by Offeror is intended to and shall not in any manner limit, qualify or quantify the liabilities and obligations assumed by Offeror under this Contract or otherwise provided by law. For purposes of this Contract, "Board Indemnitees" shall refer to the Board, its subsidiaries, the Contracting Officer, the COIR and each of their respective members, successors, assigns, heirs, legal representatives, devisees, officers, directors, shareholders, employees, consultants and agents, now existing or which may hereafter exist. For purposes of this Section L.7, "Offeror" shall include all of Offeror's subcontractors and consultants:

1. Worker's Compensation: Statutory Limits
2. Employer's Liability: \$1,000,000/each accident;
\$1,000,000/disease policy limit;
\$1,000,000/disease each employee

This policy shall include a waiver of subrogation against the Board Indemnitees.

3. Commercial General Liability (Occurrence Basis)

Bodily Injury/Property Damage Liability Combined Single Limit \$2,000,000 each occurrence, \$4,000,000 annual general aggregate, \$4,000,000 products/completed operations. The policy shall include the following coverages:

Premises/Operations;
Independent Contractors;
Products and Completed Operations for a period of no less than ten (10) years following the Board's acceptance of the Work for each Project (which coverage may be supplied by multiple policies in lieu of a single policy);
Broad Form Contractual Liability specifically in support of, but not limited to, the Indemnity sections of this Contract;
Broad Form Property Damage (including Completed Operations);
Protective Liability;
Personal Injury Liability with employee and contractual exclusions removed;
Advertising Injury Liability;
Fire Legal Liability; and

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Exclusions relative to Collapse, Explosion and Underground Property Damage Hazards deleted.

The liability policy shall be on a form acceptable to the Board and be endorsed to include the Board Indemnitees as Additional Insureds during the period of Offeror's ongoing operations on each Project and for the full products and completed operations period set forth above and shall contain cross-liability and severability of interest endorsements, state that this insurance is primary insurance as regards any other insurance carried by any the Board Indemnitee, and shall include a waiver of subrogation in favor of the Board Indemnitees.

The Offeror's general liability insurance and excess liability insurance shall provide sufficient coverage for any loss, damage or destruction to the buildings, improvements, vehicles, equipment and other property located on or immediately adjacent to a given Project site.

The Board may direct the Offeror to increase the coverage amounts or obtain additional or different coverages, and the Offeror will obtain pricing for such coverages or amounts as soon as practicable, but in no event later than twenty (20) days from the date of the request. If accepted by the Board, the cost of obtaining such additional, different or greater coverage shall be an Additional Service and increase the not-to-exceed amounts set forth in Attachment B-1.

4. Business Automobile Liability

Bodily Injury and Property Damage Liability Combined Single Limit \$2,000,000 per accident or occurrence.

This policy shall be a project specific policy on a standard form written to cover all owned, scheduled, hired and non-owned automobiles. The policy shall be endorsed to include the Board Indemnitees as Additional Insureds, contain cross-liability and severability of interest endorsements, and state that this insurance is primary insurance as regards any other insurance carried by any the Board Indemnitee. The two million dollars of coverage stated above may be satisfied with a combination of primary, umbrella and/or excess policies.

5. Umbrella or Excess Liability Insurance

Bodily Injury/Property Damage	\$10,000,000 each occurrence and \$10,000,000 annual aggregate
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This policy shall be written on a following form umbrella occurrence basis above the liability coverages described above and shall be endorsed to include the Board Indemnitees as Additional Insureds.

6. Professional Liability written on an annually renewing policy basis with limits of liability of not less than \$10,000,000 per claim, subject to a \$10,000,000 annual aggregate.

The Offeror's Professional Liability Policy shall have a retroactive date prior to the performance of any professional Services to be provided under this Contract, shall be maintained by Offeror for ten (10) years after the Project is completed, and shall state that, in the event of cancellation or non-renewal, the discovery period for insurance claims (tail coverage) shall be at least twelve (12) months. Offeror shall supply proof of such coverage to the Board upon request.

- b. Scope of Additional Insured Coverage: Subrogation Waivers. With the exception of its workers' compensation, employer's liability and professional liability insurance, Offeror shall name the Board Indemnitees, now existing or which may hereafter exist, as Additional Insureds under the policies set forth in Sections L.7.3 and L.7.5 on terms no less broad than ISO forms CG 20 10 07 04 for ongoing operations and 20 37 07 04 for completed operations (or such other forms as requested by the Board and agreed upon by the Offeror), and copies of these endorsements or their equivalent shall be provided to the Board prior to commencement of the Work (or, in the case of a Subcontractor, prior to commencement of the Subcontractor's work). All required insurance shall be purchased by insurance companies of good reputation with a rating of "A- VII" or better by A. M. Best Company. All policies shall contain cross-liability and severability of interest endorsements, shall be endorsed to be primary insurance with no recourse to or contribution from any other similar insurance, if any, which may be carried by the Board Indemnitees, and shall include a waiver of subrogation in favor of Board and all Additional Insureds. Evidence of such shall be supplied to the Board.
- c. Evidence of Offeror's Insurance. Evidence of the insurance coverage required to be maintained by Offeror under this Section L.7, represented by Certificates of Insurance, and any executed endorsements issued by the insurance carrier(s), must be furnished to the Board prior to Offeror commencing its Services in connection with the Project. Certificates of Insurance and endorsements shall specify the insured status mentioned above as well as the waivers of subrogation. Such Certificates of Insurance and endorsements shall state that the Board will be notified in writing thirty (30) days prior to cancellation, material change, or non-renewal of insurance. Offeror shall provide to the Board a certified copy of any and all applicable insurance policies upon request of the Board. Timely renewal certificates will be provided to the Board as the coverage renews.

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Insurance similar to that required of Offeror shall be provided by or on behalf of all Subcontractors to cover their operations performed under this Contract.

- d. Submittals Upon Expiration of Policy. When any required insurance, due to the attainment of a normal expiration date or renewal date, shall expire, the Offeror shall supply the Board with Certificates of Insurance and amendatory riders or endorsement that clearly evidence the continuation of all coverage in the same manner, limits of protection, and scope of coverage, including naming the Board Indemnitees as Additional Insureds, as was provided by the previous policy whether placed with the carrier with whom the coverage was previously placed or another carrier. In the event any renewal or replacement policy, for whatever reason obtained or required, is underwritten by a carrier other than that with whom the coverage was previously placed, or the subsequent policy differs in any way from the previous policy, the Offeror shall also furnish the Board with a certified copy of the renewal or replacement policy unless the Board provides the Offeror with prior written consent to submit only a Certificate of Insurance for any such renewal or replacement policy. All renewal and replacement policies shall be in form and substance satisfactory to the Board and underwritten by carriers acceptable to the Board.
- e. The Board's Right to Procure Offeror's Insurance. If the Offeror fails to purchase and maintain, or require Offeror Consultants, Contractors or Subcontractors to purchase and maintain, any insurance required under this Section L.7 or elsewhere in the Contract, the Board may, but shall not be obligated to, upon five (5) days' written notice to the Offeror, purchase such insurance on behalf of the Offeror, Offeror Consultants, Contractors or Subcontractors, and the Board shall be reimbursed by the Offeror upon demand or, at its option, The Board may withhold the costs of procuring such insurance from any payments then or thereafter due Offeror.
- f. Failure to Procure Required Insurance. Offeror hereby releases, and shall cause its insurers, Consultants or Subcontractors and their insurers to release, the Board Indemnitees from any and all rights, claims or causes of action whatsoever which Offeror, its insurers, its Consultants or Subcontractors and/or their insurers might otherwise possess resulting in or from or in any way connected with any loss covered or which should have been covered by insurance but was not due to the failure of Offeror, its Consultants or Subcontractors to obtain or maintain insurance required by this Contract, including the deductible portion thereof, maintained and/or required to be maintained by Offeror and/or its Consultants or Subcontractors pursuant to this Contract, except for such claims or causes of action which are caused by the sole fault or willful misconduct of the aforementioned parties, including the Board Indemnitees.
- g. Liability Notwithstanding Insurance. Approval, disapproval or failure to act by the Board regarding any insurance supplied by Offeror, its insurers, Consultants or Subcontractors shall not relieve Offeror of full responsibility or liability for damages, errors, omissions or accidents as set forth in this Contract. The bankruptcy or insolvency of Offeror's insurer

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or any denial of liability by Offeror's insurer shall not exonerate Offeror from the liability or responsibility of Offeror as set forth in this Contract.

- h. Cooperation. At all times, Offeror and its Consultants shall cooperate with the Board and its insurance program administrator with relation to insurance underwriting, payroll reporting, rating, claims, or loss history information.
- i. Consultants' Insurance. The Offeror shall require by contract and shall verify that each Consultant providing any professional services in connection with the Project shall procure and maintain insurance with the same coverages and limits and under the same terms and conditions as required of the Offeror including naming the Board Indemnitees as Additional Insureds. Offeror may, at its option, provide the coverage for any or all Consultants, provided the evidence of insurance submitted by Offeror so stipulates.
- j. Certificates of Insurance and Endorsements. Offeror shall be responsible for any modifications in these insurance requirements as they apply to any Offeror Consultant or subcontractor. Offeror shall maintain Certificates of Insurance and executed Additional Insured and other required endorsements from all Offeror Consultants and Subcontractors enumerating, among other things, the waivers against and insured status of, the Board Indemnitees, as required herein, and shall provide the same to the Board. The Additional Insured endorsement included on the commercial general liability policies of each Offeror consultant or subcontractor shall state that coverage is afforded the Additional Insureds with respect to claims arising out of ongoing and completed operations performed by or on behalf of the Offeror or, as the case may be, each Offeror Consultant or Subcontractor. If the Additional Insureds have other insurance that is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the insurer's liability under this insurance policy shall not be reduced by the existence of such other insurance.
- k. Compliance with Insurances. Offeror shall comply, and cause each Offeror Consultant or subcontractor to comply, with all conditions and warranties of all insurances under this Contract and meet all requirements of insurers in connection with the settlement of claims, including the keeping and provision of all records, evidence or documents necessary to substantiate claims. All costs and incidental expenses incurred in relation to the preparation of claims under the policies arising out of matters for which Offeror is responsible under the Contract shall be borne by Offeror.
- l. Controlled Insurance Program. The Board may establish (or cause to be established), in its discretion, a controlled insurance program (CIP[®]) for the Project that may meet some, but not necessarily all, of the insurance requirements of the Construction Administrator and its Consultants. To the extent a CIP is established which requires the participation of the Construction Administrator and Construction Administrator Consultants, the Construction Administrator shall, and shall ensure that its Consultants:
 - i. Enroll, and maintain enrollment, in the CIP in accordance with its terms;

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- ii. Comply with all of the administrative, safety, insurance and other requirements outlined in the CIP Insurance Manual and CIP insurance policies;
- iii. Provide to each of its Consultants a copy of the CIP Insurance Manual and ensure such Consultants' compliance with the provisions of the CIP Insurance Manual and CIP insurance policies;
- iv. Cooperate with the Board and CIP Administrator in their determination of the (i) savings, if any, realized by the Construction Administrator and its Consultants in their insurance costs due to CIP coverages; and (ii) appropriate reduction in the Construction Administrator's price (or not-to-exceed values) for performance of the Services as a result of the savings realized by their enrollment in the CIP including, but not limited to, providing a complete and accurate disclosure of insurance costs in the form requested by the Board or CIP Administrator and all documents or information requested and executing the appropriate deductive change order to reflect such savings. Such information may include, but may not be limited to, payroll records, certified copies of insurance coverages, declaration pages of coverages, rating pages, certificates of insurance, underwriting data, prior loss history information, safety records or history, OSHA citations, or such other data or information as the Board, the CIP Administrator, or CIP Insurers may request in the administration of the CIP, or as required by the CIP Insurance Manual; and
- v. procure and maintain all other insurance coverages required by the Contract not included in the CIP.

L.8 EXCEPTIONS AND/OR DEVIATIONS

Offerors are cautioned that any exceptions or deviations taken to any provision of this Solicitation may result in that Offeror's entire proposal being declared unacceptable. It is the Board's intent that an Offeror satisfactorily meet each and every requirement as stated in this Solicitation. Should the Offeror request exceptions and/or deviations from any requirement of Section C, the Statement of Work, and/or any other clauses, provisions, or terms and conditions of this Solicitation, that request will be held to the highest burden of justification. Offerors shall identify in Volume 1 each requirement, clause, provision, or term and condition for which it requests exceptions and/or deviations. Each exception and/or deviation identified shall be fully explained including sufficient justification as to technical advantage, cost savings, and/or benefits to the Board so that the Board can thoroughly evaluate the Offeror's input and determine if it is in the best interest of the Board. If the Offeror's explanation is not acceptable to the Board, the exception and/or deviation will not be allowed, and, unless the original requirement is met, the Offeror's proposal may be found unacceptable.

L.9 MULTIPLE PROPOSALS

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Offerors may submit more than one proposal in response to this Solicitation provided that each proposal addresses and meets all requirements specified herein. If multiple proposals are submitted, each proposal shall be clearly labeled and identified on the cover page of each separate document, and the reason for each additional proposal and its comparative benefits shall be explained. Each page of each proposal shall identify the proposal to which it belongs. Each proposal shall be a complete offer in and of itself. Each proposal submitted will be evaluated on its own merits. The Board will not accept or evaluate proposals for requirements other than those identified in this Solicitation.

L.10 FOCUSED ALTERNATIVES

Alternate proposals aimed at satisfying specific elements of the Board's overall requirements in a unique or alternative manner will be permitted if accompanied by and fully cross-referenced to a fully compliant proposal. Each such proposal will be evaluated on its focused proposed solutions and the common solutions of the responsive proposal that accompanies it. Proposals that do not address all requirements (either directly or by cross-reference) may be deemed unacceptable.

L.11 IDENTIFICATION OF RESTRICTED RIGHTS IN COMPUTER SOFTWARE

Offerors are cautioned of the requirement that any restrictions on the Board concerning use or disclosure of computer software that was developed at private expense and is to be delivered under the Contract must be set forth in an agreement to be negotiated prior to award and made a part of the Contract. Therefore, the Offeror shall identify in its proposal, to the extent feasible, any computer software that was developed at private expense and upon which it desires to negotiate restrictions, and shall state the nature of the proposed restrictions. A listing of such software shall be attached to and included as part of the Technical Proposal. If no such software is identified in the proposal, the Board assumes it has unlimited rights. Offerors will be deemed to have given a warranty by the signing of the proposal section of the Solicitation, Offer, and Award form (Section A) that software rights are not limited.

L.12 LATE PROPOSALS, MODIFICATIONS OF PROPOSALS, AND WITHDRAWALS OF PROPOSALS

- a. Any proposal received by the office designated in this Solicitation after the exact time specified for receipt will not be considered unless it is received before award is made; and
 1. it was sent by registered or certified mail not later than the fifth calendar day prior to the date specified for receiving offers (for instance, an offer submitted in response to a solicitation requiring receipt of offers by the twentieth of the month shall have been mailed by the fifteenth or earlier),
 2. it was sent by mail, and it is determined by the Board that the late receipt was due solely to mishandling by the Board after receipt at the Board; or

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3. it is the only proposal received.
- b. Any revision of an Offeror's proposal, except a revision resulting from the Contracting Officer's request for best and final offer, is subject to the same conditions as in a.1. and a.2. above.
- c. A revision to an Offeror's proposal resulting from the Contracting Officer's request for best and final offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the Board after receipt at the Board's installation.
- d. The only acceptable evidence to establish:
 1. the date of mailing of a late proposal or modification sent either by registered or certified mail is the US or Canadian Postal Service postmark on the wrapper or on the original receipt from the US or Canadian Postal Service.² If neither postmark shows a legible date, the proposal or modification of the proposal shall be deemed to have been mailed late.
 2. the time of receipt at the Board is the Board's time/date stamp on the proposal wrapper or other documentary evidence of receipt maintained at the Board.
- e. Notwithstanding the above, a late revision of an otherwise successful proposal, which makes its terms more favorable to the Board, will be considered at any time it is received and may be accepted.
- f. Proposals may be withdrawn by written notice received at any time prior to award. Proposals may be also withdrawn in person by an Offeror or its authorized representative, provided that the identity of this person is made known and that he/she signs a receipt for the proposal prior to award.

L.13 PROPOSAL SUBMISSION

- a. Proposals shall set forth full, accurate, and complete information.
- b. Offerors shall submit proposals by mail or messenger to the following address:

²The term postmark means a printed, stamped, or otherwise placed impression, exclusive of a postage meter impression, that is readily identifiable without further action as having been supplied and affixed on the date of mailing by employees of the U.S. or Canadian Postal Service. Therefore, Offerors should request the postal clerk to place a bull's-eye, that is, a hand-stamped cancellation or postmark, on both the receipt and the envelope or wrapper.

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The Federal Reserve Board
Procurement Section, Mail Stop 128
20th and C Streets, NW
Washington, DC 20551
Attention: Kimberly Prince
RE: Solicitation 201000405

- c. The Board will accept proposals at the above address until the time and date specified below. Proposals received after this time and date will be processed as specified in section L.12 above.

Closing date: November 14, 2011

Closing time: 2:00 PM (Washington, DC time)

- d. Proposals shall be typed on paper no larger than 8-1/2 by 11 inches, using one side only. Expensive paper or elaborate artwork and bindings are neither necessary nor desired.
- e. Information requested in this Solicitation shall be furnished completely in compliance with instructions. The information requested and the manner of submission are essential to permit prompt evaluation of all proposals, and on a fair and uniform basis. Accordingly, the Board reserves the right to declare as nonresponsive, and to reject any proposals in which material information requested is not complete.
- f. Proposals submitted in response to this Solicitation may contain technical data, trade secrets, and commercial or financial information that is privileged and confidential and that the Offeror does not want disclosed or used for any purpose other than evaluation of the proposal by the Board. The Offeror may restrict the disclosure or use of such data or information by identifying specific pages on the proposal as "RESTRICTED DATA" and by marking the cover sheet of the proposal with the legend below:

TECHNICAL DATA, TRADE SECRETS, COMMERCIAL AND/OR FINANCIAL INFORMATION CONTAINED IN PAGES _____ OF THIS PROPOSAL NO. 201000405, AND MARKED "RESTRICTED DATA" SHALL NOT BE DISCLOSED OR USED OTHER THAN FOR PROPOSAL EVALUATION PURPOSES BY THE BOARD, EXCEPT THAT SUCH RESTRICTED DATA MAY BE USED IN ACCORDANCE WITH THE PROVISIONS OF ANY CONTRACT AWARDED AS A RESULT OF, OR IN CONNECTION WITH, THIS PROPOSAL. THIS RESTRICTION DOES NOT LIMIT THE BOARD'S RIGHT TO DISCLOSE OR USE SUCH DATA OR INFORMATION IF OBTAINED FROM ANOTHER SOURCE WITHOUT SUCH RESTRICTIONS.

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The above restriction shall not be construed as altering or limiting in any way the Board's obligation under the Freedom of Information Act (5 U.S.C. § 552), or any other applicable law or rule, court order or Congressional requirement, or any other right reserved by the Board.

The Board assumes no liability for disclosure or use of unmarked technical data, trade secrets, and commercial and financial information, and may disclose or use such data or information for any Board purpose.

- g. Nonresponsive proposals will be identified and will be eliminated from further consideration. A proposal that is nonresponsive is one that:
 - 1. Does not address itself to the mandatory requirements of this Solicitation.
 - 2. Contains major deficiencies, omissions, or out-of-line costs.
- h. Offerors are cautioned that an award may be made without further discussions or negotiations, or a request for best and final offer.
- i. Proposals shall consist of one complete original and the number of copies as stated below. Proposals shall be submitted in three volumes, each separate and complete in itself in order that evaluation of one may be accomplished independently of, and concurrently with, evaluation of the others. Each volume shall be titled and submitted as follows:

Volume I Cover Letter. Submit one original. Volume I shall consist of any exceptions taken by the Offeror, the completed and signed Representations and Other Statements of Offerors, and the Vendor Information form.

Part A -- Identification of Exceptions

The Offeror shall provide identification and explanation of any exceptions or deviations taken or conditional assumptions made with respect to the Offeror's proposal versus the requirements of this Solicitation. Any exceptions taken shall contain sufficient amplification and justification to permit evaluation. All benefits to the Board shall be explained for each exception taken. Such exceptions will not, of themselves, automatically cause a proposal to be deemed unacceptable unless they fail to provide sufficient benefits to the Board, or result in material deviations from the requirements of Section C, the Statement of Work.

Part B Signed Certification and Representation (Section K)

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- Part C Vendor Information Form (Section N)
- Part D Solicitation, Offer and Award Form (Section A)
- Part E The information requested in paragraph 1.2 of section I
- Part F Subcontractor plan

Volume II Technical Proposal. Submit one original and five copies. Volume II shall be termed the "technical proposal," and shall be prepared in accordance with the instructions provided in paragraph below. The technical proposal shall not contain any reference to price. The technical proposal shall be presented in a concise and straightforward manner.

Part A Management Plan

In this part, the Offeror shall provide a detailed description of its approach to meeting the requirements of this Solicitation. To facilitate evaluation of the Management Plan, the order of presentation should follow the sequence set forth below.

1. **Key personnel.** The Offeror shall provide résumés of key personnel and other information as set forth in Section H.
2. **Offeror's experience.** The Offeror shall provide a description of its experience in providing services of the type and complexity required in this Solicitation to the Federal government, or to The Federal Reserve System, or to other clients of similar-sized workforce. Detailed information shall be provided, including years in business and references as required in Section C, the Statement of Work. In addition to the references
3. **Offeror's approach to requirements.** The Offeror shall narrate its approach to meeting or exceeding the requirements indicated in Section C, the Statement of Work.

Part B References and Corporate Qualifications

1. **References.** Offerors shall submit the references as required in Section C.4. In addition, the Offeror shall provide references consisting of present or past clients, within the past five years, who are capable of verifying the following:

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- a. Two references documenting the Offeror's ability to manage projects comparable (as close as possible in size, complexity, and scope) to the Solicitation resulting from this acquisition.
- b. Two references, for itself and for all major subcontractors, capable of documenting that, in combination, the Offeror and subcontractors have provided, operated and managed contracts comparable (as close as possible in size, complexity, and scope) to those required under this Solicitation.

The Offeror shall provide the following information on each client reference:

- a. Total contract value
 - b. Contracting Officer name, address, and telephone number
 - c. Brief description of the services, size, and scope of services
 - d. Information on whether the Offeror is currently providing services under the Contract
2. Corporate qualifications. Offerors shall submit material describing their general corporate capabilities and qualifications.
 3. Implementation plan. The Offeror shall provide a detailed work plan and schedule for implementing the program.

Volume III Cost/Price Proposal. Submit one original and two copies.

Volume III shall be termed "cost/price proposal." This volume shall consist of completed cost proposal forms in the format set forth in Section B. The cost proposal form shall be sealed in a separate envelope marked "Cost/Price Proposal for Solicitation 201000405."

L.14 INDEMNIFICATION

- a. By signing the Proposal section of the Solicitation form, the Offeror agrees, to the fullest extent permitted by Applicable Law, to indemnify, defend and hold harmless the Board Indemnitees for, from and against all claims, demands, causes of action, proceedings, suits, damages, liabilities, losses, penalties, fines, sanctions, judgments, and expenses (including, reasonable attorney's fees, costs and expenses of litigation and of investigation whether or not suit is filed) of any kind or nature (herein collectively "Losses & Liabilities"), caused by, arising out of or resulting from in whole or in part the negligent act, error or omission, willful misconduct or breach of this Contract by the Offeror, the Offeror's employees, Consultants, subcontractors and those for whom the Offeror is legally responsible in connection with the Services performed under this

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Contract, even if a Board Indemnitee's negligence or fault is, or is alleged to be, a contributing cause of such Losses & Liabilities. Without intending to limit the scope of Losses & Liabilities in any way, and to the extent permitted by Applicable Law, Offeror expressly waives its immunity under the applicable worker's compensation statute in connection with any Board Indemnitee's claim for indemnification under this article. The Offeror also shall indemnify and hold harmless all of Board Indemnitees from and against any costs and expenses (including reasonable attorney's fees, costs and expenses of litigation and investigation) incurred by any Board Indemnitees in enforcing any of the Offeror's defense, indemnity, and hold harmless obligations under this Contract.

- b. The Board shall promptly advise Offeror in writing of any claim, demand, action, administrative or legal proceeding or investigation as to which this indemnification applies, and Offeror, at Offeror's expense, shall assume on behalf of Board (and the other Board Indemnitees) and conduct with due diligence and in good faith the defense thereof with counsel reasonably satisfactory to Board; provided, however, the Board shall have the right, at its option, to be represented therein by advisory counsel of its own selection and at its own expense. In the event of failure by Offeror to fully and timely perform in accordance with this indemnification provision, when it is applicable, the Board, at its option, and without relieving Offeror of its obligations hereunder, may so perform, but all costs and expenses so incurred by Board in that event shall be reimbursed by Offeror to Board, together with interest on the same from the date any such expense was paid by Board until reimbursed by Offeror, at the rate of interest provided to be paid on judgments, by the law of the jurisdiction to which the interpretation of this Contract is subject.
- c. Offeror's obligations under this Section and its subsections shall survive expiration or termination of the Offeror Contract.
- d. Offeror shall cause the same or similar terms as those set forth in this Section L.14 and its subsections to be included in the terms of any contract between Offeror and any third party providing Services in connection with the Project.

L.15 NOTICES

All notices required to be sent under this Solicitation shall be sent certified mail, return receipt requested, overnight deliver (using a service that verifies receipt of delivery), or messenger service (using a service that verifies receipt of delivery).

Notices to the Board shall be sent to:

The Federal Reserve Board
Procurement Section, Mail Stop 128
20th and C Streets, NW

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Washington, DC 20551
Attention: Michael Kelly, Procurement Manager
RE: Solicitation 201000405

Notices to the Construction Administrator will be sent to the person and address set forth in Section 12. of the Representations And Other Statements Of Offer (Section K).

L.16 SECURITY

- a. General. The Construction Administrator shall require its personnel and those of its Consultants, subcontractors and suppliers to comply with all Board security standards and procedures. Such personnel will be provided with written documentation of these standards and procedures.
- b. Personnel access. All personnel of the Construction Administrator and its Consultants, subcontractors, suppliers and associates who require access to Board property must be cleared in advance by the Board's Security Department. The Construction Administrator shall provide the Board with a list of all personnel requiring access to the site, which shall include legal names, dates of birth, and social security account number or passport number. This list shall be continuously updated. The Construction Administrator shall notify the Board immediately, in writing, of any changes to the list, including any personnel who are no longer employed by Construction Administrator or its subcontractors, suppliers and associates.
- c. Access badges. The Board denies access to its premises to any individual who does not possess a valid access badge issued by the Board. Access badges issued by other organizations are not valid at Board facilities. The Board issues two types of badges to non-FRB personnel. The first is a paper "Escort Required" badge, which is valid only on the day on which it is issued. An individual who holds only a daily "Escort Required" badge must be escorted by authorized personnel. The second type of badge is a laminated photo-identification badge. Holders of photo-identification badges are authorized access to Board property without requiring an escort, and are also authorized to escort holders of "Escort Required" badges.

Generally, personnel who work on Board premises for any extended period of time will be issued photo-identification badges, provided that the results of their security checks are satisfactory. Personnel who require only short-term or occasional access to the Board facilities will be issued "Escort Required" badges on a daily basis, and it shall be Construction Administrator's responsibility to ensure that such personnel are properly escorted by a person or persons possessing a valid Board photo-identification badge.

1. Lost or stolen badges. Laminated photo-identification badges should be turned into the Board Security Administration office whenever the job status of the

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person holding that badge changes, for instance, resignation, assignment to another project, project completion. The Security Administration office shall be notified immediately in the event that a photo-identification badge is lost or stolen. There is a fee for replacing lost badges.

- d. Security checks. The Board will check the names of all Contractor, Consultant, subcontractor and supplier personnel who require access to Board facilities through the FBI National Crime Information Center (NCIC). Personnel requiring an "Escort Required" badge will be screened by name and social security account number. This screening typically takes less than a day. Personnel who require a laminated photo-identification badge will be screened not only by name and social security account number, but also by their fingerprints. This check is conducted by submitting the individual's fingerprints to the Office of Personnel Management (OPM), which forwards them to the FBI. It normally takes 2-3 days for the FRB to receive a response.
- i. Results of security checks. The determination as to the suitability of any employee or associate of the Construction Administrator or its subcontractors or suppliers to enter the Board's premises shall be made by the Board at its sole discretion. The Board may, as a result of the fingerprint security check described above, deny access to a person who had previously been granted temporary access based on a name and social security account number check.
- e. Security alert system. The Board has a security alert system that somewhat models the National Alert System. The Board normally operates at the Code Yellow level. Individuals in possession of a valid Board photo-identification badge are granted uncontrolled access to Board facilities and free movement within the premises (except for certain restricted areas) during Code Yellow conditions, while holders of "Escort Required" badges are required to be screened with magnetometers and their bags and packages must be x-rayed. During Code Orange conditions, all persons entering Board facilities are required to be screened with magnetometers, and all bags and packages must be X-rayed. All vehicles entering Board garages are searched during Code Orange conditions. When Code Red conditions are in effect, Construction Administrator personnel are not allowed on the Board's premises, unless specific exceptions are granted by the Board Security Administration office.
- i. Special circumstances. Notwithstanding its condition at any particular time with respect to the Board's security alert system, the Board reserves the right to screen individuals and bags, packages or vehicles as indicated above at any time as a precondition to granting such individuals access to Board premises.
- f. Conduct. The Construction Administrator's personnel shall conduct themselves in a professional manner at all times and are strictly forbidden from disturbing papers on desks, opening desk drawers or cabinets, or using telephone or office equipment, other than what is specifically provided to the Construction Administrator for official business

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use. The Construction Administrator will be working on the premises of the central bank of the United States and shall dress neatly, commensurate with the task being performed. The Board reserves the right to deny entry or access to its premises to any personnel of the Construction Administrator or Construction Administrator Consultants whose presence, dress, or conduct the Board deems detrimental to the good order and productivity of its operations and staff. Such personnel shall be replaced by the Construction Administrator immediately upon notification by the COTR, or his designee, that a problem exists with the Construction Administrator's personnel. This replacement shall be made at no additional cost to the Board.

L.17 PUBLICITY

Construction Administrator shall not release any publicity or advertising regarding the Project, the Contract or the Services or the Work to be performed hereunder and shall not use the name or insignia of the Board or of the Federal Reserve System, or any variation or adaptation thereof, for any commercial, advertisement, promotional or endorsement purposes, unless the Construction Administrator has obtained the prior written consent of the Staff Director for Management of the Board or his authorized representative in such matters. Construction Administrator agrees to comply with the Board's instructions regarding the trade dress, packaging, trade names, trademarks, service marks or other indicia of origin which shall appear on any items to be delivered under this Contract. Construction Administrator further agrees that, after delivery of said items to the Board, the Board may modify the trade dress or packaging thereof, and/or replace, modify, or supplement any indicia of origin appearing thereon, to identify the Board as the source of said items.

L.18 PRE-PROPOSAL CONFERENCE

- a. A pre-proposal conference will be conducted as indicated in the Solicitation cover letter.
- b. The Offeror shall submit in writing to the Contract Specialist any questions it has concerning this Solicitation, in accordance with Section G, above. Written responses to questions submitted in writing prior to the pre-proposal conference will be provided during or after the conference.
- c. Offerors are specifically cautioned that verbal discussion, questions, and replies regarding this solicitation shall not change the clauses or provisions of this Solicitation.
- d. The purpose of this conference is to provide a briefing on this Solicitation, the scope of the Services and proposed Work. The Board considers attendance at this conference essential to preparing a competitive and cost-effective offer, and to understanding the total result desired by the Board. For building security purposes, please fax in the names of the attendees with their social security numbers and dates of birth at least 24 hours in advance of the pre-proposal conference.

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SECTION M

GENERAL CONTRACT PROVISIONS

1. Definitions
2. Inspection
3. Assignment of claims
4. The Federal, state, and local taxes
5. Board-furnished property
6. Payments
7. Extras
8. Nondisclosure
9. Inspection of Books & Records; Board's Office of the Inspector General
10. Notice and assistance regarding patent and copyright infringement
11. Covenant against contingent fees and conflict of interest
12. Gratuities
13. Anti-kickback procedures
14. Interpretation of contract requirements
15. Changes
16. Pricing of adjustments
17. Board delay of work
18. Excusable delays
19. Stop work order
20. Termination for convenience of Board
21. Default
22. Disputes
23. Protests
24. Competition in subcontracting
25. Subcontracting Plan
26. Equal opportunity
27. Employment of persons with disabilities
28. Affirmative action for special disabled and Vietnam era veterans
29. Walsh-Healey Public Contracts Act
30. Service Contract Act of 1965
31. Buy American Act
32. Contract Work Hours and Safety Standards Act - Overtime compensation
33. Privacy Act
34. Paperwork Reduction Act
35. Combating Trafficking in Persons
36. Conflict of Interest
37. Office of Foreign Asset Control and Compliance

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38. Diversity and Inclusion

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M.1 DEFINITIONS

See Section L.2 for the Definitions of terms used throughout this Contract.

M.2 INSPECTION

The Board shall have the right to reasonably disapprove of any portion of Construction Administrator's Services by written notice stating the reasons for the disapproval. In the event that any of the Services are disapproved by the Board, Construction Administrator shall proceed, when requested by the Board, to re-perform or make other corrections to the Services to attempt to satisfy the objections at no additional cost to the Board without prejudice to Construction Administrator's right to pursue a claim under Section M.22. In addition to any other remedy of the Board under this Contract or otherwise at law or in equity, the Board may withhold payment from the Construction Administrator on account of Services that the Board contends in good faith contain errors, omissions or are otherwise incomplete, inconsistent or do not conform to the requirements of the Contract or are contrary to the Board's written instructions, likewise without prejudice to Construction Administrator's right to pursue a claim under Section M.22. Construction Administrator acknowledges that the Board's review, inspection, acceptance, and/or payment for any of the Construction Administrator's Services shall not constitute acceptance of Services that fail to conform to the requirements of the Contract, unless the Board expressly accepts such non-conforming Services in writing. Acceptance of payment by the Architect for all or any part of the Services shall constitute a waiver of all claims against Owner, except those previously made in writing and identified by Architect as unsettled at the time of such payment.

M.3 ASSIGNMENT OF CLAIMS

- a. Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. Section 3727, 41 U.S.C. Section 15), if this Contract provides for payments aggregating \$1,000 or more, claims for monies due or to become due the Construction Administrator from the Board under this Contract may be assigned to a bank, trust company, or other financial institution, including any the Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this Contract not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing.
- b. In no event shall copies of this Contract or of any plans, specifications, or other similar documents relating to work under this Contract, if marked "Top Secret," "Secret," or "Confidential" be furnished to any assignee of any claim arising under this Contract or to any other person not entitled to receive the same. Nevertheless, a copy of any part or all

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of this Contract so marked may be furnished, or any information may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

M.4 THE FEDERAL, STATE, AND LOCAL TAXES

- a. Except as may be otherwise provided in this Contract, the contract price, the Actual Fully Burdened Hourly Rates and the recoverable costs for Reimbursable Expenses include all applicable Federal, state, and local taxes and duties.
- b. Nevertheless, with respect to any Federal excise tax or duty on the transaction or property covered by this Contract, if a statute, court decision, written ruling, or regulation takes effect after the contract date, and
 1. results in the Construction Administrator being required to pay or bear the burden of any such the Federal excise tax or duty or increase in the rate thereof which would not otherwise have been payable on such transactions or property, the Contract price shall be increased by the amount of such tax, duty, or rate increase, provided that the Construction Administrator, if requested by the Contracting Officer, warrants in writing that no amount for such newly imposed the Federal excise tax, duty, or rate increase was included in the contract price as a contingency reserve or otherwise; or
 2. results in the Construction Administrator not being required to pay or bear the burden of, or in its obtaining a refund or drawback of, any such the Federal excise tax or duty which would otherwise have been payable on such transactions or property or which was the basis of an increase in the Contract price, the Contract price shall be decreased by the amount of the relief, refund, or drawback, or that amount shall be paid to the Board as directed by the Contracting Officer. The Contract price shall be similarly decreased if the Construction Administrator, through its fault or negligence or its failure to follow instructions of the Contracting Officer, is required to pay or bear the burden of or does not obtain a refund or drawback of any such the Federal excise tax or duty.
- c. No adjustment pursuant to paragraph (b) above shall be made under this Contract unless the aggregate amount thereof is or may reasonably be expected to be more than two hundred and fifty dollars (\$250).
- d. As used in paragraph (b) above, the term "contract date" means the date set for the bid opening or, if this is a negotiated Contract, the date of this Contract. As to additional supplies or services procured by modification to this Contract, the term "contract date" means the date of such modification.
- e. Unless there does not exist any reasonable basis to sustain an exemption, the Board, upon request of the Construction Administrator, without further liability, agrees, except as

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otherwise provided in this Contract to furnish evidence appropriate to establish exemption from any tax which the Construction Administrator warrants in writing was excluded from the contract price. In addition, the Contracting Officer may furnish evidence to establish exemption from any tax that may, pursuant to this clause, give rise to either an increase or decrease in the contract price. Except as otherwise provided in this Contract, evidence appropriate to establish exemption from duties will be furnished only at the discretion of the Contracting Officer.

- f. The Construction Administrator shall promptly notify the Contracting Officer of matters which will result in either an increase or decrease in the Contract price, and shall take action with respect thereto as directed by the Contracting Officer.

M.5 BOARD-FURNISHED PROPERTY

No material, labor, or facilities will be furnished by the Board unless otherwise provided for in the Solicitation.

M.6 COMPENSATION AND PAYMENTS

a. **Fee for Basic Services.** The Board will pay Construction Administrator in compensation for properly performed Basic Services a fee based upon the Actual Fully Burdened Hourly Rates (defined below) of the employees of Construction Administrator and Construction Administrator's consultants employed to perform the Basic Services identified on Attachment B-2, but only for that portion of their time required for the Services; provided, however, the maximum compensation payable by the Board to the Construction Administrator (and its Consultants) for performance of the Basic Services (not including Reimbursable Expenses) shall not exceed (i) the "Not-to-Exceed Fee for Basic Services" for the Project ("NTE Fee"); and (ii) the "Not-to-Exceed Fee(s) by Phase" during each Phase of the Project ("NTE Fees by Phase") set forth in the Offeror's Cost/Price Proposal set forth in Attachment B-1. Furthermore, the Actual Fully Burdened Hourly Rates, and the components thereof, payable by the Board shall not exceed the Maximum Fully Burdened Rates, and components thereof, identified by Construction Administrator on Attachment B-2.

I. If, at any time, Construction Administrator has reason to believe that either the NTE Fee or any NTE Fee by Phase may be exceeded and, in any event, whenever 75% of the NTE Fee and/or 75% any NTE Fee by Phase has been invoiced to the Board, Construction Administrator shall immediately notify the CO and COTR in writing in advance of incurring any excess fees, stating in detail the reasons therefor and the estimated additional hours and fees, allocated by billing category for each phase of the Project. The Board may accept the proposed additional fees in whole or in part. To the extent accepted by the Board in writing, the NTE Fee or NTE Fees by Phase shall be increased. Under no

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circumstances will the Board be obligated to compensate Construction Administrator or others for the performance of Basic Services that cause either the NTE Fee or the NTE Fees by Phase to be exceeded absent the Board's advance written authorization. The Board may reject the proposed Services and/or additional fees in whole or in part in which case the Board shall advise the Construction Administrator in writing within ten (10) days. In the event of a dispute regarding the appropriate increase, if any, in the NTE Fee or the NTE Fees by Phase, then the Board agrees to pay Construction Administrator such amount as it reasonably determines appropriate for the applicable Services, without prejudice to Construction Administrator's right to proceed with dispute resolution pursuant to Section M.22.

2. The NTE Fee and NTE Fee by Phase will not be adjusted on account of any discrepancy between the personnel actually utilized, the actual tasks performed or the actual number of hours spent by the employees of the Construction Administrator or its Consultants in the performance of the Basic Services comprising each Phase and the types of personnel, tasks and number of hours projected in the Cost/Price Proposals submitted by the Construction Administrator except in the event of a Change authorized by Section M.15, as amended.

b. Compensation for Additional Services. For Additional Services approved by the Board in accordance with Section M.15, the Board shall pay Construction Administrator a lump sum fee in an amount negotiated to the mutual satisfaction of the parties, but in no event shall the Board be obligated to compensate Construction Administrator for Additional Services in excess of the amount calculated by multiplying the reasonable number of hours required to complete the Additional Service by the Actual Fully Burdened Hourly Rates set forth in Attachment B-2. Compensation for Additional Services of the Construction Administrator's Consultants when not included in any negotiated lump sum shall be the amount invoiced to the Construction Administrator without mark-up of any kind.

c. Fee Savings Incentive. For purposes of this Section M.6.c, "Total Fees Paid" is the aggregate sum of all fees paid to the Construction Administrator for personnel services of the Construction Administrator and the Construction Administrator's Consultants under Section M.6.a; and (ii) "Fee Savings" is the amount, if any, by which the NTE Fee exceeds the Total Fees Paid. The Board shall pay the Construction Administrator twenty-five percent (25%) of the Fee Savings at such time as retainage is payable under Section M.6.f.3, provided that there exists no default by the Construction Administrator under Section M.21, nor has any event or condition been identified which (with the giving of notice or the passage of time or both) could constitute a default.

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d. Hourly Rates are Comprehensive and All-Inclusive. The Actual Fully Burdened Hourly Rates chargeable to the Board under Section M.6.a for personnel under each personnel category are comprised of (i) the actual unburdened pay rate or salary of the applicable personnel as of the Effective Date, subject to the Labor Escalation set forth below, which shall not exceed the "Unburdened Base Rate" for the applicable category of personnel set forth in Attachment B-2; (ii) the actual cost of mandatory and customary contributions and benefits related thereto such as employment taxes and other statutory employee benefits, social security or other governmental retirement contributions or benefits, insurance, sick leave, holidays, vacations, pension and profit sharing, which shall not exceed the "Statutory/Fringe %" set forth in Attachment B-2; (iii) the actual overhead/administrative expenses associated with the performance of the Services (except for the Reimbursable Expenses identified below) including costs for (a) operating expenses of Construction Administrator's Project Site, principal and branch offices including clerical and administrative support, reproduction of documents, software and computer aided design, postage, courier services, and express mail, local and long distance telephone calls and faxes, and standard office supplies, (b) any part of Construction Administrator's capital expenses, including interest on Construction Administrator's capital employed for the Project, and (c) Construction Administrator's general advertising, national, state or local income, sales or other taxes, franchise taxes and qualification fees and membership in trade, business or professional organizations, which shall not exceed the "Overhead %" set forth in Attachment B-2; and (iv) Construction Administrator's profit, which shall not exceed the "Profit %" set forth in Attachment B-2.

1. Commencing January 1, 2011, the Hourly Rates shall be adjusted for all labor categories in accordance with the percentages set forth in the US Bureau of Labor Statistics Consumer Price Index to a maximum of 4.0% per Calendar Year for the duration of the Contract. The annual September 30th CPI will be used to adjust the rate effective the following January 1st.

2. The Actual Fully Burdened Hourly Rates shall not include costs that are not Allowable Costs set forth in the Federal Acquisition Regulation, 48 CFR Chapter I, Subpart 31.2, "Contracts with Commercial Organizations," which is incorporated herein by reference.

e. Reimbursable Expenses. In addition to the Construction Administrator's fee for Basic Services (and approved Additional Services), the Board will reimburse Construction Administrator for the cost of the following expenses actually incurred by Construction Administrator and Construction Administrator's Consultants directly related to the Project:

1. long-distance communications, facsimile communications (long distance only), courier services, and express mail;

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2. ordinary and reasonable expenses of reproduction, postage and handling of drawings, specifications and other documents (not for internal use);
3. the costs and expenditures necessary for the operation of Construction Administrator's field office at the Property, such as such as trailer, stationary, supplies, furniture, computers, fax machines, telephones, and office equipment;
4. if authorized in advance in writing by the Board, expense of overtime work by non-exempt employees of Construction Administrator or Construction Administrator Consultants requiring higher than regular rates;
5. if authorized in advance in writing by the Board, costs and expenses paid to third party vendors to perform tests and inspections of materials and equipment required by the Construction Documents or Applicable Law that are not being performed by the CxA;
6. ordinary and reasonable expenses of photographic production techniques and photography and photo prints used for the Project;
7. if approved in advance by the Board, ordinary and reasonable expenses of relocation, transportation (coach or equivalent class only) and subsistence (or per diem, if applicable), in accordance with the Board's "Reimbursable Travel Expenses Schedule," attached as Appendix 5; and
8. All taxes levied on professional services and on reimbursable expenses.

The Reimbursable Expenses set forth above shall be at the Construction Administrator's cost without mark-up of any kind. Any and all other costs and expenses incurred by Construction Administrator in performing the Services which are not covered in the preceding sentence shall require the prior written approval of the Board and unless such prior approval is given, the Board shall not reimburse Construction Administrator for such costs and expenses.

f. Process for Payment of Compensation. Commencing on the tenth (10th) day of the month following commencement of the Services, and on or before the tenth (10th) day of each month thereafter, Construction Administrator shall issue monthly progress payment invoices to the Board which shall set forth in reasonable detail the Services completed that month in relation to the NTE Fee by Phase applicable to that phase of Services. Any Additional Service Fees shall be similarly identified and separated. Each invoice shall clearly identify the compensation for Basic and Additional Services separately from Reimbursable Expenses, provide in reasonable detail the actual amount of time spent daily by each employee of Construction Administrator and Construction

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Administrator Consultants, a description of work performed, and the Actual Fully Burdened Hourly Rate allocable to such employee's work, and a reasonable estimate of the type and amount of Services and Reimbursable Expenses that Construction Administrator expects to incur during the next month. The Construction Administrator shall provide such supporting documentation as the Board may reasonably request with respect to Reimbursable Expenses. All invoices shall be sequentially numbered.

1. The Board shall pay Construction Administrator for each properly prepared monthly invoice submitted to the Board within thirty (30) days after the Board's receipt of such invoice, unless prior to the expiration of such thirty (30) day period, the Board advises Construction Administrator that the Board disagrees with the invoice submitted or disapproves of the Services performed. If an invoice is in question, Construction Administrator and the Board shall forthwith attempt to resolve the issue. The Board shall pay the undisputed portion of each invoice within thirty (30) days after receipt thereof. When the Board specifies that a payment is to be applied in satisfaction of a certain invoice or portion of an invoice, the Construction Administrator shall apply the payment to the account as specified and shall indicate that specific application on subsequent monthly statements. The Board's review, inspection, acceptance, and/or payment of and for any of Construction Administrator's Services shall not constitute acceptance by the Board of Services that fail to conform to the requirements of this Contract, unless the Board expressly accepts such non-conforming Services in writing.
2. Construction Administrator shall submit applicable lien waivers with its invoices stating that for that specific portion of the Services for which the Board has paid, all labor, material and Construction Administrator Consultant accounts have been duly paid. All such lien waivers (other than lien waivers to be provided promptly following final payments to Construction Administrator Consultants) may be conditioned upon receipt of payment for the invoiced labor and materials. Upon completion of the Services and promptly after receiving final payment for such Services, Construction Administrator shall submit such unconditional lien waivers and payment affidavits as the Board may reasonably require.
3. There shall be a ten percent (10%) retainage on Construction Administrator's compensation (excluding on the Reimbursable Expenses), payable at such time as the (i) USGBC designates as "Achieved" a sufficient number of credits for the Project to achieve the LEED® certification rating identified in the LEED® Certification Plan after construction has been completed; or (ii) USGBC declines to designate as "Achieved" a sufficient number of credits for the Project to achieve the LEED® certification rating identified in the LEED® Certification Plan after construction has been completed so long as the USGBC's denial to designate any credit as "Achieved" is not attributable in whole or in part to the

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Construction Administrator's negligence or failure to comply with the terms of this Contract.

- g. Entire Compensation. The compensation set forth in this Section M.6 is the sole compensation payable to the Construction Administrator by the Board for all Construction Administrator Services and no services or work undertaken by the Construction Administrator or its Consultants, agents and employees will result in any obligation of the Board to pay any additional compensation. Construction Administrator, for itself and for its Consultants and their respective employees and agents hereby (i) waives any right to compensation or reimbursement for services performed or expenses incurred (a) without written authorization as required herein; or (b) in excess of the amounts set forth in this Section M.6, and (ii) covenants not to sue for amounts which might otherwise be payable under the theory of quantum meruit, unjust enrichment or under any other legal or equitable theory, whether or not there is, in fact, any unjust enrichment.

M.7 EXTRAS/ADDITIONAL SERVICES

See Section M.15 and M.16.

M.8 NONDISCLOSURE

- a. For purposes of this Contract, "Confidential Information" shall include all information and material related to (a) the Project including, but not limited to, Design Documents, estimates, reports, photographs; (b) the business, products, services, research or development, clients or customers of the Board or the Federal Reserve Banks; (c) the security arrangements and strategies of the Board; (d) economic data, and financial, statistical and personnel data pertaining to The Federal Reserve Banks or other financial institutions; and (e) financial, statistical, personnel, planning and similar information relating to past, present or future activities of the Board, which has or will come into the possession or knowledge of the Construction Administrator or its agents or employees in connection with this Contract or the performance hereof.
- b. Except with the express written permission of the Board in each instance, the Construction Administrator shall not knowingly or negligently communicate or disclose Confidential Information to any person or entity except to Construction Administrator employees, Consultants or Project Team members to the extent necessary for them to perform their respective services or Work for the Project. Prior to disclosing Confidential Information to any authorized recipient, Construction Administrator shall bind such person to the confidentiality obligations contained in this Section. Construction Administrator acknowledges that in the event of a breach of any of the confidentiality obligations contained herein, the Board would suffer irreparable harm for which remedies at law, including damages, would be inadequate, and shall be entitled to seek equitable

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relief therefor by injunction, in addition to any and all rights and remedies available to it at law and in equity, without the requirement of posting a bond. The Construction Administrator's obligation hereunder shall not apply (i) to information that was in public domain prior to the Effective Date, (ii) to information that becomes part of the public domain by publication or otherwise not due to any unauthorized act or omission of the Construction Administrator or those for whom the Construction Administrator is legally responsible, or (iii) as may be required to perform the Services or by any Applicable Law. The confidentiality obligations of this Section shall survive the expiration or termination of this Contract.

- c. The Construction Administrator is required to develop and utilize procedures for custody, use and handling, reproduction, preservation, storage, safeguarding, and disposition of all Confidential Information. These procedures must be designed and carried out so that there is no unauthorized disclosure of such documents and information throughout the course of contract performance.
- d. The Construction Administrator shall ensure that the provisions of this Section M.8 are included in its contracts with all Consultants.

M.9 INSPECTION OF BOOKS & RECORDS; BOARD'S OFFICE OF THE INSPECTOR GENERAL (OIG)

- a. This clause is applicable to any Contract regardless of the amount or the manner into which it was entered.
- b. The Construction Administrator agrees that the Board (including its authorized representative and/or its OIG) (collectively for this Section M.9, "Board") shall, until expiration of three (3) years after final payment under this Contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Construction Administrator involving transactions related to this Contract. For the avoidance of doubt, nothing herein shall limit the OIG's authority under the Inspector General Act to examine Construction Administrator's books, documents, papers, etc.
- c. The Construction Administrator further agrees to include in all its subcontracts hereunder a provision to the effect that the subcontractor agrees that the Board shall have the same rights to the subcontractor as specified in paragraph (a) above.
- d. The periods of access and examination described in (b) and (c) above, for records which relate to (1) litigation or the settlement of claims arising out of the performance of this Contract, or (2) costs and expenses of this Contract as to which exception has been taken by the Board, shall continue until such litigation, claims, or exceptions have been disposed of.

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- e. The Construction Administrator and any subcontractor agrees to make notification to all Contractor and subcontractor employees the Board's OIG hot line telephone number, 1-800-827-3340, to report any suspected "waste, fraud, or abuse" transactions related to the performance of this Contract.

M.10 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT

- a. The Construction Administrator shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this Contract of which the Construction Administrator has knowledge.
- b. In the event of any claim or suit against the Board on account of any alleged patent or copyright infringement arising out of the performance of this Contract or out of the use of any supplies furnished or work or services performed hereunder, the Construction Administrator shall furnish to the Board, when requested by the Contracting Officer, all evidence and information in possession of the Construction Administrator pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Board except where the Construction Administrator has agreed to indemnify the Board.
- c. The Construction Administrator shall defend, indemnify and hold the Board harmless from any claims to the extent arising from or relating to the actual or alleged infringement of any domestic or foreign patents, copyrights, trademarks or other intellectual property rights that may be attributable to the Construction Administrator or its Consultants in connection with the Services. In the event that any suit, claim, temporary restraining order or preliminary injunction is granted, the Construction Administrator shall, in addition to its obligation above, make every reasonable effort, by giving a satisfactory bond or otherwise, to secure the suspension of the injunction or restraining order. If, in any such suit or claim, the Services, the Project or any part, combination or process thereof, is held to constitute an infringement and its use is preliminarily or permanently enjoined, Construction Administrator shall secure the Board a license, at no cost to the Board, authorizing continued use of the infringing work. If Construction Administrator is unable to secure such a license within a reasonable time, Construction Administrator shall, at its own expense and without impairing performance requirements, either replace the affected work, in whole or part, with non-infringing components or parts or modify the same so that they become non-infringing.
- d. This clause shall be included in all subcontracts in the amount of fifty thousand dollars (\$50,000) or more.

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M.11 COVENANT AGAINST CONTINGENT FEES AND CONFLICT OF INTEREST

The Construction Administrator warrants that no person or agency has been employed or retained to influence, solicit, or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, contingent fee, or special interest, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Construction Administrator for the purpose of securing business. For breach or violation of this warranty, the Board shall have the right to annul this Contract without liability, or in its discretion to deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

M.12 GRATUITIES

- a. The Board may, by written notice to the Construction Administrator, terminate the right of the Construction Administrator to proceed under this Contract if it is found, after notice and hearing, by the Board or its duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Construction Administrator or any agent or representative of the Construction Administrator, to any officer or employee of the Board with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or the making of any determination with respect to the performance of such Contract, provided that the existence of the facts upon which the Board or its duly authorized representative makes such findings shall be an issue and may be reviewed in any competent court
- b. In the event this Contract is terminated as provided in paragraph (a) hereof the Board shall be entitled to pursue the same remedies against the Construction Administrator as it could pursue in the event of a breach of the Contract by the Construction Administrator.
- c. The rights and remedies of the Board provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

M.13 ANTI-KICKBACK PROCEDURES

Note: This clause is applicable to all contracts over one hundred thousand dollars (\$100,000).

- a. The Construction Administrator shall have in place and follow reasonable procedures designed to prevent and detect possible violations of the Anti-Kickback Act (41 U.S.C. 51-58) in its own operations and direct business relationships.
- b. The Anti-Kickback Act prohibits any person from (1) providing, or attempting to provide, or offering to provide any kickback; (2) soliciting, accepting, or attempting to accept any kickback; or (3) including, directly or indirectly, the amount of any kickback in the

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- contract price charged by a prime Contractor to the United States or in the Contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.
- c. When the Construction Administrator has reasonable grounds to believe that a violation of the Anti-Kickback Act may have occurred, the Construction Administrator shall promptly report in writing the possible violation to the Board's Office of the Inspector General.
 - d. The Construction Administrator shall cooperate fully with any the Federal agency investigating a possible violation of the Anti-Kickback Act.
 - e. The Construction Administrator agrees to incorporate the substance of this clause, including this subparagraph (e), but excepting subparagraph (a) in all subcontracts under this Contract exceeding one hundred thousand dollars (\$100,000).

M.14 INTERPRETATION OF CONTRACT REQUIREMENTS

No interpretation of any provision of this Contract, including applicable specifications, shall be binding on the Board unless furnished in advance and agreed to in writing by the Contracting Officer or his designated representative.

M.15 CHANGES/ADDITIONAL SERVICES

- a. Initiated by the Board. The Contracting Officer may at any time direct the Construction Administrator to perform Additional Services, or to modify the method or manner of performance of the Services, without rescinding or terminating this Contract. The Construction Administrator shall perform the Additional Services, and the Board shall compensate the Construction Administrator, in accordance with the provisions set forth below.
- b. Initiated by the Construction Administrator. If the Construction Administrator believes that (A) an Additional Service has been requested by virtue of any direction, instruction, interpretation, or determination by the Board, or (B) it is (or may be) entitled to an adjustment in the Maximum Fully Burdened Hourly Rates, the NTE Fee, an NTE Fee by Phase or the Project Schedule as a result of an event or occurrence arising after award of the Contract, the Construction Administrator shall notify the Board in writing within twenty (20) days of the event, occurrence, direction, instruction, etc. and shall obtain the Board's written approval prior to performing an Additional Service; provided, however, no claim for Additional Services may be initiated by the Construction Administrator or its Consultants after final payment has been made under this Contract. If known at the time of its notice to the Board, the Construction Administrator's notice shall set forth the estimated adjustment in the Construction Administrator's compensation or Schedule which it proposes and, if not known at such time, when the Construction

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Administrator reasonably expects to notify the Board of such proposed adjustment. The parties acknowledge that Board will be prejudiced if Construction Administrator fails to provide the notice required under this Section, and agree that such requirement is an express condition precedent necessary to any right for an adjustment in the Construction Administrator's compensation, the NTE Fee, the NTE Fee by Phase, the Project Schedule, or any other modification to any other obligation of Construction Administrator under the Contract.

c. **Conditions Precedent to Additional Services.** The Board and the Construction Administrator will make reasonable efforts to determine a mutually acceptable fixed fee for any Additional Service before the Construction Administrator proceeds with performance of an Additional Service. Under no circumstances will the Board be obligated to compensate the Construction Administrator or its Consultants for Additional Services unless, as a condition precedent thereto, the Board has authorized the Construction Administrator to proceed with the performance of such Additional Services in writing in advance. Construction Administrator shall be solely responsible for recording the time expended and Reimbursable Expenses incurred for the Additional Services. Notwithstanding anything to the contrary contained in this Contract, the Construction Administrator shall not be entitled to receive compensation for any Additional Services if such services were required due to the fault of the Construction Administrator or its consultants or the Construction Administrator's failure to perform in accordance with the terms of this Contract.

d. **Additional Services.** The following services constitute "Additional Services":

1. **Material Change to the Project.** Services necessitated by a material change in previous instructions or approvals given by the Board, or a change in the Board's Program, that materially affects the scope, timing or quantity of the Construction Administrator's services or the Project Schedule.
2. **Changes in the Law.** Services necessitated by the changing or editing of previously prepared Design Documents necessitated by the enactment or revision of codes, laws or regulations or official interpretations subsequent to the completion of the previously prepared Design Documents.
3. **Termination of a Construction Contractor for the Board's convenience.** Services necessitated by the termination of a Construction Contractor for the convenience of the Board.
4. **Damage or Destruction to Project.** Services and consultation associated or necessitated by damage to the Project prior to completion by fire or other casualty.
5. **Future Systems.** Services relative to material changes in the systems, facilities or equipment not included within the Board's Program and Design Documents as of the Effective Date or in the cumulative contracts awarded to Construction Contractors.
6. **Special Studies.** Services in connection with preparing special surveys, studies and submissions required for approval by Governing Authorities.

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7. **Unforeseen Conditions.** Services necessitated by a concealed or unknown condition at the Project site that differs materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided in the Program and would not have been disclosed by inspections, tests, and reviews that Construction Administrator should have performed, or recommendation to the Board that Construction Administrator should have made, in connection with the Project in the exercise of the Construction Administrator's standard of care. Construction Administrator must notify the Board before conditions are disturbed and in no event later than seven (7) days after first observance of such unforeseen conditions(s).

8. **Hazardous Materials Remediation.** Services necessitated by the discovery of asbestos or other hazardous materials that were not reasonably discoverable by Construction Administrator during inspections, tests, and reviews that Construction Administrator should have performed, or recommendation to the Board that Construction Administrator should have made, in connection with the Project in the exercise of the Construction Administrator's standard of care.

9. **Arbitration and Litigation Assistance.** Services in connection with arbitration or litigation, including reasonable attorney's fees payable by Construction Administrator except for suits or claims (i) between the Parties; or (ii) arising out of or resulting from the Construction Administrator's negligent act, error or omission or failure to perform in accordance with this Contract, or applicable Contract Documents.

e. **Continuing Performance.** If directed by the Board, the Construction Administrator shall continue to perform in accordance with the terms of this Contract during the course of any re-negotiation of the Construction Administrator's compensation for Additional Services. If the Board indicates in writing that all or part of any Additional Service proposed by Construction Administrator is not required, the Construction Administrator shall have no obligation to provide those services. However, nothing in this Contract shall relieve the Construction Administrator of its professional and contractual duties related to this Project. Should the Construction Administrator believe that the proposed Additional Service is necessary or required for the performance of its professional or contractual responsibilities or obligations under this Contract, Construction Administrator shall notify the Board of that fact in writing, stating the objective basis for that belief. If the Board determines that the proposed Additional Services (which the Construction Administrator has suggested are essential) are included in the Construction Administrator's Basic Services, the Construction Administrator shall perform them, submitting written notice to the Board before performing those services, stating that the Construction Administrator disputes the Board's determination that those services are Basic Services and that the Construction Administrator does not waive its right to seek compensation for those services by performing them.

M.16 PRICING OF ADJUSTMENTS/ADDITIONAL SERVICES

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When costs are a factor in any determination of a contract price adjustment pursuant to the Changes clause (Clause 15) or any other provision of this Contract, such costs shall be allowed to the extent they are reasonable and allocable. In ascertaining what constitutes a cost, any generally accepted method of determining or estimating costs that is equitable and consistently applied may be used; provided, however, in no event shall the Board be obligated to compensate Construction Administrator for Additional Services in excess of the amount calculated by multiplying the reasonable number of hours required to complete the Additional Service by the Actual Fully Burdened Hourly Rates set forth in Attachment B-2. Compensation for approved Additional Services performed by Construction Administrator's consultants when not included in any negotiated lump sum shall be the amount invoiced to the A/E without mark-up of any kind.

M.17 BOARD DELAY OF WORK

- a. If the performance of all or any part of the Services is delayed, hindered, impacted, obstructed or interrupted by an act of the Contracting Officer in the administration of this Contract, which act is not expressly or impliedly authorized by this Contract or by his/her failure to act within the time specified in this Contract (or within a reasonable time if no time is specified) (collectively "Board Delay"), and such Board Delay materially affects the scope, timing or quantity of the Construction Administrator's Services, an adjustment shall be made in the NTE Fee for Basic Services or NTE Fees by Phase for any increase in the cost of performance of this Contract caused by such Board Delay, and the Contract modified in writing accordingly, provided the Construction Administrator complies with the requirements of Section M.15, as amended. Adjustment also shall be made in the delivery or performance dates and any other contractual provision affected by Board delay. No adjustment to the Maximum Fully Burdened Hourly Rates, the NTE Fee for Basic Services or NTE Fees by Phase, however, shall be made under this clause for any Board Delay (1) to the extent that performance of the Services would have been delayed or interrupted by any other cause, including the fault or negligence of the Construction Administrator or its consultants, or (2) for which an adjustment is provided or excluded under any other provision of this Contract.
- b. No claim under this clause shall be allowed (1) for any costs incurred more than twenty (20) days before the Construction Administrator shall have notified the Contracting Officer in writing of the commencement of any Board Delay, and (2) unless the claim, in an amount stated, is asserted in writing within twenty (20) days after the termination of such Board Delay. Except for the Construction Administrator's rights under Sections M.15-17, the Construction Administrator expressly agrees not to make, and hereby waives, and shall cause Construction Administrator's consultants to similarly agree not to make, and to waive, any claim for costs, losses, damages or expenses on account of any Board Delay, including, without limitation, consequential damages, lost opportunity costs, actual or alleged loss of efficiency or productivity, home office overhead, extended

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overhead, impact damages, cumulative impact, ripple effect or other similar remuneration.

- c. Except for the Construction Administrator's rights under Sections M.15-M.17, the Construction Administrator expressly agrees not to make, and hereby waives, and shall cause Construction Administrator's Consultants to similarly agree not to make, and to waive, any claim for costs, losses, damages or expenses on account of any Board Delay, including, without limitation, consequential damages, lost opportunity costs, actual or alleged loss of efficiency or productivity, home office overhead, extended overhead, impact damages, cumulative impact, ripple effect or other similar remuneration. The Board's exercise of any of its rights under the Contract (including, without limitation, ordering Additional Services, or directing suspension, rescheduling, or correction of the Services), regardless of the extent or frequency of the Board's exercise of such rights or remedies, shall not be construed as active interference, hindrance, or obstruction with the Construction Administrator's performance of the Services.

M.18 EXCUSABLE DELAYS

Except with respect to default of subcontractors, the Construction Administrator shall not be in default by reason of any failure in performance of this Contract in accordance with its terms (including any failure by the Construction Administrator to make progress in the prosecution of the work hereunder which endangers such performance) if such failure arises out of causes that are not reasonably foreseeable by and are beyond the control and without the fault or negligence of the Construction Administrator. Such causes may include, but are not restricted to: acts of God or of the public enemy, acts of the Board in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the Construction Administrator or could not have been prevented or avoided by the Construction Administrator through the exercise of due diligence. If the failure to perform is caused by the failure of a subcontractor to perform or make progress and if such failure arises out of causes beyond the control of both the Construction Administrator and the subcontractor and without fault or negligence of either, the Construction Administrator shall not be deemed to be in default unless (a) the supplies or services to be furnished by the subcontractor were obtainable from other sources, (b) the Contracting Officer, after reasonable notice from the Construction Administrator, ordered the Construction Administrator in writing to procure such supplies or services from such other sources, and (c) the Construction Administrator failed to comply reasonably with such order. Upon request of the Construction Administrator, the Contracting Officer shall ascertain the facts and extent of such failure, and if he/she determines that any failure to perform was occasioned by any one or more of the said causes, the delivery schedule shall be revised accordingly, subject to the rights of the Board under the clause hereof entitled "Termination."

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Note: As used in this clause, the terms "subcontractor" and "subcontractors" means subcontractor(s) at any tier.

M.19 STOP WORK ORDER

- a. The Contracting Officer may, at any time, by written order to the Construction Administrator, require the Construction Administrator to stop all, or any part, of the work called for by this Contract. Any such order shall be specifically identified as a stop work order issued pursuant to this clause. Upon receipt of such an order, the Construction Administrator shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. If all of the Work on the Project is suspended for more than ninety (90) consecutive days for reasons other than the fault of the Construction Administrator, the Construction Administrator may terminate this Contract by giving not less than twenty-one (21) days' written notice. In this event, the Board shall be liable to the Construction Administrator and its Consultants in accordance with Section M.20, Termination for Convenience of the Board.
- b. If a stop order issued under this clause is canceled or the period of the order or any extension thereof expires, the Construction Administrator shall resume work. If the Stop Work Order materially affected the scope, timing or quantity of the Construction Administrator's Services, the Construction Administrator shall submit a request for Additional Services in accordance with a Section M.15 and M.17; provided that, if the Contracting Officer decides the facts justify such action, it may receive and act upon any such claim asserted at any time prior to final payment under this Contract.

M.20 TERMINATION FOR CONVENIENCE OF THE BOARD

The Contracting Officer, by written notice, may terminate this contract in whole or in part, when it is in the Board's interest. To the extent that this Contract is for services and is so terminated, the Board shall be liable only for payment in accordance with the payment provisions of this Contract for Services rendered prior to the effective date of termination. For those Services the Contracting Officer authorizes Construction Administrator to perform after notice of termination, together with Reimbursable Expenses then due or incurred on account of such termination. If the Board terminates this Contract under this paragraph, the Construction Administrator must immediately take all actions necessary to minimize the cost of termination settlement to the Board. Construction Administrator and Construction Administrator's Consultants shall not be entitled to, and expressly waive their right to assert a claim against the Board for, any other compensation or the recovery of any damages in connection with such termination, including, without limitation, consequential damages, lost opportunity costs, lost profit on this Project or any other project, impact damages, or other similar remuneration.

M.21 DEFAULT

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- a. Unless excused pursuant to Section M.18, the Board may terminate the whole or any part of this Contract in any one of the following circumstances by written notice of default to the Construction Administrator:
1. if the Construction Administrator fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof, or
 2. if the Construction Administrator fails to perform any of the other provisions of this Contract, or so fails to make progress as to endanger performance of this Contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure; or
 3. if any of the following occur: (a) the making by Construction Administrator of any general arrangement or assignment for the benefit of creditors; (b) Construction Administrator becomes a "debtor" as defined in 11 USC Section 101 or any successor statute (unless, in the case of a petition filed against Construction Administrator, the same is dismissed within sixty (60) days); (c) the appointment of a trustee or receiver to take possession of substantially all of Construction Administrator's assets or of any asset used in connection with the Project, where possession is not restored to Construction Administrator within thirty (30) days; or (d) the attachment, execution or other judicial seizure of substantially all of Construction Administrator's assets or of any asset used in connection with the Project.
- b. In the event the Board terminates this Contract in whole or in part as provided in paragraph (a) of this clause, the Board, upon giving written notice of such termination to the Construction Administrator, may pursue any and all remedies available at law and in equity including, without limitation, the following: (i) the right to keep this Contract in effect and sue Construction Administrator for all damages caused by the default and recover the costs, including reasonable attorney's fees, caused thereby; (ii) the right to cure any such default by Construction Administrator and to recover any damages caused thereby; and (iii) the right to terminate any or all the Construction Administrator's Services with respect to the Project; provided that the Construction Administrator shall continue the performance of this Contract to the extent not terminated under the provisions of this clause. Upon such termination, the Board shall have the right to complete the Services or to contract with others for completion of the Services and, in either event, to charge the cost of completion to the Construction Administrator. The Board may deduct, offset and credit such costs of completion and all other damages incurred by the Board as a consequence of Construction Administrator's default from and against any amounts that may at any time be payable to Construction Administrator under this Contract (or any other contract that may have with the Construction Administrator).

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If the cost of completion exceeds the amount that would have been payable under this Contract had Construction Administrator completely performed the Services pursuant to the terms of this Contract, Construction Administrator shall immediately pay the amount of such excess to the Board. Upon termination, Construction Administrator shall be deemed to have waived all claims against the Board for profits, loss or damage on or with respect to the uncompleted Services.

- c. Not used.
- d. If this Contract is terminated as provided in paragraph (a) of this clause, the Board, in addition to any other rights provided in this clause, may require the Construction Administrator to transfer title and deliver to the Board, in the manner and to the extent directed by the Contracting Officer, (1) any completed supplies, and (2) such partially completed supplies and materials, reports, records, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "work product") as the Construction Administrator has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated; and the Construction Administrator shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Construction Administrator in which the Board has an interest. Payment for completed work product, completed or partially completed, delivered to and accepted by the Board shall be at the Contract price subject to the Board's right to offset set forth in paragraph (b) of this clause. Payment for manufacturing materials delivered to and accepted by the Board and for the protection and preservation of property shall be in the amount agreed upon by the Construction Administrator and Contracting Officer. The Board may withhold from amounts otherwise due the Construction Administrator for such completed supplies or manufacturing materials such sum as the Contracting Officer determines to be necessary to protect the Board against the losses because of outstanding liens or claims of former lien holders.
- e. If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Construction Administrator was not in default under the provisions of this clause, or that the default was excusable under the provisions of the clause, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the termination for convenience provisions of this Contract.
- f. The right and remedies of the Board provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- g. As used in paragraph (c) of this clause, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

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M.22 DISPUTES

- a. Any claim by the Construction Administrator seeking payment of money in a sum certain, the adjustment or interpretation of Contract terms, or other relief arising under or relating to the Contract must be submitted in writing to the Contracting Officer no more than twenty (20) days after the onset or occurrence of the condition giving rise to the claim. A claim shall include a written statement setting forth in detail the grounds of the claim and, if applicable, an itemization of the direct or indirect costs for which compensation is being requested. Failure to deliver a claim within the required period shall constitute an irrevocable waiver by the Construction Administrator of any such claim. Upon receipt of such a claim, the Contracting Officer or his/her representative will contact the claimant and attempt to negotiate a mutually acceptable resolution.
- b. Upon the failure to reach such a resolution, the Contracting Officer shall issue a written determination after reviewing the pertinent facts and consulting with legal and other advisors. The written determination shall be issued within a reasonable time, but not less than sixty (60) days after receipt of a written request from the claimant for a written determination. The written determination shall contain (1) a description of the claim or dispute; (2) reference to the pertinent contract terms; (3) a statement of the factual areas of agreement and disagreement; (4) a statement of the Contracting Officer's decision, with supporting rationale; and (5) a statement that the Contracting Officer's decision is final and that the claimant may appeal the decision to the Board's Staff Director for Management. The Contracting Officer's decision will be furnished by certified mail, return receipt requested, or by any other method that provides evidence of receipt.
- c. Failure of the Contracting Officer to issue a written determination within sixty (60) days of a written request for such determination shall be deemed to be a denial of the claim, which may be appealed to the Board's Staff Director for Management. Any appeal to the Board's Staff Director for Management must be made in writing within ninety (90) days from the date the claimant receives the Contracting Officer's written decision.
- d. The Board will pay interest on the amount found due and unpaid from (1) the date that the Contracting Officer receives the claim, or (2) the date that payment otherwise would be due, if that date is later, until the date of payment. Simple interest on claims will be paid at the rate, fixed by the Secretary of the Treasury pursuant to Pub. L. 92-41 (85 Stat 97), which is applicable to the period during which the Contracting Officer receives the claim.
- e. Notwithstanding any provisions to the contrary in this Section M.22, if any dispute arises between the Board and the Construction Administrator which relates to this Contract, the Services or the Project, the Construction Administrator shall not interrupt the performance of Services, and shall cause any Construction Administrator Consultant not to interrupt the performance of the Services during the pendency of any such dispute,

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unless ordered to do so by the Contracting Officer in writing and the Board shall make all progress payments for the Services other than disputed amounts.

- f. Limitation of Liability. Excepting for the Construction Administrator's obligation to defend, indemnify and hold harmless the Board Indemnitees against claims by third parties under Section L.14, neither Party will be liable to the other Party or its subcontractors for lost revenue, lost profits or any incidental, punitive or consequential damages, even if advised in advance of the possibility of such damages. Notwithstanding the foregoing, this limitation of liability will not limit, nor be construed to limit, or affect in any way, (i) the Construction Administrator's insurance obligations and the rights and remedies of Board Indemnitees under Section L.7, including as Additional Insureds; (ii) amounts recoverable by the Board (or by the Construction Administrator for the benefit of the Board) under the specific insurance policies required to be maintained by the Construction Administrator under Section L.7 regardless of the nature of the claim or type of damage; and (iii) either party's right to obtain specific performance and all other injunctive relief that may be available. Construction Administrator shall include a similar waiver in favor of the Board in each of its contracts with Consultants. This limitation of liability is not intended by the Parties to in any way benefit any insurer or to afford any insurer any basis to deny insurance coverage to any insured or additional insured under any policy procured in accordance with Section L.7 of this Solicitation.

M.23 PROTESTS

- a. Protests may be submitted by actual or prospective Offerors to the manager of the Procurement Section as follows: Procurement Manager, Management Division, 20th and C Streets, NW, Washington, DC 20551. Protests on alleged improprieties in a solicitation that are apparent prior to the closing date for receipt of bids or proposals shall be filed prior to that date. In all other cases, protests shall be filed not later than ten (10) calendar days after the basis of the protest is known or should have been known, whichever is earlier. Protests shall include (1) the name, address, and telephone number of the protester; (2) the solicitation or contract number; (3) a detailed statement of the legal and factual grounds for the protest, including copies of relevant documents; (4) a request for a ruling by the Board; and (5) a statement of the form of relief requested.
- b. If the Procurement Manager receives a protest prior to award, an award will not be made until a decision on the protest is issued, or the matter is otherwise resolved unless the Procurement Manager first determines, in writing, that (1) the supplies or services to be contracted for are urgently required, (2) delivery or performance will be unduly delayed by failure to make award promptly, or (3) a prompt award will otherwise be advantageous to the Board. If the award is to be delayed pending resolution of the protest, the other Offerors shall be notified of the protest; and, if appropriate, those Offerors should be requested to extend the time for acceptance to avoid the need for re-solicitation.

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- c. If a protest is received after award, the contract performance will not be suspended unless it appears likely that an award may be invalidated and a delay in receiving the supplies or services is not prejudicial to the Board's interest.
- d. The Procurement Manager will furnish a copy of the written protest ruling to the protester by certified mail, return receipt requested, or by any other method that provides evidence of receipt. The protester may appeal the ruling of the Procurement Manager to the Chief Acquisition Officer. Any appeal to the Chief Acquisition Officer must be made in writing within ten (10) calendar days from the date the protester receives the Procurement Manager's written ruling. If the Chief Acquisition Officer has a conflict, then the director of the Management Division will decide the appeal.

M.24 COMPETITION IN SUBCONTRACTING

The Construction Administrator shall elect subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

M.25 SUBCONTRACTING PLAN

- a. For purposes of this clause, "covered company" means a firm qualified as a small business concern under the Small Business Act (15 U.S.C. § 632) and regulations thereunder, including (1) business concerns that meet the size eligibility standards set forth in 13 C.F.R. § 121; (2) small business concerns owned and controlled by veterans or service-disabled veterans as defined by 15 U.S.C. § 632(q); (3) qualified HUBZone small business concerns pursuant to 15 U.S.C. § 632(p) and 13 C.F.R. § 126; (4) socially and economically disadvantaged small business concerns as defined by 15 U.S.C. § 637 and certified as such under 13 C.F.R. § 125; and (5) small business concerns owned and controlled by women as defined by 15 U.S.C. § 632(n).
- b. The Board has a policy of providing covered companies with an equitable opportunity to compete, as a prime contractor or a subcontractor, in Board acquisitions conducted pursuant to the formal bidding procedures, negotiated procurement procedures, or simplified acquisition procedures of the Board's Acquisition Policy, to the extent that this opportunity is consistent with efficient contract performance.
- c. Except for solicitations for services that are personal in nature or for solicitations that are expected to be \$300,000 or less (\$500,000 or less for construction), each noncovered company's bid or proposal must include a Subcontracting Plan that describes the Offeror's commitment to provide covered companies the maximum practicable opportunity to participate in contract performance, consistent with the vendor's efficient contract performance. The Subcontracting Plan must be acceptable to the Contracting Officer in order for the Offeror to be awarded the Contract. If awarded the Contract, the

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Offeror will be required to implement and comply with the Subcontracting Plan submitted with its proposal.

- d. Offerors acting in good faith may rely on the written representations of their subcontractors regarding their status as a covered company.

M.26 EQUAL OPPORTUNITY (See Attachment No. 1)

M.27 EMPLOYMENT OF THE PERSONS WITH DISABILITIES

Note: This clause is applicable to contracts and subcontracts in excess of ten thousand dollars (\$10,000).

- a. The Construction Administrator shall not discriminate against any employee or applicant for employment because of a physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The Construction Administrator shall take affirmative action to hire, place, and advance qualified persons with disabilities who are physically or mentally disabled. The Construction Administrator shall not discriminate against persons with disabilities in employment practices such as the following: employment, upgrading, demotion, transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship programs.
- b. The Construction Administrator shall comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended (29 U.S.C. Section 793) (the "Act").
- c. In the event of the Construction Administrator's noncompliance with the requirements of this clause, the Board may take such actions of noncompliance as may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- d. The Construction Administrator shall post in conspicuous places, available to employees and applicants for employment, notices in a form prescribed by the Director, Office of The Federal Contract Compliance Programs, Department of Labor. Such notices shall state (1) the Construction Administrator's obligation under the law to take affirmative action to hire, place, and advance in employment qualified persons with disabilities, and (2) the rights of applicants and employees.
- e. The Construction Administrator shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract of understanding, that the Construction Administrator is bound by the terms of Section 503 of the Act and

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is committed to take affirmative action to hire, place, and advance in employment qualified persons with physical and mental disabilities.

- f. The Construction Administrator shall include the provisions of this clause in every subcontract or purchase order in excess of ten thousand dollars (\$10,000), unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 503 of the Act.

M.28 AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS

Note: This clause is applicable to all contracts and subcontracts of twenty-five thousand dollars (\$25,000) or more.

a. Definitions.

"Appropriate office of the state employment service system", as used in this clause, means the local office of the Federal-state national system of public employment offices assigned to serve the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

"Openings that the Construction Administrator proposes to fill from within its own organization", as used in this clause, means employment openings for which no one outside the Construction Administrator's organization (including any affiliates, subsidiaries, and the parent companies) will be considered, and includes any openings that the Construction Administrator proposes to fill from regularly established "recall" lists.

"Openings that the Construction Administrator proposes to fill under a customary and traditional employer-union hiring arrangement", as used in this clause, means employment openings that the Construction Administrator proposes to fill from union halls under their customary and traditional employer-union hiring relationship.

"Suitable employment openings", as used in this clause

- 1. includes, but is not limited to, openings that occur in jobs categorized as (i) production and nonproduction, (ii) plant and office, (iii) laborers and mechanics, (iv) supervisory and nonsupervisory, (v) technical, and (vi) executive, administrative, and professional positions compensated on a salary basis of less than twenty-five thousand (\$25,000) a year; and

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2. includes full-time employment, temporary employment of over three (3) days, and part-time employment, but not openings that the Construction Administrator proposes to fill from within its own organization or under a customary and traditional employer-union hiring arrangement, but not openings in an educational institution that are restricted to students of that institution.

b. General.

1. Regarding any position for which the employee or applicant for employment is qualified, the Construction Administrator shall not discriminate against the individual because the individual is a special disabled or Vietnam era veteran. The Construction Administrator agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified special disabled and Vietnam era veterans without discrimination based upon their disability or veterans' status in all employment practices such as (i) employment;(ii) upgrading;(iii) demotion or transfer; (iv) recruitment; (v) advertising; (vi) layoff or termination; (vii) rates of pay or other forms of compensation; and (viii) selection for training, including apprenticeship.
2. The Construction Administrator agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Vietnam Era Veterans Readjustment Assistance Act of 1972 (the Act), as amended (38 U.S.C. Section 2012).

c. Listing openings.

1. The Construction Administrator agrees to list all suitable employment openings existing at Contract award or occurring during Contract performance, at an appropriate office of the state employment service system in the locality where the opening occurs. These openings include those occurring at any Construction Administrator facility, including one not connected with performing this Contract. An independent corporate affiliate is exempt from this requirement.
2. State and local government agencies holding the federal contracts of twenty-five thousand dollars (\$25,000) or more shall also list all their suitable openings with the appropriate office of the state employment service.
3. The listing of suitable employment openings with the state employment service system is required at least concurrently with using any other recruitment source or effort and involves the obligations of placing a bona fide job order, including accepting referrals of veterans and non-veterans. This listing does not require hiring any particular job applicant or hiring from any particular group of job applicants and is not intended to relieve the Construction Administrator from any requirements of Executive Orders or regulations concerning nondiscrimination in employment.

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4. Whenever the Construction Administrator becomes contractually bound to the listing terms of this clause, it shall advise the state employment service system, in each state where it has establishments, of the name and location of each hiring location in the state. As long as the Construction Administrator is contractually bound to these terms and has so advised the state system, it need not advise the state system of subsequent contracts. The Construction Administrator may advise the state system when it is no longer bound by this contract clause.
 5. Under the most compelling circumstances, an employment opening may not be suitable for listing, including situations when (i) the Government's needs cannot reasonably be supplied, (ii) listing would be contrary to national security, or (iii) the requirement of listing would not be in the Government's interest.
- d. Applicability.
1. This clause does not apply to the listing of employment openings which occur and are filled outside the fifty states, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.
 2. The terms of paragraph (c) above of this clause do not apply to openings that the Construction Administrator proposes to fill from within its own organization or under a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of its own organization or employer-union arrangement for that opening.
- e. Postings.
1. The Construction Administrator agrees to post employment notices stating (i) the Construction Administrator's obligation under the law to take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era, and (ii) the rights of applicants and employees.
 2. These notices shall be posted in conspicuous places that are available to employees and applicants for employment. They shall be in a form prescribed by the Director, Office of The Federal Contract Compliance Programs, Department of Labor (Director), and provided by or through the Contracting Officer.
 3. The Construction Administrator shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Construction Administrator is bound by the terms of the Act, and is committed to take affirmative action to employ, and advance in employment, qualified special disabled and Vietnam era veterans.

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- f. Noncompliance. If the Construction Administrator does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.
- g. Subcontracts. The Construction Administrator shall include the terms of this clause in every subcontract or purchase order of twenty-five thousand dollars (\$25,000) or more unless exempted by rules, regulations, or orders of the Secretary. The Construction Administrator shall act as specified by the Director to enforce the terms, including action for noncompliance.

M.29 WALSH-HEALEY PUBLIC CONTRACTS ACT

If this Contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed ten thousand dollars (\$10,000), and is otherwise subject to the Walsh-Healey Public Contracts Act, as amended (41 U.S.C. Section 35-45), they are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereinafter be in effect.

M.30 SERVICE CONTRACT ACT OF 1965 (See Attachment 2)

M.31 BUY AMERICAN ACT

- a. The Buy American Act (41 U.S.C. Section 10) provides that preference should be given to domestic end products.

"Components", as used in this clause, means those articles, materials, and supplies incorporated directly into the end products.

"Domestic end product", as used in this clause, means (1) an unmanufactured end product mined or produced in the United States, or (2) an end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as the products referred to in subparagraphs (b)(2) or (b)(3) of this clause shall be treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

"End products", as used in this clause, means those articles, materials, and supplies to be acquired for public use under this Contract.

- b. The Construction Administrator shall deliver only domestic end products, except those

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1. for use outside the United States;
2. that the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality;
3. for which the Board determines that domestic preference would be inconsistent with the public interest; or
4. for which the Board determines the cost to be unreasonable.

M.32 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT – OVERTIME
COMPENSATION

This Contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. Section 327-330), is subject to the following provisions and to all other applicable provisions and exceptions of such Act and the regulations of the Secretary of Labor thereunder.

- a. Overtime requirements. No Contractor or subcontractor shall require or permit any laborer, mechanic, apprentice, trainee, watchman, or guard in any workweek in which he/she is employed on such work, to work in excess of forty hours in such workweek on work subject to the provisions of the contract Work Hours and Safety Standards Act unless such laborer, mechanic, apprentice, trainee, watchman, or guard receives compensation at a rate not less than one and one-half times his/her basic rate of pay for all such hours worked in excess of forty (40) hours in such workweek.
- b. Violation, liability for unpaid wages, and liquidated damages. In the event of any violation of the provisions of paragraph (a), the Contractor and any subcontractor responsible therefore shall be liable to any affected employee for his/her unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer, mechanic, apprentice, trainee, watchman, or guard employed in violation of the provisions of paragraph (a) in the sum of ten dollars (\$10) for each calendar day on which such employee was required or permitted to be employed on such work in excess of the standard workweek of forty (40) hours without payment of the overtime wages required by paragraph (a).
- c. Withholding for unpaid wages and liquidated damages. The Contracting Officer may withhold from the Construction Administrator, from any moneys payable on account of work performed by the Construction Administrator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such

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Construction Administrator or subcontractor for unpaid wages and liquidated damages as provided in the provisions of paragraph (b).

- d. Subcontracts. The Construction Administrator shall insert paragraphs (a) through (d) of this clause in any subcontract exceeding one hundred thousand dollars (\$100,000), and shall require their inclusion in all subcontracts of any tier.
- e. Records. The Construction Administrator shall maintain payrolls and basic payroll records during the course of contract work for a period of three (3) years from the completion of the Contract. Such records shall be available for inspection by authorized representatives of the Board and the Department of Labor. The Construction Administrator shall permit such representatives to interview employees during business hours on the job. The payroll records shall contain the name and address of each employee, the social security number, the correct classifications, the hourly rates of wages paid, the daily and weekly number of hours worked, the deductions made, and the actual wages paid.

M.33 PRIVACY ACT

- a. The Construction Administrator agrees:
 - 1. to comply with the Privacy Act of 1974, 5 U.S.C. Section 552a, and the rules and regulations issued pursuant to the Act in the design, development, and/or operation of any system of records on individuals in order to accomplish a Board function, when the Contract specifically identifies (i) the system or systems of records, and (ii) the work to be performed by the Construction Administrator in terms of any one or combination of the following: (A) design, (B) development, or (C) operations;
 - 2. to include the Privacy Act notification contained in this Contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation, when the statement of work in the proposed subcontract requires the design, development, or operation of a system of records on individuals to accomplish a Board function.
 - 3. to include this clause, including this paragraph (3), in all subcontracts awarded pursuant to this Contract which require the design development, or operation of such a system of records.
- b. In the event of violations of the Privacy Act, a civil action may be brought against the Board when the violation concerns the design, development, or operation of a system of records on individuals to accomplish a Board function and criminal penalties may be imposed upon the officers or employees of the Board when the violation concerns the operation of a system of records on individuals to accomplish a Board function. For

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purposes of the Act, when the contract is for the operation of a system of records on individuals to accomplish a Board function, the Construction Administrator and any employee(s) of the Construction Administrator are considered to be employee(s) of the Board.

c. The terms used in this clause have the following meanings:

"Operation of a system of records" means performance of any of the activities associated with maintaining the system of records including the collection, use, and dissemination of records.

"Record" means any item, collection, or grouping of information about an individual that is maintained by the Board and/or Government agency, including but not limited to, his/her education, financial transactions, medical history, and criminal or employment history and that contains his name or an identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.

"System of records" on an individual means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particulars assigned to the individual.

M.34 PAPERWORK REDUCTION ACT

Information collection requirements contained in this solicitation have been approved by the Office of Management and Budget under the provisions of 44 U.S.C. Section 3501 et seq. and have been assigned OMB No. 7100-0180.

M.35 COMBATING TRAFFICKING IN PERSONS

The Construction Administrator agrees that the provisions of The Federal Acquisition Regulation (48 C.F.R.) 52.222-50, relating to combating trafficking in persons, shall apply to this Contract, and the Construction Administrator agrees to comply with the requirements and responsibilities set forth therein.

M.36 CONFLICT OF INTEREST

Conflict of interest means that because of other activities or relationships with other persons or entities, (a) a person or entity is unable to render impartial assistance or advice to the Board; (b) the person's or entity's objectivity in performing the Services is or might be otherwise impaired; or (c) the person or entity has, or attempts to create, an unfair competitive advantage.

Construction Administrator hereby affirmatively represents that it will not have a conflict of interest in performing the Work for the Board pursuant to this Contract. Further, Construction Administrator agrees not to: (i) engage in activities; or (ii) initiate or maintain relationships with

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persons or entities where such activities or relationships create an organizational conflict of interest. Construction Administrator shall identify and prevent potential Subcontractor conflicts of interest. Construction Administrator shall inform the Board of any activity or relationship that Construction Administrator has reason to believe may create a conflict of interest. Without intending to limit the breadth of the foregoing, Construction Administrator is not authorized to bid upon or perform, directly or indirectly through subsidiaries or affiliated companies, any portion of the Work or any portion of the services to be performed by the A/E or the CxA or by their respective consultants.

M.37 OFFICE OF FOREIGN ASSET CONTROL AND COMPLIANCE

Construction Administrator represents and certifies that neither Construction Administrator, nor any partner or member of Construction Administrator, nor any owner of a direct or indirect interest in Construction Administrator (i) is listed on any Government Lists (defined below), (ii) is a person who has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Orders No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC (defined below) or in any enabling legislation or other Presidential Executive Order in respect thereof, (iii) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense (defined below), or (iv) is not currently under investigation by any Governing Authority for alleged criminal activity. For the purposes hereof, "Government Lists" means (i) the Specially Designated Nationals and Blocked Persons Lists maintained by Office of Foreign Asset Control ("OFAC"), (ii) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC, or (iii) similar lists maintained by the U.S. Department of State, the U.S. Department of Commerce or any other governmental authority. For the purposes hereof, "Patriot Act Offense" means any violation of the Patriot Act or of the criminal laws of the U.S.A. or any of the several states relating to terrorism or the laundering of monetary instruments, including the Bank Secrecy Act and the Money Laundering Control Act of 1986. Construction Administrator agrees to defend, indemnify and hold harmless the Board from and against any and all claims, damages, losses, risks, liability and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

M.38 DIVERSITY AND INCLUSION

Note: This clause is applicable to all contracts and subcontracts whose annual value exceeds one hundred thousand dollars (\$100,000).

The Contractor confirms its commitment to equal opportunity in employment and contracting. To implement this commitment, the Contractor shall ensure, to the maximum extent possible consistent with applicable law, the fair inclusion of minorities and women in its workforce. The Contractor shall insert the substance of this clause in all subcontracts under this Contract whose annual dollar value exceeds \$100,000. Within ten (10) business days of a written request from

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the contracting officer, or such longer time as the Contracting Officer determines, and without any additional consideration required from the Board, the Contractor shall provide documentation, satisfactory to the Board, of the actions it (and as applicable, its subcontractors) has undertaken to demonstrate its good faith effort to comply with the aforementioned provisions. For purposes of this Contract, "good faith effort" may include actions by the Contractor intended to identify and, if present, remove barriers to minority and women employment or expansion of employment opportunities for minorities and women within its workforce. Efforts to remove such barriers may include, but are not limited to, recruiting minorities and women, providing job-related training, or other activity that could lead to those results.

The documentation requested by the Contracting Officer to demonstrate "good faith effort" may include, but is not limited to, one or more of the following:

1. The total number of Contractor's employees, and the number of minority and women employees, by race, ethnicity, and gender (e.g., an EEO-1);
2. A list of subcontract awards under the Contract that includes: dollar amount, date of award, and subcontractor's race, ethnicity, and/or gender ownership status;
3. Information similar to that required in item 1, above, with respect to each subcontractor, and/or
4. The Contractor's plan to ensure that minorities and women have appropriate opportunities to enter and advance within its workforce, including outreach efforts.

Consistent with Section 342(c)(3) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203) (Dodd-Frank Act), a failure to demonstrate to the Board's Director of the Office of Diversity and Inclusion such good faith efforts to include minorities and women in the Contractor's workforce (and as applicable, the workforce of its subcontractors), may result in termination of the Contract for default, referral to the Office of Federal Contract Compliance Programs, or other appropriate action.

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Revised August 1986

ATTACHMENT NO. 1

EQUAL OPPORTUNITY CLAUSE

Note: The following clause is applicable unless this Contract is exempted under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR Ch. 60).

(a) If, during a 12-month period (including the 12 months preceding the award of this Contract), the Contractor has been or is awarded nonexempt Federal contracts and/or subcontracts that have an aggregate value in excess of ten thousand (\$10,000), the Contractor shall comply with subparagraphs (b)(1) through (b)(7) below. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.

(b) During performance of this Contract, the Contractor agrees as follows:

(1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(2) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor shall send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this

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Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor shall comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor shall furnish to the Board all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to his books, records, and accounts by the Board or the Office of The Federal Contract Compliance Programs for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with this Equal Opportunity clause or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Board contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor shall include the provisions of paragraph (b)(1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or Contractor. The Contractor shall take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or Contractor as a result of such direction by the Board, the Contractor may request the Board to enter into such litigation to protect the interests of the Board.

(c) Nonsegregated Facilities. Note: This clause is applicable to Contracts exceeding ten thousand dollars (\$10,000) that are not exempt under Clause (a) above. By acceptance of this Contract, the Contractor represents that he does not and will not maintain nor provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Contractor agrees that a breach of his representation is a violation of the Equal Employment Opportunity clause of this Contract. As used herein the term "segregated facilities" means any waiting rooms, work areas, rest rooms, wash rooms, restaurants (and other

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eating areas), time clock, locker rooms, storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, religion, color, age, or national origin, because of habit, local custom, or otherwise. Contractor further agrees that (except where subcontractors have similarly certified for specific time periods) he shall obtain identical representations from proposed subcontractors prior to award of subcontracts exceeding ten thousand dollars (\$10,000) which are not exempt from the provisions of the Equal Employment Opportunity clause, that he will retain such representations in his files, and that he will provide the following notification to proposed subcontractors (except where the proposed subcontractors have submitted identical representations for specific time periods) as follows:

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR NONSEGREGATED FACILITIES. A Statement of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding ten thousand dollars (\$10,000) that is not exempt from the provisions of the Equal Opportunity clause. The statement may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. Section 1001.

(d) Affirmative Action Program. If this Contract is for an amount of \$50,000 or more, Contractor by acceptance of this Contract certifies that he has, or will within one hundred and twenty (120) days from the date of this Contract, develop and maintain at each of his establishments Affirmative Action Programs, pursuant to 41 CFR Section 60-1 and 60-2.

(e) Pre-award on Site Equal Opportunity Compliance Review. An award in the amount of one million dollars (\$1,000,000) or more will not be made unless the Contractor and each of his known first-tier subcontractors (to whom he intends to award a subcontract of one million dollars [\$1,000,000]) or more are found on the basis of a compliance review to be able to comply with the provisions of the Equal Opportunity Clause of this contract.

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Revised May 1989

ATTACHMENT NO. 2

**SERVICE CONTRACT ACT OF 1965
AS AMENDED (MAY 1989)**

Note: This Contract, to the extent that it is of the character to which the Service Contract Act of 1965 (41 U.S.C. Section 351 et seq.) applies, is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor thereunder.

(a) *Definitions.* Act, as used in this clause, means the Service Contract Act of 1965, as amended (41 U.S.C. 351, et seq.).

Contractor, as used in this clause or in any subcontract, shall be deemed to refer to the subcontractor, except in the term Government Prime Contractor.

Service employee, as used in this clause, means any person engaged in the performance of this contract other than any person employed in a bona fide executive, administrative, or professional capacity, as these terms are defined in part 541 of title 29, Code of The Federal Regulations, as revised. It includes all such persons regardless of any contractual relationship that may be alleged to exist between a Contractor or subcontractor and such persons.

(b) *Applicability.* This contract is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor (29 CFR part 4). This clause does not apply to contracts or subcontracts administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in subpart C of 29 CFR part 4.

(c) *Compensation.* (1) Each service employee employed in the performance of this contract by the Contractor or any subcontractor shall be paid not less than the minimum monetary wages and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor, or authorized representative, as specified in any wage determination attached to this contract.

(2)(i) If a wage determination is attached to this contract, the Contractor shall classify any class of service employee which is not listed therein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination) so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed class of employees shall

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be paid the monetary wages and furnished the fringe benefits as are determined pursuant to the procedures in this paragraph (c).

(ii) This conforming procedure shall be initiated by the Contractor prior to the performance of contract work by the unlisted class of employee. The Contractor shall submit Standard Form (SF) 1444, Request for Authorization of Additional Classification and Rate, to the Contracting Officer no later than thirty (30) days after the unlisted class of employee performs any contract work. The Contracting Officer shall review the proposed classification and rate and promptly submit the completed SF 1444 (which must include information regarding the agreement or disagreement of the employees' authorized representatives or the employees themselves together with the agency recommendation), and all pertinent information to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor. The Wage and Hour Division will approve, modify, or disapprove the action or render a final determination in the event of disagreement within thirty (30) days of receipt or will notify the Contracting Officer within thirty (30) days of receipt that additional time is necessary.

(iii) The final determination of the conformance action by the Wage and Hour Division shall be transmitted to the Contracting Officer who shall promptly notify the Contractor of the action taken. Each affected employee shall be furnished by the Contractor with a written copy of such determination or it shall be posted as a part of the wage determination.

(iv)(A) The process of establishing wage and fringe benefit rates that bear a reasonable relationship to those listed in a wage determination cannot be reduced to any single formula. The approach used may vary from wage determination to wage determination depending on the circumstances. Standard wage and salary administration practices which rank various job classifications by pay grade pursuant to point schemes or other job factors may, for example, be relied upon. Guidance may also be obtained from the way different jobs are rated under The Federal pay systems (The Federal Wage Board Pay System and the General Schedule) or from other wage determinations issued in the same locality. Basic to the establishment of any conformable wage rate(s) is the concept that a pay relationship should be maintained between job classifications based on the skill required and the duties performed.

(B) In the case of a contract modification, an exercise of an option, or extension of an existing contract, or in any other case where a Contractor succeeds a contract under which the classification in question was previously conformed pursuant to paragraph (c) of this clause, a new conformed wage rate and fringe benefits may be assigned to the conformed classification by indexing (i.e., adjusting) the previous conformed rate and fringe benefits by an amount equal to the average (mean) percentage increase (or decrease, where appropriate) between the wages and fringe benefits specified for all classifications to be used on the contract which are listed in the current wage determination, and those specified for the corresponding classifications in the previously applicable wage determination. Where conforming actions are accomplished in accordance with this paragraph prior to the performance of contract work by the unlisted class of

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employees, the Contractor shall advise the Contracting Officer of the action taken but the other procedures in subdivision (c)(2)(ii) of this clause need not be followed.

(C) No employee engaged in performing work on this contract shall in any event be paid less than the currently applicable minimum wage specified under section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

(v) The wage rate and fringe benefits finally determined under this subparagraph (c)(2) of this clause shall be paid to all employees performing in the classification from the first day on which contract work is performed by them in the classification. Failure to pay the unlisted employees the compensation agreed upon by the interested parties and/or finally determined by the Wage and Hour Division retroactive to the date such class of employees commenced contract work shall be a violation of the Act and this contract.

(vi) Upon discovery of failure to comply with subparagraph (c)(2) of this clause, the Wage and Hour Division shall make a final determination of conformed classification, wage rate, and/or fringe benefits which shall be retroactive to the date such class or classes of employees commenced contract work.

(3) Adjustment of Compensation. If the term of this contract is more than one (1) year, the minimum monetary wages and fringe benefits required to be paid or furnished thereunder to service employees under this contract shall be subject to adjustment after one (1) year and not less often than once every two (2) years, under wage determinations issued by the Wage and Hour Division.

(d) Obligation to Furnish Fringe Benefits. The Contractor or subcontractor may discharge the obligation to furnish fringe benefits specified in the attachment or determined under subparagraph (c)(2) of this clause by furnishing equivalent combinations of bona fide fringe benefits, or by making equivalent or differential cash payments, only in accordance with subpart D of 29 CFR part 4.

(e) Minimum Wage. In the absence of a minimum wage attachment for this contract, neither the Contractor nor any subcontractor under this contract shall pay any person performing work under this contract (regardless of whether the person is a service employee) less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938. Nothing in this clause shall relieve the Contractor or any subcontractor of any other obligation under law or contract for payment of a higher wage to any employee.

(f) Successor Contracts. If this contract succeeds a contract subject to the Act under which substantially the same services were furnished in the same locality and service employees were paid wages and fringe benefits provided for in a collective bargaining agreement, in the absence of the minimum wage attachment for this contract setting forth such collectively

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bargained wage rates and fringe benefits, neither the Contractor nor any subcontractor under this contract shall pay any service employee performing any of the contract work (regardless of whether or not such employee was employed under the predecessor contract), less than the wages and fringe benefits provided for in such collective bargaining agreement, to which such employee would have been entitled if employed under the predecessor contract, including accrued wages and fringe benefits and any prospective increases in wages and fringe benefits provided for under such agreement. No Contractor or subcontractor under this contract may be relieved of the foregoing obligation unless the limitations of 29 CFR 4.1b(b) apply or unless the Secretary of Labor or the Secretary's authorized representative finds, after a hearing as provided in 29 CFR 4.10 that the wages and/or fringe benefits provided for in such agreement are substantially at variance with those which prevail for services of a character similar in the locality, or determines, as provided in 29 CFR 4.11, that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's length negotiations. Where it is found in accordance with the review procedures provided in 29 CFR 4.10 and/or 4.11 and parts 6 and 8 that some or all of the wages and/or fringe benefits contained in a predecessor Contractor's collective bargaining agreement are substantially at variance with those which prevail for services of a character similar in the locality, and/or that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's length negotiations, the Department will issue a new or revised wage determination setting forth the applicable wage rates and fringe benefits. Such determination shall be made part of the contract or subcontract, in accordance with the decision of the Administrator, the Administrative Law Judge, or the Board of Service Contract Appeals, as the case may be, irrespective of whether such issuance occurs prior to or after the award of a contract or subcontract (53 Comp. Gen. 401 (1973)). In the case of a wage determination issued solely as a result of a finding of substantial variance, such determination shall be effective as of the date of the final administrative decision.

(g) Notification to Employees. The Contractor and any subcontractor under this contract shall notify each service employee commencing work on this contract of the minimum monetary wage and any fringe benefits required to be paid pursuant to this contract, or shall post the wage determination attached to this contract. The poster provided by the Department of Labor (Publication WH 1313) shall be posted in a prominent and accessible place at the worksite. Failure to comply with this requirement is a violation of section 2(a)(4) of the Act and of this contract.

(h) Safe and Sanitary Working Conditions. The Contractor or subcontractor shall not permit any part of the services called for by this contract to be performed in buildings or surroundings or under working conditions provided by or under the control or supervision of the Contractor or subcontractor that are unsanitary, hazardous, or dangerous to the health or safety of the service employees. The Contractor or subcontractor shall comply with the safety and health standards applied under 29 CFR part 1925.

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(i) Records. (1) The Contractor and each subcontractor performing work subject to the Act shall make and maintain for three (3) years from the completion of the work, and make them available for inspection and transcription by authorized representatives of the Wage and Hour Division, Employment Standards Administration, a record of the following:

(I) For each employee subject to the Act --

(A) Name and address and social security number;

(B) Correct work classification or classifications, rate or rates of monetary wages paid and fringe benefits provided, rate or rates of payments in lieu of fringe benefits, and total daily and weekly compensation;

(C) Daily and weekly hours worked by each employee; and

(D) Any deductions, rebates, or refunds from the total daily or weekly compensation of each employee.

(ii) For those classes of service employees not included in any wage determination attached to this contract, wage rates or fringe benefits determined by the interested parties or by the Administrator or authorized representative under the terms of paragraph (c) of this clause. A copy of the report required by subdivision (c)(2)(ii) of this clause will fulfill this requirement.

(iii) Any list of the predecessor Contractor's employees which had been furnished to the Contractor as prescribed by paragraph (n) of this clause.

(2) The Contractor shall also make available a copy of this contract for inspection or transcription by authorized representatives of the Wage and Hour Division.

(3) Failure to make and maintain or to make available these records for inspection and transcription shall be a violation of the regulations and this contract, and in the case of failure to produce these records, the Contracting Officer, upon direction of the Department of Labor and notification to the Contractor, shall take action to cause suspension of any further payment or advance of funds until the violation ceases.

(4) The Contractor shall permit authorized representatives of the Wage and Hour Division to conduct interviews with employees at the worksite during normal business hours.

(j) Pay Periods. The Contractor shall unconditionally pay to each employee subject to the Act all wages due free and clear and without subsequent deduction (except as otherwise provided by law or Regulations, 29 CFR part 4), rebate, or kickback on any account. These payments shall

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be made no later than one pay period following the end of the regular pay period in which the wages were earned or accrued. A pay period under this Act may not be of any duration longer than semimonthly.

(k) Withholding of Payments and Termination of Contract. The Contracting Officer shall withhold or cause to be withheld from the Government Prime Contractor under this or any other Government contract with the Prime Contractor such sums as an appropriate official of the Department of Labor requests or such sums as the Contracting Officer decides may be necessary to pay underpaid employees employed by the Contractor or subcontractor. In the event of failure to pay any employees subject to the Act all or part of the wages or fringe benefits due under the Act, the Contracting Officer may, after authorization or by direction of the Department of Labor and written notification to the Contractor, take action to cause suspension of any further payment or advance of funds until such violations have ceased. Additionally, any failure to comply with the requirements of this clause may be grounds for termination of the right to proceed with the contract work. In such event, the Government may enter into other contracts or arrangements for completion of the work, charging the Contractor in default with any additional cost.

(l) Subcontracts. The Contractor agrees to insert this clause in all subcontracts subject to the Act.

(m) Collective Bargaining Agreements Applicable to Service Employees. If wages to be paid or fringe benefits to be furnished any service employees employed by the Government Prime Contractor or any subcontractor under the contract are provided for in a collective bargaining agreement which is or will be effective during any period in which the contract is being performed, the Government Prime Contractor shall report such fact to the Contracting Officer, together with full information as to the application and accrual of such wages and fringe benefits, including any prospective increases, to service employees engaged in work on the contract, and a copy of the collective bargaining agreement. Such report shall be made upon commencing performance of the contract, in the case of collective bargaining agreements effective at such time, and in the case of such agreements or provisions or amendments thereof effective at a later time during the period of contract performance such agreements shall be reported promptly after negotiation thereof.

(n) Seniority List. Not less than ten (10) days prior to completion of any contract being performed at a The Federal facility where service employees may be retained in the performance of the succeeding contract and subject to a wage determination which contains vacation or other benefit provisions based upon length of service with a Contractor (predecessor) or successor (29 CFR 4.173), the incumbent Prime Contractor shall furnish the Contracting Officer a certified list of the names, of all service employees on the Contractor's or subcontractor's payroll during the last month of contract performance. Such list shall also contain anniversary dates of employment on the contract either with the current or predecessor Contractors of each such service employee.

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The Contracting Officer shall turn over such list to the successor Contractor at the commencement of the succeeding contract.

(o) Rulings and Interpretations. Rulings and interpretations of the Act are contained in Regulations, 29 CFR part 4.

(p) Contractor's Certification. (1) By entering into this contract, the Contractor (and officials thereof) certifies that neither it (nor he or she) nor any person or firm who has a substantial interest in the Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of the sanctions imposed under section 5 of the Act.

(2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract under section 5 of the Act.

(3) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

(q) Variations, Tolerances, and Exemptions Involving Employment. Notwithstanding any of the provisions in paragraphs (b) through (o) of this clause, the following employees may be employed in accordance with the following variations, tolerances, and exemptions, which the Secretary of Labor, pursuant to section 4(b) of the Act prior to its amendment by Pub. L. 92 - 473, found to be necessary and proper in the public interest or to avoid serious impairment of the conduct of Government business.

(1) Apprentices, student-learners, and workers whose earning capacity is impaired by age, physical or mental deficiency or injury may be employed at wages lower than the minimum wages otherwise required by section 2(a)(1) or 2(b)(1) of the Act without diminishing any fringe benefits or cash payments in lieu thereof required under section 2(a)(2) of the Act, in accordance with the conditions and procedures prescribed for the employment of apprentices, student-learners, handicapped persons, and handicapped clients of sheltered workshops under section 14 of the Fair Labor Standards Act of 1938, in the regulations issued by the Administrator (29 CFR parts 520, 521, 524, and 525).

(2) The Administrator will issue certificates under the Act for the employment of apprentices, student-learners, handicapped persons, or handicapped clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of pay under the two acts, authorizing appropriate rates of minimum wages (but without changing requirements concerning fringe benefits or supplementary cash payments in lieu thereof), applying procedures prescribed by the applicable regulations issued under the Fair Labor Standards Act of 1938 (29 CFR parts 520, 521, 524, and 525).

(3) The Administrator will also withdraw, annul, or cancel such certificates in accordance with the regulations in 29 CFR parts 525 and 528.

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(r) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed and individually registered in a bona fide apprenticeship program registered with a State Apprenticeship Agency which is recognized by the U.S. Department of Labor, or if no such recognized agency exists in a State, under a program registered with the Bureau of Apprenticeship and Training, Employment and Training Administration, U.S. Department of Labor. Any employee who is not registered as an apprentice in an approved program shall be paid the wage rate and fringe benefits contained in the applicable wage determination for the journeyman classification of work actually performed. The wage rates paid apprentices shall not be less than the wage rate for their level of progress set forth in the registered program, expressed as the appropriate percentage of the journeyman's rate contained in the applicable wage determination. The allowable ratio of apprentices to journeymen employed on the contract work in any craft classification shall not be greater than the ratio permitted to the Contractor as to his entire work force under the registered program.

(s) Tips. An employee engaged in an occupation in which the employee customarily and regularly receives more than thirty dollars (\$30) a month in tips may have the amount of these tips credited by the employer against the minimum wage required by section 2(a)(1) or section 2(b)(1) of the Act, in accordance with section 3(m) of the Fair Labor Standards Act and Regulations 29 CFR part 531. However, the amount of credit shall not exceed \$1.34 an hour beginning January 1, 1981. To use this provision --

(1) The employer must inform tipped employees about this tip credit allowance before the credit is utilized;

(2) The employees must be allowed to retain all tips (individually or through a pooling arrangement and regardless of whether the employer elects to take a credit for tips received);

(3) The employer must be able to show by records that the employee receives at least the applicable Service Contract Act minimum wage through the combination of direct wages and tip credit; and

(4) The use of such tip credit must have been permitted under any predecessor collective bargaining agreement applicable by virtue of section 4(c) of the Act.

(t) Disputes Concerning Labor Standards. The U.S. Department of Labor has set forth in 29 CFR parts 4, 6, and 8 procedures for resolving disputes concerning labor standards requirements. Such disputes shall be resolved in accordance with those procedures and not the Disputes clause of this contract. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

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(End of clause)
[54 FR 19828, May 8, 1989]

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
MANAGEMENT POLICY STATEMENT

Travel Policy

Approved by Stephen Malphrus, effective September 13, 2007

SKM

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I. Policy Statement

The Board provides employees and other authorized individuals with the resources to make arrangements for business travel, and it reimburses individuals for the authorized expenses of such travel. The Board normally reimburses the following travel expenses: transportation expenses, lodging costs, and either per diem allowance or actual expenses for other charges related to travel. To receive reimbursement, travelers must follow the procedures set forth in this policy.

II. Definitions

Blanket authorization is a Travel Authorization that authorizes business travel to multiple destinations over an extended period (generally one year) for frequent travelers.

Card issuer is the bank that (1) issues the government travel card to individuals and the Board and (2) maintains the accounts for those cards. The Board's current card issuer is Bank of America.

Cash advance is an ATM withdrawal, using the government travel card, to cover the anticipated out-of-pocket expenses of a business trip. Cash advances are not available for local travel.

Centrally billed account (CBA) is a government travel card in the Board's name, but a physical card is not issued. Authorized persons may use a CBA to pay for air or rail tickets for the Chairman, members of the Protective Services Unit, infrequent travelers, and invitational travelers. (See the definition "Invitational travel.")

City pair program is an airfare service offered by the General Services Administration (GSA). GSA contracts annually with airlines for a set, fully refundable fare between two cities (the city pair). The Board participates in the program, thereby requiring Board travelers to use the designated contract carrier for business travel, subject to certain exceptions.

Constructive cost is the imputed cost of business travel that the Board will reimburse. It is the cost a traveler would have incurred if a trip that combined both business and personal travel had been only for business travel. For example, if a traveler flies to San Francisco for business, then goes to Los Angeles for personal reasons, the constructive airfare is the roundtrip fare from Washington, D.C., to San Francisco. Constructive costs also apply when a traveler elects to drive to a business meeting instead of flying.

Contract carrier is the airline awarded the city pair contract between two particular cities. The contract carrier between any two cities may change each October, depending upon the annual contract signed by GSA.

Frequent-flyer miles are awards made by airlines and other travel-related businesses that may be exchanged for tickets or seat upgrades, pursuant to each airline's written policy.

Gainsharing is a policy under which the Board reimburses a traveler for half the value of an airline ticket that the traveler obtained for business travel by using his or her frequent-flyer miles.

Gelco Expense Management (Gelco) is the software the Travel Office uses to record and process Travel Authorizations and Travel Expense Statements.

Government travel card (GTC) is a charge card issued pursuant to the GSA SmartCard Program. Travelers use the GTC to charge the costs of business travel and obtain cash advances.

GSA is the General Services Administration of the U.S. government.

Infrequent traveler is a Board employee who expects to take no more than two business trips per year.

Invitational travel (also referred to as non-Board-employee travel) is the authorized travel of individuals who are (1) not employed by the Board, such as job applicants and advisory council members, (2) employed intermittently by the Board and paid on a daily when-actually-employed basis, such as guest speakers, or (3) System interchange participants. Invitational travelers are eligible to use the government rates on contract carriers under the city pair program.

Contractors are not invitational travelers.

Local travel is non-emergency travel within a 50-mile radius of the Board. Travel to Baltimore is not considered local travel.

Mileage rate is the amount reimbursed per mile traveled when a traveler uses his or her own vehicle for business travel. GSA sets the mileage rate. The current rate is posted on the [Travel and Transportation](#) web page.

Per diem is an amount paid to business travelers to cover meals and incidental expenses. GSA calculates per diem on the basis of the cost of living in a particular locality.

III. Authorization

Before an individual may travel for business, he or she must obtain the approval of the director (or the director's designee) of the division paying for the travel. The director or designee may approve travel on a single-trip basis or through a blanket authorization. For each trip, the

traveler's division submits to the Travel Office either an individual Travel Authorization or an existing blanket authorization. The Travel Authorization form is available on the [Forms](#) web page. The Travel Authorization may be submitted electronically through the Gelco system, by e-mail, or on paper. The Travel Authorization includes the following information:

- traveler's name
- approximate dates of travel
- itinerary
- purpose of travel
- cost center and accounting classification
- estimated expenses
- division representative
- name of person authorizing travel

IV. Administrative Process

A. Government Travel Card (GTC)

1. *Applying for a GTC.* Any employee who expects to travel on Board business more than twice a year should apply for a GTC. Applications are available on the [Forms](#) web page. The card issuer, on behalf of the Board, conducts a credit check on new employees before authorizing the issuance of a GTC. If the results of the credit check are satisfactory, the card issuer provides the standard GTC. If the results of the credit check are less than satisfactory, the card issuer provides a restricted GTC that has certain limitations. (See the "Government Travel Card Procedures" on the [Travel and Transportation](#) web page for additional information.)

2. *Payment.* Each employee is responsible for timely payment of the outstanding balance of the GTC statement, which the employee receives monthly at the address specified in the GTC application. The Travel Office provides an employee with online access to his or her account upon request. The card issuer may suspend privileges or cancel a GTC for late payment.

3. *Mandatory use.* Travelers shall use the GTC to pay for air and rail tickets and lodging expenses for business travel. Infrequent travelers (those who travel no more than two times per year) should make travel reservations through their division administrator or other authorized person. If an employee's GTC is suspended or canceled, the employee must use a personal credit card to pay for business travel. In the case of a suspended or canceled GTC, the Board

will only reimburse the employee for amounts up to the established government rate for air or rail fare and hotel charges.

4. *Permissible use.* Travelers are permitted and encouraged to use the GTC for other official travel-related expenses, including the following:

- cash advances not exceeding estimated out-of-pocket expenses
- business meals
- parking
- taxi fares
- travel-related incidentals, such as fees for hotel safes or shipping charges for work-related items used for business travel
- rental cars
- gas for a rental car or personal car used for business travel
- conference registration fees
- applicant-recruiting dinners, both locally and on recruiting trips

5. *Combined business and personal travel.* If one trip includes business and personal travel, the traveler may use the GTC for the combined hotel and meal charges. The traveler should attempt to separate air or rail charges into business and personal amounts, then charge only the business portion on the GTC.

6. *Improper use.* Except as noted in section IV.A.5., employees shall not use the GTC for personal expenses or for business expenses not related to business travel. Employees shall not use the GTC for a cash advance for local travel or for a cash advance exceeding estimated out-of-pocket expenses for business travel. An employee who misuses the GTC may be subject to disciplinary action, up to and including termination of employment. The following progressive administrative procedures apply to the misuse of the GTC.

<i>Offense</i>	<i>Disciplinary action*</i>
First offense less than \$500	E-mail warning to employee
First offense \$500 or greater, or consisting of more than three transactions in a one-month period that have an aggregate value less than \$150	Notification to supervisor (or division director, if offender is an officer or a manager)

Initial pattern of abuse consisting of multiple transactions that have an aggregate value greater than \$150	Notification to supervisor, division director, and Employee Relations (ER)
Second offense within one year of first offense	Notification to supervisor, division director, and ER, and a written reprimand
Second offense by officer or manager within one year of first offense	Notification to supervisor, division director, and ER, and a written reprimand
Third offense within two years of first offense	Notification to supervisor, division director, and ER; referral to OIG, with possible suspension

* Depending on the severity of the offense, disciplinary action may include suspension or termination of employment. [Return to text](#)

B. Travel and Lodging Reservations

The traveler makes air or rail reservations through the Board's online booking tool or by e-mailing or calling the Board's travel agency. For hotel reservations, the traveler uses the online booking tool, the Board's travel agency, or calls the hotel directly. All employees, except the Chairman, members of the Protective Services Unit, or infrequent travelers, use the GTC to make reservations.

C. Cancellations and Refunds

The traveler is responsible for canceling travel arrangements and providing the appropriate notification to the travel agency and the card issuer to process refunds. If the traveler cancels a nonrefundable trip, he or she must make every effort to apply the credit, less any penalty, for future business travel. If the traveler incurs a penalty and/or loss of value when reusing the ticket, the Board will reimburse the traveler for the penalty and/or loss.

D. Reimbursement for Business Travel

1. Within five business days of the end of a business trip, the traveler submits a Travel Expense Statement (voucher) to the Travel Office, either electronically through Galco, by e-mail, or on paper. This form is available on the [Forms](#) web page. The traveler should indicate on the voucher the amount to be paid to the card issuer and the amount that should be paid to him or her. The voucher should contain the following information, as applicable:

- lodging charges (with receipt)
- airfare or train fare (with ticket stub or e-mail confirmation)

- per diem
- mileage (roundtrip total)
- conference fees
- aggregate ground transportation fees (the Board reimburses the cost of ground transportation, plus a reasonable tip, to and from a transportation terminal and to and from the hotel and place of business)
- any item costing more than \$75 (receipt required)
- aggregate miscellaneous expenses, such as parking and tolls

2. The Travel Office's service-level goal is to reimburse travelers within five business days of receiving a properly completed voucher.

E. Constructive Travel (Combined Business and Personal Travel)

1. If a traveler stays longer at the location of the business travel, he or she submits one voucher that indicates the actual dates and times of travel, as well as the dates and times he or she would have traveled if the trip had been limited to business only. The traveler is reimbursed only for the costs of the business portion of the trip.

2. If a trip includes both business travel and personal travel to a city other than the business destination, the traveler submits two vouchers. One voucher shows the actual routing, actual air or rail fare or mileage, actual local transportation expense, and the per diem and lodging expenses for the actual trip. The second voucher (the constructive Travel Expense Statement) shows the constructive costs of air or rail fare or mileage, local transportation expense, and the per diem and lodging expenses for the business trip (that is, the costs of the trip without personal travel). The traveler is reimbursed an amount not to exceed the constructive cost of the trip.

F. Gainsharing

1. When an employee uses frequent-flyer miles to purchase (not upgrade) a ticket for official business travel, the Board reimburses the employee for one-half the value of the ticket purchased. The value used is the government fare (if available). If no government fare is available, the value is the most economical fare, as determined by the Travel Office. The value of the ticket must be documented in advance and approved by the manager of the Travel Office.

2. The traveler submits a completed gainsharing claim form to the Travel Office before the travel takes place. This form is available on the [Forms](#) web page. When the traveler submits his or her

Travel Expense Statement indicating that travel occurred, the Travel Office retrieves the original, signed copy of the gainsharing claim form from the manager of the Travel Office and sends it to Payroll for processing.

G. Conferences and Seminars

1. The Board pays travel costs and registration fees incurred in connection with attendance at business-related conferences, seminars, and training programs.
2. Travelers may use the GTC to pay registration fees.
3. If registration fees and/or hotel deposits must be paid significantly in advance of a conference, the traveler may submit a separate voucher for reimbursement of those expenses before submitting the voucher for travel expenses. If two vouchers are submitted for the same trip, the traveler uses the same Travel Authorization number for both vouchers.
4. If the employee does not attend the conference or seminar after being reimbursed for the registration fee and/or hotel deposit, he or she requests a refund from the hotel and/or sponsor of the event, notifies the Travel Office of the changed plans, and reimburses the Board for any refund received.

H. Third-Party Reimbursement of Travel Expenses

1. The Board may accept reimbursement for travel, subsistence, and related expenses from the following sources when an employee is invited to participate in a conference, seminar, or similar event sponsored by the entity and when that entity has made an unsolicited offer to pay the employee's travel expenses:

- foreign academic institution or nonprofit entity
- U.S. university or other 501(c)(3) entity
- foreign government or instrumentality
- international nonprofit organization

2. The employee's division must authorize his or her attendance at the event in an official capacity, and the Board's Ethics Office must give advance approval of the Board's acceptance of the travel expenses. To request approval, the employee should complete form FR-1353, which is available on the [Forms](#) web page, and submit it to the Ethics Office. Either reimbursement or payment-in-kind may be accepted from the nonprofit entity, but reimbursement is not authorized for, nor may employees accept, first-class travel (except travel for which business class is permitted and the airline has only two classes of service).

Employees should consult the Board's [Participation in Outside Programs](#) policy.

I. Technical Assistance to Foreign Countries

When Board employees provide technical assistance to foreign countries, travel procedures and reimbursement for travel and other expenses are generally covered by a separate agreement.

V. Air or Rail Travel

A. Government Airfare

1. The Board participates in GSA's city pair program. Accordingly, travelers must comply with GSA's Federal Travel Regulation as it relates to the city pair program. Tickets purchased under the city pair program are completely refundable, and the reservation can be held, without ticketing, up to the date of travel. This arrangement gives the traveler the most flexibility and is the least costly arrangement for obtaining fully refundable tickets. All air reservations must be made on the contract carrier, unless one of the following exceptions applies:

- There is no contract carrier.
- Space on the contract carrier is not available in time to accomplish the purpose of the travel.
- Use of the contract carrier would require the traveler to incur unnecessary overnight lodging costs, which would increase the total cost of the trip.
- The contract carrier's flight schedule is inconsistent with division policies on scheduling travel during normal working hours.
- A noncontract carrier offers a lower fare to the general public, and this fare will result in a lower total trip cost to the Board.
- Cost-effective rail service is available and is consistent with mission requirements.
- Smoking is permitted on the contract carrier, and the nonsmoking section of the aircraft is not acceptable to the traveler.

2. GSA maintains a [web site](#) that lists the contract carriers and rates for the city pairs. A traveler who selects a noncontract carrier must indicate the applicable exception (see V.A.1., above), either on the online booking tool or to the travel agent making the reservation.

3. Invitational travelers are eligible to use the contract carrier at the government rate. The CBA is used to pay for these travel reservations. Contractors cannot use the government rate.

4. Use of the contract carrier is mandatory for coach-class service only. If business-class service is authorized by this policy, the traveler is not required to use the contract carrier for the

business-class ticket. Travelers are encouraged, however, to select the most economical business-class fare, when possible.

B. Discount Fares

Special-rate (nonrefundable) tickets may be used if they result in savings to the Board—but only when changes to the traveler's itinerary are unlikely. When necessary to reduce total travel costs, the Board reimburses a traveler for hotel and per diem costs he or she incurs to take advantage of discount fares.

C. Class Accommodations

1. Except as provided in V.C.5. and V.D., all travelers use coach-class accommodations for trips that have a scheduled flight time of less than 10 hours. (Flight time does not include time spent on layovers.) Any traveler may upgrade to business class or first class at his or her own expense or with frequent-flyer miles or coupons issued in the traveler's name. Travelers may use business-class accommodations on flights that have a flight time of 10 hours or more, but division directors have the discretion to impose a more restrictive policy.

2. Except as provided in V.C.5. and V.D., all travelers use coach-class accommodations for travel from Washington, D.C., to Basel, unless the traveler upgrades at his or her expense or with frequent-flyer miles or coupons issued in the traveler's name.

3. The Board only reimburses the cost of coach-class accommodations unless business-class or first-class accommodations are authorized.

4. Travelers may use business-class accommodations on Amtrak's Acela or Metroliner service.

5. Exceptions.

- The staff director for management or the administrative governor may approve the use of first-class accommodations under special circumstances, such as a traveler's physical disability or ill health.
- The manager of the Travel Office or the assistant director, Corporate Services, may approve the use of business-class accommodations under special circumstances, such as a traveler's physical disability or ill health.

D. Board Members' Accommodations

1. Board members may use business-class accommodations for domestic flights that have a flight time in excess of five hours and for all international flights.

2. The Chairman and one accompanying security agent may use first-class accommodations for security reasons. Other accompanying security agents use the lower-class accommodation that is physically nearest to first class. If another Board employee traveling with the Chairman must brief the Chairman during the flight, that employee may accompany the Chairman in first class for that portion of the trip necessary to make the briefing.

E. Travel to Philadelphia, Richmond, or Baltimore

A traveler uses rail, bus, or automobile to travel from the Washington, D.C., area to Philadelphia, Richmond, or Baltimore, unless the traveler's division director or the director's designee gives advance approval for air travel.

F. Frequent-Flyer Programs

A traveler who earns frequent-flyer miles or coupons for business travel may use those miles or coupons for personal travel or to upgrade accommodations for business travel.

G. Foreign-Carrier Use

1. When travel is funded by the Board or another U.S. federal agency, the traveler must use a U.S.-flag air carrier, as required by the Fly America Act. A U.S.-flag air-carrier service includes service provided under a code-sharing arrangement with a foreign air carrier when the ticket, or documentation for an e-ticket, identifies the U.S. carrier's designator code and flight number. Unless one of the exceptions below applies, the Board will not reimburse the traveler for the cost of using a foreign air carrier.

2. Travelers may use a foreign air carrier when one of the following exceptions applies:

- The airfare is fully reimbursed by a third party (except by another federal agency).
- Use of a foreign air carrier is a matter of necessity for medical reasons.
- Use of a foreign air carrier is a matter of necessity to avoid an unreasonable risk to safety, such as terrorist threats, as determined by the Board.
- No U.S. carrier provides service on a particular leg of the route, in which case a foreign air carrier may be used for that leg.
- A U.S. carrier involuntarily reroutes travel on a foreign air carrier.
- Use of a U.S. carrier's nonstop or direct service (no plane change) between the United States and a foreign country would extend the travel time, including delay at origin, by 24 hours or more.

- Travel takes place entirely outside the United States, or there is no nonstop or direct service by a U.S. carrier between the United States and a foreign country, and use of a U.S. carrier would-
 - increase the number of plane changes outside the United States by two or more,
 - extend the travel time by at least six hours, or
 - require a connecting time of four or more hours at an overseas interchange point.
3. Whenever a foreign carrier is used, the traveler must complete a Foreign Carrier Justification form at the time of ticketing. This form is available on the [Forms](#) web page. The completed form must be attached to the traveler's voucher. No justification is required for use of a foreign carrier when there is a code-sharing arrangement with a U.S. carrier and the ticket is written by the U.S. carrier.

VI. Ground Transportation

A. Personal Vehicles

1. If a traveler prefers to use his or her personal vehicle instead of common-carrier transportation, the Board reimburses the traveler for mileage (at the established GSA rate), tolls, and parking fees, subject to the following limitations:

- Mileage reimbursement will not exceed the constructive cost of airfare or rail fare for that trip.
- Per diem reimbursement for a trip using a personal vehicle will not exceed the amount of per diem that would have been paid if the traveler used common-carrier transportation.

2. A traveler may use his or her personal vehicle for trips to and from a transportation terminal and home, hotel, or place of business on a business trip. The Board reimburses the traveler for mileage, parking fees, and tolls, but reimbursement will not exceed the cost of an equivalent taxi ride.

B. Rental Cars

The Board reimburses a traveler for the use of a rental car for business travel only when necessary, such as when the destination is a remote location not easily accessible by public transportation. The traveler includes a written justification with the Travel Authorization for the use of a rental car. A traveler's division may also authorize the use of a rental car when public transportation is available. In these situations, the Board will reimburse the traveler for the cost of a rental car, but the amount reimbursed must be less than the cost of using public

transportation. The Board will not reimburse for insurance offered by rental-car companies; however, the Board will reimburse a traveler for the purchase of a collision-damage waiver when a car is rented in a foreign country.

C. Local Travel

When an employee travels from his or her residence or the Board directly to other local areas for business or for training, the Board reimburses the employee for (1) the cost of a taxi or public transportation or (2) personal-vehicle mileage and parking fees. The employee submits a Petty Cash Requisition for reimbursement of these transportation costs. (Petty Cash Requisition forms are available on the [Forms](#) web page.)

D. Travel Between Residence and Board

The Board does not reimburse an employee for travel to and from work, even in conjunction with a business trip.

E. Travel Due to Unexpected Overtime

If an employee is notified after arriving at the office that work extending past the normal working hours is required that day, and the employee is dependent on a car or van pool or on public transportation, the Board reimburses the employee for taxi fare home. The employee submits a petty cash voucher for reimbursement. Alternatively, the employee may travel home using his or her normal means of transportation and then return to the Board by private vehicle. In this situation, the Board reimburses the employee for mileage, not to exceed the cost of a one-way taxi ride.

VII. Lodging

A. Local Travel

The Board does not pay lodging costs or per diem for local travel, except in unusual circumstances. Payment of these costs must be approved by the traveler's division director and the manager of the Travel Office.

B. Lodging

The Board reimburses actual lodging costs, not to exceed the average cost of a room in a business-class hotel in the city where a traveler is staying. When making hotel reservations, travelers request the government rate unless a lower rate is available. If travel plans change after a reservation is made, the traveler cancels the reservation in sufficient time to avoid charges, if possible. The Board does not reimburse for no-show charges, unless the traveler was unable, for business reasons, to cancel the reservation in a timely manner.

C. Lodging Taxes

When traveling on federal government business, travelers are exempt from lodging taxes in specific states and localities. In those locations, travelers must present tax-exemption forms to the hotel when checking in. These forms are available on the [Forms](#) web page. The Board does not reimburse for taxes that could have been avoided by using the tax-exemption forms, the GTC, or other documentation, such as a government ID.

D. Exigent Circumstances

If a traveler cannot return from a business trip at the scheduled time, due to circumstances beyond his or her control (such as illness, inclement weather, or another emergency), the Board pays actual lodging costs and per diem for the additional time period approved by the traveler's division director, or the director's designee, or by the manager of the Travel Office.

E. Weekend Return to Residence

1. If an employee is in travel status in the United States for a period extending over a weekend, the Board reimburses the cost of a roundtrip ticket to Washington, D.C., or per diem and lodging costs for the weekend at the business-travel location, whichever is preferred by the employee.

2. Except in unusual circumstances as determined by the manager of the Travel Office in consultation with the employee's supervisor, the provision in VII.E.1. does not apply when the Board pays a registration fee that includes room and board for weekends.

VIII. Per Diem

A. Per Diem

The Board does not pay per diem for one-day trips. For multiday trips, the Board pays the traveler a daily rate (per diem) to cover meals, tips, laundry, local transportation at the place of business travel, and other miscellaneous expenses. The per diem rate varies according to the location of travel. For trips that have multiple destinations, the per diem rate is based on the location of the lodging that evening. Current per diem rates are set by GSA and are listed on the [Travel and Transportation](#) web page.

B. Computation of Per Diem

For multiday trips, the Board pays 75 percent of the applicable per diem rate for the first and last days of travel. If meals are provided at no expense to a traveler, or if the cost of the meal (or meals) was included in a training or registration fee paid by the Board, the per diem amount for that day is reduced, as set forth on the [Travel and Transportation](#) web page.

C. Actual Expenses

1. In general, the Board reimburses for the actual cost of meals and incidental expenses for foreign travel only. Actual expenses include the cost of lodging and those expenses normally

covered by per diem. The traveler submits a receipt for any meal costing \$75 or more. The Board does not reimburse the cost of alcoholic beverages.

2. In unusual circumstances, per diem may be inadequate for reimbursing domestic-travel expenses. To request approval to travel domestically on an actual-expense basis, a traveler must justify the request in a memorandum, approved by the division director or the director's designee, and submit this memorandum with the Travel Authorization.

IX. Other Expenses

A. Phone Calls/Access Charges

A traveler on a multiday trip is reimbursed for one personal telephone call per day. Domestic travelers are encouraged to place the call through a Board-issued cell phone or the Board's toll-free number; if that method cannot be used, domestic travelers are reimbursed up to \$5 per call plus the hotel access charge. International travelers are reimbursed up to \$10 per call plus the hotel access charge. Travelers also are reimbursed for laptop-connection fees charged by hotels.

B. Miscellaneous Fees

The Board reimburses fees charged for traveler's checks purchased in connection with business travel, ATM fees charged for cash advances, and international transaction fees.

X. Invitational (Non-Board-Employee) Travel

In general, all persons traveling on Board business authorized by a division director or the director's designee are subject to the Board's Travel Policy. To receive reimbursement, travelers who are not Board employees complete and submit a Supplier Information Form, which will be provided by the traveler's designated contact person at the Board.

A. Allowable Expenses

1. When authorized to travel at Board expense, non-Board employees are normally allowed transportation costs, hotel costs, and reasonable actual necessary expenses for meals and incidentals.

2. Travelers submit receipts for all air or rail fares, hotel charges, and any individual out-of-pocket expense of \$75 or more. These receipts are submitted to the designated contact person at the Board, who helps the traveler complete the expense claim.

B. Transportation Costs

1. The Board either (1) makes travel arrangements for non-Board employees or (2) reimburses them for the cost of discount or coach-class airfares and for less-than-first-class accommodations for rail travel. If the non-Board employee combines personal or other business

travel with Board-related travel, the Board reimburses the GSA contract rate for roundtrip airfare between the traveler's residence and the Board-designated destination.

2. The applicable division director or designee approves, in advance, international travel by a non-Board employee.
3. For travel by personal vehicle, the Board pays mileage at the GSA rate, plus tolls and parking fees. Total reimbursement, however, will not exceed the GSA contract rate for roundtrip airfare.
4. The Board reimburses local transportation costs between a residence, hotels, and airports.

C. Hotel Costs

The Board reimburses for reasonable hotel costs at the single-room rate. If the Board arranges for the hotel to bill the Board directly, the traveler pays all personal expenses at checkout.

D. Reasonable Actual Necessary Expenses

1. The Board reimburses for the actual cost of meals and all other incidental expenses necessary to conduct official business.
2. The daily reimbursement for meals is limited to 150 percent of the GSA per diem rate for the locality. The Board does not reimburse the cost of alcoholic beverages.

XI. Contractor Travel

Any travel by a contractor must be approved in writing in advance by the contracting officer's technical representative. Contractors request reimbursement for travel expenses by submitting an invoice that references the contract or purchase order that authorized payment of travel expenses. The invoice must include receipts for air or rail tickets, lodging, and any expense that exceeds \$75. Unless otherwise specified in the contract or purchase order, contractors are subject to the provisions of this policy, except that contractors are not eligible to use the government contract airfare.

XII. Responsibility

The manager of the Travel Office in the Management Division administers and interprets this policy and will review and update it as necessary.

XIII. References

[Travelers' Procedures](#)

[Government Travel Card Procedures](#)

[Participation in Outside Programs](#)

[Return to top](#)

[Management Policies Home](#)



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20561

MANAGEMENT DIVISION

October 18, 2011

**SOLICITATION, OFFER AND AWARD 201000405
AMENDMENT 1**

Attention Offerors:

This serves to notify all Offerors that SOA-201000405 is hereby amended to provide Solicitation modifications and clarifications.

Offerors must acknowledge receipt of this Amendment 1 in the Offer section of the Solicitation, Offer and Award form (Section A) and in Paragraph 11 of the Representations and Other Statements of Offeror (Section K) when they submit their proposal.

.....
Amendments:

1. The closing date for inquiries is hereby extended to *Monday, October 24, 2011*.
2. Attachment 1 of this Amendment 1 includes the Cost/Price Proposal Form (Section B of the SOA). Offerors shall use this template to prepare their price proposals to submit in Volume II of their proposals.
3. Attachment 2 of this Amendment 1 includes the A/E's project schedule as of June 28, 2011. This schedule is not current, but may be used to estimate the duration of project tasks.

Clarification:


Electronic appendices of the A/E's scope of work will be forwarded under separate cover.

All other terms and conditions of the Solicitation, Offer and Award remain unchanged.

Sincerely,

//signed//

Kimberly M. Prince, C.P.M.
Supervisory Contracts Analyst
Procurement Section, Management Division

 Board of Governors of the Federal Reserve System Washington, D.C. 20551 Merita Building Construction Administration Services Solicitation, Offer, Award, SOA 201006048		Cost Summary					
Company Name The Officer (If it is a small business concern Authorized Signature) Date:	Design Period of Performance July 2011 - June 2012 (12 Mo.)	Construction Period of Performance July 2011 - June 2012 (12 Mo.)	Construction Period of Performance July 2011 - June 2012 (12 Mo.)	Construction Period of Performance July 2011 - June 2012 (12 Mo.)	Construction Period of Performance July 2011 - June 2012 (12 Mo.)	Construction Period of Performance July 2011 - June 2012 (12 Mo.)	
							Total Hours (A)
A. Full Time Construction Administrator On Site Reimbursable Expenses (provide detail)	3,120 (estimated for 12 Mo.)	3	3	2,880 (estimated)	3	2,880 (estimated)	3
Total Cost for CA on-site		3	3	3	3	3	3
Note: This position is a full time at the Board location and should be included from other services listed below. If Mechanism fully loaded rates.							
Contract Mater. Ref.	Design Period of Performance Dec 2011 - June 2012 (07 Mo.)						
B. Construction Administration Services (CA) Excluding Above Billed Full Time On-site CA Not To Exceed (NTE) Fees for Basic Services							
NTE Fees by Phase							
C. LEED Related Services Generally							
D. Pre-Procurement Phase Services							
E. Procurement Phase Services							
F. Construction Phase Services							
G. Post Construction Phase Services							
Total Cost (A thru G)		3	3	3	3	3	3
Mark-up Percentage (%)							
Mark-up on Change Order							
Mark-up on Subcontractor's Cost							
List any other mark-up will be applied							
Note: Offeror encourage to provide additional cost information, on separate page table, to support your bid data.							

		Board of Governors of the Federal Reserve System Washington, D.C. 20551 Marina Building Construction Services Solicitation Offer Award SOA 20100405											
		Design Dec-2011-Jan-2012 (19 Mo.)			Construction July-2012-June-2013 (12 Mo.)			Construction July-2013-June-2014 (12 Mo.)			Construction July-2014-June-2015 (12 Mo.)		
B	Not To Exceed (NTE) Fee for Basic Services 2	Total Hours (A)	Hourly Rate 1 (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1 (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1 (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1 (B)	Extended Cost (C) = (A x B)
	C.2.1.1												
	Project Manager												
	Mechanical Engineer												
	Electrical Engineer												
	Civil Engineer												
	Building Engineer												
	Field Staff												
	Estimator												
	Scheduler												
	Project Control												
	Reporting Logistics Staff												
	Administrative Staff												
	Communication Consultant												
	Disc Control Control Staff												
	Others (fill in detail)												
	Reimbursable Expenses (provide detail)												
	Subtotal Cost (C.2.1)			\$			\$			\$			\$
	1/ Fully burdened rates.												
	2/ Excluding a Full Time Construction Administrator, Based above on Item A.												

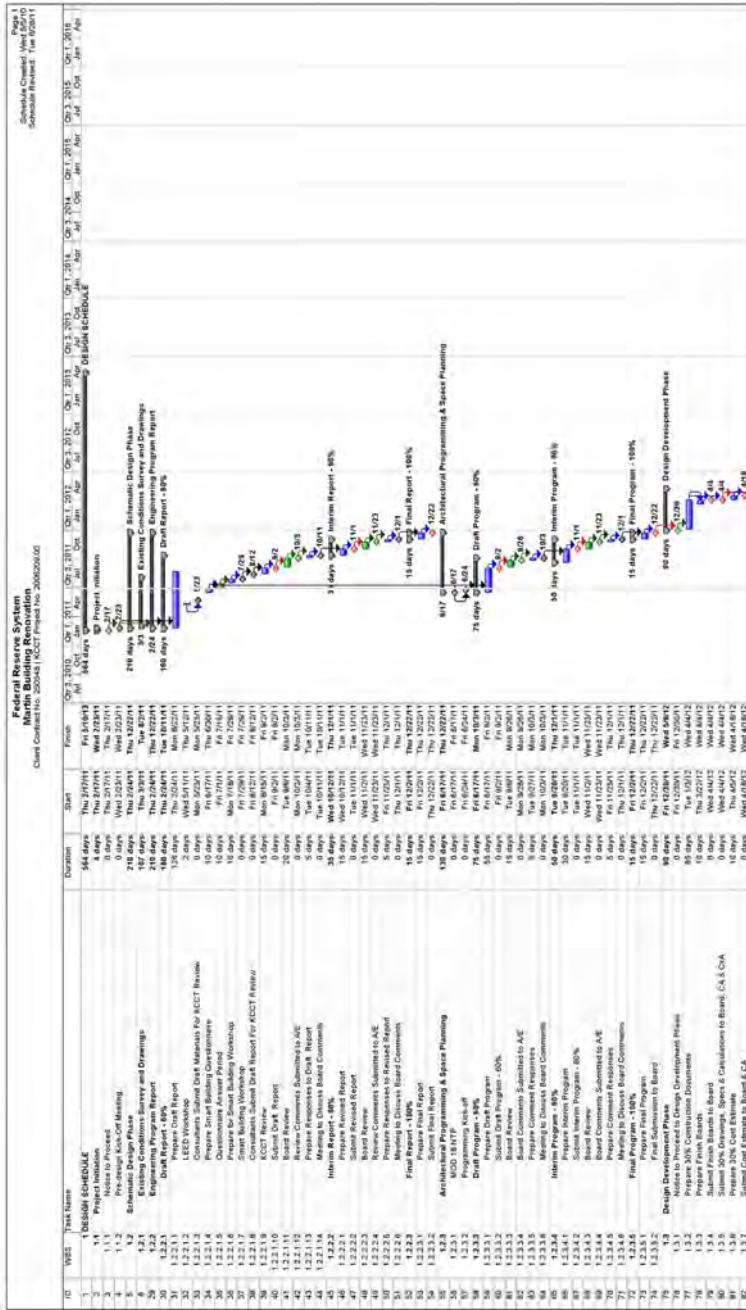
		Board of Governors of the Federal Reserve System Washington, D.C. 20541 Marriott Building Construction Administration Services Solicitation, Offer Award SOA 20160405											
		Design - Dec-2011-June 2013 (12 Mo.)		Construction - July 2012 - June 2014 (12 Mo.)		Construction - July 2014 - June 2015 (12 Mo.)		Construction - July 2015 - June 2016 (12 Mo.)		Construction - July 2016 - Nov-2016 (5 Mo.)		Extended Cost	
C	NTE Fees by Phase LEED Related Services Generally C.2.2	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)
	Project Manager												
	Mechanical Engineer												
	Electrical Engineer												
	Civil Engineer												
	Plumbing Engineer												
	Field Staff												
	Estimator												
	Scheduler												
	Project Control												
	Reporting Logistics Staff												
	Administrative Staff												
	Communication Consultant												
	Doc Control/Clerial Staff												
	Outsore (list in detail)												
	Reimbursable Expenses (provide detail)												
	Subtotal Cost (C.2.2)												
	1/ Fully burdened rates.												
	2/ Excluding a full time Construction Administrator. Based above on line A.												

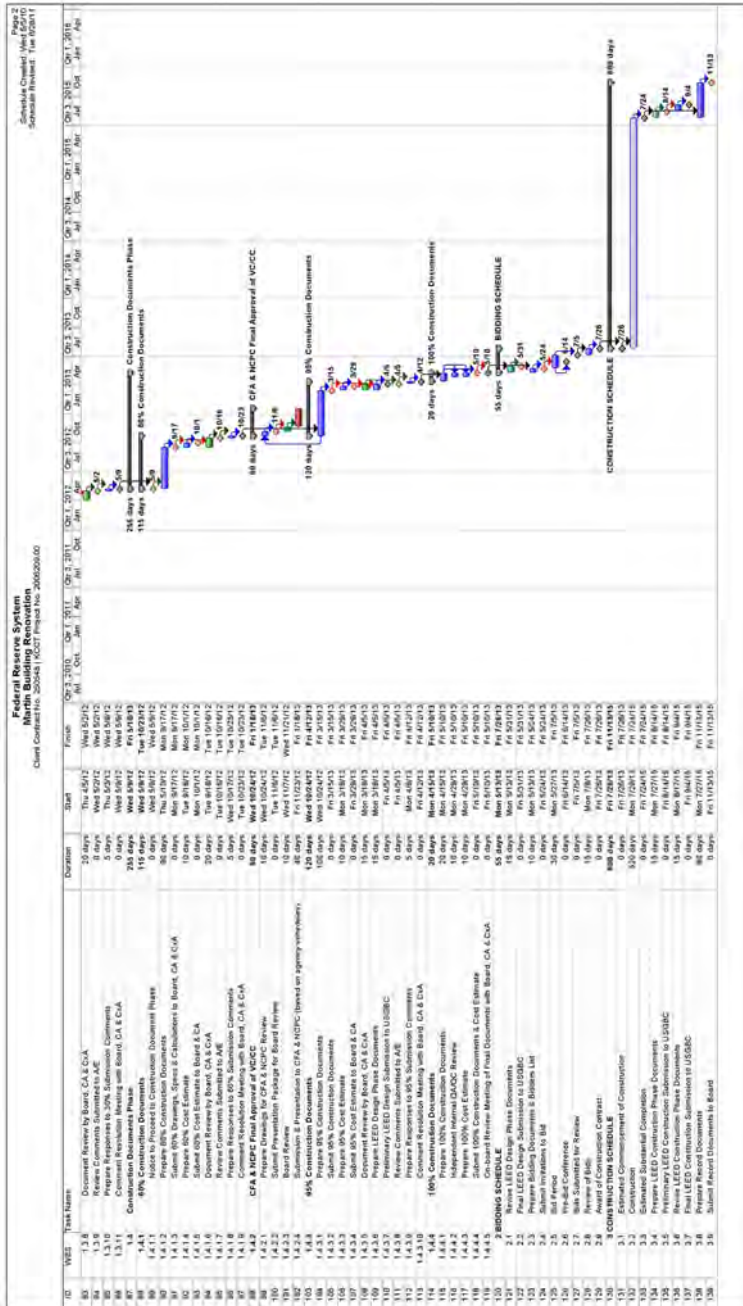
		Board of Governors of the Federal Reserve System Washington, D.C. 20551 Merita Building Construction Administration Services Solicitation Offer Award SOA 201000405											
		Fiscal Year 2014 (10/1/13-9/30/14)			Fiscal Year 2015 (10/1/14-9/30/15)			Fiscal Year 2016 (10/1/15-9/30/16)			Fiscal Year 2017 (10/1/16-9/30/17)		
D.	SFE Fees by Phase Pre-Procurement Phase Services C.2.3	Total Hours	Hourly Rate U	Estimated Cost	Total Hours	Hourly Rate U	Estimated Cost	Total Hours	Hourly Rate U	Estimated Cost	Total Hours	Hourly Rate U	Estimated Cost
		(A)	(B)	(C) = (A x B)	(A)	(B)	(C) = (A x B)	(A)	(B)	(C) = (A x B)	(A)	(B)	(C) = (A x B)
	Project Manager												
	Mechanical Engineer												
	Electrical Engineer												
	Civil Engineer												
	Planning Engineer												
	Field Staff												
	Estimator												
	Scheduler												
	Project Control												
	Reporting Logistics Staff												
	Administrative Staff												
	Communication Consultant												
	Data Control Clerical Staff												
	Others (fill in detail)												
	Reimbursable Expenses (provide detail)												
	Subtotal Cost (C.2.3)			\$			\$			\$			\$
	1. Fully burdened rates.												
	2. Excluding 2.04 for Construction Administration based above on line 1.												

		Board of Governors of the Federal Reserve System Washington, D.C. 20551 Marvin Building Construction Administration Services Solicitation Offer Award SOA 20160405														
E.	NTE Fees by Phase Procurement Phase Services C.2.4	Design Dec-2011-June 2013 (12 Mo.)			Construction July 2013-June 2014 (12 Mo.)			Construction July 2014-June 2015 (12 Mo.)			Construction July 2015-June 2016 (12 Mo.)			Construction July 2016-Nov-2016 (5 Mo.)		
		Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)
	Project Manager															
	Mechanical Engineer															
	Electrical Engineer															
	Civil Engineer															
	Planning Engineer															
	Field Staff															
	Estimator															
	Scheduler															
	Project Control															
	Reporting Logistics Staff															
	Administrative Staff															
	Communication Consultant															
	Doc Control/Clerical Staff															
	Others (list in detail)															
	Reimbursable Expenses (provide detail)															
	Subtotal Cost (C.2.4)															
	1/ Fully burdened rates.															
	2/ Excluding a full time Construction Administration Administrator Based above on line A.															

		Board of Governors of the Federal Reserve System Washington, D.C. 20541 Marriott Building Construction Administration Services Solicitation, Offer Award SOA 20160405														
		Design Dec-2011-June 2013 (12 Mo.)			Construction July 2012 - June 2014 (12 Mo.)			Construction July 2014 - June 2015 (12 Mo.)			Construction July 2015 - June 2016 (12 Mo.)			Construction July 2016 - Nov-2016 (5 Mo.)		
F	NTE Fees by Phase: Construction Phase Services C.2.5	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)
	Project Manager															
	Mechanical Engineer															
	Electrical Engineer															
	Civil Engineer															
	Planning Engineer															
	Field Staff															
	Estimator															
	Scheduler															
	Project Control															
	Reporting Logistics Staff															
	Administrative Staff															
	Communication Consultant															
	Doc Control/Field Staff															
	Others (list in detail)															
	Reimbursable Expenses (provide detail)															
	Subtotal Cost (C.2.5)															
	1/ Fully burdened rates.															
	2/ Excluding a full time Construction Administrator. Based above on line A.															

		Board of Governors of the Federal Reserve System Washington, D.C. 20541 Marriott Building Construction Administration Services Solicitation Offer Award SOA 20100405											
		Design Dec-2011-June 2013 (12 Mo)		Construction July 2012 - June 2014 (12 Mo)		Construction July 2014 - June 2015 (12 Mo)		Construction July 2015 - June 2016 (12 Mo)		Construction July 2016 - Nov-2016 (5 Mo)			
G	NTE Fees by Phase: Pool Construction Phase Services C.2.6	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)	Total Hours (A)	Hourly Rate 1/ (B)	Extended Cost (C) = (A x B)
	Project Manager												
	Mechanical Engineer												
	Electrical Engineer												
	Civil Engineer												
	Planning Engineer												
	Field Staff												
	Estimator												
	Scheduler												
	Project Control												
	Reporting Logistics Staff												
	Administrative Staff												
	Communication Consultant												
	Doc Control/Clerial Staff												
	Others (list in detail)												
	Reimbursable Expenses (provide detail)												
	Subtotal Cost (C.2.6)												
	1/ Fully burdened rates.												
	2/ Excluding a full time Construction Administrator. Based above on line A, Design Phase Period: December 2011 thru May 2013 (18 Months) Construction Phase Period: June 2013 thru November 2013 (12 Months)												







BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

November 16, 2011

**SOLICITATION, OFFER AND AWARD 20100405
AMENDMENT 2**

Attention Offerors:

This serves to notify all Offerors that SOA-20100405 is hereby amended to make the changes as indicated below and to provide the Board's official responses to offeror initiated inquiries.

Offerors must acknowledge receipt of this Amendment 2 in the Offer section of the Solicitation, Offer and Award form (Section A) and in Paragraph 11 of the Representations and Other Statements of Offeror (Section K) when they submit their proposal.

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Changes

1. The date for submission of proposals is changed from 2:00 p.m. November 14, 2011 to 2:00 p.m. December 14, 2011.
2. Section C.1, Background: The requirement in paragraph 3 to review the Design Documents at KCCT's offices is hereby removed. Offerors may submit a proposal without reviewing the existing documents. If Offerors would like to review the existing documents, they may do so by contacting Ms. Kim Prince to schedule an appointment at the Board's offices.
3. Offerors are requested to provide a soft copy of their Volume II, Cost/Price Proposals. These may be submitted by e-mail to kimberly.m.prince@frb.gov or by CD with the proposal submission by the proposal submission deadline.

Inquiries

1. Question: Thank you for the copy of the AE Schedule. We acknowledge that it is not current. Could you indicate where the process is as of today?

Answer: The in progress programming phase was stopped as approvals are being requested for construction and a final decision made on the disposition of the Data Center (which we hope will be moved prior to construction) by the Governors. We expect approval by the end of December. The project has been approved by National Capitol Planning Commission (NCPC) and the Commission of Fine Arts (CFA). The A/E has provided the Board with an engineering system design intent. A LEED analysis has been completed recommending the project work to achieve Gold rather than Silver LEED certification.

2. Question: Will we be receiving Appendix 1,2,3?

Answer: Yes, the appendices are attached.

3. Question: Please confirm which of the following will be provided by FRB for the onsite CM staff:

- Office space **YES**
- Office furniture **YES**
- Utilities **YES**
- Copier/printer/fax **Yes (on Board premises)**
- Network capabilities **YES**
- Computer Equipment **YES But (* see below)**
- Office supplies **YES**
- Scheduling software **The Board uses Microsoft Project, which will be provided.**
- Postage **(Yes if posted from Board premises, otherwise it is a reimbursable expense)**

* The Board will provide a PC and access to the Board's network. For security reasons only Board approved software is permitted on Board PCs and the Board's network. There are also significant firewalls in place, which can limit access to some outside sites. The Board has supplied an outside connection to the internet to the A/E and they are providing their own PCs (at their cost) as this allows them to use software programs they are more comfortable using. They also have a Board provided computer with Board intra-net access

4. Question: What is the maximum page length for the Technical Proposal?

Answer: There is no maximum page length for the Technical Proposal.

5. Question: On page 64 and 65 of the solicitation under Section L.7.6, the solicitation states "Professional Liability written on an annually renewing policy basis with limits of liability

of not less than \$10,000,000 per claim, subject to a \$10,000,000 annual aggregate." It also requires that the \$10,000,000 policy be maintained by the Offeror for 10 years after the project is completed. This level of coverage seems to be very high. Is this level of Professional Liability insurance necessary?

Answer: The Board's legal counsel recommends this level of insurance coverage. If an offeror would like to take exception to the insurance requirements as stated, the offeror may still submit a proposal and include the specific exception in its Volume I proposal.

6. Question: On page 6 of the solicitation under Section C Background, in the first paragraph, it states "A description of the Board's requirements, criteria and expectations for the Renovation and the VC/CC are set forth, respectively, in Appendix 1 and Appendix 2." Also in Amendment 1 Dated October 18, 2011, it states "Electronic appendices of the A/E's scope of work will be forwarded under separate cover." When do you expect to distribute Appendix 1 and 2?

Answer: The appendices are attached.

7. Question: On page 37 of the solicitation under Section C.4.6, the solicitation states "Offer[or] shall provide references for all construction projects completed or in process over the last two (2) years with contact names and telephone numbers." Do you really want us to provide references for all of our relevant experience? On page 73 of the solicitation under Section L.13.i (Proposal Submission) – Part B References and Corporate Qualifications, the solicitation states "Offeror's shall submit the references as required in Section C.4. In addition, the Offeror shall provide references consisting of present or past clients, within the past five years, who are capable of verifying the following a. Two references..... b. two references" How many references are we required to provide?

Answer: Offerors are required to submit the references as stated. Section C.4.6 does require offerors to submit a complete list of references for all construction projects completed or in process over the last two (2) years. Section L.13.i requires the submission of a total of 4 references. The Board understands that the references submitted as part of L.13.i may also be included in the total two-year list submitted as part of C.4.6.

8. Question: On page 44 of the solicitation under Section I Evaluation and Award Process, the solicitation states that Technical proposals that meet all mandatory requirements qualify for further evaluation and will receive up to 50 technical points. How are these 50 points distributed across Factors 1 – 4 listed on the bottom of page 44?

Answer: The 50 technical points are evenly distributed between the four factors. Therefore, each factor is worth 12.5 points.

9. Question: On the Cost/Price Proposal Form you have listed a number of disciplines, however we did not see one listed for Construction Administrator. Are we to assume that

the Construction Administrator will be included under "Field Staff?" Or does "Construction Administrator" need to be added to the form? Please advise.

Answer: The Construction Administrator is listed in Section A of the form as the "Full Time Construction Administrator".

10. Question: Regarding the Insurance requirement, on most of our other contracts with Federal Agencies a PL limit up to \$3mil has been enough with a requirement to carry it up to a year past that. I offer this as potential consideration for you.

Answer: Please refer to the answer to question 5.

11. Question: Regarding Section C, page 36-37 of RFP, do all C.4 items (4.1 – 4.7) go in the Vol II, Part B, 1. References section?

Answer: Yes, all mandatory requirements should be included in Volume II, Part B, References and Corporate Qualifications section.

12. Question : Regarding Section H, page 43, where should Personnel Letters of Commitment go?

Answer: Personnel letters of commitment should be included in Volume II, Part A, Management Plan.

13. Question: Regarding Section N, is there a page 2 to the Supplier Information Form (Section N)?

Answer: Attached is a supplier information form in case the form attached was incomplete. The form is two pages in which the second page is the W-9 form.

14. Question: Section L, page 74, please clarify differences between references requested in Vol II, Part B, Item 1.a and 1.b.

Answer: The references requested in 1.a are just to document the Offeror's ability. The references in 1.b are to document the ability of the entire team (the Offeror and any subs being proposed to perform this work). In the event the Offeror does not intend to subcontract any portion of this work, all four references shall document the Offerors abilities alone.

15. Question: Are firm members of the "Project Team" as identified on page 8 conflicted from submitting for this solicitation?

Answer: Yes, current project team members are conflicted from submitting for this solicitation.

16. Question: Section C, Paragraph 2.3.4.5, requires the Construction Administrator (CA) to "conduct full and complete reviews of the design documents...of the 30%, 60% and 95% submissions. During the pre proposal conference on October 18, 2011, the Board stated that design reviews by the CA are limited to constructability reviews only. The Board also noted that the CxA would be conducting full design reviews. Please confirm whether or not full design reviews by the CA are required as noted in section C, 2.3.4.5?

Answer: The required design reviews are as stated in section C.2.3.4.5 which are full and complete reviews of the Design Documents for construction feasibility. These reviews are to be performed at the 30%, 60%, and 95% design submissions. We view this as a constructability review. If this question was not answered satisfactorily, please contact the contracting officer for additional clarification.

17. Question: If design reviews by the CA are limited to constructability reviews only, please confirm that these reviews would be required for the 30%, 60% and 95% design submissions?

Answer: See question 16 above.

18. Question: Section C, paragraph 2.3.5 required the CA to conduct independent estimates for each of the 30%, 60% and 95% design submissions, and "comment upon any discrepancies between its estimate of construction costs and the construction costs estimate submitted by the architect". During the pre proposal conference on October 18, 2011, it was stated that the Board would be responsible for reconciling differences between the architect and the CA. Please confirm whether or not the CA is to not only conduct independent estimates but also will be responsible for reviewing the architect estimate and reconciling the differences accordingly?

Answer: After the CA completes its independent estimate, the CA will be responsible for reviewing the A/Es estimate and commenting upon any discrepancies. In addition, the Board expects the A/E and the CA to work with the Board to determine why significant discrepancies (if any) exist between the estimates. If discrepancies still exist after discussions between the A/E, CA and the Board, the Board will make the final decision for the estimate basis.

19. Question: Has the architect developed design packages to correspond with 30%,60% and 95% design submissions? or will the submissions be for the whole project, to include both the Martin Building renovation portion as well as the VC/CC portion, all within a single package?

Answer: The A/E has submission requirements at the 30%, 60% 95% and Final levels of design. None are completed

20. Question: Please confirm whether or not the design submissions will include furniture, furnishings and equipment (FF&E) designs for review and estimating by the CA? if yes, will FF&E design submissions be through separate design packages?

Answer: Yes, the furniture systems will be an alternate for the GC to bid on. The Board is also considering managing the furniture system installation in house. The Board would like the CA to review the intended alternate.

21. Question: Can offerors get electronic copies of the CxA scope, similar to what was provided for the Architect-Engineer scope?

Answer: Yes, the CxA scope will be provided under separate cover.

22. Question: Referencing section C, 2.5.15, does the Board anticipate conducting any or all of material quality control testing? if yes, will these tests be procured through the CA?

Answer: Yes, the CA will provide for a mark up for overhead and profit for costs of materials testing passed through to the Board. Test to be determined during the design phase.

23. Question: During the pre proposal conference on October 18, 2011, it was stated that significant hazardous materials are not anticipated during the renovation portion of the project. However, should hazardous materials be encountered, will the Board hire independent CIH to monitor and test hazardous material removal activities or will this service be procured through the CA?

Answer: No the Board will hire the CIH. If additional costs are incurred by the CA by the discovery of a hazardous substance it would be considered an additional cost (see section C2.7.4.8).

24. Question: Regarding the CA participation in A/E design progress meetings, will such meetings take place at the Martin Building or the A/E offices? are these meetings weekly or bi weekly?

Answer: Currently the design meetings are every other week at one of the owner's locations in downtown Washington. We expect weekly meetings during review periods and during procurement of a GC. During construction we would anticipate weekly meetings.

25. Question: Will the Board engage in a Move Consultant to manage physical moves back to renovated spaces?

Answer: Yes the Board will engage in a move consultant. You are not responsible for any physical moves; however, you will incorporate them into all appropriate documentation.

26. Question: Referencing the pricing sheets, amendment 1: Line A is for CA position services, which is clear. Line B is for NTE amount for Basic Services, which is also clear. Lines C - G appear to be breakdown costs of basic services by phases. However, unclear is the instruction add Line A plus Line B along with lines C - G. In doing so, it would appear

that basic services in line B are being summed twice with the breakdown of basic services line lines C - G. Please confirm instructions are correct?

Answer: As you stated, line A is for the dedicated on-site CA. Line B is for any additional CA services that will not be covered by the on-site CA, but also not covered by any of the phase specific services in C-G. We do not see that any of the costs will be summed twice with this methodology. If this question was not addressed satisfactorily, please contact Ms. Kim Prince for additional clarification.

27. Question: Referencing the pricing sheets, please define the labor category communication consultant.

Answer: The communication consultant may cover areas related to telephone and data lines and telecommunications technology and the like. The labor categories included in the cost table are examples only. Offerors shall provide labor rates for those labor categories that appear to be applicable to this scope of work.

28. Question: Will the same modification to insurance requirements stated on page 48 Section E of Exhibit A Modifications to Contract 250548 with KCCT be applicable to the team bidding on Solicitation #201000405?

Answer: See the response to question 5 above.

29. Question: The insurance requirement for Solicitation #201000405—Federal Reserve System's Martin Building Renovation—is so stringent that, as written, it would preclude our firm from submitting a proposal either as a prime or subcontractor. We have a \$5 million professional liability policy. Moreover, we have a \$6 million umbrella policy in addition to \$2 million general liability for each occurrence and \$4 million aggregate. We are accustomed to successfully performing program/construction management services on 9-figure jobs, [purposely redacted information], where we have not encountered such prohibitive insurance requirements.

Answer: See the response to question 5 above.

30. Question: Can the insurance requirements be reduced to widen the field of potential submitters both from the prime and subconsultant perspective?. Given the scope of work outlined in the subject Federal Reserve System solicitation, our performance on this contract would not impact our professional liability. Even if we were to obtain the required \$10 million coverage for both policies, we would not be able to secure the subcontractors needed for the job because they too would need to be covered at those levels.

Answer: See the response to question 5 above.


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Attachments

Appendices 1-3
Supplier information form

All other terms and conditions of the Solicitation, Offer and Award remain unchanged.

Sincerely,

A handwritten signature in blue ink that reads "Kimberly M. Prince". The signature is written in a cursive style with a large initial "K".

Kimberly M. Prince, C.P.M.
Supervisory Contracts Analyst
Procurement Section, Management Division

Appendix 1

APPENDIX 1 TO EXHIBIT A TO SOA MODIFICATION NO. 17
RENOVATION PROGRAM AND PARAMETERS

1. Summary of Renovation Program

1.1. The Renovation of the Board's Martin Building (sometimes referred to as the "building") is to be comprehensive in scope covering all areas and components of the building including the roof, penthouse, terrace level (fifth floor), office floors one through four (the first floor is one floor above grade), concourse level, garage levels (G-1 and G-3), and plant level (four stories below grade). The Renovation is to be undertaken in coordination with the ongoing design and construction of the VC/CC since the VC/CC is located on the podium level of the Martin Building. The Renovation and the VC/CC are hereinafter referred to collectively as the "Project." The components of the Martin Building to be included in the Renovation, at a minimum, are its structural, mechanical, electrical, data and telecommunications infrastructure and interiors. The Renovation is intended not only to renovate and upgrade the Martin Building but also to provide a quality work environment similar to other Class A office buildings in the Washington, DC area. The Board expects the Renovation to comply with District of Columbia law and regulations applicable to similar projects even though legally District of Columbia law does not apply to the building.

1.2. **confidential - security**

(The Eccles building does have its own air handler units). Accordingly, the A/E will need to account for this circumstance in the design, installation and balancing of the Martin Building systems. Furthermore, given the significance of the Board's offices to the Nation's economy, the Project must be phased with only one office floor available at a time for construction. The floors not under construction must remain occupied and operational.

1.3. The Renovation is necessary because the Martin Building is over 30 years old and has not undergone any significant renovations. The Martin Building has been well maintained over the years and the Board has been addressing repairs and upgrades on a project by project basis. Nevertheless, over this 30 year period there have been significant changes in the standards for office buildings such as:

- Building codes and regulatory requirements.
- Information technology infrastructure requirements.
- Building security provisions.
- Environmental awareness and energy efficiency requirements.

Pairing normal wear and tear and equipment obsolescence with changes in building codes and regulatory requirements has created a critical backlog of repairs and upgrades to warrant a comprehensive upgrade of the Martin Building.

Following is a list that illustrates the magnitude of the Renovation design:

- Renovate and upgrade or replace various systems and infrastructures such as architectural, mechanical, and plumbing.
- Phase construction work, floor by floor so that the building can remain operational during the renovation. All power and HVAC services to the

Eccles/Martin complex must be maintained and provided for during the construction phase of the renovation.

- Provide a work environment that is safe and conducive to the high level of productivity that is necessary for Board staff to accomplish tasks that fulfill the Board's mission.
- Renovate fully the food service facility including maximization of the efficiency of the kitchen and serving area and circulation.
- Enhance the building's existing security system **confidential - security**.
- Create a new comprehensive information and communication cabling design for the Martin Building and build in provisions for future growth.
- Coordinate the Renovation with ongoing design and construction of the VC/CC.

2. Physical Characteristics of the Martin Building

The Martin Building's official name is the William McChesney Martin, Jr., Federal Reserve Board Building. It was designed by H2L2 (Harberson, Hough, Livingston, & Larson) the successor firm to that of Paul Cret which designed the Eccles Building. There is speculation that the Martin building was designed to complement the modernist interpretation of the Beaux-Arts style of the Eccles Building. However, this has never been officially confirmed and may only stand on the relationship of Paul Cret to H2L2.

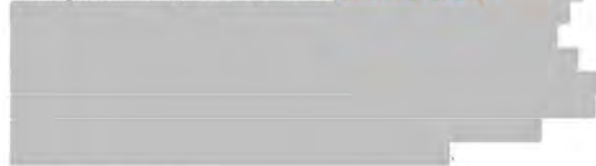
The building was originally designed to be five stories tall with three underground parking levels. The above ground levels were composed of an open podium, four office floors, and a terrace. Construction of the Martin Building began during 1971 and was substantially completed in 1974. Employees moved into the building during April 1974 but the terrace level was not occupied till the following year.

During the building construction, work was halted to redesign the office floors. The original design could not accommodate the number of employees who were expected to move into the new building. Also, major service areas such as the data center and research library could not be placed on the office floors as planned. To solve the problem, official office size standards were created for the building: professional/assistant director office (113 square feet), deputy director (169 square feet), and division director (approximately 280 square feet). The design was also altered to partially convert the second parking garage level into a concourse area that would house the data center and the graphics section.

During the first renovation of the Eccles building (1976-1978), the Board made the decision to enclose the podium level of the Martin building and create additional office spaces. The action was necessary so that all Board employees located at the Watergate office site could move to the Eccles/Martin complex. Before the podium was enclosed, the Board sought and received approvals from the Commission of Fine Arts (CFA) and the National Capital Planning Commission (NCPC).

After the enclosure of the podium level, the Martin building had 713,456 of gross square feet. However, space for garage parking, exterior walls, and major vertical penetrations accounted for 363,026 square feet thus reducing the gross square feet to 350,430 of rentable square feet.

All power and HVAC services to the Eccles/Martin complex must be maintained and provided for during the construction phase of the renovation. **confidential - security**



3. Renovation Criteria

Unless otherwise approved in writing by the Board, the A/E shall perform the Design Services for the Renovation so as to incorporate the criteria set forth in this Section 3 and in the LEED® Certification Plan approved for the Project pursuant to Section C.2.7.e.

3.1. Architectural Criteria

3.1.1. Americans with Disabilities Act (ADA)

Bring the building into compliance with the ADA. This includes, but is not limited to, all office spaces, restrooms, water fountains, signage (fixed office and way-finding), doors and stairs.

3.1.2. Windows and Ceilings

3.1.2.1. Replace existing window systems to increase energy efficiency at all office floors while considering **confidenti** and the possible use of a photovoltaic system.

3.1.2.2. Provide new ceilings consistent with the planned use for the space and allow for easy access to overhead spaces for maintenance purposes. Provide maintenance access panels at all hard ceilings at cable trays, valves, and other applicable areas.

3.1.3. Video/Photography Studio

Design a production video and photography studio for speech recording and photo-shoots to include sound proofing, lighting, and additional mechanical and electrical support.

3.1.4. Roofs

Replace the building's roofs with torch applied thirty year warranted, modified bitumen that is compatible with "solar cells". Develop the design and installation steps for a photo-galvanic solar to an electric energy collection system on the Martin roofs. It should be noted that the terrace promenade has recently been re-roofed. However, the granite pavers need to be leveled with a system that will not shift over time. All remaining roofing on the podium (street level) floor (under pavers) that remains after the addition of the VC/CC is to be replaced with a thirty year system and have the paving stones replaced and re-leveled.

3.1.5. Signage

3.1.5.1. Design emergency egress signage that will include exit signs and photo luminescent stair signage. The signage must meet National Fire Prevention Association (NFPA) standards, Federal Emergency Management Agency (FEMA) 453, ADA standards, and all other applicable codes and regulations.

- 3.1.5.2. Provide specifications and drawings for exterior fixed signage for the building. Coordinate these signage finishes with other signage systems provided by the Board.

3.1.6. Mezzanine Storage Area

The A/E shall convert, to the greatest extent possible, the mezzanine area (between the podium level and first office floor) into a storage space. Provide access to the new space by elevators and as required by applicable codes and regulations. Alter existing walls and provide lighting, floors, or catwalks as needed with sufficient loading capacity. Interconnect as possible these areas with the new mechanical spaces being developed for the VC/CC project. Insure that the new storage area has sufficient fire suppression measures. Coordinate this effort with the "Vertical Transportation Criteria" section of this document.

3.1.7. Way-Finding and Voice Annunciation Systems

- 3.1.7.1. Include an electronic way-finding system for the building which will be integrated with the conference room scheduling system and with all conference rooms throughout the Martin building and the associated conference center. The system will allow for future expansion throughout the Eccles, New York Avenue, and 1850 K Street buildings. The electronic way-finding system shall be on an independent and isolated network from all other established networks at the Board.
- 3.1.7.2. Provide a voice annunciation system throughout the building through the existing Central Command and Control Center (CCCC). This system shall be on an independent and isolated network from all other established networks at the Board.

3.1.8. Other

- 3.1.8.1. Supply an acoustical rating for noise transmission from offices and conference rooms to insure confidentiality of conversations with a minimum Sound Transmission Class (STC) 40 rating for staff offices and a minimum STC 45 rating for officer offices and conference rooms.
- 3.1.8.2. Design suitable lighting and hanging systems and other display systems for the Board's art collection throughout the building's public spaces with particular attention to elevator lobbies and the terrace level (fifth floor).
- 3.1.8.3. Replace rollup doors at the garage entrances at the G-1 ramp and cross over tunnel to the north garage on G-3.
- 3.1.8.4. The A/E will maximize storage areas (furniture, operating supplies, high-density filing systems, etc.) in the design.

3.2. **Mechanical Criteria**

3.2.1. HVAC

Design a new HVAC system and/or component upgrades to increase energy efficiency and allow for better control of the office area environments. The A/E will consider an HVAC system with air handling units on each floor versus a central plant configuration. **confidential - security**

3.2.2. New Equipment

Include the wiring, connections, software, and other materials that are needed to incorporate the new equipment that will be added during the Renovation into the existing building automation system. The A/E shall include the addition of interfaces with the data center systems.

3.2.3. Plumbing

3.2.3.1. Replace the plumbing infrastructure, equipment, and fixtures. This effort will include replacing the domestic hot water system and all soldered joints in drinking water piping that contain lead. The A/E shall consider placing independent hot water heaters on each floor to minimize pipe losses and tankless water heaters for domestic water in restrooms and locker rooms.

3.2.3.2. Plumbing risers shall be placed at a minimum of six (6) strategic locations for the future construction of single restrooms for potential Directors' offices.

3.2.3.3. Design an independent riser for the terrace level to service the food service kitchen area and associated grease traps, disposals, and other areas as necessary.

3.2.4. Energy Management System

The A/E shall work with the Board to select a new Energy Management System (EMS). The EMS shall be capable of both remote monitoring and controlling of the mechanical systems and it will include mechanical system start up and shutdown (with a single button emergency shutdown) and monitoring of the electrical systems. The A/E shall apply the new system to all mechanical and electrical systems both existing and proposed operating in the Martin plant and the building as a whole and including the north and south garages. The system shall be capable of expansion to all Board facilities in the greater Washington DC area. This effort will include the selection of an operating console for the base system and the construction of a new or complete remodel of the existing Engineering Control Room that will be constructed as part of the renovation. The EMS shall be on an independent and isolated network from all other established networks at the Board.

3.2.5. Other

3.2.5.1. The mechanical system will support a maximum of one hundred eighty five (185) offices, conference rooms, and other support areas per floor.

3.2.5.2. Replace all exhaust fans in the north and south garages.

3.2.5.3. Provide for air pressurization management in the fire egresses and elevators if required by applicable codes and/or regulations. Review and coordinate this work with the "Fire Protection Criteria" outlined in this document.

3.2.5.4. The VC/CC project design requirements include **confidential** or **confidential - security**. The A/E will coordinate air intakes and exhaust strategies with the VC/CC project to provide for a complete design of air intakes and exhausts for the Martin building. The new air intakes must conform to the Federal Reserve System's security requirements.

3.2.6. Electrical Criteria

- 3.2.6.1. Electrical Power, Control, and Monitoring Systems (reference the "Eccles Electrical Switchgear Replacement Statement of Work" and the "Martin/Eccles Electrical Switchgear Replacement Study" documents)
- 3.2.6.2. Replace all electrical power systems, including but not limited to, medium and low voltage switchgear, network and low voltage transformers, risers, distribution system panel boards and wiring and emergency and life safety back-up systems. The existing walker duct system at the office floors will be used for power wiring only.
- 3.2.6.3. The design will include new power monitoring systems for the building. The A/E shall note that new power monitoring systems will also be placed in the Eccles building. The design and placement of these systems will be handled under separate contracts. The Board will provide documents for this effort to the A/E and will set up meetings between the A/E and the Eccles design team to ensure full coordination of the two projects. These meetings are included in the scope of this project.
- 3.2.6.4. Replace and rewire light fixtures for power and control systems. The A/E will consider an energy efficient low glare computer friendly lighting system that may utilize motion sensors, daylight sensors, LED office lighting, and a day light collection and distribution system (fiber optic solar lighting with supplemental lighting for evenings and cloudy days).
- 3.2.6.5. Add a **confidential - security** electrical feeder from the utility provider to the Martin building plant to supplement the existing electric feeders and include all the associated work to incorporate the new feeder into the current network.
- 3.2.6.6. **confidential - security**. Elements of the work proposed in the "Martin/Eccles Building Electrical Switchgear Replacement Study" are more closely associated with the Eccles building. This portion of design and construction work will be dealt with in different contracts. Currently, the Eccles portion of this work is in the design phase. The Board will provide documents for this effort to the A/E and will set up meetings between the A/E and the Eccles design team to ensure full coordination of the two projects. These meetings are included in the scope of this project.
- 3.2.6.7. The A/E shall include all switchgear work related to the Martin building (this includes the north and south garages, the connecting tunnels **confidential - security**) as outlined in the "Eccles Electrical Switchgear Replacement Statement of Work" (this document contains all the data from the "Martin/Eccles Building Electrical Switchgear Replacement Study"). If laying out and/or locating the Martin electrical vault during the construction phase will affect the Eccles power system in any fashion, the A/E shall include all the necessary work in the construction documents needed to maintain the Eccles building power system during construction.

3.2.6.8. The existing back-up emergency generators and the Uninterruptable Power Source (UPS) for the data center and other areas shall remain operational during construction and are not anticipated to be replaced during the Martin building renovation. The A/E shall tie the systems into the new electrical systems as necessary to provide back-up power to the Board facility and conditioned power to the data center and other areas.

3.2.7. Other

3.2.7.1. The A/E shall increase the electrical load capacity to the building and office floors by thirty percent (30%)

3.2.7.2. The A/E shall include the use of photovoltaic systems on the roof and/or windows.

3.2.7.3. The A/E shall design a new lightning protection system for the Martin building. It will contain a buried counterpoise that will be tied into the building's grounding system. This system must have a master label and a copy of it must be given to the Board prior to final acceptance of the construction bid package.

3.2.7.4. The A/E shall specify in the design that nothing less than three quarter inch (3/4") conduits shall be used in this project.

3.3. **Security Criteria**

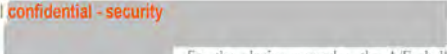
3.3.1. Security System

3.3.1.1. Modify the existing security system **confidential - security**


3.3.1.2. All security system panels will remain intact for this effort. If needed, panels shall be moved.

3.3.1.3. **confidential - security**


3.3.2. Other

3.3.2.1 **confidential - security**

For the glazing upgrades, the A/E shall consider requirements for safety, affects of solar gain on energy, and the use of photovoltaic systems.

3.4. **Food Service Criteria**

3.4.1. Renovate the entire terrace level. This effort will include the kitchen, serving areas, dining areas, and balcony. The "Martin Building Cafeteria Study" will be supplied to the A/E. The intent of this effort is to increase the general employee seating area to accommodate one thousand one hundred (1,100) employees over lunch (assume two seatings), maintain an event dining area (currently dining rooms D, E, and F) and maximize the number of private dining rooms. A private restroom is to be added off the Chairman's private dining room. The views from all the dining rooms to the monument area of the National Mall shall be maximized in the renovation design. The A/E shall refer to the Board's programming documents for further details regarding this effort.

3.5. Audio Visual Criteria

3.5.1. Design all the wiring and cabling, raceway and equipment for audio visual systems. These systems shall be on an independent and isolated network from all other established networks at the Board.

3.5.2. Design an information system for major news/headline information at a central location on each of the four office floors. This system shall be on independent and isolated network from all other established networks at the Board.

3.6. Vertical Transportation Criteria

3.6.1. Existing Elevators

3.6.1.1. Replace the elevator cab system of the existing five (5) elevators.

3.6.1.2. Extend the existing freight elevator's service to the penthouse and mezzanine levels.

3.6.1.3. Either alter the existing express elevator on the west side of the Martin building or provide a separate elevator or lift whichever is the most practical to service the new mechanical spaces and potential storage spaces on the mezzanine. This work shall be coordinated with the VC/CC project.

3.6.1.4. Replace the existing "street" elevator on the northwest corner of the Martin building with a new elevator. It will be designed to make all the stops between the street and the mechanical plant level (a total of four (4) stops). The architect's engineer shall work with owner's staff to design a new street freight elevator in the location of the existing North West street freight elevator running from the street to the plant including stops on all floors [street (outside), 1G, 2G, 3G, and Plant]. The existing elevator does not travel to the 3G and Plant (mechanical) levels. The elevator size and weight capacity shall be large enough to service and/ or replace all mechanical and electrical equipment and support other planned activities located on those levels of the building. The architect shall insure any equipment too large, too heavy or in another location not serviced by the freight elevator can be accessed with an appropriately sized airway leading to the surface that can be reached with a reasonably sized mobile crane. The design shall allow for automated surveillance by the Security Control room. The A/E shall discuss control safe guard options with the Board.

3.6.2. New Elevators

The A/E shall coordinate with the VC/CC project design team to add a food service elevator from the terrace level to the concourse level.

3.7. Fire Protection Criteria

3.7.1. Codes and Regulations

- 3.7.1.1. Upgrade the life safety systems and include any modifications necessary to bring the building's fire walls, doors, hardware, stairs, building egress means and evacuation routes, and signage into compliance with current codes.
- 3.7.1.2. Modify the existing fire protection and suppression system to bring the building into compliance with the NFPA definition of "fully sprinkled."
- 3.7.1.3. Upgrade the fire alarm system and ensure its devices meet applicable codes.
- 3.7.1.4. The A/E shall ensure that mechanical systems incorporate the latest best practices for the control of smoke in the stairwells, elevator shafts, and the building in general.

3.7.2. Fire Detection and Annunciation System

- 3.7.2.1. The A/E shall work with the Board to select a new fire detection and annunciation system to replace the existing system in the Martin building and the north and south garages. The A/E shall include the selected system in the design and will include all devices required for its successful operation. The system must interface with all peripheral systems such as the **confidential - security**, kitchen fire suppression systems, and sprinkler systems. **confidential - security**

3.7.2.2. confidential - security

- 3.7.2.3. Kitchen systems shall be replaced as needed in the remodeling and reconfiguration of the kitchens and pantries. The A/E will modify the sprinklers as needed to conform to the reconfiguration of the building.

3.7.3. Other

- 3.7.3.1. Provide for the installation/repair of spray-on fireproofing for structural steel. All required or suggested fire stopping is to be replaced or installed new.
- 3.7.3.2. All fire dampers are to be replaced and shall include inspection access.

3.8. Information Technology Criteria

3.8.1. Local Area Network (LAN) Closets, Data Center, and Riser System

- 3.8.1.1. Provide larger spaces for the data center and the LAN closets which are located on the G-2 level and each Martin building floor.

respectively. The larger spaces are needed for the new cabling and equipment and for future expansion.

- 3.8.1.2. Increase the LAN closet size to a minimum of **confidential - security** with room for adequate power and cooling. The power for communications and data equipment shall be provided from the existing UPS. The A/E shall extend and/or provide for additional UPS circuits as needed. An independent cool air conditioning source shall be supplied so that other building air conditioning cooling systems can be shut down during off hours. The A/E will include **confidential** LAN closets per floor (the current configuration) but the closets can be placed in different areas on each floor. To accommodate LAN closet changes, the A/E shall design a new riser system. This design will also include requirements for running new riser fiber to each LAN closet and terminating it in the Main Distribution Frame (MDF).
- 3.8.1.3. The A/E shall research whether there is sufficient trunk cabling slack available to allow for movement of equipment to new rooms. It is preferred that the A/E use the existing fiber risers to the closets. If this cannot be done, then replacement trunk cabling will be required and should be part of this design (this is not desired).

3.8.2. New Overall Cabling Design of the Martin Building

- 3.8.2.1. Produce an overhead cabling design with a drop ceiling and modular walls (or drywall walls) with a cable tray. A drop ceiling allows flexibility for overhead cabling and expansion for the future. The existing two (2) cable risers shall be left in place and it is the intent to remove existing communications cabling from the current in floor (walker duct) system and install new cabling in an overhead cable tray system to the new wall system. The design shall allow for up to twenty percent (20%) more cabling and equipment to be added at a future date and shall provide space loading in trays and conduits to allow for this additional cabling.
- 3.8.2.2. The design shall have one (1) fiber cable, two (2) pair (four (4) strand) and four (4) copper cables (Cat 6A) go to each work station. Also, the design will allow for easy expansion of the number of copper/fiber cables in each office. This growth amount shall be either an overall twenty percent (20%) growth figure or one hundred eighty (180) workstations and support equipment (faxes, printers, conference rooms, etc.) whichever is greater.
- 3.8.2.3. Provide for the capability of WiFi extensions throughout the building.
- 3.8.2.4. **confidential - security**

3.8.3. Upgrade Cabling Backbone

- 3.8.3.1. Upgrade to Cat 6a to allow ten (10) gigabit Ethernet to the desktop.
- 3.8.3.2. The design may require a single-mode fiber cable pull or a laser enhanced fifty (50) um multimode fiber from the MDF to each riser closet. The fiber does not have to be a high count fiber (twelve (12)

strands). The current sixty two and a half (62.5) um multimode fiber does not exceed seven hundred twenty (720) feet which complies with the 10GB standard, no additional fiber will need to be installed.

3.8.3.3. The existing security systems utilize data cabling systems and will need to be disconnected and reconnected as needed to execute the cabling aspect of this project. If required, provide new cabling to reconnect security systems.

3.8.3.4. Provide for grounding new systems including an isolated grounding bar in each closet and grounding of the cable tray and conduit system.

3.8.4. In-house Cellular and Data Antenna Solution

The A/E shall include an in-house antenna solution in the design. It should provide complete cellular and data coverage on all floors, both above and below ground, of the Martin building for DCMA (iXRTT, EVDO), GSM (EDGE, GPRS, 3G, HSDPA) and iDEN.

3.8.5. Meetings and Minimum Requirements

3.8.5.1. The A/E will meet with the Information Technology (IT) management staff as needed to insure the scope of the IT component of the Martin renovation project is understood.

3.8.5.2. All design shall conform at a minimum to the Telecommunications Industry Association (TIA) Electronic Industries Alliance (EIA)-568-B.2-10 and International Organization for Standardization (ISO)-TR24750. The final scope of work shall mandate installing contractor testing standard to comply with TIA/EIA 568-B.2-1 and ISO 11801.

3.9. Interiors Criteria

3.9.1. Floor Plans

The A/E shall design to the Board provided program which will include offices, conference rooms, public areas, storage rooms, retail and amenities, all dining areas, and all support areas. The A/E shall design three (3) options for a typical office floor to include: a private office environment, an open office environment, and a combination of a private/open office environment. After reviewing these three (3) options, the Board will decide on the design direction for the remaining office floors.

3.9.2. Modular Wall Systems

3.9.2.1. The A/E shall provide consultation services to Board staff to review demountable wall systems with regard to durability; ease of installation and reconfiguration; pre-cabling for electrical and voice; sound transmission; compatibility with various furniture systems; and cost effectiveness. At a minimum, the A/E will meet with Board staff, visit sites with demountable walls as necessary, and coordinate all finishes.

3.9.2.2. The Board will select a preferred modular wall system design no later than the end of the 30% Submission stage. The A/E shall design and layout the modular wall system and incorporate data, telecommunications, HVAC, lighting, and electric power cabling.

3.9.3. Finishes

The A/E will provide all interior design, detailing and interdisciplinary coordination of finishes for all offices, conference rooms, public areas, storage rooms, retail and employee service areas.

kitchen and dining areas, and support areas. The A/E will work with the Board to coordinate finishes and other required items with furniture selected by the Board.

3.9.4. Furniture

3.9.4.1. The A/E will provide interior design consulting services to the Board regarding furniture systems. The A/E shall hold a maximum, not to exceed without prior approval, of ten (10) meetings with Board staff. The Board will be responsible for full furniture specifications, procurement, and installation in all areas of the Martin building.

3.9.4.2. The A/E will develop, in consultation with the Board, a furniture plan for each area to assist in the placement of voice, data, and electrical outlets, and other related items.

3.10 **Additions/Changes to the Scope based on an unphased renovation** (all references to a phased renovation are superceded by this Section 3.10)

3.10.1 The Martin building will have the office floors (1 through 4 and Terrace) completely vacated during the entire course of the renovation. Utility services for these floors can be turned off and systems can be demolished together. The work can proceed on all floors and throughout the building and grounds at one time. **confidential - security**

[Redacted]

We will require some space for staging the Eccles maintenance operations in the Martin building and could be re-located within the building as needed for construction. All utilities will still need to be provided to the Eccles building from the Martin building including chilled water and a limited food service activity while the Martin building is being rebuilt. The architectural, mechanical, and electrical design should be optimized to take advantage of de-populating the building as opposed to phasing the occupancy of the floors.

3.10.2 Under the scenario described in 3.10.1 above, the Board desires two stairwells to be located at opposing corners of the building to facilitate a safe egress that meets codes and good practice. Landings are to be provided on every occupied floor between the Podium and the Terrace (including the interstitial space between the Podium and 1st floor), if appropriate. The Board also desires one staircase to remain near the core with landings on every floor of the building from the Mechanical room (lowest level) through the Penthouse [eleven (11) landings] including the interstitial space, if appropriate. Other stairs may be removed as appropriate, the total number of stairs and egresses and their capacity are to comply with all appropriate Government and Washington DC laws, codes, and regulations and good practice.

3.10.3 The Board wants to increase the number of passenger elevators that circulate between the concourse (2G) level and the Terrace. In addition,

there should be an elevator traffic study executed as part of the programming phase that reviews the potential maximum occupancy in the building for office space and the current codes and regulations. The study shall include recommendations on the total number of elevators and the landings the elevators should make. The design proposal shall include design fees to install three new passenger elevators (in addition to the new elevators and other elevator work in the existing scopes of work), removal of passenger elevator number 4 (if appropriate as determined by the study). This will provide a total of six (6) passenger elevators with landings between the Concourse (2G) and Terrace with a landing on every floor (landing on eight (8) floors). Pending the anticipated floor plate of 3G, the anticipated location of the proposed new elevators, the new elevators should also land on the 3G level.

- 3.10.4 The Contractor shall make recommendations as to what other building changes may be appropriate if the building is de-populated.
- 3.10.5 The Board desires the floor plan for the Podium Conference Center to take advantage of above changes and efficiencies in the layout/flow of the Conference Center and Visitors Screening areas.

3.11 Fall Protection

3.11.1 Program Review & Verification Report

1) Assessments

- a. The purpose of the assessments is to identify existing conditions, including the identification of existing fall hazards that may or may not have corresponding existing fall protection systems in place.
- b. Identification of fall hazards in the following areas:
 - i. Roofs
 - ii. Penthouses
 - iii. Equipment hoistway
 - iv. Elevators
 - v. Exterior terrace
 - vi. Central plant/mechanical rooms
 - vii. Façade maintenance
- c. Evaluation of existing fall protection systems
 - i. Appropriateness of fall protection method
 - ii. Load testing of existing anchors

2) Abatement design recommendations

- a. The purpose of the abatement design task is to identify and develop methods by which the identified fall hazards can be mitigated. Various options should be considered, following OSHA's Hierarchy of Control process, which provides

instruction on evaluating options based on their effectiveness from a safety perspective.

- b. Pre-design phase
 - i. Involve FRB skilled trades to ensure that proposed fall protection systems meet the needs of the personnel performing the tasks
 - ii. Investigate re-use of existing systems, and/or incorporate parts of existing systems into new abatement methods where practical
 - iii. Incorporate fall protection into planning of new mechanical systems so as to minimize the need for future fall protection installation

3.11.2 Design Development through Construction Documents

1) Abatement Design

- a. Develop construction documents for proposed fall protection and/or modification of existing systems based on Board approved recommendations in the Program Review & Verification Report.
- b. Specify appropriate fall protection equipment using performance requirements that minimize the need to sole source to a specific fall protection equipment manufacturer.

2) Commissioning of fall protection systems

- a. The commissioning process is integrated throughout the design and is intended to improve the likelihood that the final installed fall protection systems meet both the needs of the personnel exposed to the fall hazards and also perform as they are intended. The commissioning process also provides a structure to organize the documentation that OSHA and ANSI require for a certified fall protection system.
- b. Certification record containing the following elements (or documents referencing the location of the particular element)
 - i. Certification Documents in accordance with ANSI Z359.2-2007
 - ii. Design Documentation
 - iii. Construction Documentation
 - iv. Operational Documentation
 - v. Training Documentation

Appendix 2

STATEMENT OF WORK

C.1 INTRODUCTION

The Board of Governors of the Federal Reserve System (Board) located at 20th and C Streets NW, Washington, DC 20551, would like to retain the professional services of an Architectural/Engineering firm (A/E) in order to provide full design services, as indicated in C.2 (SCOPE OF SERVICES) below. The intention of this acquisition is to secure the design services and construction documents that lead to the successful construction of a new Visitor Center, as per the Board's program, schedule, and budget. Registered/licensed architects and engineers must provide the services detailed in this Solicitation.

The new Visitor Center will become the official entrance for both the Eccles and Martin buildings. One of the objectives for building a Visitor Center is to expand the visitor holding and screening area(s) to better implement new security measures ~~confidential - security~~. The new Visitor Center must also accommodate the public, who may enter to pick up requested public documents and leave without passing through security screening. The visitor holding area(s) might be used as an exhibition area for the function, history, and goals of the Federal Reserve System.

The design will maintain the architectural character of the existing buildings and the surroundings. The design is to include state of the art technology for the mechanical, electrical, security, and information technology systems required for the center.

C.2 SCOPE OF SERVICES

The selected A/E firm will provide the following services at no additional cost to that set forth in its cost/price proposal:

C.2.1 Project Administration

- a. The A/E shall manage the architectural and engineering services as they specifically relate to the project for the A/E and all its subcontractors and consultants. The A/E shall consult with the Board, research applicable design criteria, attend project meetings, and issue progress reports at intervals designated by the Contracting Officer's Technical Representative (COTR).
- b. The A/E shall prepare a project schedule that identifies milestones for design services, Board review periods, completion of documentation, commencement of construction, and substantial completion of the work. The A/E's schedule should reflect the desired dates as follows: completed schematic design documents no later than May 5, 2006, completed design development documents no later than July 28, 2006, and completed construction documents no later than December 15, 2006.

- c. The A/E shall consider the value of alternate materials, building systems and equipment, together with other considerations based on program, budget and aesthetics in developing the design for the project.
- d. The A/E will make presentations to the Board to explain the design.
- e. The A/E will submit preliminary design documents for evaluation and approval by the Board.
- f. The A/E will assist the Board with filing documents to obtain the necessary approvals or permits from government authorities that have jurisdiction over the project, utility companies, or any other entity the Board deems necessary to proceed with the project. The A/E will be responsible for compliance with National Capital Planning Commission (NCP) and Commission of Fine Arts (CFA) requirements in order to obtain these authority's approvals. This assistance shall include, at a minimum, attending meetings, preparing presentation documents, and conducting and participating in presentations.

C.2.2 Construction Cost Estimate

- a. The A/E shall prepare a preliminary construction cost estimate when the project requirements have been sufficiently identified. This estimate may be based on current area, volume, or similar conceptual estimating techniques. As the design progresses, the A/E shall update the construction cost estimate by providing more detailed cost information. The estimate shall be broken down into divisions in accordance with the Construction Specification Institute (CSI), and it will include quantities and unit prices for each line item. The estimate shall be updated, at a minimum, with the Design Development (DD) progress submittal at 35 percent, 50 percent, and 100 percent completion of DD documents. The final cost estimate should be prepared at the completion of the construction documents (CD).
- b. The A/E is permitted to 1) include in its construction cost estimate contingencies for design, bidding, and price escalation (the design contingency shall only pertain to design changes and adjustments requested by the Board, not errors and omissions on the part of the A/E); 2) determine what materials, equipment, component systems, and types of construction are to be included in the CDs; and 3) include in the CDs alternate bids as may be necessary to adjust the cost estimate to meet the Board's budget.
- c. When the Board solicits proposals from prospective general contractors (GCs) and the lowest responsive and responsible offer for the construction exceeds the A/E's cost estimate, the Board may:

1. rebid or renegotiate the project within a reasonable time with the GC, or
 2. cooperate with the A/E to reduce the scope of work as necessary to reduce the cost estimate.
- d. If the Board decides to proceed with the option described in c.1., above, the A/E will assist the Board with the rebid or renegotiation consistent with its responsibilities under this Section C.

If the Board decides to proceed with the option described in c.2., above, the A/E shall modify the CDs per the Board's instructions to comply with the construction cost estimate.

For either of the options c.1. or c.2., there shall be no additional cost to the Board for the A/E's assistance or its modification of the CDs.

C.2.3 Evaluation and Planning Services

The A/E shall provide a preliminary evaluation of the following information to determine if the information is consistent with the project requirements:

1. Project objective
2. Project budget
3. Schedule requirements
4. Project site

C.2.4 Design Services

- a. The design services shall include schematic design documents, DD documents, and CDs. The fees for these design services shall include structural, mechanical, and electrical engineering services and the services of all additional consultants needed to complete the scope of work. The services and fees shall include, but not be limited to, security consultants with experience in **confidential - security**.
[REDACTED]
- b. The A/E will perform or have performed the required investigation of existing conditions, including destructive investigation, in order to assure that the construction document will be inclusive of existing conditions.
- c. The Board requires study models, perspective sketches, and electronic modeling. The A/E shall include these services in the base bid.
- d. The design services will include answering formal and informal questions regarding design whether referred to as "Requests for Information" (RFI) or not. The Board may require answers in writing, by drawing, or other method, and the A/E shall provide such answers without additional cost to the Board. In addition, the A/E shall provide corrections to drawings and specifications that arise from these questions at no additional cost to the Board.
- e. During the DD phase, the A/E is required to submit DD documents evidencing its progress. Specifically, the A/E shall provide for the Board's review and approval the DD documents at 35 percent, 50 percent, and 100 percent completion. The submittals will include the project specifications. Submittals shall be in both paper and electronic format.
- f. During the CD phase, the A/E is required to submit CD documents evidencing its progress. Specifically, the A/E shall provide for the Board's review and approval the CD documents at 50%, 90% and 100% completion. The submittals will include the project specifications. Submittals shall be in both paper and electronic format.
- g. The construction of the new Visitor Center will take place while the buildings are occupied. The design scope will include phasing and coordination considerations required in order to maintain the Board's operations with minimal, if any, disruption. This information must be reflected on the drawings so it can be communicated with the prospective GC bidders.

- h. The A/E will assist the Board with the development of a prospective bidders list for the construction work.
- i. The A/E will provide the Board with ten copies of the CDs for distribution to the prospective GCs.
- j. Upon request of the Board, the A/E will participate in any pre-proposal conferences related to the Visitor Center construction project. During the conferences, the A/E will take detailed notes and will work with the COTR to issue an amendment to the GC solicitation documents if necessary.
- k. The A/E will work with the COTR to answer questions from prospective GCs that will be issued as an amendment to the solicitation.
- l. Upon receipt of proposals from the prospective GCs, the A/E shall, if the Board requests, assist in the validation and evaluation of responsive proposals and/or participate in selection interviews with prospective GCs.

C.2.5 Optional Services: Construction Contract Administration Services (CCA)
The services in this section C.2.5 shall be priced separately as an option that the Board may exercise at any time after the Board awards a contract for the construction of the Visitor Center facility. If the Board exercises this option, the A/E shall perform CCA services as required in this section C.2.5.

- a. The A/E shall provide administration services to support the contract between the Board and the GC as set forth in this paragraph C.2.5.
- b. The A/E shall review and respond to RFIs submitted by the Board, regardless of whether the RFIs are prepared by the Board or the GC. The A/E shall respond to these RFIs in a manner appropriate to provide clarification including the preparation of supplemental drawings and specifications if necessary. As with the other requirements under Section C.2 of this Contract, there shall be no additional charge for such supplemental drawings and specifications.
- c. If the COTR so requests, the A/E shall assist the COTR in helping make decisions on claims, disputes, or other matters in question between the Board and the GC.
- d. The A/E shall visit the construction site at intervals appropriate to the stage of the GC's work, or as otherwise agreed to by the COTR and the A/E. These intervals shall be frequent enough so the A/E can 1) keep the COTR informed of the progress and quality of the work completed, 2) help protect the Board against defects and deficiencies in the work, and 3) determine if the GC is performing the work in accordance with the CDs.

- e. The A/E shall inform the COTR of any known deviations from the CDs and from the most recent construction schedule submitted by the GC.
- f. The A/E may recommend to the COTR to reject any work performed by the GC that does not conform to the CDs.
- g. The A/E shall review the GC's invoices for the COTR's approval. The A/E's review is to verify that the amounts billed correspond to the work completed.
- h. The A/E shall review and approve or take other appropriate action on the GC's submittals such as Shop Drawings and Product Data Samples, to ensure they conform to the CDs. The A/E will review the GC submittals within fifteen calendar days of receiving them.
- i. The A/E shall maintain a submittals log and copies of all the GC's submittals.
- j. The A/E shall review requests from the COTR and the GC for changes in any of the work related to the design or construction of the project.
- k. The A/E shall assist the COTR in preparing change orders and construction change directives. If necessary, the A/E shall prepare, reproduce and distribute drawings and specifications to describe the work to be added, deleted or modified.
- l. The A/E and the COTR shall examine the GC's work to determine conformance of the work with the requirements of the CDs and to develop a punch list of items for the GC to complete or correct.

C.3 PROJECT PARAMETERS

The project usage and goals are listed below:

C.3.1 Entrance Requirements:

- A single main entrance to the complex that is appropriate to the Board's function and mission.
- An entrance that is designed as a secure structure built with **confidential - security**
- The Visitor Center's preferred location is the **confidential - security**. While a diagrammatic concept drawing will be provided, it is not meant to be a limiting factor nor a requirement. Actual design may vary depending on the selected A/E firm's study and approach.

C.3.2 Visitors Requirements

- A visitors' entrance that is separate from the employees' entrance.
- A pre-screening holding area for **confidential - security** visitors provided with restroom facilities for visitors waiting for their escorts.
- The holding area(s) for visitors may be used as an exhibition area for the Board.
- A limited number of lockers, for travel luggage, to be located in the post-screening visitor holding area. These lockers will be accessible to visitors, for collecting their luggage, as they exit the building without going back into either of the holding areas.

C.3.3 Employees Requirements

- An "Employees Entrance" with separate circulation from the visitors.
- Employees will use their badges in order to pass through secure revolving doors as per Board standards.

C.3.4 Security Requirements

- A security screening process more efficient than the Board's present practice, for both visitors and employees of the complex that integrates security requirements into the architectural design. **confidential - security**
- **confidential - security**

entry. The structural design will follow the guidelines in the above-mentioned reference. (See "Additional Considerations" below).

- Interior **confidential - security** [REDACTED]
confidential - security [REDACTED] in accordance with the Federal Reserve System Facility & Security Guideline, Volume II – June 2002.
- The design must provide the ability to **confidential - security** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- A "Security Badge Return Area" as visitors exit the building.

C.3.5 Additional Requirements

- A "Courier Packages Receiving and Screening" area that is accessible to couriers from outside the center. The usage of canine service will be coordinated with security.
- A fire control station that is accessible from/at the facility entrance. Security officers must have access to this station.
- Vertical transportation in the Visitor Center from 1) the street level entrance to the podium level and 2) from the street level to the concourse level. The current entrance to the Eccles building from C Street will be removed.
- **confidential - security** [REDACTED]
- Relocate the current "Publications Circulation Area" to the new Visitor Center. This area will facilitate access to official releases and other publicly available information.
- The scope of work shall include the renovation of the Martin Building elevator lobby at the podium level (about 1700 sq. ft.), the elevator lobby at the concourse level, including the tunnel (about 5870 sq. ft.), and the area on garage level 1-G that is expected to be used for vertical transportation (about 1760 sq. ft.). The renovation is to be integrated with the interior design of the Visitor Center. It will address the relevant code issues that may be corrected in conjunction with the scope of work (See URS Study dated June 4, 2004 for the renovation of Martin Building).
- The A/E will provide a pedestrian traffic plan (ingress/egress) to and from the Martin building podium during the construction of the Visitor Center.

C.3.6 Building Design Requirements

- The Visitor Center must be accessible and in compliance with ADA guidelines and applicable codes.
- It is the Board's goal to achieve a sustainable design, with the highest possible Leadership, Energy, and Environmental Design (LEED) designation.
- At least one secondary means of egress to the exterior side of the building should be provided for emergency evacuation of the Visitor Center. The study of the egress

patterns from the podium level, before and after the construction of the Visitor Center, must be included.

- Floor finishes and wall coverings should be used to attenuate background noise.
- The Visitor Center should have a redundant source of primary electric service, such as a secondary primary feeder, to provide continuous dependable service to the Visitor Center. Power should be backed-up and UPS supported for emergency conditions.
- Piping (with the exception of fire-protection sprinkler piping and in accordance with the codes) should not run above sensitive equipment in the ceiling space of the Visitor Center. Vertical pipe risers must be fully enclosed by shaft construction with appropriate maintenance access panels.
- Lighting should be designed to minimize glare on the face of CCTV monitors and other security equipment.
- The design will include the installation of pathway and conduits for all cabling required for the project. Cable conduits, trays, consoles, and racks should be consistent with TIA/EIA Standard 568B. Pathway should be provided end-to-end from the gang box to Intermediate Distribution Frames (IDFs). The Board's Information Technology (IT) Division will be responsible for the installation of all data, voice, and fiber optic cabling.
- The design of IT systems (for example, telephone system, closed circuit surveillance, cabling type and installation requirements, space, mechanical and electrical requirements for IT equipment closets, and so on.) is to be coordinated with the Board's IT division.
- A secondary air conditioning unit should be installed to provide cooling in the event of failure of the primary air conditioning unit. CBR filters are to be used for the heating, ventilation, and air condition (HVAC) system of the Visitor Center.
- The Visitor Center should be equipped with a mechanical control system for HVAC

confidential - security



EXHIBIT A
Modifications to Contract 250548 with
Karn Charubas Chapman & Twohey, PC

I. Section C.1, "INTRODUCTION," is modified to insert the following paragraphs after the final paragraph of this Section:

Contemporaneously with the design and construction of the Visitors Center and Conference Center (the "VC/CC"), the Board intends to undertake a comprehensive renovation of all remaining areas and components of the Martin Building (the "Renovation"). A description of the Board's requirements, criteria and expectations for the Renovation (the "Program") are set forth in Appendix 1, "Renovation Program and Parameters," attached hereto, and incorporated herein by reference ("Appendix 1"). Hereinafter references to the "Project" shall refer collectively to the VC/CC and the Renovation.

The A/E is expected to complete the remaining Design Services for the VC/CC and the Design Services for the Renovation within 475 working days of the execution of this Modification No. 17 (the "Contract Time"). The Contract Time includes review and approval periods by the Board, Governing Authorities and Commissioning Authority (identified below).

The Board anticipates awarding the construction of both the Renovation and the VC/CC as one project to one firm. The Board expects construction of the Project to be substantially completed within twenty-four (24) months of its commencement. The

~~confidential - security~~

(The Eccles building does have its own air handler units). The A/E will need to account for this circumstance in the design, phasing, and construction of the Renovation and in the commissioning and balancing of the Martin Building systems.

The Board intends for the A/E to register the Project with the United States Green Building Council ("USGBC") for certification under the Leadership in Energy and Environmental Design ("LEED®") program. While the architect and its sub-consultants will make all reasonable efforts to achieve a 'silver' level rating from the USGBC under the LEED®2009 for New Construction and Major Renovations Rating System (LEED®2009 NC) for new construction, the architect cannot guarantee that at least a silver level rating will be achieved.

The Board believes that the design and construction of the Project will benefit from utilizing the USGBC's two phase review process and obtaining the USGBC's review of the targeted LEED®2009 NC design phase credits upon completion of the Construction Documents; accordingly, the Board expects the Contract Time to include time for this review.

The Board expects the Project to satisfy the requirements for LEED®2009 NC 's Energy & Atmosphere Credit No. 3 ("EAc3") for Enhanced Commissioning. Accordingly, the Board intends to engage a Commissioning Authority ("CxA) to perform the services required by EAc3. The CxA also will be engaged to perform a peer review of the Design Documents at three stages in their development and to perform, on the Board's behalf, the tests and inspections of the Work required by the Construction Documents and by Applicable Laws. The A/E is expected to work closely, and in a collaborative manner, with the CxA.

The A/E is expected to provide a design solution that is suitable for employees of the central bank of the United States but is also fiscally responsible. The A/E shall perform the Design Services so that the Construction Cost of the Project shall not exceed the Board's most recently approved Stated Cost Limitation. The Board's initial Stated Cost Limitation shall be established in accordance with Section C.2.2.d, below.

In addition to the CxA, the Board intends to retain a Construction Administrator ("Construction Administrator") to provide the Board with comprehensive construction management services in connection with the design, estimating, scheduling, permitting, procurement, construction, commissioning and certification of the Project under LEED®2009 NC. A summary of the Construction Administrator's role and responsibilities is included in Section J.5 of this Contract. The A/E is expected to work closely, and in a collaborative manner, with the Construction Administrator.

II. Section C.2, "SCOPE OF SERVICES," is deleted in its entirety and replaced with the following:

a. The A/E will provide the services described in this Section C.2, as amended, and in Appendix I, and all other usual and customary professional services incidental to performance of the described services (hereinafter referred to collectively as "Basic Services"). Except as specifically set forth below, the A/E agrees that the Basic Services are intended to include all professional services, materials, tools, equipment and labor (skilled and unskilled) including management, supervision and support staff necessary to completely design the Project and prepare the Design Documents that are necessary to fully indicate the requirements for construction of the Project, whether or not those services are individually expressed in this Contract, the only exceptions to this being (1) the cost of those services that are provided by third parties and that are expressly designated in this Contract as being the "Board's responsibility" or are "Board-provided;" (2) the cost of those additional engineering or consulting services that become necessary as result of a Change in Project scope affecting the A/E and that are the subject of a written agreement between the Board and the A/E in accordance with Section M.15 (referred to as "Additional Services"); and (3) services or certifications by a design professional other than the A/E or an A/E Consultant in connection with submittals related to systems, materials or equipment that are specifically required to be supplied by the Construction Contractor under the Construction Documents where the A/E has specified the applicable performance and design criteria.

b. The A/E's compensation for performance of the Basic Services is set forth in Appendix 2, "Amended Pricing Schedule," attached hereto, and incorporated herein by reference ("Appendix 2").

c. In the event of inconsistencies within or between parts of the Contract, as amended, or between the Contract and Applicable Law and/or Applicable Codes and Standards, the A/E shall: (i) provide the better quality or greater quantity of Service; or (ii) comply with the more stringent requirement, either or both.

a. Section C.2.1, "Project Administration," is deleted in its entirety and replaced with the following:

C.2.1 Project Administration

a. The A/E shall manage the design, architectural and engineering services relating to the Project for the A/E and all its subcontractors and consultants including, but not limited to, the design consultants identified in Section C.2.4.a (hereinafter referred to collectively as "A/E Consultants"). The A/E shall be responsible to the Board for the acts and omissions of the employees and agents of the A/E and A/E Consultants and those for whom they are legally responsible. All contracts between the A/E and any A/E Consultant shall be in writing and shall specifically provide that the Board is an intended third-party beneficiary of such contract, and shall require that the contract may not be assigned by the A/E Consultant, but shall permit the assignment of the contract by the A/E to the Board or to a third party designated by the Board.

b. The A/E shall function as the Project Team Leader with respect to the design of the Project. The A/E shall coordinate the Design Services provided by the A/E and the A/E's Consultants in connection with the VC/CC with the services provided by the A/E and the A/E's Consultants in connection with the Renovation. The A/E also shall coordinate the Design Services provided by the A/E and the A/E's Consultants with the information provided by the Board and, if approved by the Board, with the services and information provided by the Construction Administrator, the CxA and any other contractor or consultant engaged by the Board in connection with the Project (collectively "Board consultants").

c. Except to the extent certain design duties have been delegated by performance specifications to the general contractor or its subcontractors, the A/E shall be solely responsible for the professional quality, technical accuracy and the coordination of all designs, drawings, specifications, calculations, data, reports or other Design Services to be provided by the A/E and A/E Consultants and shall, without any additional compensation, correct or revise any errors or deficiencies promptly upon notice or discovery thereof, provided that the A/E's obligation to correct or revise errors, deficiencies or omissions in the Design Services is in addition to and not in lieu of the A/E's liability to the Board for losses, costs, expenses or damages sustained by the Board as a result of such errors, deficiencies or omissions.

d. The A/E shall consult with the Board, the Contracting Official ("CO"), the Contracting Official's Technical Representative ("COTR"), CxA and Construction Administrator, research applicable design criteria, and make recommendations concerning cost controls, scheduling, levels of effort, and maintaining the approved completion time allocated for submissions. The A/E shall advise the COTR and Construction Administrator immediately if the A/E becomes aware of any error, omission or inconsistency in the services or information provided by the Board or a Board consultant, in the Project requirements, working criteria, Design Documents or of any problems that are outside of the A/E's responsibilities as specified in this Contract. The A/E shall suggest resolutions for such problems and provide follow-up as required by the COTR.

e. The A/E shall consider the value of alternate materials, building systems and equipment, together with other considerations based on the Board's program, Stated Cost Limitation and aesthetics in developing the design for the Project.

f. The A/E will make presentations to the Board to explain the design. The A/E will be required to make no more than five presentations as part of its basic services under this Agreement. Any additional presentations will constitute an additional service and the A/E shall be compensated on an hourly rate for those additional services. The A/E shall hold conferences and discussions with Board representatives and take discretionary actions as necessary or as required by the COTR to obtain the data needed for performance of the Services. The A/E acknowledges that Board staff, including members of the Design & Construction, Space Planning, and Mechanical departments, will be intimately involved in the Project and have reasonable access to A/E staff and work product.

g. The A/E will submit Design Documents for evaluation and approval by the Board. The A/E shall be entitled to rely upon approvals received in writing from the Board provided that the A/E has fully disclosed the information necessary for the Board to make an informed decision as to the subject matter of its approvals. The A/E shall incorporate suggestions by the Board and, when approved by the Board, the CO, COTR, CxA or Construction Administrator where possible, whether or not they are referenced in the written approval of the design documents. When, in the professional judgment of the A/E, incorporation is not possible or not advisable, the A/E shall provide the specific basis of that opinion in writing. In the event a Design Deliverable is not approved by the Board, the A/E will not be relieved from meeting the Design Schedule and will be required to develop, and present to the Board, a mitigation and recovery plan showing clearly how the remaining milestone date(s) will be met. No change or substitution from Design Documents approved by the Board shall be undertaken without the prior approval of the Board.

h. The A/E will assist the Board with filing documents to obtain the necessary approvals or permits from Governing Authorities, utility companies, or any other entity the Board deems necessary to proceed with the Project including, but not limited to, the National Capital Planning Commission (NCPC) and Commission of Fine Arts (CFA). This

assistance shall include, at a minimum, attending meetings, preparing presentation documents, and conducting and participating in presentations. In designing the Project, the A/E shall respond to applicable design requirements imposed by such Governing Authorities and by such entities providing utility services after consultation with and approval by the Board. Changes that are required to be made to the Design Documents as a result of the review by Governing Authorities or utilities shall be incorporated by the A/E and the A/E's Consultants without an increase in the A/E's compensation unless such changes are required after a prior approval of such design by a Governing Authority or utility and provided such changes are not due in whole or in part to the negligence of the A/E or A/E's Consultants or their failure to conform with the requirements of this Contract. The A/E will provide no more than 400 hours of services under this section of the contract as part of its basic services. Any A/E services rendered above the 400 hours of basic services will constitute an additional service and will be subject to additional compensation to the A/E on an hourly basis.

i. All Design Services and Design Documents provided by A/E and A/E's Consultants shall conform to the Board's Program for the VC/CC, the Renovation and the Project and the most current versions of Applicable Law governing the Project and the Work. The A/E agrees and acknowledges that this duty is non-delegable, and the A/E, by signing or providing Design Documents, or preparing or assisting in preparing Design Documents to submit for purposes of building permits, shall be deemed to certify that it has taken every measure customarily taken by architects and engineers applying the prevailing standard of care in like circumstances to ascertain the codes that are applicable to the Project. The A/E shall notify the COTR of any apparent conflict between applicable codes or regulations and shall make a recommendation for resolving the conflict.

j. If the A/E encounters any materials suspected to contain asbestos, lead, or other hazardous material, the A/E shall stop work in the area and immediately notify the COTR. The COTR will have such materials sampled and tested. If the materials are determined to be hazardous, the Board will have them removed, encapsulated, or otherwise appropriately dealt with. The A/E shall not resume work in the affected area until written notice from the COTR. KCCT shall not be liable for the detection, investigation and removal of hazardous materials from the project or the project site. KCCT's plans and specifications do not include any information about the presence of hazardous materials which may be present on this project.

k. The A/E shall plan and schedule all work so as to not disrupt any Board services, including, but not limited to, utility, fire alarm and life safety, and security services during the Board's normal working hours. When a service outage is required, the A/E shall notify the COTR and request the outage, in writing, at least five (5) working days in advance. Should the A/E trigger an alarm system, render it inoperative, or degrade its performance, the A/E's personnel shall immediately report such occurrence to the Board's Security Control either by notifying a uniformed officer of that department personally or via telephone at (202) 452-3221. Under no circumstances shall the A/E attempt to repair any damage to these systems.

1. Design Schedule

1. The A/E shall prepare, for the CO's review and approval, a schedule that shall include milestones for the completion of the Design Services and Design Documents to be provided by the A/E and A/E's Consultants during the Schematic Design, Design Development and Construction Document phases for the Project and the anticipated dates for the commencement of the Construction Phase and for Substantial Completion of the Project (the "Design Schedule"). The Design Schedule shall include allowances for periods of time required for review by the COTR, the CxA and Construction Administrator, for review and approval by Governing Authorities, and for review and approval by the USGBC of the Design Phase Credits targeted in the LEED® Certification Plan. Unless otherwise agreed, the Design Schedule shall include, but not be limited to, the Design Deliverables and Milestones set forth below:

PROJECT DESIGN PHASE	DESIGN DELIVERABLE	A/E MILESTONE	BOARD REVIEW PERIOD
Schematic Design Phase	Pre-design kickoff meeting	10 working days from Award	
	Draft Program Review & Verification Report (Section C.2.4.e)	60 working days from Pre-design kick-off meeting	20 working days, with regular Board reviews of data collected and design direction
	Revised Program Review & Verification Report	20 working days from receiving comments on the Draft Program	10 working days, with regular Board review and direction
	Final Program Review & Verification Report	10 working days from receiving comments on the Revised Program	
Design Development Phase	30% Submission (Section C.2.4.f including Architectural Interior Design Documents (Section C.2.4.h) and LEED® Certification Plan (Section C.2.7.e)	70 working days	20 working days with regular Board review during development
Construction Documents Phase	60% Submission (Section C.2.4.g.2)	95 working days	20 working days with regular Board review during the development
	95% Submission (Section C.2.4.g.8)	105 working days	15 working days

	100% Submission including Finishes (Section C.2.4.g.9)	20 days	On-board review of final documents
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2. Each Design Phase, except for the first, shall begin upon receipt of the Board's Certificate of Completion pursuant to Section C.2.1.p, and each Deliverable, except the first, shall begin upon receipt of the Board's approval of the preceding Deliverables. The A/E shall advise the COTR of potential delays in completing any aspect of the Design Services (whether by A/E, A/E's Consultants or Board's Consultants) and shall provide recommendations on actions necessary for keeping the Services on schedule.

3. Time is of the essence as to A/E's performance of the Design Services under this Contract; provided, however, under no circumstances is A/E authorized to perform its services below the applicable standard of care. A/E shall notify the COTR in writing in advance in the event that it cannot perform the Design Services in accordance with the applicable standard of care while, at the same time, conforming to the existing Schedule and shall make recommendations to the Board for completing its Services as required by this Contract as expeditiously as possible.

4. Once the Design Schedule is submitted by the A/E and approved by Board, the A/E will not deviate from it without prior written authorization by the Board; provided, however, A/E shall be entitled to an extension of time to complete its services under the Design Schedule if the circumstances upon which A/E relies for the requested extension (1) were not caused, or could not have been reasonably anticipated, by the A/E; and (2) could not have been limited or avoided by the A/E's timely notice to the Board of the delay or reasonable likelihood that a delay will occur. A/E shall be entitled to additional time only for the number of calendar days resulting solely from such causes and net of any unexcused delays in the A/E's performance of the Services caused by or resulting from any act, fault or omission of the A/E. If changes in the Design Schedule are requested by the Board (such as accelerated, phased or fast-track scheduling) or otherwise develop during the course of the Project that would (i) require the A/E to perform with a lesser standard of care in order to meet the Design Schedule; or (ii) create a risk of increasing the Board's costs (for example, costs for the A/E to coordinate and re-design portions of the Project affected by procuring or installing elements of the Project prior to the completion of all relevant Construction Documents, or costs for the Construction Contractor to remove and replace previously installed Work), the A/E shall notify the CO in advance in writing of these circumstances, the reasons therefor, and the associated risks. This Section shall not be construed to authorize performance by the A/E below the applicable standard of care.

5. To facilitate the Board's review of the A/E's submissions and to prevent unnecessary work by the A/E, the A/E will provide Board personnel, the CxA and Construction Administrator with the opportunity to perform "over-the-shoulder" reviews of the design and engineering of the Project in progress. Such reviews may

be conducted at A/E's offices, at any of the A/E's Consultants' offices or remotely by electronic internet access. The reviews may be of progress prints, computer images, draft documents, working calculations, draft specifications or reports, drawings, specifications or other Design Documents determined by the Construction Administrator.

6. The A/E shall resolve all design review comments in writing within ten (10) working days of their receipt unless otherwise agreed to by the Parties. The A/E's resolution shall include indicating either adoption or providing a statement as to why the reviewer's objection and/or recommended course of action should not be accepted. The Board expects correction and/or incorporation by A/E in the next submission.

7. Due to the limited time under this Contract for review by the Board and its Construction Administrator of the Design Document submittals, the A/E's expertise and the Board's reliance on the A/E to prepare clear, reasonably detailed, and coordinated Design Documents within the standard of care in conformance with the Board's Program, the A/E acknowledges and agrees that neither the Board, CO, COTR nor the Construction Administrator is required or expected to make detailed reviews of the Design Documents, and that their review of the Design Documents may be of only a general, cursory nature. A/E acknowledges and agrees that any review or approval given by the Board, the CO, the COTR, the Construction Administrator or CxA under this Contract with respect to any Design Documents shall not:

- i. in any way be, or be deemed to be, (i) a transfer of any design liability from the A/E to any of the aforementioned parties, or (ii) the approval of Design Documents not meeting the requirements of Applicable Law, the Board's Program Requirements or this Contract, or a waiver, in whole or in part, of any indemnity or other rights the Board may have against the A/E for actual or alleged defects, errors or omissions in such documents; and
- ii. relieve the A/E from its obligation to design the Project in accordance with the Board's Program and to obtain the Board's written approval for any variation, modification or substitution thereto.

8. A copy of the Design Schedule approved by the CO is attached hereto as Appendix No. 3.

m. Meetings

The A/E shall provide services under this paragraph as part of its basic services. The A/E has included the cost of a specific number of meetings in its fee proposal. Any services rendered by the A/E in excess of the included meetings will constitute additional services requiring additional compensation at an agreed upon rate or fee.

1. Pre-Design Kickoff Meeting. The A/E shall schedule and attend a pre-design kick-off meeting no later than ten (10) working days following the execution of this Modification No. 17. Attendees shall include the A/E's project manager.

representatives of all major design disciplines (including the fire and life safety engineer, blast consultant, security consultant, food services consultant, and interiors/space planning A/E), the Board's senior contract specialist, the COTR, the Construction Administrator (if selected) and such other representatives that the Board deems necessary. The kick-off meeting will be held at the Board's offices.

2. LEED® Workshop. The A/E shall conduct the LEED® Workshop described in Section C.2.7.b.

3. Project Requirements Meetings

- i. The A/E shall meet with Board staff as necessary to confirm the requirements for the VC/CC, the Renovation and the Project.
- ii. During the Schematic Design Phase, the A/E will meet with Board staff to receive their input on the proposed design directions. These interviews are in addition to all other required meetings to define and refine the requirements for the Project. At a minimum, the A/E shall meet with: Design and Construction; Space Planning; Mechanical (including Plant operations Electrical systems, Control systems Elevator systems, Audio-Visual Systems and Plumbing shop); Law Enforcement; Information Technology; Maintenance; Food Services; Fine Arts Program; Senior Staff; and Focus Groups.

4. Status Meetings. The A/E shall attend weekly meetings with the COTR, Construction Administrator, and other individuals involved with the Project to discuss procedures, progress, problems, scheduling, and other pertinent matters. The A/E must fully document all such discussions and continue to report on its progress and work efforts to the COTR.

5. Special Meetings, Presentations, and Briefings

- i. The Board reserves the right to schedule special meetings during the course of the Design Services, as required, to address matters that cannot be satisfactorily resolved by other means. At a minimum, the A/E's project manager shall attend such meetings which will be held at the Board's offices.
- ii. The A/E shall attend meetings or presentations with outside agencies as needed. These will include meeting with the NCPC and the CFA to obtain required approvals. The A/E shall prepare all documentation and/or reports required for these meetings including environmental or historical impact reports ("NEPA").
- iii. The A/E shall support the COTR in presentations to internal staff as needed to relay Project status information. These meetings may be with such groups as the Employee Committee group, Committee on Board Affairs, and the Board.

6. Meeting Minutes

- i. Unless directed otherwise, the A/E shall take minutes of all meetings relative to the Project. The A/E must use a format that is acceptable to the COTR. All minutes must include the following information: Meeting date and time; Agenda and meeting location; List of participants with their affiliations; Participant

addresses, telephone numbers, and e-mail addresses; A full description of the issues, problems, and decisions made; Action items with names of responsible parties and deadlines; Meeting handout materials will be included as attachments to the meeting minutes unless the materials are part of a formal submission.

ii. The A/E shall provide complete copies of all minutes to the COTR and meeting attendees within three (3) working days after meetings occur. The COTR and attendees will provide the A/E with corrections or changes to the minutes three (3) working days after distribution. All changes to the minutes will be reflected in revised versions and will be distributed to everyone who received the previous account.

ii. Progress Reports

1. Every two weeks, the A/E shall prepare and submit to the Board a Bi-Weekly Progress Report, which shall, at a minimum, include the following:

- i. A narrative which accurately states the details of progress made to date and any problems, delays, anticipated changes, or other items of particular interest. The narrative shall indicate whether or not the work is on schedule and include an explanation if it is behind schedule.
- ii. An updated version of the Design Schedule depicting both the planned and actual progress of work. This should also highlight the blocks of work planned to be accomplished by the next project performance review meeting. The A/E shall use bar charts or other suitable graphs for illustration and clarification.
- iii. An updated version of the submittal schedule described in Section C.2.6.a; and
- iv. An accounting of A/E Project costs including requested and potential Additional Services.

2. The initial Progress Report will be due fifteen (15) working days after the pre-design kick-off meeting. At that time, the COTR will conduct the first project performance review. Thereafter, the Progress Report and project review meetings will be held every two weeks or as determined by the COTR until the Project is completed.

o. Contract Closeout

1. The A/E shall submit a written request for a Certification of Completion of the Services, and for each phase of the Services, to the COTR for acceptance and acknowledgement. If the certification does not accurately reflect the condition of the Services, or applicable phase of the Services, the COTR will reject it until the Services or phase of Services is complete. The COTR shall sign all certifications of completeness thereby accepting the completed work, provided, however, the COTR's acceptance shall not constitute an acceptance of Services that fail to conform to the requirements of the Contract, unless the Board expressly accepts such non-conforming Services in writing. Before submittal of the request, the A/E shall complete the following tasks, as applicable:

- i. Show 100 percent completion for the phase of the work claimed as complete in the application for payment that coincides with, or first follows, the date completion is claimed; and
 - ii. Include supporting documentation for completion as indicated in these contract documents and a statement showing an accounting of any cost changes.
2. On receipt of a written request for Certification of Completion, the COTR will either advise the A/E, in writing, of unfilled requirements reasonably known to the COTR and required actions or proceed with issuance of the requested certificate.
3. Upon completion of all work and transmission of all required submittals, the A/E shall submit a written request for final acceptance. This request will be accompanied by the final payment request.

p. Conduct and Personnel

1. The A/E's personnel shall conduct themselves in a professional manner at all times and are strictly forbidden from disturbing papers on desks, opening desk drawers or cabinets, or using telephone or office equipment, other than what is specifically provided to the A/E for official business use.
2. The A/E will be working on the premises of the central bank of the United States and shall dress neatly, commensurate with the task being performed. The Board reserves the right to deny entry or access to its premises to any personnel of the A/E or A/E Consultants whose presence, dress, or conduct the Board deems detrimental to the good order and productivity of its operations and staff. Such personnel shall be replaced by the A/E immediately upon notification by the COTR, or his designee, that an A/E personnel problem exists. This replacement shall be made at no additional cost to the Board.
3. The A/E and A/E Consultants are not authorized to accept any instructions, interpretations, or requests for work, honor any changes or revisions which may incur expenditures or affect price, or take actions which affect the terms of performance or any other requirements of the Contract without written notification signed by the CO.
4. In accordance with FAR 36.209, the A/E and A/E Consultants and their respective subsidiaries and affiliates are not eligible for award of construction contracts which they designed; major subcontractors also are not eligible for sequential contracts for projects in which they performed a significant amount of supporting services. Minor subconsultants are eligible for award of contracts for the design of construction projects following the performance of peripheral services under this Contract.
5. The Key Personnel for the Renovation shall include project managers and consultants with expertise in areas such as information technology, security, blast analysis, fire protection, and LEED. A list of those persons that are essential to the performance of the Basic Services assigned to the Contract by the A/E, their resumes and a description of how these Key Personnel will direct the Services is set forth in

Appendix 4, attached hereto. Section H contains additional information regarding "Key Personnel" for the project.

6. The A/E and A/E Consultants are required to assign only senior professional personnel who are registered in the District of Columbia to approve and/or certify design work. The Board may require professional registration for personnel performing design work other than certifications and/or approvals of drawings and other submissions.

7. In the event that any approved personnel and/or consultants are unable to perform, the A/E shall promptly submit to the COTR detailed written explanations of the circumstances necessitating the proposed substitutions, complete resumes for the proposed substitutes, and any other information the COTR deems pertinent for the approvals of substitutions. No substitutions shall be made without the prior written approval of the Board. No increases in contract pricing will be allowed when the Board authorizes substitutions.

8. Substitutions of subcontracted or consultant support included in the original contract are subject to the written approval of the CO. This Contract must be modified before the substitute commences work. Changes in individuals employed by these firms will be processed administratively by letter between the CO and the A/E. Personnel possessing unique technical specialties may be required for supplementary expertise related to project services. Such personnel shall have qualifications as required and approved by the COTR which are appropriate to the nature of the services that will be provided.

9. Repeated failure or excessive delays by the A/E to provide qualified personnel, who meet the stated requirements, may be reason for COTR to recommend termination of this contract by the CO.

b. Section C.2.2, "Construction Cost Estimate" is deleted in its entirety and replaced with the following:

C.2.2 Construction Cost and Stated Cost Limitation

a. For purposes of this Contract, the "Construction Cost" (also referred to as the "Cost of the Work") shall be the total cost to the Board to construct all elements of the Project designed, specified, selected or specially provided for by the A/E and shall include the costs of management or supervision of construction or installation provided by a separate construction manager or contractor, contractors' general conditions costs, plus a reasonable allowance for overhead and profit. The Cost of the Work does not include the compensation of the A/E, the costs of the land, rights-of-way, financing, contingencies for changes in the Work or other costs that are the responsibility of the Board. The "Stated Cost Limitation" refers to the maximum Construction Cost that the Board is willing to incur to complete construction of the Project.

- b. The A/E shall prepare a preliminary estimate of Construction Cost for the VC/CC when its requirements have been sufficiently identified, and for the VC/CC and the Renovation upon submission of the Program Review and Verification Report described in Section C.2.2.e. These estimates may be based on current area, volume, or similar conceptual estimating techniques. The estimate shall be broken down into divisions in accordance with the Construction Specification Institute (CSI), and shall include quantities and unit prices for each line item. The A/E's Construction Cost estimate shall be updated at such times as the 30% Submission, 60% Submission, 95% Submission and 100% Submission are submitted to the Board.
- c. In preparing Construction Cost estimates, the A/E is permitted to propose reasonable potential adjustments in the Program and potential alternate bids as may be necessary to adjust the estimated Cost of the Work to meet the Board's Stated Cost Limitation.
- d. The Board shall advise the A/E of its Stated Cost Limitation for the Project no later than upon its approval of the 30% Submission. Thereafter, the A/E shall perform the Design Services so that the Construction Cost of the Project, and any estimate of the Construction Cost of the Project, shall not exceed the Board's most recently approved Stated Cost Limitation. The A/E shall make reasonable efforts to maintain cost controls throughout the development of Design Documents so that the work depicted in the final approved Construction Documents for the Project can be constructed and installed within the Board's final approved Stated Cost Limitation.
- e. The Board intends for the Construction Administrator to furnish preliminary estimates and detailed estimates of the Construction Cost. The A/E shall submit the 30% Submission, 60% Submission, 95% Submission and 100% Submission to the Construction Administrator and shall meet with the Construction Administrator to review these approved documents. If at any time any estimate of the Construction Cost by the Construction Administrator exceeds the Board's Stated Cost Limitation, the A/E shall make appropriate recommendations to the Board as to potential adjustments in the Board's Program, including the Project's size, quality or Stated Cost Limitation. The A/E shall be entitled to rely on the accuracy and completeness of the Construction Cost prepared by the Construction Administrator as the A/E progresses with the Basic Services. The A/E shall prepare, as an Additional Service, revisions to the Design Documents required due to the Construction Administrator's inaccuracies or incompleteness in preparing cost estimates
- f. If the Board's most recently approved Stated Cost Limitation is exceeded by any estimate of Construction Cost prepared by the A/E or Construction Administrator or by the lowest bona fide bid from a Construction Contractor or negotiated proposal, the Board may at its discretion and without other cause:
1. give written approval of an increase in the Stated Cost Limitation;
 2. reject the design or Construction Documents and any bids or proposals submitted by potential Construction Contractors, and authorize rebidding;
 3. terminate the Project in accordance with Section M.20;

4. revise the Project program, scope, or quality as required to reduce the Cost of the Work;
 5. direct the A/E to revise the Design Documents to conform the design and documents to the approved Stated Cost Limitation; or
 6. implement any other mutually acceptable alternative.
- g. If the Board chooses to proceed under Section C.2.2.f.4 or C.2.2.f.5, the A/E, without additional compensation, shall modify the Design Documents as necessary to comply with the Board's Stated Cost Limitation, or the Stated Cost Limitation as adjusted under Section C.2.2.f.1 or C.2.2.f.4.
- h. The A/E shall cooperate with the Board throughout development of the Design Documents to effect cost savings as deemed appropriate by the Board without unnecessarily altering the established scope or quality of the Board's Program. The A/E shall perform such value-engineering ("VE") concurrent with the design process to ensure that building systems, materials, construction methods, operating equipment and cost are properly considered with the goal of obtaining maximum value for building systems and materials. This approach will include selecting economical systems and materials that will maintain quality and durability during their life cycle and can be easily maintained. The Board will hold a work session to specifically address VE issues with the A/E. Diagrams, narratives and sketches with calculations demonstrating the life-cycle cost shall be made available at this session. It is not the Board's intent for VE to simply cut items from the new facility, but to find reasonable means and methods of accomplishing the same goal in the most cost effective manner.
- i. The AE shall provide value engineering services as part of its basic services. The AE will provide these services as part of its basic services under this contract not to exceed 200 hours. Any additional A/E value engineering services shall be incorporated into a specific fixed fee proposal by KCCT and submitted to the FRB for their review and approval.
- e. Section C.2.4, "DESIGN SERVICES," is deleted in its entirety and replaced by the following:

C.2.4 Design Services

- a. The A/E shall provide its design services including those for ~~confidential security~~ consistent with The Federal Reserve System Facility and Security Guidelines, Volume II, Minimum Design Criteria for Security and Construction, June 2002 unless directed by the FRB to another more current security guideline requirement. The FRB will provide KCCT with written notice of any other and or additional security guidelines to be required within ten days of execution of this agreement.
- b. The consultants whose services are included in the Basic Services and whose compensation is included in the Revised Contract Sum (whether within the A/E's organization or to be specially retained) are as follows:

1. Civil Engineer
2. Structural Engineer
3. Mechanical Engineer
4. Electrical Engineer
5. Plumbing Engineer
6. Interior Design and Space Planning
7. Security Infrastructure (with experience in Chemical, Biological and Radiological Detection)
8. ~~Confidential - security~~ and other elements
9. Information Technology Infrastructure
10. Acoustical
11. Audio-Visual
12. Signage and Graphics
13. Building & Life Safety Codes
14. Food Service; and
15. Lighting

c. The A/E will perform or have performed the required investigation of existing conditions, including destructive investigation, in order to assure that the Construction Documents will be inclusive of existing conditions.

d. The Board requires study models, perspective sketches, and electronic modeling. The A/E shall include these services in its pricing.

e. The design services will include answering formal and informal questions regarding the Project's design whether referred to as "Requests for Information" (RFI) or not. The Board may require answers in writing, by drawing, or other method, and the A/E shall provide such answers without additional cost to the Board. In addition, the A/E shall provide corrections to drawings and specifications that arise from these questions at no additional cost to the Board.

f. Schematic Design Phase Services

1. During the sixty (60) day period after the Pre-design kick-off meeting, the A/E shall (A) review the Board's Program for the Renovation and the Project, the proposed Design Schedule, Applicable Law, Applicable Codes and Standards, the proposed construction delivery method and other information, each in terms of the other; (B) inspect all areas comprising the Project to investigate and verify background information and existing conditions; and (C) ascertain the requirements of the Project. The evaluation shall also specify (1) any inconsistencies or deficiencies discovered in the information supplied or discovered including with the Project Parameters set forth in Section C.3 and Appendix 1; and (2) any other information or consulting services that may be reasonably needed for the Project or for the performance of the Services.

The Board shall provide the A/E team with reasonable access to the site during the design phase and construction phases of this project.

2. Program Review and Verification Report.

In accordance with the Design Schedule, the A/E shall submit for the Board's review and approval a written Program Review and Verification Report presenting the A/E's design recommendations for the Renovation and for the Project and the historical reports, studies, drawings, and other pertinent data supporting these recommendations. The Program Review and Verification Report shall include, but not be limited to:

- i. A confirmation of the Blocking and Stacking Diagrams provided by the Board.
- ii. A summary of the environmental assessment [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- iii. Major system design configurations and the design approach for these systems.
- iv. A cost/benefit analysis for three (3) floor plan options.
- v. A summary of impacts and recommended design solution(s) for the HVAC system.
- vi. A summary of three (3) recommended solutions for the optimal phasing and sequencing of the construction phase of the renovation. The A/E shall include the pros and cons for each recommended solution.
- vii. Recommendations for the optimal periods (day, evening, or both) for performing construction work.
- viii. Five (5) recommended lighting schemes for power and control systems. The A/E shall include calculations to show the simple paybacks for each scheme.

3. The Program Review and Verification Report also will include a complete, bound code analysis to be used to finalize the design development as well as to demonstrate the analysis employed for important determinations about code and life safety compliance. This analysis must show that each section of Applicable Law has been considered as it affects the proposed Work and that the A/E has made an appropriate determination. The analysis should include the following:

- i. A compilation of all Applicable Law, Board Requirements and Programming documents;
- ii. A list of the applicable Governing Authorities and the method used for contacting these authorities;
- iii. A list of all required permits and the method used for contacting the entities issuing the permits;
- iv. A comprehensive analysis that references each of the specific subsections and paragraphs of Applicable Law and Board Requirements and a description of how each requirement is being met; and

v. A code conformance certification by an Architect and/or Engineer, registered in the District of Columbia. The title sheet shall include the following statement signed and dated by the Professional Engineer or architect for each separate professional discipline whose seal(s) is shown on the Design Drawings. (Multiple seals require multiple signature and date lines).

"The design of this project conforms to the following applicable codes and Board Requirements":

(List of Applicable Codes to be Provided by the A/E.)

SIGNATURE: _____

DATE: _____

4. The Program Review and Verification Report also shall include a preliminary LEED® Certification Plan to be utilized during the Pre-design Workshop described in Section C.2.7.b.

5. Prior to submittal of the Program Review and Verification Report, the A/E shall verify, through inspection (including test pits as required), the location, elevation, capacity and condition of all existing utilities, inside the building and within five (5) feet of the building perimeter, including electric, gas, telephone, domestic water, sanitary/storm sewers, and other related components. These inspections and tests shall be conducted immediately after Modification No. 17 is approved by the Board. The A/E shall verify location, available capacity, sizing, clearances, and material conditions prior to the start of any design. These utilities shall be reflected on the site survey. The A/E shall provide a written report of public works departments' procedures and time requirements for submittals, reviews, and approvals. The A/E shall notify the COTR immediately if site conditions are significantly different from that described in information provided by the Board. When findings do not have an impact on the design, the A/E shall be expected to continue with the work.

6. The A/E shall provide ten (10) hardcopies and one (1) electronic file of the Program Review & Verification report and all of the attachments.

7. The A/E shall submit the Program Review & Verification report to the CxA for review.

8. The A/E shall respond to changes proposed by Board to the recommendations set forth in the Program Review and Verification Report and, after consultation with and approval by the Board, to changes proposed by the CxA, the Construction Administrator or by any Governing Authority, if any. Changes made to any Design Document as a result of these reviews shall be incorporated by the A/E and the A/E's Consultants without an increase in the A/E's compensation unless such changes are made after a prior approval of such design by the Board or by any Governing Authority and provided such changes are not due in whole or in part to the negligence of the A/E or its failure to conform with the requirements of this Contract.

g. Design Development Phase Services

The A/E shall provide its design services ~~confidential / security~~ consistent with The Federal Reserve System Facility and Security Guidelines, Volume II, Minimum Design Criteria for Security and Construction, June 2002 unless directed by the FRB to another more current security guideline requirement. The FRB will provide KCCT with written notice of any other and or additional security guidelines to be required within ten days of execution of this agreement.

1. Based on the recommendations and designs set forth in Program Review and Verification Report approved by the Board, and on the Board's authorization of any adjustments in the requirements for the Project and the Stated Cost Limitation (if any), the A/E shall prepare Design Development Documents for the Board's approval as described below.

2. The 30% Submission.

In accordance with the Design Schedule, the A/E shall submit, for the Board's review and approval, Design Development Documents representing completion of 30% of the design of all major design features, systems and performance requirements comprising the Project (the "30% Submission"). The 30% Submission shall demonstrate the A/E's implementation of decisions made following the presentation and review of the Program Review & Verification report, include the LEED® Certification Plan described in Section C.2.7.c, and the Architectural Interior Design Documents as described in Section C.2.4.h.

3. At or near the time of the 30% Submission, the A/E shall submit the Design Documents to the CxA for review in accordance with EAe3.

4. The 30% Submission also shall include the A/E's estimate of Construction Cost. The estimate will contain a listing of major components and render a preliminary order of the magnitude of estimated construction costs. The A/E also shall submit the 30% Submission to the Construction Administrator in accordance with Section C.2.2.e.

5. The Board will review the 30% Submission and transmit its comments to the A/E in accordance with the Design Schedule. A/E shall respond to changes proposed by the Board to the 30% Submission and, after consultation with and approval by the Board, to changes proposed by the CxA, the Construction Administrator or by any Governing Authority, if any. Changes made to any Design Documents as a result of these reviews shall be incorporated by the A/E and the A/E's Consultants without an increase in the A/E's compensation unless such changes are made after a prior approval of such design by the Board or by any Governing Authority and provided such changes are not due in whole or in part to the negligence of the A/E or its failure to conform with the requirements of this Contract.

6. Scope of 30% Submission

The 30% Submission will include the following components and systems:

- i. Architectural plans for all floors and roofs with floor dimensions and space labeling;
 - ii. Exterior elevations showing window placements;
 - iii. Building longitudinal and transverse sections showing ceiling heights and clearances;
 - iv. Typical exterior enclosure (wall and roof) sections showing assembly, support, thermal insulation (vapor and air retarders), and all other components.
 - ~~Confidential - security~~;
 - v. Penthouse and roof section(s);
 - vi. Basic structural system plans for substructure and superstructure indicating columns, beams, and penetrations for use with progressive collapse upgrades;
 - vii. Configuration of HVAC plant, riser, and air handling equipment including ~~Confidential - security~~;
 - viii. Mechanical and electrical plans showing placement of major equipment;
 - ix. The location, number, and type of elevators and escalators;
 - x. Building automation and controls system architecture;
 - xi. The configuration and architecture addressing fire protection, life safety, security, and building operations;
 - xii. Power distribution riser and single line diagrams;
 - xiii. Plumbing riser;
 - xiv. The telephone and data distribution pathway (risers) and closet;
 - xv. Typical lighting layouts and zones;
 - xvi. Telephone and data distribution in typical office;
 - xvii. The location of emergency generator(s) and primary electrical service entrance;
 - xviii. The location of all utility entrances and sizes;
 - xix. Site plan with lightning protection system counterpoise; and
 - xx. The design intent of furniture layout.
7. The Drawings included in the 30% Submission shall:
- i. illustrate all the major building features and systems, their orientation and configuration, and how each coordinates with other relevant building features and systems, and impacts and fits into the total design;
 - ii. illustrate the relationship between the building ground floor and the exterior site elements as well as describe the interior public and private spaces;
 - iii. Include elevations that identify building materials, window types, and include all principal elevations; and
 - iv. Include sections that illustrate floor to floor dimensions, total building height, and the elevator arrangement(s). To illustrate special relationships, draw sections through the areas of major importance, such as typical offices, cores, and the ground floor lobby. At least one longitudinal and one transverse section must be presented for each space.
8. The 30% Submission shall include calculations of the following:
- i. Preliminary structural framing calculations including blast considerations;
 - ii. Power distribution calculations;

- iii. Lighting density and foot candle calculations;
- iv. Elevator and escalator calculations;
- v. Emergency power capacity calculations;
- vi. Exit calculations; and
- vii. Fire protection analysis.

9. The Specifications included in the 30% Submission shall:
- i. be CSI formatted for all building systems, major equipment, and materials represented on the drawings. For mechanical and electrical specification sections, the A/E shall provide draft edited brand name references and sample catalog cuts and manufacturer's literature as required to identify features, materials, performance, and operating characteristics. For Division 1, the A/E shall use Board specifications.
 - ii. provide specifications that incorporate LEED® requirements conspicuously in both the Drawings and Specifications.

10. Blast Studies.

The bulk of the A/E Blast Consultant's effort shall be completed during the Design Development Phase. The A/E will provide analysis and recommendations for:

- i. ~~confidential - security~~ [REDACTED]

11. Electronic Security Systems

- i. ~~confidential - security~~ [REDACTED]

12. Finish Boards

The A/E shall provide preliminary finish boards.

h. Construction Documents Phase Services

1. Based on the recommendations and designs set forth in the 30% Submission approved by the Board, and on the Board's authorization of any adjustments in the requirements for the Project and the Stated Cost Limitation, the A/E shall prepare Construction Documents for the Board's approval as described below.

2. The 60% Submission

In accordance with the Design Schedule, the A/E shall submit Design Documents representing completion of 60% of the design of all major design features, systems and performance requirements comprising the Project (the "60% Submission"). The 60% Submission shall demonstrate the A/E's implementation of decisions made following the presentation and review of the 30% Submission approved by the Board including final calculations for the selection and sizing of all building materials, systems, and equipment.

3. The 60% Submission also shall include the A/E's estimate of Construction Cost. The A/E also shall submit the 60% Submission to the Construction Administrator in accordance with Section C.2.2.e.

4. The A/E shall submit the 60% Submission to the CxA for review.

5. The Board will review the 60% Submission and transmit their comments to the A/E in accordance with the Design Schedule. A/E shall respond to changes proposed by Board to the 60% Submission and, after consultation with and approval by the Board, to changes proposed by the CxA, the Construction Administrator and any Governing Authority, if any. Changes made to any Design Documents as a result of these reviews shall be incorporated by the A/E and the A/E's Consultants without an increase in the A/E's compensation unless such changes are made after a prior approval of such design by the Board or by a Governing Authority and provided such changes are not due in whole or in part to the negligence of the A/E or its failure to conform with the requirements of this Contract.

6. Along with expanding the level of detail contained in the 30% Submission, the drawings within the 60% Submission shall provide:

- i. All structural framing drawings and progressive collapse upgrades;
- ii. Interior wall and partition details;
- iii. Interior finish and hardware schedules;
- iv. Window and door assembly details;
- v. Toilet room layouts and details. The layouts should be final;
- vi. Detailed site plans that will show landscaping, watering systems, site drainage, pavement, sidewalks, physical security barriers and equipment, and all other components;
- vii. Main equipment room layout and distribution piping;
- viii. Air handler casement configuration;
- ix. Duct and piping distribution;

- x. Equipment schedules;
 - xi. Control schematics of operation and automation including the sequence of operations;
 - xii. Typical sprinkler layout, riser locations, and location of floor loops and zones;
 - xiii. Building automation system distribution;
 - xiv. Internal security systems and device locations;
 - xv. Fire alarm system manual pull stations and smoke detector locations;
 - xvi. Power distribution;
 - xvii. Power distribution to major equipment;
 - xviii. Lighting plans and zones;
 - xix. Fire pump layout;
 - xx. Site plan for lightning protection system including tie ins to building grounding and water service, and other systems;
 - xxi. Interior communications and data cabling, cable tray, and conduit drawings; and
 - xxii. Furniture plan.
7. The 60% Submission shall include calculations of the following:
- i. Final structural calculations including all member sizes, moments, shear along member, moments of inertia, and section moduli for steel framing members. Calculations shall indicate when a member and/or connection has been upgraded or added for reasons of progressive collapse;
 - ii. Floor and roof live and dead loading and deflections and material stresses;
 - iii. Typical space acoustic properties (include frequency isolation requirements if applicable);
 - iv. Wall and window wind loading;
 - v. Voltage drop calculation;
 - vi. Over current coordination and short circuit study;
 - vii. Electrical load calculations for emergency generator, transfer switches, feeders, and other equipment (include fuel consumption, loads, and duration);
 - viii. Motor starting study of large motors;
 - ix. Electrical load calculations to size switchboard, feeders, distribution and branch service panel boards, transformers, and other equipment;
 - x. Electrical load and distribution for special rooms, conference space, computer rooms, cafeteria, telecommunications, and other areas;
 - xi. Room air distribution quantities;
 - xii. Duct sizes for trunk;
 - xiii. HVAC water and steam pipe sizes;
 - xiv. HVAC pump sizes;
 - xv. Water pump sizes;
 - xvi. Expansion and compression tank sizing;
 - xvii. Thermal loading calculation for heating and cooling loads;
 - xviii. Main pipe sizing for hot water, cold water, storm and sanitary sewer, chilled water, and other components; and
 - xix. Data cabling tray and conduit loading calculations and cable tray (structural) anchoring details and calculations.

8. Specifications for the 60% Submission
- i. The A/E shall provide draft, final edited specifications in CSI format and related catalog cut material (placed in separate binders) that describe all other building equipment characteristics and material requirements. These specifications shall include mechanical sequences of operations and commissioning requirements.
 - ii. The A/E shall provide to the COTR and Construction Administrator a list of all materials and equipment tests, inspections, or reports required by the Construction Documents that the A/E recommends to be performed by testing companies independent of the Construction Contractor including, but not limited to, structural testing, weld testing, etc.
9. 95% Submission
- i. Based on the recommendations and designs set forth in the 60% Submission approved by the Board, and on the Board's authorization of any adjustments in the requirements of the Renovation and Stated Cost Limitation, the A/E shall submit, for the Board's review and approval, Construction Documents and IDD's representing completion of 95% of the demolition and design of all major design features, systems and performance requirements comprising the Project (the 95% Submission"). The 95% Submission shall demonstrate the A/E's implementation of decisions made following the presentation and review of the 60% Submission approved by the Board. The submitted drawings shall include final versions of those prepared for the 60% Submission, be coordinated in all respects and shall be expanded to include drawings depicting construction details, specialty features, and component schedules.
 - ii. The 95% Submission also shall include the A/E's estimate of Construction Cost. The A/E also shall submit the 95% Submission to the Construction Administrator in accordance with Section C.2.2.e.
 - iii. The A/E will further develop and finalize the IDD's for review and approval. This submittal shall include the fully developed plan and detail drawings, specifications, and final color boards with all notes, details, schedules, and legends required to procure the wall systems, finishes, and interior fit-out per the Board's requirements.
 - iv. The A/E shall submit the 95% Submission to the CxA for peer review.
 - v. The Board will review the 95% Submission and transmit their comments to the A/E in accordance with the Design Schedule. The A/E shall respond to changes proposed by Board to the 95% Submission and, after consultation with and approval by the Board, to changes proposed by the CxA or by any Governing Authority, if any. Changes made to any Design Documents as a result of these reviews shall be incorporated by the A/E and the A/E's Consultants without an increase in the A/E's compensation unless such changes are made after a prior approval of such design by the Board or by the Governing Authority and provided such changes are not due in whole or in part to the negligence of the A/E or its failure to conform with the requirements of this Contract.

10. 100% Submission

- i. Based on the recommendations and designs set forth in the 95% Submission approved by the Board, and on the Board's authorization of any adjustments in the requirements of the Renovation and the Stated Cost Limitation, the A/E shall prepare Construction Documents and IDD's for the Board's approval representing 100% completion of the demolition and design of all major design features, systems and performance requirements comprising the Project and shall demonstrate the A/E's implementation of decisions made following the presentation and review of the 95% Submission approved by the Board. These documents shall be in final form, complete, and coordinated in all respects. The submitted drawings shall include final, ready for bid versions of those prepared for the 95% Submission.
- ii. The A/E also shall submit the 100% Submission to the Construction Administrator in accordance with Section C.2.2.e.
- iii. The A/E shall provide a copy of the master label for the new lightning protection systems.
- iv. A/E and A/E's Consultants shall have an internal quality assurance review of the 100% Submission completed prior to their submission to the Board by A/E personnel outside the immediate Design Team. The A/E shall submit a written certification with the 100% Submission that the Construction Documents are sufficiently complete and accurate, properly coordinated and ready for bidding.
- v. The Board will review the 100% Submission and transmit their comments to the A/E in accordance with the Design Schedule. The A/E shall respond to changes proposed by Board to these Construction Documents and, after consultation with and approval by the Board, the changes proposed by the CxA, Construction Administrator, and any Governing Authority, if any. Changes made to any design documents as a result of these reviews shall be incorporated by the A/E and the A/E's Consultants without an increase in the A/E's compensation unless such changes are made after a prior approval of such design by the Board or by any Governing Authority and provided such changes are not due in whole or in part to the negligence of the A/E or its failure to conform with the requirements of this Contract.
- vi. Upon completion of the Construction Documents, the A/E shall submit the design phase credits targeted in LEED® Certification Plan to the USGBC for review pursuant to Section C.2.7.d.7.

i. **Architectural Interior Design Documents**

- 11. The A/E shall prepare architectural interior design documents and specifications ("IDDs") for completing the interiors component of the Renovation. At a minimum, the IDD's will include demountable wall systems, electrification and IT requirements, the final location of air distribution and electrical and communications devices, and signage. The IDD's shall be based on the approved architectural floor plans for each floor which show the floor plate with all shafts, structural elements, permanent walls, and core spaces.

12. The A/E also shall provide space planning services as necessary or requested for a complete integrated layout and design of the building interiors including during initial programming. Furniture systems will be selected and purchased by the Board and installed by the Construction Contractor.

13. The IDD's must be properly scaled and dimensioned and include hard-lined drawings that indicate partitions, workstations, support areas, special areas, and circulation patterns. Preliminary specifications must reflect the previously prepared color boards (presented with the 30% Submission).

14. These plans and sections shall include single-line partition locations with areas and occupant groups identified and offices specifically labeled (partitioned and open-office workstations). Support areas and special space requirements shall also be noted. The documents shall contain partition requirements, location of telephone, electrical, and data outlets, finish and hardware schedules, room numbering, way-finding systems, and any other information necessary for the preparation of working drawings and specifications for the completion of the tenant build-out of the building. Core and public space areas and interior and egress circulation shall be clearly delineated.

15. The A/E will submit its recommended panel types and modular sizes for the demountable wall system (no more than four (4) panel sizes).

16. IDD's shall be included as part of each submission beginning with the 30% Submission.

j. Signage

1. Based on a conceptual graphic developed with the Board, the A/E will supply signage designs for way-finding and message schedules. This will also include areas on typical floors such as elevator lobbies, stairways, and conference rooms (that will accommodate occupancy of 20 or more). Signage may include wall mounted, free standing directories, and pedestals. To accomplish these tasks, the A/E will follow the numbering system for the building. The A/E will work with the Board to develop standard graphics, type styles, and mounting heights and details for all signage and graphics. The A/E's recommendations will comply with all UFAS and ADA requirements for signage. The A/E will provide signage samples of all proposed signage types. The A/E shall provide operating manuals that give detailed plans for the electronic way-finding signage.
2. The A/E will provide three (3) different signage designs with samples with the other submittals required for the Program Review & Verification submission.

k. Temporary Services and Facilities

The Construction Documents will outline the temporary services and facilities required to provide uninterrupted services. At a minimum, the Construction Documents will:

1. Provide temporary food service facilities while the food service area, located on the terrace level, is being renovated.
2. Provide electrical service during the replacement of the main electrical switchgear.
3. Provide an alternate HVAC system should the main physical plant be impacted during the renovation.
4. Provide for temporary building systems that will be used while affected building systems are being worked on.
5. Provide temporary access to the building for employees during construction of each phase of the project. This shall include signage, fire egress, ADA considerations, temporary power, and all other elements essential for providing temporary access.
6. Provide construction contractor access to the facility. This shall include security screening, staging areas, refuse removal area, delivery site for materials, signage, fire egress, and all other elements essential for providing construction contractor access. The A/E shall also consider the practicality of employing chutes and an outside contractor elevator as part of these plans.
7. ~~confidential + security~~

I. Submission: Drawings & Specifications

1. The A/E is required to provide its own office equipment including all hardware and computer equipment to adequately and fully satisfy all the submission requirements of the Contract. All drawings, calculations, reports, and specifications shall be presented via computer based media. Revit software shall be used in the design and development of architectural, structural, mechanical, electrical, plumbing, fire protection, landscape, and irrigation systems. AutoCAD shall be used for the design and development of other building systems when customary for the respective discipline. Drawings shall be submitted on CD-ROM disks in "rvt", "dwg" and "pdf" formats as applicable to the requirements of the submission. Electronic specifications files shall be submitted in a format that can be used directly (without conversion) by Microsoft Word, the latest release.

2. Failure by the A/E to diligently carry out, follow-up, and complete the submittals requirements specified herein within the specified delivery dates will be grounds for termination of the Contract.
3. Drawings
 - a. The levels of detail and quality of representation shall adhere to guidelines within the Architectural Graphic Standards as produced by the American Institute of Architects. All original drawings shall be a consistent size with each sheet offering north arrows, key plans, and graphic scales.
 - b. The A/E shall submit a proposed outline of drawing size, border, title block, and standards to be used for review and approval by the Board.
 - c. All drawings must be sealed by and prepared under the direction of a Registered Architect and/or Professional Engineer for each professional discipline that is registered in the District of Columbia.
 - d. All reproducible drawings prepared for this project shall be of such drafting quality so as to permit half size reproductions. All details and sections prepared under this contract will be "back referenced" to the appropriate drawings so that those who have not been involved in their preparation can easily understand them.
4. Calculations

All calculations shall be submitted either on standard white bond paper or formatted sheets, 8 1/2" x 11", bound in snap action three-ring notebooks, organized in a logical sequence, and tabbed to each section heading. Calculations shall be titled with each analysis clearly indicating subject and/or issue being studied, applied references, assumptions, and analysis of answer.
5. Quantities

For each submission, the A/E shall provide the Board with five (5) full-size sets and fifteen (15) half-size sets of all drawings being submitted and sixteen (16) sets of specifications and four (4) sets of calculations. All submissions shall be bound. This is in addition to those quantities the A/E may require for coordination and use outside the Board. Also, for each submission, the A/E will provide on disk the specifications, calculations, reports, and drawings (in the current software format and/or "pdf" format).

m. Submission Transmittal Requirements

1. The A/E shall prepare an appropriate transmittal letter that will accompany all submissions from the A/E to the Board.
2. The A/E's submissions may be approved with reservations so that the Board's comments and/or revisions may be incorporated in subsequent submissions. If these comments and/or revisions are not addressed, the documents submitted will be returned with explanatory notes without further reviews. Each submission after the first will be accompanied by a cover letter that includes remarks on prior Board comments and/or revisions. Cover letters must explain how each of the issues was resolved.
3. The A/E shall prepay mailing and/or freight charges and any other fees incurred for transmitting deliverables required under this Contract.
4. All information submitted to the Board must be clearly marked to show the identification number of this Contract.
5. The A/E is responsible for properly protecting all sketches, drawings, reports, models, and any other submissions transmitted to the Board. The A/E is responsible for packaging its submissions in a manner to preclude damage during shipping and handling. The A/E is required to repair or replace any items damaged before delivery and acceptance by the COTR at no cost to the Board.
6. The A/E must use any applicable Board forms and procedures as instructed by the CO and/or COTR. Unless specifically authorized by the COTR on a case by case basis, no A/E submissions may be handwritten.

VI. Section C.2.5, "OPTIONAL SERVICES: CONSTRUCTION CONTRACT ADMINISTRATION SERVICES (CCA)," is deleted in its entirety and replaced by the following:

Section C.2.5 Bidding/Negotiation Phase Services

The A/E shall perform the following services during the Bidding/Negotiation Phase of the Project as part of its basic Bidding/Negotiation Phase Services. If the Board requests the A/E to perform services beyond the scope of those services enumerated below, those services would be Additional Services subject to Section M.15, as amended.:

- a. assist the Board with the development of a prospective bidders list for the construction work;

- b. prepare written responses to requests for information or clarification ("RFI") from bidders, including issuing addenda if required; provided, however, all responses and addenda shall be approved by the Board prior to their being issued. Such responses shall be supplied to the Board within forty-eight hours of the A/E receiving the request unless within such forty-eight hour period the A/E advises the Board that reasonable additional time will be required to prepare such responses and/or addenda;
- c. attend a pre-bid conference for prospective bidders. During the conferences, the A/E will take detailed notes and will work with the COTR to issue an amendment to the Construction Contractor solicitation documents if necessary;
- d. provide the Board with ten copies of the construction documents for distribution to the prospective Construction Contractors and establish an "FTP" site for downloading of Bidding Documents for prospective bidders or their subcontractors;
- e. evaluate requests for substitutions, if the Bidding Documents permit substitutions, and make recommendations to the Board regarding such requested substitutions. If a substitution is approved by the Board, then as an Additional Service, the A/E shall prepare and distribute addenda identifying approved substitutions for distribution to all prospective bidders;
- f. perform the LEED®-related bidding services described in Section C.2.7 g; and
- g. assist in the validation and evaluation of responsive proposals and/or participate in selection interviews with prospective Construction Contractors.

VII. The following new Section, C.2.6, "CONSTRUCTION PHASE SERVICES" is added to the Contract:

Section C.2.6 Construction Phase Services

The A/E shall perform the following services during the Construction Phase of the project as part of its basic Construction Phase services. If the Board requests the A/E to perform services beyond the scope of those services enumerated below, those services would be Additional Services subject to Section M.15, as amended.

a. Submittal and RFI Review

- 1. The A/E shall review the Construction Contractor's submittal schedule and shall approve or disapprove the schedule with such promptness as not to delay the progress of the Work. Approval shall not be unreasonably withheld. The A/E's action in reviewing submittals shall be taken in accordance with the approved submittal schedule or, in the absence of an approved submittal schedule, with such promptness as not to delay the progress of the Work. This

section shall not be interpreted to authorize the A/E to deviate from the standard of care.

2. The A/E shall check and approve, annotate, refer or reject shop drawings, equipment lists, materials samples, product certifications, laboratory reports, test data, and all other construction submittals.
3. All construction submittals shall be processed by the A/E within ten (10) working days of receipt. Distribution of the approved submittals will be made by the most expeditious means possible to prevent delays in the construction work. The A/E shall not approve any submittal that fails to conform with the requirements of the Construction Documents. In each case, the A/E shall stamp each page of the submittal and indicate the action taken on his signed stamp; for example:
 - i. Conforms: When the submittal fully conforms to the Construction Documents. The submittal will not require re-submittal.
 - ii. Conforms as Noted: When the submittal has only minor deviations from the Construction Documents, the A/E will note the deviations and omissions as appropriate and approve the submittal subject to the notations. This submittal will not require re-submittal.
 - iii. Rejected: When the submittal clearly does not conform to the Construction Documents, the A/E will disapprove it. This submittal will require re-submittal after correction(s) to bring it into compliance with the Construction Documents.
4. The A/E is responsible for notifying the Board promptly when submittal review actions are delayed for any reason. The A/E shall cite the cause for the delay and the anticipated approval date.
5. The A/E shall provide a written response, with detailed answer(s) and Addenda, if warranted, within five (5) working days of receipt of an RFI from the Board regardless of whether the RFI originated with the Board or a Construction Contractor. This response period will only change if the COTR extends the time period and/or the RFI is so marked as to require an expedited response for reasons stated thereon. Care must be taken to assure that the final responses to RFIs are not interpreted by the Construction Contractor as authorizing deviations from the Construction Documents. The A/E shall respond to these RFIs in a manner appropriate to provide clarification including the preparation of supplemental drawings and specifications if necessary. There shall be no additional charge for reviewing or responding to any RFI, including supplemental drawings and/or specifications, which results from a design error or omission, error in calculations, grammatical errors, mistakes in formats, or other substantive deficiencies.
6. The A/E shall maintain a record of each submittal and RFI received from the Construction Contractor. The record shall include, at a minimum, the

subject matter of the submittal, the related specification section number, the provider or supplier of the subject item, material, or system, the date received, the action taken, and the date returned to the Construction Contractor.

b. Changes in the Work

1. Upon the request of the Board, the A/E shall evaluate whether a change order request initiated by a Construction Contractor or the Board (including construction change directives) constitutes a Change in the Work set forth in, or reasonable inferable from, the Construction Documents.
2. If requested by Board as an Additional Service, the A/E shall prepare, reproduce and distribute Drawings and Specifications to describe Work to be added, deleted or modified in any Change Order or Construction Change Directive authorized by the Board; provided, however, A/E Services in connection with the issuance of Change Orders, including the preparation of Drawings and Specifications related thereto, shall be performed as a Basic Service if caused by an error or omission in the Construction Documents prepared by the A/E or A/E Consultants or breach of this Contract by the A/E.

c. Site Visits

1. During the progress of Construction, the A/E and/or A/E's Consultants shall visit the site (or other locations where Work is in preparation or progress) not more than 250 times at intervals appropriate to the stage of the Construction Contractor's operations to ascertain the extent of the Construction Contractor's compliance with the LEED® Certification Plan in accordance with Section C.2.7.c. The A/E shall advise the Construction Administrator if the Construction Contractor or any Subcontractor is not in compliance with its LEED®-related obligations or has not supplied the LEED® submittal documentation available as of that stage of construction.
2. The A/E and/or appropriate A/E Consultant shall assist the Construction Administrator's evaluation of the Construction Contractor's applications for payment and, specifically, whether the Work has progressed to the point indicated in the application for payment and, to the best of the A/E's knowledge, information and belief, whether the quality of the Work is in accordance with the Contract Documents. The A/E's report to the Construction Administrator shall not be a representation that the A/E has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques, sequences or procedures; (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Board to substantiate the Construction Contractor's right to payment; or (4) ascertained how or for what purpose the Construction Contractor has used money previously paid on account of the Contract Sum.

3. The A/E and/or appropriate A/E Consultant shall assist the Construction Administrator in its determination of the date or dates of Substantial Completion and the date of Final Completion.

4. The A/E and/or applicable A/E Consultant shall be required to make site visits in addition to those mentioned in Section C.2.6.e as Additional Services if necessary to resolve design issues; provided, however, visits to the Site by the A/E and/or A/E Consultants (and any clarifications or redesigns as a result) shall be performed as a Basic Service if caused by an error or omission in the Construction Documents or breach of this Contract by the A/E. The Board's Project Manager and the Construction Administrator will evaluate these site visits in order to minimize such visits. However, when deemed necessary by the Board's Project Manager, the site visit shall occur within 24 hours of notification.

5. The A/E will be responsible for keeping written records of all visits. These records shall describe the purpose and results of each visit by way of Field Observation Reports or other similar methods. Any design clarifications or redesigns will be issued within five (5) working days of the site visit or less, unless the time is extended by notification to and approval by the Board's Project Manager.

d. "As-Built" and Record Drawings

1. On a monthly basis as part of the Basic Services, the A/E will review the marked up set of "as-built" Construction Documents (drawings and specifications) prepared by the Construction Contractor and shall notify the Construction Administrator of any changes to the original Construction Documents. Any Services required as a result of non-conforming Work discovered during these reviews shall be compensable as Additional Services; provided, however, such A/E shall be performed as a Basic Service if caused by an error or omission in the Construction Documents prepared by the A/E or A/E Consultants or breach of this Contract by the A/E.

2. Upon certification of Substantial Completion of the Project and as an Additional Service, the A/E will review the marked up set of "as-built" Construction Documents (drawings and specifications) prepared by the Construction Contractor and shall question any changes that are not consistent with his knowledge of the project. The A/E shall then transcribe all changes into the project drawing files and specifications. The A/E shall stamp the term "RECORD DOCUMENTS" on each drawing sheet, update the revision block and date and sign. The A/E shall stamp the term "RECORD DOCUMENTS" on the specification table of contents and date and sign.

3. The "RECORD DOCUMENTS" shall consist of one (1) set of full-size and one (1) set of half-size drawings, one (1) set of contract specifications and CD-ROM copies. These documents shall be transmitted to the Board within

sixteen (16) weeks of substantial completion of construction. (The A/E will be provided with the construction contractor's "as-built" record set of blue line drawings at the end of construction. However, the A/E will also be expected to maintain records to verify and confirm the information covered on the construction contractor's "as-built" records).

4. The A/E shall furnish a dated transmittal bearing the signature and seal of the A/E. The transmittal statement shall read:

"TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THE RECORD DOCUMENTS TRANSMITTED HEREBWITH: (List all drawing numbers and specifications volumes, sections and pages), ACCURATELY REFLECT THE PROJECT AS ACTUALLY CONSTRUCTED."

e. Pre-Construction Floor Plan Review

The A/E will review the floor plans of each floor respectively with the Board approximately five (5) months prior to the start of construction of that phase of construction. As an Additional Service, the A/E will make changes to the floor plans as needed to represent the needs of the Board at that time. The A/E will prepare all Design Documents required to make these changes.

f. Loading Dock Location

If requested by the Board as an Additional Service, the A/E will study the feasibility of providing and locating a practical loading dock(s) at or under the Martin building. The alternate loading dock plans shall include floor plans of affected areas, elevations and an estimate of the total added costs associated with this option. The alternate shall be presented with the 15% (concept) drawings of the base design.

VIII. The following new Section, C.2.7, "LEED® REQUIREMENTS AND CERTIFICATION SERVICES" is added to the Contract as follows:

C.2.7 LEED® Requirements and Certification Services

a. Generally

1. The A/E shall perform the LEED® Certification Services described below and shall cooperate and collaborate with the Board and the other members of the Design and Construction teams in furtherance of the Board's goal of achieving not less than a silver rating under the LEED®2009 NC rating system. The A/E shall notify the Board of any conflict or inconsistency between (i) the Board's expectations regarding LEED®2009 NC; and (ii) the A/E's LEED®-related Services set forth in this Section C.2.7 and Applicable Law, the Board's Program or any other provision of the Contract (including C.3 and Appendix 1) and shall make a recommendation to the Board for resolving any inconsistency. Any reference to "Basic Services," "Additional Services" or "Services" in this Contract shall include the LEED® Certification Services described in this Section C.2.7. While the A/E shall make all reasonable efforts to achieve at least a silver rating for LEED certification, the A/E cannot guarantee that the minimum level goal will be achieved.

2. A/E acknowledges that achieving LEED® certification depends, in part, upon the A/E and its personnel, and the A/E's Consultants and their personnel (A) being knowledgeable of the LEED®2009 NC rating system, LEED® credits and their interrelationships, and the procedures and documentation necessary to demonstrate compliance with the credits being pursued; and (B) performing the Services using designs, specifications, techniques, sequences and procedures that are particular to projects seeking LEED® certification. A/E represents that A/E is knowledgeable about the LEED®2009 NC rating system and has prior experience designing projects that achieved certification under the LEED®2009 NC rating system (which may include earlier versions of such rating system). A/E agrees that the project manager assigned to the Project will be a LEED®-AP in good standing. A/E agrees that the A/E Consultants engaged to perform the Services including, but not limited to, civil, structural, mechanical, electrical and plumbing consultants, also will be knowledgeable of the LEED®2009 NC rating system, will have prior experience in projects that achieved certification under the LEED®2009 NC rating system, and will assign a project manager to the Project that will be a LEED®-AP in good standing. A/E further agrees to provide, and shall cause the applicable A/E Consultants to provide, reasonable education and training to those persons performing the Design Services about the Project's goal of achieving LEED®2009 NC certification and the impacts and/or changes that the pursuit of such certification will have upon the designs, specifications, techniques, sequences and procedures utilized to complete the Services.

3. A/E acknowledges that (i) except for the Prerequisites that the LEED®2009 NC rating system requires, the USGBC does not dictate either the LEED® credits or the number of points the Project must satisfy to achieve the Board's desired LEED® certification level; and (ii) therefore, the selection of credits and points to be pursued depends upon the Board's particular goals and motivations for pursuing LEED® certification. Accordingly, prior to commencing the Schematic Design Services, the A/E shall obtain a clear understanding of the Board's purpose(s) for pursuing LEED® certification, inform the Board about the LEED®2009 NC rating system and the options available to the Board under LEED® and, thereafter, recommend designs and alternatives which are consistent with the Board's approved LEED®-related objectives, Applicable Law and the Board's Requirements for the Renovation and the Project.

4. The A/E shall serve as the Project's LEED® Administrator responsible for managing the collection and uploading of the information and calculations required to satisfy the LEED® Prerequisite and Credit submittal requirements for the Prerequisites and Credits targeted in the LEED® Certification Plan described in Section C.2.7.c (collectively "LEED® submittal documentation"). The LEED® submittal documentation shall conform with the requirements set forth in the latest version of the applicable USGBC Reference Guide, as such Reference Guide may be modified by the USGBC in Credit Interpretation Rulings or otherwise (hereinafter the "Reference Guide"). A/E may allocate the submission of the LEED® submittal

documentation among the appropriate members of the design and construction teams; provided, however, A/E will monitor the LEED® submittal documentation collected by the designated members of the design and construction teams for timeliness, conformance with LEED® requirements and coordination with other submittal documentation. A/E shall immediately report to Board deficiencies in the LEED® submittal documentation submitted by any member of the Project's design or construction teams. Prior to their submission to the USGBC pursuant to Section C.2.7.d.7, the A/E shall submit the Board's application for certification of design phase credits and the Board's application for certification of construction phase credits to the Board for purposes of evaluation and approval by the Board. The A/E shall be entitled to rely on approvals received from the Board to complete the LEED® Certification Services.

b. LEED® Workshop

1. A/E acknowledges that the likelihood of the Project achieving the Board's LEED®-related objectives in an efficient, timely and economic manner will be increased if there is collaboration between the A/E and A/E's Consultants (the "Design Team") and the Board, the Construction Contractor, key Subcontractors, the CxA and Construction Administrator (collectively referred to as the "Project Team"), beginning as early in the design process as possible. Consistent with its professional obligations, A/E agrees to perform the Services in such collaborative fashion and to notify the Board in the event such collaboration with all or any member of the Project Team would not be in the best interests of the Board or the Project.
2. As part of this collaborative approach, the A/E shall conduct a LEED® workshop at which the Project Team, among other things, will review the Board's goals and motivations for pursuing LEED® certification and the LEED®2009 NC Rating System. The participants will also examine each LEED® credit utilizing the appropriate Rating System Project Checklist as a template for establishing green building goals, identify potential LEED® points, examine strategies for implementation, assess the impact of pursuing particular LEED® credits on the Board's program and budget, and determine the LEED® points to be targeted. The LEED® Workshop also will consider strategies for addressing potential coordination issues, delays and sequencing conflicts of long lead-time "green" materials; identifying and recruiting subcontractors and suppliers that have validated experience and skills in "green" construction; avoiding "green washing" and unnecessary "green premiums" on materials and equipment; establishing processes and systems for collecting and maintaining LEED® submittal documentation including, for example, materials costs and recycled content, environmental criteria and VOC content; and establishing milestones in the Design Schedule for, among other things, the review of design documents by appropriate Project participants, the review of LEED® submittal documentation by the A/E prior to submission to USGBC, and the completion, and submittal, of LEED® submittal documentation to the USGBC.
3. The A/E will prepare minutes of the LEED® workshop for distribution and comment by workshop participants. The LEED® Workshop will be scheduled for at

least two (2) days. Follow-up sessions shall be scheduled with all or some participants as the A/E deems necessary or appropriate in furtherance of the Board's interests and Program.

4. The LEED® Workshop shall be scheduled either (i) after the Board's approval of the Program Review and Verification Report and prior to submittal of the 30% Submission or (ii) within thirty (30) days after the Board awards a contract for Construction Administration services or for Construction Contractor services, whichever is earlier.

c. LEED® Certification Plan

1. As part of its Basic Services, the A/E shall prepare, for the Board's approval, a LEED® Certification Plan based upon the results of the LEED® Workshop. The LEED® Certification Plan proposed by A/E shall conform to Applicable Law, the Board's approved LEED®-related objectives and the Board's Program for the Project. The LEED® Certification Plan proposed by A/E shall reflect the written consent of A/E's Consultants, those construction team members participating in the LEED® Workshop and the CxA or shall note the disagreement of any such Workshop participant to any element of the LEED® Certification Plan and reasons therefore. The LEED® Certification Plan will describe the LEED® certification process and shall contain a description of the green building goals established, the LEED® credits and points targeted, implementation strategies for complying with LEED® Prerequisites and Credits, list of participants and their roles and responsibilities, description of how the plan is to be implemented, the certification schedule, specific details about design reviews, list of systems and components to be certified, and certification documentation required. The LEED® Certification Plan shall include a copy of the applicable LEED® "Scorecard" identifying the credits that the Project is intending to satisfy. In the LEED® Certification Plan submitted to Board for approval, the A/E shall identify a reasonable number of additional credits and/or points in excess of the number of credits or points that must be certified for the Project to achieve the Board's desired certification level in the event that USGBC's denies certification of a primary targeted point(s). The approved LEED® Certification Plan shall become part of the Construction Contractor's Contract Documents.

2. As part of the Basic Services, the A/E and A/E's Consultants shall design the Project to conform to the approved LEED® Certification Plan and Applicable Law. The A/E shall revise the LEED® Certification Plan as the design and construction of the Project progresses to reflect any changes approved by the Board; provided, however, any modification to the LEED® Certification Plan for which the Board's approval is requested shall reflect the written consent of A/E's Consultants, the Construction Contractor and key Subcontractors and the CxA or shall note the disagreement of any such Project Team member and the reasons therefore. A/E shall ascertain, and inform the Board, of the impact, if any, of any proposed modification on the other elements of the LEED® Certification Plan and shall coordinate such change with the other elements of the Project's design affected by the change.

Modifications to the LEED® Certification Plan shall be completed by A/E and A/E's Consultants without an increase in the A/E's compensation unless any such change qualifies as an Additional Service under Section M.15 of the Contract.

3. A/E shall obtain the Board's informed written consent to the proposed specification of designs, materials, equipment or systems that are new or untested in the marketplace or which may not have the durability and/or longevity of their traditional, "non-green" counterparts.

d. LEED® Certification Documentation

1. The A/E shall organize and manage the LEED® submittal documentation and certification process and regularly report progress to the Board.
2. The A/E shall register the Project with the USGBC under the appropriate LEED® rating system. Registration fees charged by the USGBC shall be a reimbursable expense.
3. Prior to commencement of the Design Development Phase, the A/E shall prepare, or assist the Board in preparing, the Board's Project Requirements ("OPR") and Basis of Design ("BOD") as required by EAp1.
4. Prior to commencement of the Design Development Phase, the A/E shall assist the CxA in preparing, and thereafter implementing, in accordance with the Reference Guide, the Commissioning Plan required by EAp1 and EAc3.
5. In accordance with EAc3, the A/E shall
 - i. submit the OPR, BOD and Design Documents to the CxA when the construction documents are thirty percent (30%) to forty percent (40%) complete and, if approved by the Board, incorporate any proposed changes into the next design iteration. When, in the professional judgment of the A/E, incorporation is not possible or not advisable, the A/E shall inform the Board in writing as to the specific basis of that opinion.
 - ii. confirm that Construction Contractor submittals applicable to commissioned systems are submitted to the CxA concurrent with A/E's review, and coordinate the response of A/E and CxA to the contractor;
 - iii. assist the CxA in developing a systems manual for the commissioned systems; and
 - iv. assist the CxA in verifying that the requirements for training operating personnel and buildings occupants are completed.
6. With Board's advanced written consent, and after confirming that neither the Reference Guide nor the USGBC's CIR webpage provides the necessary guidance, the A/E shall prepare submittals for Credit Interpretation Rulings from the USGBC for interpretation of credit language, principles, or implementation strategies. The A/E's preparation of two (2) CIR submittals is included as part of the Basic Services; the preparation of additional CIR submittals shall be compensable as an Additional

Service subject to A/E's compliance with the provisions of Section M.15 of the Contract. Credit Ruling fees charged by the USGBC shall be a reimbursable expense except to the extent disallowed under Section M.15 of the Contract.

7. The A/E shall prepare and submit LEED® Certification Applications for the Project to the USGBC in accordance with the LEED® Certification Plan, including required calculations and documentation for each LEED® credit claimed. Unless otherwise directed by the Board in writing, A/E shall utilize the USGBC's two-phase application process. The A/E shall submit applicable design phase credits to the USGBC for review upon completion of the Construction Documents. A/E shall include sufficient time in the Design Schedule for this submission and the USGBC's response. At the completion of construction, the A/E shall submit to the USGBC for review and certification the balance of attempted credits, the verification of design phase credits and additional documentation for any design phase credit that has changed since the design phase review. The A/E shall not modify the design of any design phase credit that the USGBC has designated as "Anticipated" without the Board's written consent.

8. The A/E shall prepare responses and submit additional documentation required by comments or questions received from the USGBC after review of the original submission for certification. With Board's written consent, the A/E shall file an appeal of the USGBC's denial of any claimed credit within the time frames required by the USGBC. The appeal of the USGBC's denial of any design phase credit shall be made after the USGBC's design phase review and is included as part of the A/E's Basic Services unless the denial is solely attributable to an act or omission of the Board in breach of the Contract. The A/E's appeal of the USGBC's denial of any construction phase credit shall be compensable as an Additional Service provided the denial was not caused, in whole or in part, by the A/E's negligence or breach of this Contract.

9. If, after an appeal, a design phase credit is not re-designated by the USGBC as "Anticipated", the Board, in its discretion and without other cause, may direct the A/E in consultation with the Project Team to (i) develop an alternative design to satisfy the originally targeted credit(s); and/or (ii) modify the LEED® Certification Plan to target a different credit or credits that will conform with the Board's previously established LEED®-related objectives and Program for the Project and which, if achieved, will equal or exceed the number of targeted points established in the original LEED® Certification Plan. The A/E shall modify the Construction Documents as necessary to conform with any alternative design or modified LEED® Certification Plan approved by the Board at no additional cost to Board unless the USGBC's denial is attributable solely to an act or omission of the Board in breach of the Contract.

e. LEED® Certification Specifications

1. The A/E shall provide specifications that incorporate LEED® requirements conspicuously in both the drawings and specifications comprising the Construction

Documents including, but not limited to, all LEED® submittal documentation described in the Reference Guide with respect to EAp1 and EAc3 and, to the extent being pursued, each of the following Credits: MRc1.2; MRc2-7; EQc3.1-3.2; and EQc4.1-4.4. The Contract Documents shall define the Construction Contractor's responsibilities and documentation requirements related to LEED® certification, including Construction Waste Management, Construction Indoor Air Quality, and obtaining materials credits.

2. LEED® Prerequisite and Credit requirements shall be referenced in both Division 1 of the Specifications and in the applicable technical division(s).

F. LEED® Certification Services During Bidding

1. At the pre-bid conference referenced in Section C.2.5.c, the A/E shall review and explain the differences between current standard construction means, methods, techniques and practices and LEED® principles, procedures, and requirements.

2. The A/E shall prepare responses to questions from prospective bidders and provide clarifications and interpretations of the Bidding Documents related to LEED® certification in the form of addenda at no additional cost to Board except as may be allowable as an Additional Service under the Contract.

3. The A/E shall carefully consider requests for substitutions, if permitted by the Bidding Documents, or for changes in relation to the LEED® Certification Plan and shall prepare addenda identifying approved substitutions related to LEED® certification. A/E acknowledges that substitutions, changes and "value engineering" proposed by Construction Contractors and approved (or recommended for approval) by A/E that are inconsistent, or not properly coordinated, with the LEED® Certification Plan, could prevent the Project from achieving its desired level of LEED® certification and, because of the interrelationship of building systems and elements in LEED® projects, could require costly remediation or changes to other elements of the Project at the A/E's expense. If the A/E determines that implementation of the requested change would result in a material change to the LEED® Certification Plan, the A/E shall notify the Board, who may authorize further investigation of such change. Upon such authorization, and based upon information furnished by the Construction Contractor, if any, the A/E shall make a recommendation to the Board regarding the implementation of the requested change.

4. The A/E shall assist the Board in bid validation or proposal evaluation and determination of the successful bid or proposal, if any, related to LEED® certification including the experience of Bidders and their Subcontractors on LEED® projects and the avoidance of bids that contain unjustified "green premiums."

5. As part of the Bidding Process, the A/E shall require Bidders to identify (A) their experience and their Subcontractors' experience on LEED® projects, including the experience that their Project Manager and job superintendent have had, and their Subcontractors' Project Managers and job superintendents have had, on LEED®

projects; and (B) the manufacturers or suppliers of, and specifications relating to, the materials that the Construction Contractor intends to use to comply with any of the following credits targeted by the LEED® Certification Plan: MRc2-7; and EQc4.1-4.4. A/E shall use commercially reasonable efforts to prevent the use of materials and equipment that have been "green washed", i.e., that include inaccurate representations or labeling that the materials or equipment are sustainable, "green," or comply with LEED®—specific obligations.

g. LEED® Certification Services During the Construction Phase

1. In accordance with Section C.2.6.a.5 of the Contract, the A/E shall review and respond to requests by the Construction Contractor for additional information about the Construction Documents related to LEED® certification.
2. A/E acknowledges that (i) the Board's application for LEED® certification must include a verification that construction was completed in conformance with the designs for which LEED® Prerequisites and Credits are being claimed; and (ii) satisfaction of EAp1; EAe3; MRc1.2; MRc2-7; EQc3.1-3.2; EQc4.1-4.4, to the extent targeted in the LEED® Certification Plan, depend, in particular, upon the performance of the Construction Contractor and its Subcontractors and of their supplying the required LEED® submittal documentation. Accordingly, the A/E and/or A/E's Consultants shall visit the site (or other locations where Work is in preparation or progress) at intervals appropriate to the stage of the Construction Contractor's operations to ascertain the extent of the Construction Contractor's compliance with the LEED® Certification Plan and the requirements of the LEED® Prerequisites and targeted Credits and to keep the Board informed about the progress and quality of the portions of the Work related to LEED® certification. A/E shall immediately report to Board any deficiencies discovered in the Construction Contractor's performance of its LEED®-related performance and obligations.
3. A/E also acknowledges that the Construction Contractor's and Subcontractor's use and installation of the materials and equipment specified in the Contract Documents (or, if not specified, the requirements set forth in the Reference Guide for the targeted credits) is critical to the Project achieving its desired LEED® certification including, but not limited to, the successful commissioning of specified systems (including those required to be commissioned by EAp1) and to satisfying the requirements of MRc2-7 and EQc4.1-4.4 to the extent targeted in the LEED® Certification Plan. Accordingly, in accordance with its obligations under Section C.2.6.a, the A/E shall (i) review and approve or take other appropriate action upon the Construction Contractor's submittals such as Shop Drawings, Product Data and Samples as necessary to ascertain their conformance with the requirements of the Contract Documents and of the requirements for the LEED® Prerequisites and Credits identified in the LEED® Certification Plan; and (ii) use commercially reasonable efforts to prevent the use of "green washed" materials and equipment.
4. The A/E shall not recommend payment to any Construction Contractor or any Subcontractor that is not in compliance with its LEED®-related obligations or has not

supplied the LEED® submittal documentation available as of that stage of construction for the Prerequisites and Credits targeted in the LEED® Certification Plan.

IX. Section C.4, "APPLICABLE DOCUMENTS AND PREVIOUS STUDIES" is modified to add the following after Section C.4.F:

- G. Martin building design drawings and amendments (not "as-built" drawings) as scanned .TIF drawings;
- H. Martin Building Cafeteria Study (2008);
- I. Martin building sprinkler installation drawings;
- J. Martin Building Renovation Study;
- K. Martin/Eccles Electrical Switchgear Replacement study;
- L. Martin Building ADA Fire Code study;
- M. Eccles Electrical Switchgear Replacement Statement of Work;
- N. Martin/Eccles Electrical Switchgear Replacement Study;
- O. Facilities Blast Analysis;
- P. Federal Reserve System Facilities and Security Guidelines;
- Q. Programming documents for the Martin building (documents will include requirements for building areas that will include at a minimum retail and amenities, dining areas, and support areas);
- R. Emergency generator drawings;
- S. VE documents; and
- T. Seismic Studies prepared by URS Corporation

The Board cannot guarantee the accuracy or completeness of documents listed above that were prepared by other consultants, individuals, or firms. The A/E shall review such documents for accuracy and completeness of the information as needed to complete the Services. The A/E shall advise the Board if it becomes aware of any error or deficiency in said services, information, surveys, and reports. If any of the documents or information noted above does not exist, and when A/E has provided written justification for such information, the Board shall cause the required information to be prepared in a timely manner, relative to its notification that the information is required.

X. The following new Section, C.5, "BOARD RESPONSIBILITIES" is added to the Contract:

- a. The Board will provide or have others provide:
 1. Review of the Design Documents and other submissions submitted by the A/E and responses to specific inquiries related to the conformance of these documents to the Board Program Requirements provided in writing by the A/E.
 2. Section 0 (introductory information, bidding requirements, contract forms, and general and special conditions) and Section 1 (general requirements) of the Project Manual. A/E shall be responsible to provide all other sections, subject to review and approval by the COTR, of the Project Manual.

3. Advice to the A/E on appropriate contact sources in Federal, State, Regional, and Local government agencies, public and private utility companies, and other entities. Assist the A/E in arranging meetings with designated officials, when it is not possible or efficient for the A/E to do so.

4. Temporary relocation of Board employees, including all associated moving costs and suitable alternate facilities, as required allowing the A/E access to offices or other areas of the Martin building. Employee relocations shall be limited to selected offices that the COTR and A/E agree must be temporarily vacated in order to allow the A/E to perform the work.

5. Notice to the A/E about all formal meetings, presentations, and other events at which the A/E's attendance is mandatory. The Board will give the A/E at least three (3) work days advance notice whenever possible.

6. Unless the Board determines that additional time is necessary, written responses to the A/E within ten (10) working days regarding any submittal that requires the Board's review and approval.

b. The Board may, but shall not be obligated to, attempt to advise the A/E, either verbally or in writing, if the Board becomes aware of any fault or defect in the Services provided under this Contract, including any errors, omissions or inconsistencies in the A/E's documents. Failure to provide such notice shall not relieve A/E of its responsibility to provide clear, complete, accurate, and fully coordinated Construction Documents conforming to the Board's Program and Applicable Law.

c. If so requested in writing by the A/E and unless otherwise provided in this Contract, the Board shall furnish such tests, inspections and reports, if so required by Applicable Law or the Construction Documents, related to structural and mechanical condition assessments, chemical tests, tests for air and water pollution, and tests for soil contamination.

d. The Board reserves the right to undertake by contract, Board personnel, or other means the same or similar kinds of work included in this Contract, depending on the availability of resources. The A/E shall cooperate fully with all such other contractors, Board employees, or officials involved in such work and as necessary must carefully adapt the scheduling and performance of Services under this Contract to accommodate the other work, heeding any instructions which may be provided by the CO and/or COTR. The A/E shall not commit or permit any acts that will interfere with the performance of work by any other contractor or by Board personnel. Such actions, by non-A/E personnel, shall not be violations of this Contract, and shall not be considered as terminations in whole or in part of any work procured through this contract.

XI. Section C.5, "RIGHTS OF OWNERSHIP" is deleted in its entirety and replaced with the following:

a. Design Documents, drawings, sketches, calculations, descriptions, narratives, specifications, models, renderings, and any other data, studies, reports and written information related to or developed during the performance of the Services hereunder by, or on behalf of, A/E or by any A/E Consultant ("Work Product") shall be considered "work made for hire" commissioned by the Board, and any and all legal rights to such Work Product, including all copyrights, shall be deemed permanently vested in Board, regardless whether the Project for which it is prepared is executed or not, and the A/E hereby unconditionally and irrevocably transfers to Board any and all rights A/E may be deemed to have to such Work Product. The suspension, termination, breach of contract by Board (other than for the Board's wrongfully withholding of undisputed sums in breach of this Contract) or other dispute between Board and A/E shall not affect the rights granted to Board hereunder. No information gathered or generated in the performance of the work shall be disclosed to any third party without the written consent of the Board. A/E agrees to prepare or modify all documents used or prepared by the A/E, including, but not limited to, agreements between the A/E and A/E Consultants to be consistent with the provisions of this Section C.5.

b. If the Board takes steps to terminate the A/E's right to perform services under this Agreement as provided in Section M.20 or M.21, the A/E shall cooperate fully with the Board by immediately turning over possession and control to the Board of all Work Product not yet delivered to Board, if any, as well as all digital and reproducible copies of the Work Product either stored for use on computers or in any other type of media and otherwise assist the Board's successor designers to complete the design or perform redesign work. The only charges that may be assessed to Board by the A/E for the turnover of possession and control of Work Product are the direct cost of reproduction by photocopying, or other data duplication methods selected by the Board at its sole discretion. However, no charges for services may be imposed or required as a condition of turning over possession and control of Work Product.

c. A/E shall defend, indemnify and hold Board harmless from any claims to the extent arising from or relating to the actual or alleged infringement of any domestic or foreign patents, copyrights, trademarks or other intellectual property rights that may be attributable to A/E or A/E's Consultants in connection with the Services and the Project. In the event that any suit, claim, temporary restraining order or preliminary injunction is granted, A/E shall, in addition to its obligation above, make every reasonable effort, by giving a satisfactory bond or otherwise, to secure the suspension of the injunction or restraining order. If, in any such suit or claim, the Services, the Project or any part, combination or process thereof, is held to constitute an infringement and its use is preliminarily or permanently enjoined, A/E shall promptly use its best efforts to secure Board a license, at no cost to Board, authorizing continued use of the infringing work. If A/E is unable to secure such a license within a reasonable time, A/E shall, at its own expense and without impairing performance requirements, either replace the affected work, in whole or part, with non-infringing components or parts or modify the same so that they become non-infringing.

d. Unless otherwise provided in this Agreement, if CADD technology is used by the A/E in connection with this Project, A/E shall retain all rights, title and interest in the CADD applications programs, electronic tapes, and disks related to the CADD applications programs. As part of A/E's Basic Services, A/E shall prepare a duplicate disk of A/E's design database pertaining to this Project and deliver same to Board at no additional cost, along with complete instructions on the definition of the CADD layers that must be used in the assembly of the electronic drawing files. Board shall provide any necessary copies of CADD applications programs. Uses by the Board of the electronic drawing files include but are not limited to backgrounds for Construction Contractor or subcontractor shop drawings, as-built drawings, Board marketing and other Board promotional materials.

XII. Section F.1, "DELIVERABLES" is deleted in its entirety and replaced with the following:

The A/E shall deliver the Design Documents, Schedules, Reports, Minutes, Construction Cost Estimates and other documents specified in this Contract including, but not limited to:

- Program Review & Verification Report
- 30% Submission
- 60% Submission
- 95% Submission
- 100% Submission
- LEED® Certification Plan
- LEED® Submittal Documentation
- LEED® Certification Applications

XIII. Section F.4, "INSURANCE CERTIFICATES," is modified as follows:

The A/E shall provide the Board with insurance certificates and endorsements naming the Board Indemnitees (as defined in Section L.7.b, as amended) as Additional Insureds signed by the applicable insurer for each insurance policy required to be in effect throughout the performance period (including for ongoing and completed operations).

IX. Section H.1, "APPROVAL OF KEY PERSONNEL," is modified as follows:

Offerors shall submit resumes with their Offeror Qualifications (Phase 1) a list of those persons that are essential for the performance of the goods or services described in Section C, the Statement of Work, and who will be assigned to the resulting Contract (Key Personnel). The Contractor shall not remove or replace Key Personnel without prior notification to and approval by the COTR. Approval of Key Personnel will not be unreasonably withheld. If any Key Personnel become disabled, voluntarily terminate their employment with the A/E, or otherwise become unable to perform, then such persons shall be replaced with persons of equal or better skill and experience.

X. Section J.2, "PERIOD OF PERFORMANCE," is modified as follows:

The period of performance under the Contract will be from date of contract award until thirty (30) days after final payment is made to the last Construction Contractor involved in completing the Project. Notwithstanding the expiration of the term of this Contract, A/E shall continue to perform all Services that survive final payment to such Contractor in accordance with this Contract.

XI. Section J.3, "INVOICES AND PAYMENTS," is modified to replace the first paragraph in its entirety with the following:

The A/E shall submit invoices and be compensated by the Board in accordance with Appendix 2 to Contract Modification No. 17. All invoices shall show the Contract number and modification number if issued.

XII. Section J.5, "COTR FUNCTIONS AND LIMITATIONS," is modified as follows:

Keith Bates is designated the cognizant COTR who represents the Contracting Officer in administering technical details within the scope of the Contract and in inspecting and accepting. The Board intends to retain a Construction Administrator to assist the COTR. Neither the COTR nor the Construction Administrator is otherwise authorized to make any representations or commitments of any kind on behalf of the Contracting Officer or the Board. Neither the COTR nor the Construction Administrator has the authority to alter the Contractor's obligations or change the terms and conditions of the Contract. If, as a result of technical discussions, it is desirable to alter or change contract terms and conditions, changes will be issued in writing and signed by the Contracting Officer or his/her authorized representative.

Some of the types of actions within the scope of the COTR's authority are:

- a. To assure compliance of the Contractor's performance with Section C, the Statement of Work, and Appendix 1 to Contract Modification No. 17.
- b. To perform or cause to be performed those inspections necessary to determine the Contractor's compliance with the technical requirements and the Statements of Work.
- c. To maintain both oral and written communications with the Contractor concerning those aspects of this Contract within his/her purview.
- d. To monitor the Contractor's performance and to advise the Board's Senior Contract Specialist of any deficiencies.
- e. To coordinate the availability of Board-furnished property and services and to provide entry to the work area for the Contractor's personnel, as required.
- f. To obtain the Contractor's proposal for a change order and to relay the information in a memo to the Senior Contract Specialist.
- g. To review invoices and, based on satisfactory performance of the terms and conditions of the Contract, to notify the Accounting Section that a payment should be made pursuant to the Contract.
- h. To determine final acceptance of services provided under this Contract.

In addition to assisting the COTR in connection with the above referenced actions, services within the Construction Administrator's scope of work include:

- i. Monitoring the A/E's compliance with the Contract.
- j. Monitoring adherence by Project Team members with the Project Schedule.
- k. Performing constructability reviews.
- l. Preparing Construction Cost estimates and performing value engineering.
- m. Assisting in the process for procuring Contractors.
- n. Reviewing applications for payment.
- o. Facilitating collaboration and communication between members of the Project Team.
- p. Inspecting the Work.
- q. Monitoring commissioning of the building's systems

The Construction Administrator is authorized to give the A/E work authorizations, and issue written directives, approvals and notices to proceed on behalf of the Board that do not alter the A/E's obligations or change the terms and conditions of the Contract. If any services are performed by A/E without prior written authorization by the Construction Administrator, COTR or CO, the Board will not be obligated to pay for such services. The Board reserves the right to designate a different Construction Administrator at any time, without advance notice. Any task, including, but not limited to, reviews or approvals that the Board may perform pursuant to this Contract may be performed by the Construction Administrator, unless that task indicates it shall be exclusively performed by the Board or any other designated representative of the Board.

Any review, evaluation, approval or other action by the Board, CO, COTR, CxA or Construction Administrator regarding designs, drawings, specifications schedules, estimates, shop drawings, product data, samples or similar submittals prepared by the A/E or any other architect, engineer, contractor or consultant engaged by the A/E shall not (A) in any way be, or be deemed to be, (i) a transfer of any design liability from the A/E to the Board, CO, COTR, CxA or Construction Administrator, or (ii) the approval of any Design Documents not meeting the requirements of Applicable Law, the Board's Program or the Contract, or a waiver, in whole or in part, of any indemnity or other rights the Board may have against the A/E for actual or alleged defects, errors or omissions in such documents; and (B) relieve the A/E from its obligation to design the Project in accordance with the Board's Program and Applicable Law and to obtain the Board's written approval for any variation, modification or substitution thereto.

XIII. Section L.7, "INSURANCE," is deleted in its entirety and is replaced with the following:

- a. The A/E shall procure and maintain at its sole expense all forms of insurance required by the law of the District of Columbia including, without limitation, the insurance policies set forth below which shall be issued by carriers satisfactory to the Board and licensed to provide such coverage in the District of Columbia, and on forms satisfactory to the Board:
 - 1. Commercial General Liability (Occurrence Basis): Bodily Injury/Property Damage Liability Combined Single Limit of \$2,000,000 each occurrence, \$2,000,000 annual aggregate applicable to the Project including the following coverages: (i) Premises/Operations; (ii) Independent Contractors; (iii) Products and Completed

Operations for a period of no less than ten (10) years following the Board's acceptance of the Work (which coverage may be supplied by multiple policies in lieu of a single policy); (iv) Broad Form Contractual Liability specifically in support of, but not limited to, the Indemnity sections of the Contract; (iv) Broad Form Property Damage (including Completed Operations); (v) Protective Liability; (vi) Advertising Injury Liability; (vii) Fire Legal Liability; and (viii) Exclusions relative to Collapse, Explosion and Underground Property Damage Hazards deleted.

2. Comprehensive Automobile Liability: \$2,000,000 combined single limit for bodily injury and property damage.

3. Workers' Compensation: Statutory Limits.

4. Employer's Liability: \$1,000,000/each accident; \$1,000,000/disease policy limit; \$1,000,000/disease each employee.

5. Excess/Umbrella Liability: Bodily Injury/Property Damage (Occurrence Basis), \$3,000,000 per occurrence, \$3,000,000 aggregate. This policy shall be written on a following form umbrella excess basis above the coverage described above.

6. Professional Liability: \$2,000,000 per claim, subject to a \$2,000,000 annual aggregate.

b. Unless included under the Commercial General Liability policy, the professional liability policies procured by the A/E shall insure the A/E against claims for, including but not limited to, bodily injury, property damage and contractual liability, including A/E's obligations under Section L.14, as amended, and other indemnity obligations under the Agreement that arise out of or are related to the A/E's negligent performance of its professional services.

c. The A/E's Professional Liability Policy shall have a retroactive date prior to the performance of any Services to be provided under this Agreement, shall be maintained by A/E for ten (10) years after the date of issuance of the Certificate of Substantial Completion of the Work and shall state that in the event of cancellation or non-renewal, the discovery period for insurance claims (tail coverage) shall be at least twelve (12) months.

d. All insurance policies (except Professional Liability and Worker's Compensation) shall be endorsed to include the Board, its subsidiaries, the Contracting Officer, the COTR and each of their respective members, successors, assigns, heirs, legal representatives, devisees, officers, directors, shareholders, employees, consultants and agents, now existing or which may hereafter exist ("Board Indemnitees") as Additional Insureds on terms no less broad than ISO forms CG 20 10 07 04 for ongoing operations and 20 37 07 04 for completed operations (or such other forms as requested by the Board and agreed upon by the A/E), and copies of these endorsements or their equivalent shall be provided to the Board prior to commencement of the Services (or, in the case of a

Consultant, prior to commencement of the Consultant's services). All policies (except professional liability and workers compensation) shall contain cross-liability and severability of interest endorsements, state that this insurance is primary insurance as regards any other insurance carried by the Board or, where applicable, any Additional Insured, and shall include a waiver of subrogation in favor of Board and all Additional Insureds. The A/E shall be responsible for any loss within the deductible limits of the policies. The A/E and its Consultants shall submit proof of such insurance to the Board before submittal of the first invoice to the Board, on each of the policy's anniversary date(s), and at any time when there occurs (or there is expected to occur) under any policy a reduction in insurance limits, a policy cancellation or an exhaustion of available insurance coverage. Proof of such insurance, and the maintenance in full current force and effect of such coverage, shall be a condition precedent to the Board's obligation to pay under this Agreement. The insurance policies shall incorporate a provision requiring written notice to the Board at least thirty (30) days prior to any cancellation, nonrenewal, or material modification of the policies. To the extent that the Board or the A/E realizes the proceeds of property insurance related to, and subsequent to, a claim for which coverage by property insurance exists, the recovering party claiming the loss waives its right against the other for that loss. Nothing in this Agreement shall be construed as a waiver by Board of its right to proceed against any other person or entity for losses arising out of, or related to, this Agreement. A/E waives its right to subrogation where the loss incurred by A/E or any of its subconsultants, consulting engineers, or others is covered by property insurance. Except as specifically set forth above, all insurance policies shall remain in effect for at least through any warranty period covering the Project but in no case for less than twelve (12) months after the date of issuance of Certificate of Substantial Completion of the Work.

e. The A/E shall require by contract and shall verify that all A/E's Consultants performing Basic or Additional Services for the Project under a contract (express or implied) with A/E including, without limitation, any architect, civil engineer, structural engineer or mechanical/electrical/plumbing consultants shall procure and maintain the same insurance coverage as that identified above for the A/E, unless lower policy limits for a particular Consultant based upon its scope of work are accepted in writing by the COTR.

XIV. Section L.14, "INDEMNIFICATION," is deleted in its entirety and replaced with the following:

a. By signing the Proposal section of the Solicitation form, the Offeror agrees, to the fullest extent permitted by Applicable Law, to indemnify and defend the Board, its subsidiaries, the Contracting Officer, the COTR, the Construction Administrator and each of their respective members, successors, assigns, heirs, legal representatives, devisees, officers, directors, shareholders, employees, now existing or which may hereafter exist (collectively the "Board Indemnitees") for, from and against all claims, demands, causes of action, proceedings, suits, damages, liabilities, losses, penalties, fines, sanctions, judgments, and expenses (including, reasonable attorney's fees, costs and expenses of litigation and of investigation whether or not suit is filed) of any kind or nature (herein collectively "Losses & Liabilities"), caused by, arising out of or resulting from in whole

or in part the negligent act, error or omission, willful misconduct or breach of this Contract by the Offeror, the Offeror's employees, Consultants, subcontractors and those for whom the Offeror is legally responsible in connection with the Services performed under this Contract, even if a Board Indemnitee's negligence or fault is, or is alleged to be, a contributing cause of such Losses & Liabilities; provided, however, if it is subsequently adjudicated by a court of competent jurisdiction or agreed to by a Board Indemnitee that a portion of any Loss or Liability is the result of the negligence or fault of a Board Indemnitee, the Board will reimburse (or credit) Offeror for that percentage portion of the total cost of Offeror's defense and indemnification of such Board Indemnitee equal to such Board Indemnitee's percentage of comparative liability in relation to all contributing factors. Without intending to limit the scope of Losses & Liabilities in any way, and to the extent permitted by Applicable Law, Offeror expressly waives its immunity under the applicable worker's compensation statute in connection with any Board Indemnitee's claim for indemnification under this article. The Offeror also shall indemnify and defend all of Board Indemnitees from and against any costs and expenses (including reasonable attorney's fees, costs and expenses of litigation and investigation) incurred by any Board Indemnitees in enforcing any of the Offeror's defense, indemnity, and hold harmless obligations under this Contract. Except as expressly permitted pursuant to this subsection (a), Offeror shall not bring any claims against a Board Indemnitee in connection with a Loss or Liability.

b. The Board shall promptly advise Offeror in writing of any claim, demand, action, administrative or legal proceeding or investigation as to which this indemnification applies, and Offeror, at Offeror's expense, shall assume on behalf of Board (and the other Board Indemnitees) and conduct with due diligence and in good faith the defense thereof with counsel reasonably satisfactory to Board; provided, however, the Board shall have the right, at its option, to be represented therein by advisory counsel of its own selection and at its own expense. In the event of failure by Offeror to fully and timely perform in accordance with this indemnification provision, when it is applicable, the Board, at its option, and without relieving Offeror of its obligations hereunder, may so perform, but all costs and expenses so incurred by Board in that event shall be reimbursed by Offeror to Board, together with interest on the same from the date any such expense was paid by Board until reimbursed by Offeror, at the rate of interest provided to be paid on judgments, by the law of the jurisdiction to which the interpretation of this Contract is subject.

c. Offeror's obligations under this Section and its subsections shall survive expiration or termination of the Offeror Contract.

d. Offeror shall cause the same or similar terms as those set forth in this Section L.14 and its subsections to be included in the terms of any contract between Offeror and any third party providing Offeror Services in connection with the Project.

XV. Section M.1, "DEFINITIONS" is modified to include the following:

a. *Applicable Codes and Standards* means any and all codes, standards or requirements applicable to the Services, the Work of any Construction Contractor or to the Project set forth in the Contract or in any Applicable Law. In the event of an inconsistency or conflict between any of the Applicable Codes and Standards, the highest performance standard as contemplated therein shall govern performance of the applicable person. For purposes of this Contract, Applicable Codes and Standards shall include the codes, statutes and requirements of the District of Columbia applicable to similarly situated projects in the District of Columbia even though the Martin Building is legally exempt from such requirements.

b. *Applicable Law* means all laws, statutes, ordinances, certifications, orders, decrees, injunctions, permits, agreements, rules and regulations, including any conditions thereto of any Governing Authority, or other legislative or administrative action of a Governing Authority, or a final decree, judgment or order of a court which relates to the performance of the Services, the Work or services of any Construction Contractor or the interpretation or application of this Contract or any applicable Contract Documents, including (a) any and all permits, authorizations, certifications, or other approvals or orders, (b) any Applicable Codes and Standards set forth in Applicable Law; and (c) any Applicable Law related to (i) conservation, regulation, improvement, protection, pollution, contamination or remediation of the environment; or (ii) Hazardous Substances or any handling, treatment, storage, release, use and disposal or other disposition of Hazardous Substances. For purposes of this Contract, Applicable Law includes the laws of the District of Columbia applicable to similarly situated projects in the District of Columbia even though the Martin Building is legally exempt from these requirements.

c. *Change* means an addition, deletion, suspension of, revision or any other modification or amendment to (i) the Basic Services; or (ii) the Work or services of any Construction Contractor.

d. *Construction Contractor* means an individual, partnership, corporation, or other entity responsible for performing the Work, or a portion thereof. Contractor shall include Subcontractors of any tier.

e. *Design Documents* mean drawings, specifications, calculations and other work product prepared by the A/E, the A/E's Consultants or any other consultant engaged by the Board to perform Design Services in connection the development of the Project including, but not limited to, Schematic Design Documents, Design Development Documents, Construction Documents and Addenda thereto.

f. *Design Services or Services* shall mean the professional architectural, engineering and design services performed by the A/E and/or the A/E's Consultants (whether as part of the Basic Services or as an Additional Service) for the Project.

g. *Governing Authority* means any department, office, instrumentality, agency, board or commission of the Federal Government, and any state or local government having jurisdiction over a Party or any portion of the Services, the Work, or the Project. For purposes of this Contract, Governing Authority shall include the District of Columbia even though the Martin Building is legally exempt from District of Columbia law.

i. *Subcontract* refers to any contract between a Construction Contractor and any person, or between a Subcontractor (of any tier) and any person to perform, supply, or furnish a portion of the Work on the Project.

j. *Subcontractor* refers to any person performing, supplying, or furnishing a portion of the Work on the Project under a Subcontract.

k. *Work* refers to the totality of the obligations required of any Construction Contractor in constructing all or any portion of the Project set forth in or reasonably inferable from its applicable contract documents.

XVI. Section M.2, "INSPECTION," is deleted in its entirety and replaced by the following:

The Board shall have the right to reasonably disapprove of any portion of A/E's Services by written notice stating the reasons for the disapproval. In the event that any of the Services are disapproved by the Board, the A/E shall proceed, when requested by the Board, to re-perform or make other corrections to the Services to attempt to satisfy the objections at no additional cost to the Board without prejudice to A/E's right to pursue a claim under Section M.22. In addition to any other remedy of the Board under this Contract or otherwise at law or in equity, the Board may withhold payment from the A/E on account of Services that the Board contends in good faith contain errors, omissions or are otherwise incomplete, inconsistent or do not conform to the requirements of the Contract or are contrary to the Board's written instructions, likewise without prejudice to A/E's right to pursue a claim under Section M.22. A/E acknowledges that the Board's review, inspection, acceptance, and/or payment for any of the A/E's Services shall not constitute acceptance of Services that fail to conform to the requirements of the Contract, unless the Board expressly accepts such non-conforming Services in writing. Acceptance of payment by the Architect for all or any part of the Services shall constitute a waiver of all claims against the Board, except those previously made in writing and identified by A/E as unsettled at the time of such payment.

XVII. Section M.8, "NONDISCLOSURE," is modified as follows:

a. For purposes of this Contract, "Confidential Information" shall include all information and material related to (a) the Project including, but not limited to, Design Documents, estimates, reports, photographs; (b) the business, products, services, research or development, clients or customers of the Board or the Federal Reserve Banks; (c) the security arrangements and strategies of the Board; (d) economic data; (e) financial, statistical and personnel data pertaining to Federal Reserve Banks or other financial institutions; and (f) financial, statistical, personnel, planning and similar information relating to past, present or future activities of the Board, which has or will come into the

possession or knowledge of Contractor or its agents or employees in connection with this Agreement or the performance hereof. Confidential Information does not include any information which: (a) is already in the possession of the Contractor except that which has been received under another confidentiality agreement with the Board; (b) is rightfully received by the Contractor from a third party; (c) is independently developed by or for the Contractor; or (d) is or becomes publicly available.

b. Except with the express written permission of the Board in each instance, the A/E shall not knowingly or negligently communicate or disclose Confidential Information to any person or entity except to A/E employees, Consultants or Project Team members to the extent necessary for them to perform their respective services or Work for the Project. Prior to disclosing Confidential Information to any authorized recipient, A/E shall bind such person to the confidentiality obligations contained in this Section. A/E acknowledges that in the event of a breach of any of the confidentiality obligations contained herein, the Board would suffer irreparable harm for which remedies at law, including damages, would be inadequate, and shall be entitled to seek equitable relief therefor by injunction, in addition to any and all rights and remedies available to it at law and in equity, without the requirement of posting a bond.

c. The A/E is required to develop and utilize procedures for custody, use and handling, reproduction, preservation, storage, safeguarding, and disposition of all Confidential Information. These procedures must be designed and carried out so that there is no unauthorized disclosure of such documents and information throughout the course of contract performance.

XVIII. Section M.15, "CHANGES," is deleted in its entirety and replaced by the following:

Section M.15, "CHANGES/ADDITIONAL SERVICES"

a. **Initiated by the Board.** The Contracting Officer may at any time direct the A/E to perform Additional Services, or to modify the method or manner of performance of the Services, without rescinding or terminating this Contract. The A/E shall perform the Additional Services, and the Board shall compensate the A/E, in accordance with the provisions set forth below.

b. **Initiated by the A/E.** If the A/E believes that (A) an Additional Service has been requested by virtue of any direction, instruction, interpretation, or determination by the Board, or (B) it is (or may be) entitled to an adjustment in its compensation or the Schedule as a result of an event or occurrence arising after award of the Contract, the A/E shall notify the Board in writing within twenty (20) days of the event, occurrence, direction, instruction, etc. and shall obtain the Board's written approval prior to performing an Additional Service; provided, however, no claim for Additional Services may be initiated by the A/E or its Consultants after final payment has been made under this Contract. If known at the time of its notice to the Board, the A/E's notice shall set forth the estimated adjustment in the A/E's compensation or Schedule which it proposes and, if not known at such time, when the A/E reasonably expects to notify the Board of

such proposed adjustment. The parties acknowledge that Board will be prejudiced if Architect fails to provide the notice required under this Section, and agree that such requirement is an express condition precedent necessary to any right for an adjustment in the Architect's compensation, the Design Schedule, or any other modification to any other obligation of Architect under the Agreement.

c. **Conditions Precedent to Additional Services.** The Board and the A/E will make reasonable efforts to determine a mutually acceptable fixed fee for any Additional Service before the A/E proceeds with performance of an Additional Service. Under no circumstances will the Board be obligated to compensate the A/E or A/E Consultants for Additional Services unless, as a condition precedent thereto, the Board has authorized the A/E to proceed with the performance of such Additional Services in writing in advance. A/E shall be solely responsible for recording the time expended and Reimbursable Expenses incurred for the Additional Services. Notwithstanding anything to the contrary contained in this Contract, the A/E shall not be entitled to receive compensation for any Additional Services if such services were required due to the fault of the A/E or the A/E Consultants or the A/E's failure to perform in accordance with the terms of this Contract.

d. **Additional Services.** The following services constitute Additional Services:

- i. Services necessitated by a material change in the initial Project Information, previous instructions or approvals given by the Board, or a change in the Project Requirements that materially affects the scope, timing or quantity of the A/E's services including, but not limited to, size, quality, complexity, the Board's schedule or Stated Cost Limitation, or procurement or delivery method;
- ii. Changing or editing previously prepared design documents necessitated by the enactment or revision of codes, laws or regulations or official interpretations;
- iii. Services necessitated by decisions of the Board or Board's Consultants not rendered (i) in the time specified by the A/E in its request provided such specified time is reasonable; or (ii) if no time for response is specified by the A/E, within a reasonable time;
- iv. Preparation for, and attendance at, a public presentation, meeting or hearing, except as otherwise provided herein;
- v. Preparation for, and attendance at a dispute resolution proceeding or legal proceeding, except where the A/E is party thereto;
- vi. Consultation concerning replacement of Work resulting from fire or other casualty during construction.
- vii. Preparing revisions to Construction Documents in connection with the issuance of Change Orders and Construction Change Directives; services associated with change orders, construction change directives or substitutions that are typical to projects of a similar nature and complexity shall not constitute Additional Services.
- viii. Services in connection with preparing special surveys, studies and submissions required for approval by Governing Authorities;
- ix. Consultative services in connection with claims, disputes, or other matters in question between the Board and a Construction Contractor.
- x. Visits to the site in excess of those set forth in Section C.2.6.c; and
- xi. Any service identified as an Additional Service in the Contract.

Continuing Performance. If directed by the Board, the A/E shall continue to perform in accordance with the terms of this Contract during the course of any re-negotiation of the A/E's compensation for Additional Services or for adjustment in the Design Schedule. If the Board indicates in writing that all or part of any Additional Service proposed by A/E is not required, the A/E shall have no obligation to provide those services. However, nothing in this Contract shall relieve the A/E of its professional and contractual duties related to this Project. Should the A/E believe that the proposed Additional Service is necessary or required for the performance of its professional or contractual responsibilities or obligations under this Contract, A/E shall notify the Board of that fact in writing, stating the objective basis for that belief. If the Board determines that the proposed Additional Services (which the A/E has suggested are essential) are included in the A/E's Basic Services, the A/E shall perform them, submitting written notice to the Board before performing those services, stating that the A/E disputes the Board's determination that those services are Basic Services and that the A/E does not waive its right to seek compensation for those services by performing them.

XIX. Section M.16, "PRICING OF ADJUSTMENTS," is revised as follows:

When costs are a factor in any determination of a contract price adjustment pursuant to the Changes clause (Clause 15) or any other provision of this Contract, such costs shall be allowed to the extent they are reasonable and allocable. In ascertaining what constitutes a cost, any generally accepted method of determining or estimating costs that is equitable and consistently applied may be used; Provided, however, in no event shall the Board be obligated to compensate A/E for labor, skill or unskilled, associated with the performance of Additional Services in excess of the amount calculated by multiplying the reasonable number of hours required to complete the Additional Service by the most recently approved Labor Rates set forth in the Contract. Compensation for approved Additional Services performed by A/E's consultants when not included in any negotiated lump sum shall be the amount invoiced to the A/E without mark-up of any kind.

XX. Section M.17, "BOARD DELAY OF WORK," is modified as follows:

- a. If the performance of all or any part of the Services is delayed, hindered, impacted, obstructed or interrupted by an act of the Contracting Officer in the administration of this Contract, which act is not expressly or impliedly authorized by this Contract or by his/her failure to act within the time specified in this Contract (or within a reasonable time if no time is specified) (collectively "Board Delay"), and provided the A/E complies with the requirements of Section M.15, as amended, an adjustment (excluding profit) shall be made for any increase in the cost of performance of this Contract caused by such Board Delay or interruption, and the Contract modified in writing accordingly. Adjustment shall be made also in the delivery or performance dates and any other contractual provision affected by such delay or interruption. No adjustment, however, shall be made under this clause for any Board Delay (1) to the extent that performance of the Services would have been delayed or interrupted by any other cause, including the fault or negligence of the A/E or its Consultants, or (2) for which an adjustment is provided or excluded under any other provision of this Contract.

- b. No claim under this clause shall be allowed (1) for any costs incurred more than twenty (20) days before the A/E shall have notified the Contracting Officer in writing of the commencement of the Board Delay involved, and (2) unless the claim, in an amount stated, is asserted in writing within twenty (20) days after the termination of such Board Delay. Except for the A/E's rights under Sections M.15-17, the A/E expressly agrees not to make, and hereby waives, and shall cause A/E's Consultants to similarly agree not to make, and to waive, any claim for costs, losses, damages or expenses on account of any Board Delay, including, without limitation, consequential damages, lost opportunity costs, actual or alleged loss of efficiency or productivity, home office overhead, extended overhead, impact damages, cumulative impact, ripple effect or other similar remuneration.

XXI. Section M.19, "STOP WORK ORDER," is modified as follows:

- a. The Contracting Officer may, at any time, by written order to the A/E, require the A/E to stop all, or any part, of the work called for by this Contract. Any such order shall be specifically identified as a stop work order issued pursuant to this clause. Upon receipt of such an order, the A/E shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. If all of the Work on the Project is suspended for more than ninety (90) consecutive days for reasons other than the fault of the A/E, the A/E may terminate this Contract by giving not less than twenty (20) days' written notice. In this event, the Board shall be liable to the A/E and its Consultants in accordance with Section M.20, "Termination for Convenience of the Board" clauses of this Contract.

- b. If a stop order issued under this clause is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. An equitable adjustment shall be made in the delivery schedule or contract price or both, and the Contract shall be modified in writing accordingly, if the A/E complies with, and is entitled to such an adjustment under, Sections M.15-M.17.

provided that, if the Contracting Officer decides the facts justify such action, it may receive and act upon any such claim asserted at any time prior to final payment under this Contract.

- c. If a stop work order is not canceled and the work covered by such order is terminated for the convenience of the Board, the A/E shall be reimbursed in accordance with Section M.20.

a. If a stop work order is not canceled and the work covered by the order is terminated for default, the A/E shall be reimbursed the reasonable costs resulting from the stop work order otherwise recoverable under this Section in accordance with Section M.21.

XXII. Section M.20, "TERMINATION FOR CONVENIENCE OF THE BOARD," is modified as follows:

The Contracting Officer, by written notice, may terminate this contract in whole or in part, when it is in the Board's interest. To the extent that this Contract is for service and is so terminated, the Board shall be liable only for payment in accordance with the payment provisions of this Contract for services rendered and Reimbursable Expenses incurred prior to the effective date of termination. If the Board terminates this Contract under this paragraph, the A/E must immediately take all actions necessary to minimize the cost of termination settlement to the Board. A/E and A/E's Consultants shall not be entitled to, and expressly waive their right to assert a claim against the Board for, any other compensation or the recovery of any damages in connection with such termination, including, without limitation, consequential damages, lost opportunity costs, lost profit on this Project or any other project, impact damages, or other similar remuneration.

XXIII. Section M.22, "DEFAULT," is modified as follows:

a. The Board may, subject to the provisions of paragraph (c) below, by written notice of default to the Contractor, terminate the whole or any part of this Contract in any one of the following circumstances:

1. if the A/E fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof, or
2. if the A/E fails to perform any of the other provisions of this Contract, or so fails to make progress as to endanger performance of this Contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure; or
3. if any of the following occur: (a) the making by the A/E of any general arrangement or assignment for the benefit of creditors; (b) A/E becomes a "debtor" as defined in 11 USC Section 101 or any successor statute (unless, in the case of a petition filed against A/E, the same is dismissed within sixty (60) days); (c) the appointment of a trustee or receiver to take possession of substantially all of A/E's assets or of any asset used in connection with the Project, where possession is not restored to A/E within thirty (30) days; or (d) the attachment, execution or other judicial seizure of substantially all of A/E's assets or of any asset used in connection with the Project.

b. In the event the Board terminates this Contract in whole or in part as provided in paragraph (a) of this clause, the Board may pursue any and all remedies available at law and in equity including, without limitation, the following: (i) the right to keep this

Contract in effect and sue the A/E for all damages caused by the default and recover the costs, including reasonable attorney's fees, caused thereby; (ii) the right to cure any such default by A/E and to recover any damages caused thereby; and (iii) the right to terminate any or all the A/E's Services with respect to the Project; provided that the A/E shall continue the performance of this Contract to the extent not terminated under the provisions of this clause. Upon such termination, the Board shall have the right to complete the Services or to contract with others for completion of the Services and, in either event, to charge the cost of completion to the A/E. The Board may deduct, offset, and credit such costs of completion and all other damages incurred by the Board as a consequence of A/E's default from and against any amounts that may at any time be payable to A/E under this Contract (or any other contract that may have with the Construction Manager). If the cost of completion exceeds the amount that would have been payable under this Contract had A/E completely performed the Services pursuant to the terms of this Contract, A/E shall immediately pay the amount of such excess to the Board. Upon termination, A/E shall be deemed to have waived all claims against the Board for profits, loss or damage on or with respect to the uncompleted Services.

XXIV. Section M.22, "DISPUTES" is modified as follows:

a. Any claim by the Contractor seeking payment of money in a sum certain, the adjustment or interpretation of Contract terms, or other relief arising under or relating to the Contract must be submitted in writing to the Contracting Officer no more than twenty (20) days after the onset or occurrence of the condition giving rise to the claim. A claim shall include a written statement setting forth in detail the grounds of the claim and, if applicable, an itemization of the direct or indirect costs for which compensation is being requested. Failure to deliver a claim within the required period shall constitute an irrevocable waiver by the Contractor of any such claim. Upon receipt of such a claim, the Contracting Officer or his/her representative will contact the claimant and attempt to negotiate a mutually acceptable resolution.

* * *

e. Notwithstanding any provisions to the contrary in this Section M.22, if any dispute arises between the Board and the Contractor which relates to this Contract, the Services or the Project, the Contractor shall not interrupt the performance of Services, and shall cause any Contractor not to interrupt the performance of the Services during the pendency of any such dispute, unless ordered to do so by the Contracting Officer in writing and the Board shall make all progress payments for the Services other than disputed amounts. If either party brings any action or legal proceeding for an alleged breach of any provision of this Contract, to terminate this Contract or otherwise to enforce, protest or establish any term or covenant of this Contract, the prevailing party shall be entitled to recover as a part of such action or proceeding, or in a separate action brought for that purpose, reasonable attorneys' fees, court costs, and expert fees as may be fixed by the court.

f. If the decision of the Board's Staff Director for Management does not resolve the claim it shall be a condition precedent to the initiation of any further proceedings that the

parties submit the claim to non-binding mediation in Washington, DC in accordance with the Mediation Rules of the American Arbitration Association. Upon request of the initiating party or mediator, the other party shall promptly evidence its consent to the mediation if such consent is required to proceed. The resolution of any claim shall be documented promptly after resolution of such claim in a Change Order executed by the Board and Contractor.

g. If the Construction Documents prepared by A/E fail to include or improperly specify a required item or component as a result, in whole or in part, of any negligent error or omission in the performance of the Services or breach of this Contract, then in addition to any other remedies available under the Agreement or at law or equity, the A/E shall liable to the Board for the increased costs resulting therefrom including: (1) the cost of revising the Construction Documents to correct the error or omission, including issuing of any addenda associated with any Change Order; (2) the additional labor and material cost, if any, to add such item or component to the Project above the cost that the Board would have incurred had the item not been omitted from or improperly detailed or specified in the Construction Documents and included as part of the Construction Contractor's original pricing; and (3) the costs payable to any Construction Contractor or any Subcontractor, if any, on account of any delay, hindrance or interference with Work including extended general conditions, increased or unabsorbed overhead, loss of productivity, loss of efficiency, or similar claims. In no event will the Architect be responsible under this Section for any cost or expense that provides betterment, upgrade or enhancement of the Project.

XXV. Except as set forth specifically herein, all other terms of the Contract remain unmodified and in full force and effect.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

November 28, 2011

SOLICITATION, OFFER AND AWARD 201000405
AMENDMENT 3

Attention Offerors:

This serves to notify all Offerors that SOA-201000405 is hereby amended to provide the Board's official responses to offeror initiated inquiries.

Offerors must acknowledge receipt of this Amendment 3 in the Offer section of the Solicitation, Offer and Award form (Section A) and in Paragraph 11 of the Representations and Other Statements of Offeror (Section K) when they submit their proposal.

.....

1. Question: Can you provide me with the size of the Martin Building and the new visitors and conferencing center (square footage and # of floors)? I need to provide this to our insurance company?

Answer:

Penthouse	9,200 gsf
Terrace	38,000 gsf (Indoor 29,000 gsf, Outdoor -- 9,000 gsf)
4th Floor (Office)	37,500 gsf
3rd Floor (Office)	37,500 gsf
2nd Floor (Office)	37,500 gsf
1st Floor (Office)	37,500 gsf
Interstitial Level	5,400 gsf
Conference Center (Podium)	32,600 gsf
Visitor Center	9,800 gsf
Level G1 (Garage)	47,000 gsf
Level G2 (Concourse/Garage)	83,000 gsf
Level G3 (Garage)	78,900 gsf
Electrical Mezzanine	4,100 gsf
Mechanical Level	63,700 gsf
Total	521,700 gsf

2. Question: The answer to Question #7 in Amendment #2 states "Section C.4.6 requires Offerors to submit a complete list of references for all construction projects completed or in process over the last 2 years". Is this limited to the Washington, DC area, or across our entire company's breath of operations?

Answer: Please provide the complete list of projects across the entire breadth of operations as long as the projects were performed in the name of the entity submitting the proposal for this SOA as the prime contractor.

3. Question: Page 4 - Section B.1 refers to a form for "Maximum Fully Burdened Rates. This form was not included with the solicitation. Can this form be provided?

Answer: The cost/price form that was provided is the form that offerors should use to include their maximum fully burdened rates in areas where hourly rates are requested.

4. Question: Please provide page 2 of the Supplier Information form.

Answer: Please see the attached Supplier Information form.

5. Question: Page 73 - Section L.13.1 - notes that Part F of Volume I is the Subcontractor Plan. Has the Board established any subcontracting goals for this procurement?

Answer: There are no established subcontracting goals for this procurement.

6. Question: Page 11 - Section C.2.1.7 - refers to Appendix 4 which appears to be a policy/procedure regarding the retention of documents. This appendix was not provided with the solicitation. Can it be provided?

Answer: The sentence in Section C.2.1.7 that reads, "Construction Administrator shall retain, and shall cause its Consultants to retain, paper documents and electronically stored information in accordance with the terms of Appendix 4" shall now read as follows:

"Construction Administrator shall retain, and shall cause its Consultants to retain, paper documents and electronically stored information in accordance with the terms of the Board's records procedures. These procedures will be available to the successful Offeror on the Board's intranet."

Except where amended herein, all other terms and conditions of the Solicitation, Offer and Award remain unchanged.

Sincerely,

Kimberly M. Prince, C.P.M.
Supervisory Contracts Analyst
Procurement Section, Management Division

Attachment: Supplier Information Form



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

August 16, 2012

**SOLICITATION, OFFER AND AWARD 201000405
AMENDMENT 4**

Attention Offerors:

This serves to notify all Offerors that SOA-201000405 is hereby amended to modify Section C, Statement of Work as described in Attachment A (Addition to Section C for SOA 201000405). In addition, Offerors shall provide the information requested in this Amendment 4 as indicated below.

Offerors must acknowledge receipt of this Amendment 4 in the Offer section of the Solicitation, Offer and Award form (Section A) and in Paragraph 11 of the Representations and Other Statements of Offeror (Section K) when they submit their proposal.

.....

When responding to this Amendment 4, Offerors are advised to review the original Statement of Work and Amendments one through three to ensure all aspects of the work are included in the offerors price proposal.

The Board realizes that the Offerors cost/price proposals are expired. Therefore, Offerors are further advised to review their original cost/price proposals to ensure the price submission with this Amendment 4 includes the Offerors rates that will remain valid throughout the Contract's period of performance.

Offerors are required to submit the following in response to this Amendment 4:

1. An addendum to their technical proposal describing how the Offeror intends to perform the optional services requested in Attachment A. This addendum shall mimic that of the original technical proposal submission in that it should address how the additional services will coordinate with the original scope of work and how all of the Offerors personnel will interact with one another and with the existing Martin Renovation project team.
2. Resumes of any key personnel that Offeror is proposing to perform the additional services even if the Offeror intends to use personnel that is proposed to perform the original services.
3. A complete cost proposal using Attachment B (Cost/Price Proposal Form) that is now modified to include the additional services as separately priced options.
4. A detailed narrative of any exceptions and exclusions of the Offerors proposal.

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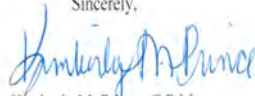
In addition to the submission requirements detailed above, Offerors may be asked to return to the Board for a brief question and answer session specifically related to the new solicitation requirements.

Pertinent dates associated with this Amendment 4 are as follows:

Closing date for inquiries:	August 27, 2012
Submission of proposals:	September 17, 2012 2:00 p.m. Washington, DC, time
Question and Answer Sessions	To be determined

Except where amended herein, all other terms and conditions of the Solicitation, Offer and Award remain unchanged.

Sincerely,



Kimberly M. Prince, C.P.M.
Supervisory Contracts Analyst
Procurement Section, Management Division

Attachment: Addition to Section C, Statement of Work
Cost/Price Proposal Form

**SOLICITATION, OFFER, AND AWARD 201000405
AMENDMENT 4
ADDITION TO SECTION C**

2.7 OPTIONAL SERVICES

The services described in the sections that follow are an alternate to the original scope of work released with SOA 201000405 and shall be priced as optional services for the Board of Governors of the Federal Reserve System (Board) to consider. The Board may choose to award only the basic construction administration services described in the statement of work or, alternatively, the basic services with any combination of the optional services described below.

2.7.1 Swing Space for Martin Renovation. The Board is anticipating leasing approximately 200,000 square feet and moving approximately 600 employees to leased space in the immediate downtown Washington DC area as part of the requirement to empty the Martin building for the renovation. Some moves could be to the buildings already controlled by the Board. The leased space will contain approximately 600 offices with several conference rooms with enhanced AV and video teleconferencing capabilities. The space will also include a number of additional rooms for support functions (i.e. copy, LAN, mail, high density filing, storage, locker rooms, pantries, LEU locker rooms and the like), and the installation of a security access control system to support the Law Enforcement Unit's function.

The lease negotiations, design, and construction of leased space are not included in this statement of work.

The Board seeks to expand construction management and administration services for the Martin Renovation to include assisting Board staff in implementing quality control and moving of Board resources and personnel. This work can be expected to be executed in several phases and potentially multiple locations. More than one "relocation" event can be expected. Each phase of the projects are described below with the expected services noted.

- 2.7.1.1 Construction phase of swing space
- 2.7.1.2 Review shell and interior construction for conformity with approved design
- 2.7.1.3 Monitor contractor's progress against the schedule
- 2.7.1.4 Monitor the anticipated contractor's costs against the pricing
- 2.7.1.5 Generate and update project master cost sheet and schedule
- 2.7.1.6 Review Landlord's use of tenant improvement allowance

- 2.7.1.7 Perform regular site visits of at least one per week and report, in writing, the progress and/or any variances to the specifications and schedule
- 2.7.1.8 Attend all project and designated subcontractor meetings
- 2.7.1.9 Review and offer expert advice pertaining to change orders and requisitions for payment
 - 2.7.1.9.1 Maintain change order log and supporting documentations
- 2.7.1.10 Review and offer advice pertaining to submittals
 - 2.7.1.10.1 Verify and notify of any schedule or budget impacts
 - 2.7.1.10.2 Verify submittals against specifications
- 2.7.1.11 Acceptance of premises
 - 2.7.1.11.1 Assist in the development of architectural and MEP punch lists
 - 2.7.1.11.2 Monitor punch list for completion
 - 2.7.1.11.3 Assist in the coordination of the installation of the technology
- 2.7.1.12 Project close out
 - 2.7.1.12.1 Verify all punch list items are complete
 - 2.7.1.12.2 Review of all O & M manuals and warranties
 - 2.7.1.12.3 Issue final cost accounting to Federal Reserve Board
- 2.7.1.13 Overall Project
 - 2.7.1.13.1 Incorporate swing space work into all schedules prepared for the Martin Renovation project.
 - 2.7.1.13.2 Administration: incorporate all work associated with swing space and relocation into all Martin Project records and documentation, attend meetings as requested.

2.7.1.13.3 Incorporate potential costs of swing space as a separate line item in all estimates prepared for the Board during the Martin Project.

2.7.1.13.4 Make recommendations on how to make the relocation of employee as efficient and cost effective as is reasonable.

2.7.1.13.5 Assist the Board's Procurement section in the preparation (review and comment on documents) and negotiation of contracts and change orders associated with this work.

2.7.1.14 Relocation – Relocation of employees to the swing space and back to the Martin Building.

2.7.1.14.1 Assist in organizing move of Board employees and resources

2.7.1.14.2 Scheduling

2.7.1.14.3 Quality assurance

2.7.2 Data Center Relocation. The Board is anticipating moving the Martin Data Center from the Martin Building ~~confidential - security~~

~~confidential - security~~
~~confidential - security~~
~~confidential - security~~
~~confidential - security~~

We anticipate the facilities work will include but will not be limited to redundant power sources, backup generation, electrical distribution, computer flooring, security hardening, new lighting, redundant computer room grade HVAC, cable racks, and office space. The Board's Division of Information Technology will hire a separate consultant to assist in preparation of ~~confidential - security~~

~~confidential - security~~. The service required under this Contract is to ensure that the Data Center Relocation is integrated with the Martin Project and that all administrative records and other documentation are properly maintained.

The Board seeks to expand construction management and administration services for the Martin Renovation to include assisting Board staff in to insure the Data Center Relocation project is coordinated with the Martin Project. This work can be expected to be executed at the Board's buildings at ~~confidential - security~~. The required services are listed below.

2.7.2.1 Build out:

2.7.2.2 Review schedule and make written comments as are appropriate and assist the Board in monitoring progress, advising the Board if they anticipate issues with occupying the space on schedule.

2.7.2.3 During construction perform regular site visits of at least one per week and report, in writing, the progress and/or any variances and schedule

2.7.2.4 Attend all IT Data Center Relocation Project Management Office and designated subcontractor meetings. These meetings will be distinct from the Martin Renovation meetings.

2.7.2.5 Track change orders and documents requiring being processed by Board staff, log and maintain supporting documentations. Make comments as appropriate.

2.7.2.5.1 Verify and notify any potential schedule or budget impacts.

2.7.2.6 Acceptance of premises

2.7.2.6.1 Monitor punch list for completion and advise the Board on the impact on the schedules.

2.7.2.7 Relocation

2.7.2.7.1 Assist in organizing move of Board employees and resources

2.7.2.7.2 Scheduling

2.7.2.7.3 Quality assurance

(2.7.2.7 is limited to occupants, office equipment, and office automation, it does not include data center equipment. Currently we anticipate 3-5 employees will occupy the Data Center space)

2.7.2.8 Project close out

2.7.2.8.1 Verify all punch list items are complete

2.7.2.9 Overall Project

2.7.2.10 Incorporate Data Center relocation schedules prepared for the general project. This is through the closing of the existing Martin Data Center.

2.7.2.11 Administration: incorporate all work associated with the Data Center relocation into all Martin Project records and documentation, attend meetings as requested. This work is to be limited to up to the acceptance and close out of the facility and does not include to movement and operation of the actual data processing equipment

2.7.2.12 Ensure the Data Center relocation project is fully coordinated with the Martin Renovation, specifically ensuring that the existing Martin Data Center remains operational until it is completely decommissioned.

2.7.2.13 Make recommendations on how to make the project as efficient and cost effective as is reasonable.

2.7.12.14 Assist the Board's Procurement section in the preparation (review and comment on documents) and negotiation of contracts and change orders associated with this work.

C.2.8 PLACE OF PERFORMANCE FOR OPTIONAL SERVICES

2.8.1 Place of Performance. Meetings for swing space located in leased space may be held at the landlord's office, job site, or at the Martin Building. The location of the meetings will be determined by the Space Planning project manager for the leased space project.

C.2.9 PROJECT MEETINGS – The vendor shall attend all meetings associated with sections 2.7.1.

C.2.10 PROGRESS REPORTS

2.10.1 Biweekly Progress Report. A separate report will be prepared for section 2.7.1, biweekly. The Contractor shall prepare and submit to the Board's Space Planning project manager a Biweekly Progress Report, which shall, at a minimum, include the following:

- A narrative of the progress of the work, including any problems or delays or other items of particular interest. The narrative shall indicate whether or not the work is on schedule, and include an explanation if it is behind schedule.
- An updated version of the project depicting both the planned and actual progress of the work.

C.2.11 Assumptions: For bidding purposes the Offeror shall make the following assumptions:

2.11.1 600 employees will be relocated to 3 different locations within the downtown Washington DC area.

2.11.2 There will be a total of approximately 200,000 square feet of swing space.

2.11.2 The relocations will take place on weekends in approximately 18 separate relocation events both to the swing space and returning to the Martin Building (total of 36 relocation events)

2.11.3 The relocations will include Board staff, security personnel, maintenance and mechanical personnel. This could include the temporary relocation of physical plant shop areas.

2.11.4 Data Center meeting construction and relocation meetings will be held bi-weekly for 36 months. Data Center meetings will be held at either the Board's ~~confidential~~ security

C.2.12 Other

2.12.1 The Offeror shall include the hourly rate for a move coordinator and any other professionals they believe are required for this work not already provided in the base contract. Other professional rates provided in the base contract will be applicable. The Offeror will provide with their proposal the number of hours for each profession they plan for this aspect of the work (schedule of values).

2.12.2 The move coordinator is considered "key personnel", as such, Offerors must provide a resume of the proposed person or persons. If these persons are replaced in the course of the Contract, the replacement shall be with persons with similar resumes and with the concurrence of the Board as indicated in Section H, Key Personnel.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

MANAGEMENT DIVISION

September 12, 2012

**SOLICITATION, OFFER AND AWARD 20100405
AMENDMENT 5**

Attention Offerors:

This serves to notify all Offerors that SOA-20100405 is hereby amended to extend the due date for Amendment 4 proposal submissions and to provide the Board's official responses to offeror initiated inquiries.

Offerors must acknowledge receipt of this Amendment 5 in the Offer section of the Solicitation, Offer and Award form (Section A) and in Paragraph 11 of the Representations and Other Statements of Offeror (Section K) when they submit their proposal.

Changes:

The submission date for proposals in response to Amendment 4 is extended to October 1, 2012.

Inquiries:

- 1) Question: In the original service contract, you provided a project schedule with calendar dates. The project schedule you provided with Amendment #4 includes the duration, but does not include calendar dates. Is it possible to get a project schedule with revised calendar dates? In addition, can this revised project schedule include the move out of the office space and data center as well as the move back in dates of the office space and data center?

Answer: The project schedule with exact calendar dates does not yet exist. The project is fully approved and funded and the various teams are getting oriented. As soon as an updated project schedule is available, the successful offeror will be provided with one. For planning purposes, please rely on the answers to these inquiries for timeline estimates and the like.

- 2) Question A: Is the move of tenants back to the Martin Building to take place in phases during the construction phase, or will it take place after construction is completed?

Answer: The move of tenants will take place after construction, but in phases as it is typical for the Board to move employees on weekends. We anticipate the move back from the Swing Space to the Martin building will take 10-12 weeks.

Question B: If it does extend past the construction phase, then the project schedule will need to be extended to allow for relocation management services post construction.

Answer: Yes

- 3) Question: Should our response to Amendment #4 (our Supplemental Package) be focused on just the Relocation Management effort of the SOW and not resubmit information that was included in the original package?

Answer: Yes the original packages for the renovation are acceptable as is. However, Offerors are reminded to review the pricing portion of the original renovation submission to ensure the prices and rates are updated.

- 4) Question A: What is the current status of project?

Answer: The budget is approved and the project has received funding.

Question B: Has the project progressed at all since we submitted our original proposal in December, 2011? Have any additional design activities been accomplished?

Answer: No significant additional design has been completed since the original proposal submissions in December 2011.

- 5) Question: Can the Federal Reserve Board provide an updated project schedule?

Answer: Once the project is fully underway, the Board will provide an updated project schedule. Right now, the original schedule you received with the solicitation package may be used as a guide to determine the project duration.

- 6) Question: What are the anticipated contract award and notice to proceed dates for Construction Administration services?

Answer: We are planning to have a contract in place by November 1, 2012.

- 7) Question: What are the anticipated start date and the anticipated duration of the Swing Space activities (Paragraph 2.7.1 of the Scope of Work)? What is the anticipated duration of design activities for the Swing Space? How many months of construction for the Swing Space should be anticipated?

Answer: The anticipated start date is the second quarter of 2013 for the Swing Space activities. We anticipate swing space build out to be approximately 8 months.

- 8) Question A: What are the anticipated start date and anticipated duration of the Data Center Relocation activities (Paragraph 2.7.2 of the Scope of Work)?

Answer: The anticipated start date and duration of the Data Center Relocation activities is 2 years starting between November 2012 and February 2013.

Question B: What is the anticipated duration of design activities for the Data Center Relocation?

Answer: The anticipated duration of the design activities for the Data Center Relocation is 6 months.

Question C: How many months of construction for the Data Center Relocation should be anticipated?

Answer: We anticipate nine months of construction.

9) Question: Please advise how many originals and how many copies should be submitted.

Answer: Please submit one original and five copies of the Amendment 4 proposal.

10) Question: What is the Board's anticipated schedule for swing space lease negotiations, design, and construction? Will the swing space overall schedule affect the period of performance for basic CA services?

Answer: See Question 7 above. No, the overall schedule schedule will not affect the period of performance for basic CA services.

11) Question: Has the Board negotiated a swing lease, and if so, who is the lessor(s)?

Answer: No.

12) Question A.: Will programming (identifying requirements for swing space, furniture, security, IT/telecom, etc.) for leased swing space be conducted between the Board and lessor?

Answer: Yes.

Question B: When does the board anticipate conducting the program for swing spaces?

Answer: Early 2013

13) Question: It is assumed that the "Move Coordinator" position is dedicated only to developing, coordinating, and overseeing the Board's move to swing space and then back to renovated space. It is also assumed that the CA staff (other than the Move Coordinator) will perform related but distinctly different functions for the leased swing space, including overseeing the construction, keeping track of costs, coordinating security, IT, furniture, etc. Are these assumptions correct?

Answer: The assumptions outlined above are correct, however, a better term than "overseeing construction" would be "monitoring construction". The Contractor will provide its expertise and advise the Board as described in the Scope of Work.

14) Question: Per amendment 4, the relocations will take place on weekends in approximately 18 separate relocation events both to the swing space and returning to the Martin Building (total of 36 relocation events). Please clarify, is the "event" equal to all activities within a weekend move, making 18 weekends for swing move and 18 weekends for a total of 36 weekends for moves?

Answer: While there are a total of 36 relocation events to plan for, the Board anticipates that it will take eight weeks for the relocation events (including six weekends within the eight weeks) to go to and from the swing space.

15) Question: Who will be executing the physical moves – i.e., moving personal boxes, computers, files, furniture, both to swing and then back to renovated spaces at Martin Building?

Answer: The Board will hire a separate contractor to execute the physical moves.

16) Question: Will furniture, IT, security, other equipment be part of the lessor contract or will the Board be procuring these requirements separately? These will be separate not part of the lessors contract

Question: Who will be coordinating the installation of furniture at swing and then at final renovated spaces within the Martin Building?

Answer: The General Contractor is anticipated to install the furniture (it is an alternate to the contract) If the alternate is not accepted it will be the selected furniture vendor. The CA will be responsible for monitoring the progress and advising the COTR of any issues.

17) Question: Will the Board contract separately for removal as well as storage or disposal of old furniture after the Martin Building has been vacated?

Answer: The old furniture will be Board surplus and will be disposed of by the Board

18) Question: Who will be responsible for inventorying existing furniture, fixtures, equipment and personal belongings that are to be moved from Martin Building to swing and from swing back to Martin Building?

Answer: Board personnel are responsible.

19) Question: Per amendment 4, data center meeting construction and relocation meetings will be held bi-weekly for 36 months. When does the Board anticipate the start of bi-weekly meetings?

Answer: The Board anticipates awarding the CA contract by November 1 and attendance at bi-weekly meetings will begin at the next regularly scheduled bi-weekly meeting following contract award.

20) Question: Per amendment 4, the Board anticipates that the relocation of the Data Center will not take place until the overall construction of the building renovation is being executed. How many relocation events (moving existing data equipment, taking old servers off line as new servers are placed on-line, etc.) will take place for the data center, and approximately when during the building renovation schedule will this take place?

Answer: This contract is not responsible for moving "data" equipment. Equipment moves will be executed by Board staff and/or other contractors. We anticipate data center construction will start first and finish within the first 6 months of Martin renovation construction

21) Question: What happens to existing data center equipment at Martin Building after relocated data center is complete and on line?

Answer: Not in scope of this contract.

22) Question: Rather than providing a new comprehensive management approach for base and optional services, we assume that the Board only wants offertory to describe how we would perform the new optional services and coordinate then with our original technical proposal. Is this a correct assumption?

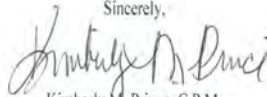
Answer: Yes, see the response to question 3.

23) Question: The timeline and corresponding titles for pricing the original scope were based on the Martin Building renovation. However, the timeline for the added scope for swing space and data center relocation is not necessarily the same. We assume that the Board would have the swing space optional costs (hours and rate and fee) summarized in the pricing sheet under the column heading "design", as the swing efforts will be completed before Martin building construction. Is this a correct assumption?

Answer: Yes summarize on the pricing sheet. Remember, there is no "swing space" requirement for the data center.

Except where amended herein, all other terms and conditions of the Solicitation, Offer and Award remain unchanged.

Sincerely,



Kimberly M. Prince, C.P.M.
Supervisory Contracts Analyst
Procurement Section, Management Division

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

DIVISION OF
FINANCIAL MARKETS

May 17, 2013

**CONTRACT 201000405
MODIFICATION 1**

Hill International, Inc.
1225 Eye Street, NW
Suite 601
Washington, DC 20005

Attention: Mr. Michael Mologne

Dear Mr. Mologne:

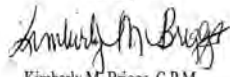
The Board of Governors of the Federal Reserve System (Board) hereby modifies Contract 201000405 as follows:

Modify Section J.4, and where appropriate, Section J.5 to change the Contracting Officer's Technical Representative from Keith Bates to Christopher Haulsey.

There is no change in the Contract value as a result of this Modification 1.

Except where herein modified, all other terms and conditions of the Contract remain the same.

Sincerely,

 2013/5/21
Kimberly M. Briggs, C.P.M.
Supervisory Contracts Analyst

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

DIVISION OF
FINANCIAL MANAGEMENT

May 23, 2013

**CONTRACT 201000405
MODIFICATION 2**

Hill International, Inc.
1225 Eye Street, NW
Suite 601
Washington, DC 20005

Attention: Mr. Michael Mologne

Dear Mr. Mologne:

The Board of Governors of the Federal Reserve System (Board) hereby modifies Contract 201000405 to add the contract line item numbers (CLINs) as indicated below:

CLIN	Description	Amount
7	Exercise the optional services in Section C.2.7.2, Data Center Relocation services	\$18,432
8	Services of Contractor to provide independent government estimates for design change orders and rough order of magnitude estimates for the general construction associated with proposed design change orders	NTE \$20,000
		\$38,432

This Modification 2 increases the Contract value, which is currently \$332,961.78, by \$38,432. Because certain elements of the Contract are priced as a not-to-exceed, the new not-to-exceed total contract value as a result of this Modification 2 is \$371,393.78.

Contractor shall reference "Contract 201000405, Modification 2" and the appropriate CLIN as noted above on all invoices and contract-related correspondence.

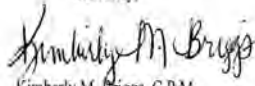
2013/5/24

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2

Except where herein modified, all other terms and conditions of the Contract remain the same.

Sincerely,

Handwritten signature of Kimberly M. Briggs in cursive script.

Kimberly M. Briggs, C.P.M.
Supervisory Contracts Analyst



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

CONTRACT
201000405

October 4, 2013

**CONTRACT 201000405
MODIFICATION 3**

Hill International, Inc.
1225 Eye Street, NW
Suite 601
Washington, DC 20005

Attention: Mr. Michael Mologne

Dear Mr. Mologne:

The Board of Governors of the Federal Reserve System (Board) hereby modifies Contract 201000405 to add the contract line item numbers (CLINs) as indicated below:

CLIN	Description	Amount
9	Independent cost estimate to determine the reasonableness of the project cost and schedule estimates for the Martin Renovation project. All work is to be performed in accordance with the attached Statement of Work, Contractor's proposal dated September 3, 2013, and Contractor's clarification email dated September 17, 2013.	\$51,506
		\$51,506

This Modification 3 increases the Contract value, which is currently \$371,393.78, by \$51,506. Because certain elements of the Contract are priced as a not-to-exceed, the new not-to-exceed total contract value as a result of this Modification 3 is \$422,899.78.

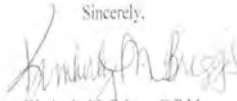
Contractor shall reference "Contract 201000405, Modification 3" and the appropriate CLIN as noted above on all invoices and contract-related correspondence.

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Except where herein modified, all other terms and conditions of the Contract remain the same.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly M. Briggs". The signature is written in dark ink and is positioned above the printed name and title.

Kimberly M. Briggs, C.P.M.
Supervisory Contracts Analyst

**Independent Cost Estimate
Statement of Work**

I. Purpose

The Facility Services office within the Board of Governors of the Federal Reserve System (Board) requires the services of a Contractor to provide an Independent Cost Estimate (ICE) to determine the reasonableness of the project cost and schedule estimates for the Martin Renovation project. The purpose of the independent entity conducting an ICE is to provide confidence to the Chief Financial Officer (CFO), Chief Operating Officer (COO) and senior leadership within the organization, with minimal bias, that the Board has reasonably estimated the schedule and cost of the project. The work will be performed according to best practice and U.S. Government Accountability Office (GAO) directive which requires that an ICE be performed for projects with a total project cost greater than \$100M or as designated by the Board's Contracting Officer.

II. Martin Renovation Project Overview

The Martin Renovation Project is comprised of four major components:

- Construction of a Visitors Center
- Construction of a Conference Center on the Podium level
- Renovation of the Martin building
- Acquisition of swing space to house staff during the renovation.

A brief description of each component follows:

A. Visitor Screening Center

A new CONFIDENTIAL - SECURITY Visitor Screening Center that will serve as the new main entrance to the Eccles-Martin Complex for both employees and visitors will be built on what is currently the street level, between the podium and the 1G level of the South Garage. The screening center will serve as the main entrance of the Martin building on C Street. The new construction would be consistent with requirements for the construction of new Federal Reserve Bank facilities. Guidelines outlining these requirements will be provided to allow accurate estimating of construction costs. The Visitor Screening Center will provide adequate space to implement new security measures, CONFIDENTIAL - SECURITY as well as accommodate holding and waiting areas suitable for visitors. A line item in the form of an allowance for security equipment costs shall be carried in the estimate. The allowance shall be based on the security elements detailed in the concept designs and on formal feedback provided by Board staff. Visitors and employees will enter through separate vestibules while being screened in manners appropriate to each. A courier drop off will be incorporated to screen packages and other items requiring direct delivery to employees at the facility. State of the art technology required for the mechanical, electrical, security and information technology systems will be integrated into the design. A new, CONFIDENTIAL - SECURITY

~~CONFIDENTIAL - SECURITY~~

B. Conference Center

A new 35,000± square foot Conference Center located on the existing podium level of the Martin building will be constructed. The Conference Center is planned to include a 75-seat lecture hall, a 325-seat multi-purpose room, conference rooms, break-out rooms, classrooms, training rooms, video and teleconferencing rooms, audio/visual control rooms, conference registration and conference management offices, a business center, a pantry designed for serving catered events, and pre-function / lounge areas suitable for receptions. Allowances for AV equipment and all furniture required to outfit the space. The allowance shall be based on the elements detailed in the concept designs and on formal feedback provided by Board staff. AV services will be professional quality and provide the ability to support major press conferences and provide uplinks and interconnection with major news organizations.

The construction of the Conference Center will include the addition of two pavilions extending from the building at the podium level. The 5,000± square foot east pavilion, overlooking the fountain, is a large multi-purpose room where views can be optimized. The 5,000± square foot west pavilion, with less inviting views, will house a press briefing room which will also have the capability to be used as a lecture hall. The press briefing room will be supported with the A/V control room and other support spaces.

C. Renovation of the Martin Building

The Martin Building will be renovated as part of this project. The Board staff will be relocated, allowing for the full renovation of the facility while maintaining the existing architecture. The renovation will include replacement of all utilities including, the mechanical plant, plumbing, rest rooms, Information Technology (IT) infra-structure, the roofs, windows, security systems ~~CONFIDENTIAL - SECURITY~~) kitchens and dining rooms, elevators, and the complete demolition and replacement of all interior partitions, ceiling lights (etc.) and their replacement with new interiors and finishes. The work is intended to bring the building to current Washington DC building code. We expect this work to include moving stairwells. Temporary utilities will be required to continue to operate the Eccles building and shall be included as part of the ICE. The ICE shall be calculated based on an occupancy of 145 staff per floor post renovation. Each staff person will require a separate office. Proposed finished floor plans will be provided by the Board as a part of the concept plan attachment and shall serve as the basis for the estimate for interior renovation. Typical furniture packages for each office will be included with the attachment. Design documents, outlining the basis of design for the utilities replacement will also be provided. It is the intent for the building to be sustainable, being built to Leadership in Energy and

Environmental design (LEED) silver or better standard. However, it is not the intent of the Board to seek the LEED designation.

D. Acquisition of Swing Space

The Board will acquire and outfit leased space to meet mission needs. The Board has negotiated leases at two sites to accommodate swing space requirements. A copy of the required financial data will be submitted to be included as part of the ICE.

E. Security

After the project is completed, the building, conference center and Visitors Center shall meet Cooperating Inter-agency Security Guidelines for a level 3 building.

~~Confidential - security~~

III. Scope of Work:

- A. The Contractor shall prepare the ICE in accordance with established best practice for the construction industry as well as GAO Cost Estimating and Assessment Guide, 2010. These documents are general in nature and Facility Services expects the respective ICE Contractor to exercise professional judgment in appropriately tailoring the estimate to the specific requirements of the Project.

B. Requirements/Deliverables

1. Receipt of Project Materials for Sufficiency Review and Onsite Readiness Assessment

The Board will provide the Contractor with the documents included in the Appendix below. The Contractor shall have 1 week to determine if the project documentation is sufficiently complete to conduct a meaningful ICE. Within that week, the Contractor will notify the COTR in writing that the documentation provided is satisfactory to proceed with the ICE. If the supporting documentation is not satisfactory to proceed with the review, then the Contractor will notify the COTR of any other documents that may be needed to proceed. In the event that the documentation cannot be provided in a timely manner, the COTR will use his discretion to either suspend or proceed with a partial review. The Contractor will be notified within 3 business days by the COTR, should this occur.

2. ICE Estimate Plan

If the documentation provided by the Board is satisfactory, the Contractor shall develop an estimate plan for review. The Contractor shall develop the estimate

plan in accordance with standard construction cost estimating procedures for projects of this scale and scope. The estimate plan should describe the type of ICE to be performed.

3. Draft ICE Report

Perform a Type III (parametric estimate approach) and/or Type IV (sampling estimate approach) and/or Type V (bottom-up estimate approach) independent cost estimate. The independent estimate should be prepared using an unconstrained funding (budget) assumption. Develop an independent project schedule that correlates milestones with the Board's milestones. Validate or critique internal scheduling assumptions. Develop variance reports in support of scheduling discrepancies between the internal schedule and the ICE schedule.

4. Final ICE Report (following reconciliation)

The ICE Report shall be organized into the following sections, as necessary and appropriate. COTR and the Contractor may mutually agree to add or delete particular sections based upon the scope of the final ICE Review Plan.

- Executive Summary
- Background (including project cost/baseline history)
- Project Status
- Technical Baseline Description (include scope statement)
- Information available to the ICE Team
- Cost estimate method(s) used
- Assumptions (for both project team and ICE Team)
- Cost estimate results (including life cycle cost estimate)
- Cost Variance Analysis (explanation of differences in Project and ICE estimates by WBS) Schedule Analysis/Variance
- Funding Profile Analysis/Variance
- Independent Risk Analysis and Contingency Analysis
- Reconciliation Results – open items (completed in the reconciliation process) included in the Final Report
- Reconciles costs (in Final Report)
- Conclusions
- Report Appendices:
 - ICE Team members, Assignments, and Biographical Sketches of SMEs
 - Detailed comments on Cost Estimates
 - Detailed comments on other documents.
- The Executive Summary of the ICE Report shall include a summary discussion of the results of the ICE Team's estimate and compare it to the project team's estimate. Key differences should be highlighted. The draft report should highlight areas of agreement and areas to concentrate on during the reconciliation process. The final report should include the actions taken during reconciliation with any adjustment in the cost estimate.
- The ICE report will include a summary tabulation of the costs and schedule for ranges, and identify any other concerns or issues.

- The cost estimates should be based on an unconstrained funding budget. Known constraints should be communicated in the report.

Project Documentation CDs or DVDs: The ICE final report shall be provided to the COTR in both written and electronic format. The Contractor shall provide five (5) hard copies of the final report and supporting documentation. The Contractor shall supply an electronic copy of the draft reports.

IV. Schedule

- A. Contractor shall provide a draft schedule that shall include, at a minimum, the deliverable submission dates and COTR review periods. The Board requires the Contractor to complete all work within five weeks from the date of modification issuance.
- B. Deliverables List
 1. Draft Estimate Plan
 2. Final Estimate Plan
 3. Detailed Document and Site Review
 4. List of Open Items
 5. Additional Document review
 6. Complete Draft Estimate
 7. Draft ICE Report
 8. Reconcile Comments
 9. Final ICE Report

Appendix:

Documents the Board will provide upon execution of Contract Modification:

- Cafeteria Study
- URS estimate
- KCCT estimate
- Internal estimates
- Design Concepts
- Federal Reserve System Facilities and Security Guidelines

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September 3, 2013

Hill International, Inc.
1225 Eye Street, Suite 601
Washington, DC 20005-9014
Tel: 202-463-3000
Fax: 202-463-3068
www.hillintl.com

Ms. Kimberly M. Briggs, C.P.M.
Supervisory Contracts Analyst
Board of Governors of the Federal Reserve System
Procurement Section, Mail Stop 128
20th and C Streets, NW Washington, DC 20551

Re: Fee Proposal – Independent Cost Estimate
Construction Administration Services for the Martin Renovation
Contract Number 201000405

Dear Ms. Briggs,

Based on the recent scope of work dated August 23, 2013, Hill is pleased to provide a fee proposal for conducting an independent cost estimate (ICE) to support the Board's Martin Building Renovation program.

Hill's total fee proposal is \$51,506. Details of our fee as well as breakdown of the labor hours, scope assumptions, approach and execution schedule are enclosed.

Hill appreciates the opportunity to propose CA services for this project.

HILL INTERNATIONAL, INC.

Mike Moligne
Project Executive

Enclosure(s)

1. Summary Fee Proposal
2. Summary labor hours by task
3. Scope Assumptions
4. Approach
5. Schedule
6. Cost Breakdown Structure

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HILL FEE PROPOSAL – INDEPENDENT COST ESTIMATE
SEPTEMBER 3, 2013
ENCLOSURE (1) SUMMARY FEE

Discipline	Level of Effort (hours)	Rate	Fee
Project Executive	16 <small>(see labor hour table)</small>	\$151	\$2,416
Scheduler/Planner	16 <small>(see labor hour table)</small>	\$96	\$1,536
Cost Engineer	460 <small>(see labor hour table)</small>	\$102	\$47,104
ODCs			\$0
Total Fee			\$51,056

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HILL FEE PROPOSAL – INDEPENDENT COST ESTIMATE
 SEPTEMBER 3, 2013
 ENCLOSURE (2) SUMMARY LABOR HOURS

Overall Duration: 15 weeks	PE - Mgr		Scheduler		Chief Est.		Senior Est.		Mech. Est.		Elec. Est.		Contracts	TOTAL
	%	Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hrs	%	Hrs		
Document Review Phase: 1 week (80 hrs)														
Review Catefia Study					8				4		4			
Review LRS Estimate					2				2		2			
Review KCCT Estimate					2				2		2			
Review Internal Estimate Formats - Up To 3					2				2		2			
Review Design Concepts - Up To 3					4				4		4			
Review Federal Reserve System Facilities and Security Guidelines					6				4		4			
Review 90% Engineering Report, 90% Programming Report					2				4		4			
Review 60% Exterior/Site Submission					2				4		4			
Other Project Management Services														
Subtotal		0		0	28		0		26		26		0	80
ICE Development Phase: 3 Weeks (300 hrs)														
Develop Estimate Plan					4									
Draft Independent Cost Estimate					120		16		64		64			
Reconcile To FRB Estimate					16				8		8			
Subtotal		0		0	140		16	0	72		72		0	300
ICE Reconciliation and report Phase: 2 Weeks (112 hrs)														
Reconciliation Meeting		4			8									
Cost Variance					16									
Schedule Development		4		16										
Report Write up		4			24				8		8			
Submit Final Report		4			8				4		4			
Other Project Management Services														
Subtotal		16		16	56		0		12		12		0	112
Total for Overall Task Order														
		16		16	224		16		110		110		0	482

HILL FEE PROPOSAL – INDEPENDENT COST ESTIMATE
 SEPTEMBER 3, 2013
 ENCLOSURE (3) SCOPE ASSUMPTIONS

Hill and FRB met on August 28, 2013 to discuss scope. From that meeting, the following scope assumptions were confirmed

1. GAO Cost Estimating and Assessment Guide, 2010

Scope assumption: Hill will prepare the cost estimate per accepted industry standards. The GAO standard is only to be reviewed against the approach of Hill's estimate, as it is general in nature. Hill's estimate will have sufficient work breakdown structure representative of the type of estimate being prepared. Both direct costs and indirect costs will be computed as well as applicable cost factors for projecting cost escalation, contingency reserves for unforeseen conditions, and other project risks. This approach will be checked against the GAO standard.

2. Cost Variance Analyses

Scope assumption: In order for Hill to conduct a cost variance analysis against the project estimate, Hill would need to know more about the structure of FRB's current budget estimate, i.e. what format and how it was broken down. FRB provided this structure (enclosed) in an email on August 30, 2013, so that Hill's estimate can match this structure and be compared.

3. Life Cycle Cost Estimate

Scope Question: At this point, the life cycle cost estimate is premature. This would be more appropriate at the 30% design submission or during the VE session.

4. Funding Profile Analysis/Variance

Scope Assumption: This is a project cash outlay. It's agreed that it may be too early to accurately show this on a month-month basis. FRB would like to see at minimum the outlays by year-year.

5. Independent Risk Analysis and Contingency Analysis

Scope Assumption: Hill will assess project risk and the cost of constructing the project due to that risk. We will account for the risk within the estimate detail for a particular scope. A separate report is not necessary.

6. Reconciliation Results

Scope Assumption: Hill will sit with the COTR and review the draft cost estimate along with the current project budget estimate. Assumptions and differences will be reconciled during this meeting. Action taken during the reconciliation will be part of the final report, showing adjustments made to the draft cost estimate. Those cost items that cannot be reconciled because of the early stage of the design will be listed as "open items". The open items will be reviewed and tracked throughout the design development and subsequent cost estimate events.

7. Time-line for Completion

Scope assumption: The agreed to time-line is 6 weeks after modification, with the 1st week for review of the documents provided by FRB. That would leave 3+ weeks for the draft estimate, 1 week reconciliation with FRB, and 1 week for final estimate and report. A schedule is enclosed.

HILL FEE PROPOSAL – INDEPENDENT COST ESTIMATE
SEPTEMBER 3, 2013
ENCLOSURE (4) SCOPE APPROACH

Overview: Hill understands the Board's scope to provide a complete project cost estimate of the Martin Building Renovation project. The final estimate is expected to be aligned with the design schedule and current master schedule. In conducting the estimate, our primary goal is to create a useful, effective and accurate cost model so that it can be used to validate the Board's current project budget, and to identify significant variances. The most important approach will be our full understanding of the Board's scope of work.

Understanding the Project Scope: Hill will make use of current design concepts, programming submissions, engineering documents and other information provided by the Board. We realize that not all of the project scope is fully defined, so where necessary, we will use our past experience on similarly complex projects as assumptions for computing estimated costs. These assumptions will be reviewed with the Board during review and reconciliation of the draft cost report. Hill has reviewed the 30% exterior/site design package. We will digitally scan these drawings into our cost estimating software. On or about September 4, 2013, several advanced design documents are expected, which Hill will use for the estimate. The 60% exterior/site, the 90% programming, and the 90% engineering submissions will determine workstations, conference rooms, special spaces, pantry areas, and egress corridors, and related finishes as well as planned, new building infrastructure, including mechanical, electrical and plumbing, physical security, IT and Building automation systems. Our review of other documents outlined in the FRB's scope will complete our programming understanding.

Estimating Plan: Upon completion of the document and program review, Hill will have also completed our estimating plan, to include the types of estimate (parametric, bottom-up, or a hybrid), the format for work breakdown structure, and the summary of the cost categories for easy comparison to the budget. We will rely upon the Board to provide the current budget structure so variances can be identified. We will also establish planned material and labor escalation, profit, overhead mark ups, insurance requirements, design contingency, construction contingency, and labor inefficiencies.

Estimating Staff: Hill's Chief Estimator will lead and ensure compliance with the stated objectives and overall goals. He will rely on several staff to support the cost estimates for architectural, structural, and civil/landscape and mechanical, electrical and plumbing features. He will work with our scheduler to ensure that cost estimates are aligned with the current master scheduler. Hill's project executive will assist the chief estimator during reconciliation meetings and reports.

Time-line: We understand the importance to complete this deliverable in a timely fashion. A 6-week schedule is proposed, as outlined in attachment (1). Based on the schedule, the Board would execute a modification to Hill by September 13, 2013 and the final cost estimate would be completed by October 28, 2013. This would be in line with the current design schedule which shows the final programming submission and detailed cost estimate being conducted later, in November 2013.

Cost Estimate Reconciliation: Hill will sit with the COTR and review the draft cost estimate along with the current project budget estimate. Assumptions and differences will be reconciled during this meeting. Action taken during the reconciliation will be part of the final report, showing adjustments made to the draft cost estimate. Those cost items that cannot be reconciled because of the early stage

of the design will be listed as "open items". The open items will be reviewed and tracked throughout the design development and subsequent cost estimate events.

Report: following the reconciliation, Hill will prepare a final cost estimate and report. A draft of the report, including the executive summary will be briefed to FRB prior to the actual submission.

HILL FEE PROPOSAL – INDEPENDENT COST ESTIMATE
 SEPTEMBER 3, 2013
 ENCLOSURE (5) SCHEDULE

Martin Building Renovation PROJECT COST ESTIMATE SCHEDULE 9/3/2013						
	EARLY START	STATUS FINISH	2013			
			AUG	SEPT	OCT	NOV
PROJECT COST ESTIMATE	9/13/13	10/28/13				
Executed Modification		9/13/13		▼ 9/13/13		
Review of FRB Documents	9/16/13	9/20/13		■		
Prepare Estimate Plan	9/16/13	9/18/13		■		
FRB Review and approval of Estimate Plan	9/18/13	9/20/13		■		
Conduct Estimates	9/23/13	10/14/13		■	■ 10/14/13	
Review Meeting with FRB - Placehold Issues		10/15/13			▼ 10/15/13	
Prepare final Estimate and Report	10/16/13	10/21/13			■	
Review Meeting with FRB		10/22/13				▼ 10/22/13
Submit final report	10/23/13	10/28/13				■ 10/28/13

HILL FEE PROPOSAL – INDEPENDENT COST ESTIMATE
 SEPTEMBER 3, 2013
 ENCLOSURE (6) FRIB COST BREAKDOWN FORMAT

MARTIN RENOVATION			
<u>Design & Environmental analysis</u>			
Design			
Programming Effort			
Environmental Analysis			
Construction Manager & Testing Services			
Construction Management			
Commissioning and testing			
Post Design Services			
<u>Construction</u>			
Construction			
Office Partitions and Furniture			
Move --relocation			
Hazardous Materials Contingency			
Contingency 7%			
Visitor Center			
<u>Design & Environmental analysis</u>			
Design			
Design Contingency			
Environmental Analysis			
Construction Manager & Testing Services			
CM Services			
Commissioning and testing			
Post Design Services			
<u>Construction</u>			
Visitor Center			
Furnishings			
Data/Phone Cabaling			
Sustainable features			
Contingency 10%			
Conference Center			
<u>Design & Environmental analysis</u>			
Design			
Design Contingency			
Environmental Analysis			
Construction Manager & Testing Services			
CM Services			
Commissioning and testing			
Post Design Services			
<u>Construction</u>			
Conference Center			
Furnishings			
Data/Phone Cabaling			
Sustainable features			
Contingency 10%			

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Kimberly Briggs

From: Mologne, Mike DC <MikeMologne@hillintl.com>
Sent: Tuesday, September 17, 2013 11:51 AM
To: Kimberly Briggs; Christopher Haulsey
Subject: Martin Renovation - CA services: Conduct ICE scope

Hi Kim, Chris

I'm following up on Hill's fee proposal for the ICE scope. Before I left for a mini vacation last week, FRB wanted Hill to confirm that the ICE would include not only estimated construction costs but also estimated costs for design, CM, CxA and other management.

We agree with including the management costs in our ICE and our original fee proposal would remain the same.

I was wondering if there are any other questions or comments. If so, we are available to meet in person or clarify over the phone.

Look forward to confirming and eventually getting started with the scope.

Thanks,

Mike Mologne
Project Executive
Hill International, Inc



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

DIVISION OF
FINANCIAL MANAGEMENT

October 21, 2013

**CONTRACT 201000405
MODIFICATION 4**

Hill International, Inc.
1225 Eye Street, NW
Suite 601
Washington, DC 20005

Attention: Mr. Michael Mologne

2013 OCT 29 A 9 47
FEDERAL RESERVE
OFFICE OF THE SECRETARY
RECORDS SECTION

Dear Mr. Mologne:

The Board of Governors of the Federal Reserve System (Board) hereby modifies Contract 201000405 to correct an administrative error on CLIN 3 of the base contract. Due to transposing of numbers the price for CLIN 3 is corrected as follows:

FROM:

CLIN	Description	Amount
3	LEED related services	\$17,953.86

TO:

CLIN	Description	Amount
3	LEED related services	\$17,935.86

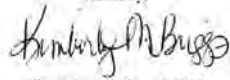
In result of the above the overall not-to-exceed total contract value is corrected by **(\$18.00)** from \$422,899.78 to \$422,881.78.

1583

2

Except where herein modified, all other terms and conditions of the Contract remain the same.

Sincerely,

Handwritten signature of Kimberly M. Briggs in cursive script.

Kimberly M. Briggs, C.P.M.
Supervisory Contracts Analyst

1584



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

DIVISION OF
FINANCIAL MANAGEMENT

December 12, 2013

**CONTRACT 201000405
MODIFICATION 5**

Hill International, Inc.
1225 Eye Street, NW
Suite 601
Washington, DC 20005

Attention: Mr. Michael Mologne

Dear Mr. Mologne:

The Board of Governors of the Federal Reserve System (Board) hereby modifies Contract 201000405 as follows:

Modify Section J.4, and where appropriate, Section J.5 to change the Contracting Officer's Technical Representative from Christopher Haulsey to Cynthia Johnston.

There is no change in the Contract value as a result of this Modification 5.

Except where herein modified, all other terms and conditions of the Contract remain the same.

Sincerely,

A handwritten signature in black ink, appearing to read "Bo Rogers".

Bo Rogers
Senior Contract Specialist

**Range of Options Analysis/ Master Space Plan Update dated
October 3, 2011**





Background

- The Board has historically been fiscally responsible by using conservative strategies to address staff growth and ongoing maintenance issues in a just-in-time fashion. Expansion space has generally been acquired after growth has been approved or occurred; major upgrades to building systems have been done on a phased, life-cycle, or breakdown basis. Overcrowding and the increased technology demand is straining the mechanical, electrical, and ventilation systems in Eccles and Martin.
- Facility issues also complicate IT's ability to provide a robust technology infrastructure, particularly for the data center. The Martin Building has not been renovated since its construction in 1974. Electrical, mechanical, life-safety, security, and IT infrastructure issues will need to be addressed in the near future.



Background (continued)

- Board staff has grown at approximately 2.0 percent per year since 1991, and realistic planning should assume continued growth at that rate. Legislation, such as Dodd-Frank, has driven much of Board growth; the use of contractors and temporary staff continues to grow as well. Most Board divisions need space now, and the filling of critical vacancies is being delayed while newly leased space is brought online for staff use.
- Historically we have captured only permanent staff growth in our space projections, while in reality we also provide seats for contractors, visiting scholars, Reserve Bank details, dual occupancies, and interns.
- Currently, Eccles is overcrowded, while NYA and International Square will reach capacity when the current set of division moves is completed in 2012. At the projected growth rate, and taking into account continued overflow from Eccles, Martin will reach capacity by 2017.

Options

- As we look forward, there are two basic options for addressing our facilities, security, and space needs:
 1. Undertake a phased building improvement project for Martin, which will address capital improvements and “refresh” the space.
-or-
 2. Conduct a full renovation of the Martin Building.

- Under both options, the Board will need to lease additional space to address swing space and growth needs.

Option 1

- Delay the full renovation effort and invest an estimated total of **competitive harm** over 10 years in capital improvement projects.
 - Building-related repairs of **competitive harm**
 - Ten-year lease costs related to 50,000 sf swing space of \$47 million
- Average incremental impact on operating budgets over 10-year project life: **competitive harm**
 - See Appendices 1-2
- Results in refreshing the Martin Building floor by floor, including a refurbishment of mechanical and electrical systems; new carpeting, wall systems, and furniture; and a partial renovation of the cafeteria.

Option 2

- Renovate the building as planned and invest an estimated total of [redacted] over 5 years.
 - Martin Building construction of [redacted]
 - Visitor/Conference Center - [redacted]
 - Martin renovation - [redacted]
 - Five-year lease costs related to 142,000 sf swing space of \$77 million
- Average incremental impact on operating budgets over 5-year project life: [redacted]
 - See Appendices 1-2
- The difference of [redacted] between options, or approximately [redacted] per employee, results in a modern and attractive work environment that provides all of the benefits of Option 1 and also addresses life-safety/security concerns and has the technology, conferencing, and collaborative infrastructure to support the Board's key missions. The duration of staff disruption would be shorter.

Some Pros and Cons

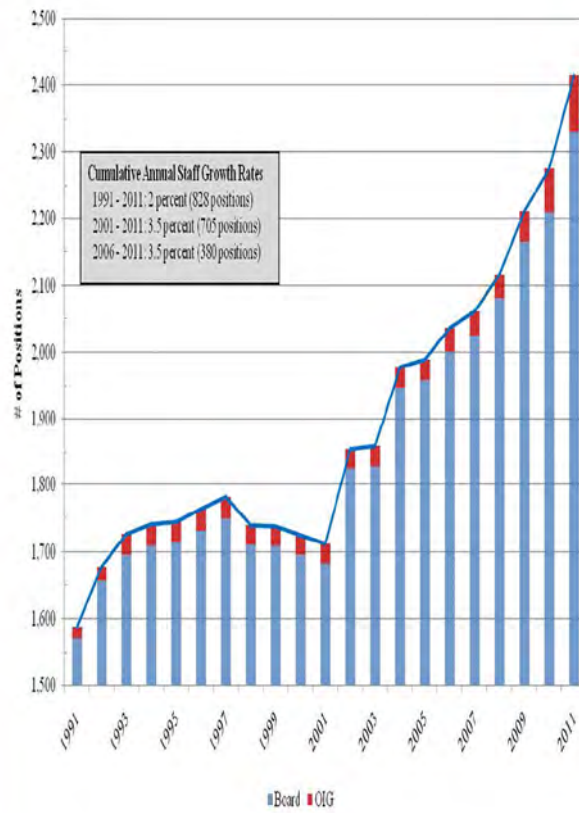
Safety & Security	Option 1	Option 2
Accessibility/egress issues addressed		X
Replace confidential - security	X	X
confidential - security		X
Podium level entry/access concerns resolved		X
Improved conference visitor management		X
Reduce risk of life-safety event due to exceeding equipment life cycle		X
Address risk of confidential - security		X
Entire fire-life-safety system replaced		X
Maintenance	Option 1	Option 2
Replace/update HVAC system	X	X
Replace/update electrical system	X	X
Replace/update plumbing system	X	X
New roof	X	X
New kitchen, cafeteria, dining room	Partial	X
Replace wall, furniture system, ceiling	Partial	X
Replace confidential - security	X	X
Obtain LEED-level renovations		X
Minimize ongoing operating costs		X
Elevator system optimized		X
Staff Growth & Productivity	Option 1	Option 2
Martin Building serves as expansion space for Eccles	X	X
Shorter period of staff disruption due to moves		X
No decrease in amount of parking available	X	
Transparency	Option 1	Option 2
Politically less visible due to less leasing activity	X	
Adequate conference facilities appropriate for Central Bank		X
Technology deficiencies addressed	Partial	X
Proper venue for press conferences	Partial	X
Look and feel for public meetings, banking and international guests		X



Additional Considerations

- Different ways of looking at space requirement
 - Increased use of telecommuting could help but would not significantly reduce need for additional space without a mandated target and a shift in the Board's culture of face-to-face interaction
 - Use of open office environment to maximize existing space would require major improvements to electrical system to support a more dense environment
 - No realistic way to make use of excess space available in FR System without relocating Board staff
- Government leasing
 - Security and Exchange Commission leasing backlash; Board has always demonstrated restraint, sound judgment, and fiscal responsibility in its leasing
 - Potential legislation to force independent agencies to use GSA for all leasing activity would have a negative impact on the Board
- Reducing carbon footprint
 - Need to make Martin Building and its plant more energy efficient
- Other federal agencies continue to invest in space
 - See Appendix 10

Staff Growth Since 1991



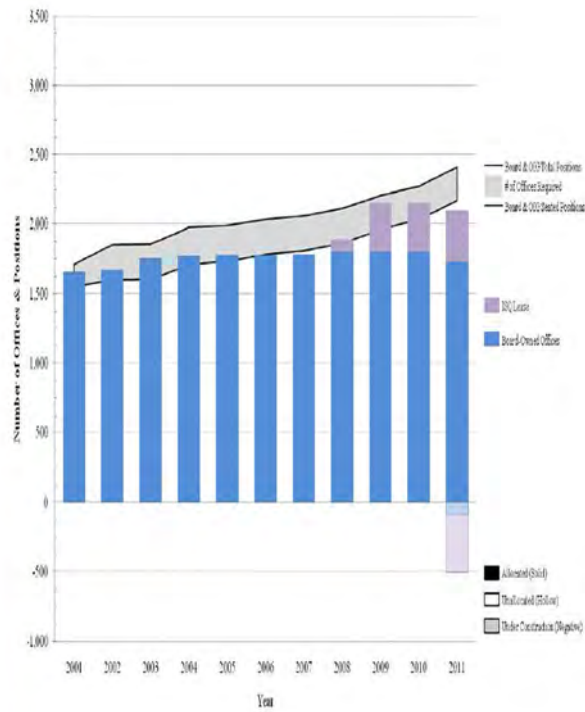
Division and Board Growth Since 2001

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1991-2011 CAGR
BDM	54	80	77	77	77	79	80	81	86	88	89	4.33%
SEC	56	53	53	50	50	50	50	50	51	51	51	-0.64%
RS	279	275	275	277	276	275	275	287	290	296	324	1.18%
IF	117	120	120	114	114	114	114	115	115	115	124	0.93%
MA	62	69	68	75	74	76	78	82	88	103	112	3.00%
OFS	0	0	0	0	0	0	0	0	0	12	12	
BSR	227	229	238	251	254	257	258	262	283	283	328	2.96%
CCA	78	82	80	84	89	97	101	105	114	120	95	4.04%
LEGAL	82	82	80	80	80	80	80	80	80	86	94	1.34%
RBOPS	137	138	138	138	139	139	138	138	138	138	151	1.33%
OSD	25	37	40	45	45	45	46	48	48	48	49	10.22%
IT	284	267	261	303	301	311	318	333	353	353	369	1.56%
MGT	281	392	397	453	460	477	487	499	520	517	533	1.98%
Board	1682	1824	1827	1947	1959	2000	2025	2080	2166	2210	2331	2.00%
OIG	29	29	31	31	31	36	36	37	45	65	85	7.78%
Board & OIG Total	1711	1853	1858	1978	1990	2036	2061	2117	2211	2275	2416	2.12%

(1) CAGR is the Cumulative Annual Growth Rate

(2) In 2002, the duplicating and publications functions moved from the MGT division to BDM. OIG increased the size of the Protective Services Unit, and the MGT division established the Law Enforcement Unit.

Historical Space Utilization

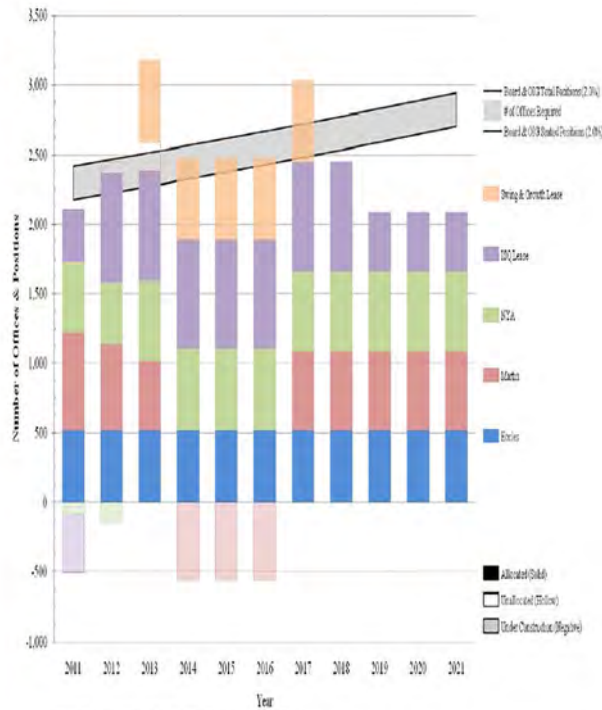


(1) 2011 office counts as of August 2011.
 (2) Total positions does not include approximately 120 personal visitor, system other than permanent, and long-term contractor, occupied daily, not others.
 (3) The number of contractors in the building is approximately 240 persons which consist of office, law enforcement, maintenance staff, etc.

WQ2011

Projected Space Utilization

(Full Martin Renovation with Swing and Growth Space)



(1) 2011 office count as of August 2011. 2012-2021 office counts are at the end of the year.
 (2) Total positions do not include approximately 200 mail rooms, system server space, and long-term construction, occupied bank, and others.
 (3) The swing & growth space is approximately 200 for various life event support offices, for retirement, maintenance, etc.
 (4) Swing & Growth Space is 174,700 sq ft or 500 offices. (5) 1,000 sq ft of swing space is 657 for the August 2011, 52,700 sq ft of total growth in swing space.
 (6) Growth is projected at 2.0%.

10/20/2011

Appendices

1. Budget Impact Summary
2. Financial & Budget Analysis of Options
 - A. Option 1: Delay Renovation Scenario
 - B. Listing of Capital Projects Required Over Next Ten Years
 - C. Option 2: Renovation Scenario
 - D. Renovation Design & Construction Cost Estimates
 - E. Renovation Design Cost Estimates
 - F. Financial Analysis Assumptions
3. Leasing Cost Estimates
 - A. Leasing Estimates for 50,000 sf
 - B. Leasing Estimates for 142,000 sf
 - C. Martin Swing Space Analysis
4. Cost per Employee to Lease Space
5. Renderings of Post-Renovation Martin Exterior & Podium
6. Background on Martin Renovation / Visitors Center / Conference Center Project
7. Post-Renovation
 - A. Stacking Diagrams
 - B. Number of Martin Offices
8. Space Acquisition & Standards
 - A. Seats Required Chart
 - B. Space Acquisition Methodology
 - C. Office Space Standards
9. Office Space Utilization Chart
10. Other Agency Spending
11. Information Covered in Visit to Congressional Staff in 2008
12. Space and Building Milestones Since 2001
13. History of Board Leasing

ESTIMATED FINANCIAL IMPACTS OF MARTIN BUILDING SCENARIOS

Item	Option 1: Delay Renovation Scenario	Option 2: Renovation Scenario
Total Impact		
Total Expenses	competitive harm	competitive harm
of which:		
Design, construction, & furniture	competitive harm	competitive harm
Leasing of swing space ¹	\$46,800,000	\$76,700,000
Project NPV ²	competitive harm	competitive harm
Impact on Operating Budgets³		
2012 Budget	competitive harm	
2013 Budget		
2014 Budget		
2015 Budget		
2016 Budget		
2017 Budget		
Average Annual % Increase in Budget Over Project Life ⁴		

Notes:

1. The assumed lease terms for the two scenarios are as follows: option 1 scenario: 10 years; option 2 scenario: 5 years. The acquired leased space in these scenarios does not include space for projected Board-wide growth; additional space will be required to accommodate that growth.
2. Discount rate used is 3.0%, which is from OMB Circular No. A-94, Appendix C: Discount Rates For Cost-Effectiveness, Lease Purchase, and Related Analyses.
3. Dollar and percentage impacts are listed for the next few budget cycles. The percentage increase is a calculation that compares the incremental funding required in each budget cycle to the Board's operating budget. For the 2011 budget cycle, the Board's operating budget is approximately \$475 million. For each subsequent budget cycle, the budget has been increased by the funding required in the previous budget cycle(s) and by estimated salary and goods and service increases.
4. The assumed project lives for the two scenarios are as follows: option 1 scenario: 10 years; option 2 scenario: 5 years.

**Financial & Budget Analysis - Option 1:
Delay Renovation Scenario**

Appendix 2A

Budget Impact	Timeline												Capital				
	2012		2013		2014		2015		2016		2017			2018		2019	
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	
Refurbishment - Floors 1-4, Podium, & Concourse¹	competitive harm																
Depreciation - Floor 1 (10 year)																	
Depreciation - Floor 2 (10 year)																	
Depreciation - Floor 3 (10 year)																	
Depreciation - Floor 4 (10 year)																	
Depreciation - Podium, Concourse (10 year) ²																	
MEP																	
Mechanical																	
Electrical																	
Fire alarm																	
Fire alarm - AMP (15 year average)																	
Depreciation - Fire alarm (10 year)																	
Terrace, Roof																	
Terrace (kitchen, dining)																	
Roof																	
Roof - ramp (7 year)																	
Roof - roof (20 year)																	
Automation, IT																	
Building automation																	
Call center seats - software (6 year)																	
Depreciation - seats - hardware (10 year)																	
Depreciation - cabling (10 year)																	
Furniture, Carpets, Lighting, & Wall Systems³																	
Furniture, carpeting, lighting, & wall systems																	
Depreciation (11 year average)																	
Write-Off: Renovation Design Fees																	
	4,518,637																
SUB-TOTAL CONSTRUCTION COSTS	4,518,637																

Capital Projects Required Over Next Ten Years

Option 1: Delay Renovation Scenario

Item	2012	2013	2014	2015	2016	2017	2018	2019	Total
Floor by floor refurbishment, including concourse, podium, floors 1-4									
Design	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Construction	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
MEP - plant support systems									
Mechanical	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Electrical	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Wall system, carpeting, lighting system, and furniture replacements									
Wall system	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Furniture ¹	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Carpeting and lighting system	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Kitchen remodel and dining rooms refresh - Terrace level									
New roof	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Fire alarm system replacement	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
Building automation system lifecycle replacements (i.e., TAC)	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
IT cabling replacements	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
GRAND TOTAL, CAPITAL PROJECTS²	10,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	40,000,000

(+) Operating furniture competitive harm
 Cash Flow Sub-Total, Construction Costs competitive harm
 Option 1: Delay Renovation Scenario competitive harm

1. Only capital furniture is captured in this analysis. Operating furniture is summed at the bottom of this page to the capital project total to display how the financial data match the total construction cash flows.
 2. Capital project total matches the total construction capital needs in the Option 1: Delay Renovation Scenario. Budget impact.

Financial & Budget Analysis - Option 2:
Martin Renovation Scenario

Budget Impact	2012	Swing Space Lease (5 years) Construction (5 years)					2017	2018	2019	Description Total	Capital*
		2013	2014	2015	2016	2017					
Martin Building Design & Construction											
Design services											
Construction & post-design services											
Furniture											
Lease services (10% of construction costs)											
Depreciation - building (37 years)											
Depreciation - furniture (10 years)											
Misc. Costs & Savings											
Misc. operating costs											
LEU equipment											
Depreciation - LEU equipment (5 years)											
Savings - utilities											
SUB-TOTAL CONSTRUCTION COSTS											
Swing Space (142,000 sq. ft. 5 year lease term)											
Design, permit, & build out (board partition)											
Lease & related costs											
Moving expenses											
Shuttle service											
Increase in transit subsidy											
IT - circuits											
IT - telephones											
Depreciation - build out (wgt. avg. 6 years)											
Depreciation - furniture (10 years)											
Depreciation - LE equipment (5 years)											
SUB-TOTAL LEASE COSTS											
TOTAL BUDGET IMPACT											

confidential - security
competitive harm

* Includes design funds spent in 2012 and 2013.
Note: All five figures presented are the best estimates as of Sep. 27, 2011.

**Cost Estimates & Funding Approved for Martin Renovation Project -
Design & Construction Phases**

Funding Approved

	Amount
Design Phase	15,360,000
Construction Phase	n.a.
Total Funding To Date	15,360,000

Cost Estimates for Martin Renovation Project, Including Visitors Center/Conference Center

	Board	
	Estimate	Notes
Design Services	15,360,000	Funding approved to date
Sub-Total, Design Costs	15,360,000	
Martin Building Construction	competitive harm	
Visitors Center/Conference Center (VC/CC) Construction	competitive harm	
Wall System	competitive harm	
Post-Design Services	competitive harm	Mostly KCCT contract; also includes estimates for construction administration and commissioning agent services
Construction Contingency	competitive harm	
Sub-Total, Construction Costs	competitive harm	
Furniture For Renovated Building	competitive harm	
All Other	competitive harm	
Sub-Total, All Other Costs	competitive harm	
Grand Total, Martin Renovation Project¹	competitive harm	

competitive harm

1. Rounded to the nearest \$100,000.

**Cost Estimates & Funding Approved for Martin Renovation Project -
Design Phase**

Funding Approved

	Amount
2006-07 Initial Budget Funding	800,000
Additional Funding (PCR-J07 Oct. 2006)	1,180,000
2008-09 Initial Budget Funding	4,400,000
2010 Additional Ask - Multi-Cycle Funding	6,000,000
2011 Additional Ask - Multi-Cycle Funding	2,980,000
Total Funding To Date	15,360,000

Cost Estimates for Martin Renovation Project, Including Visitors Center/Conference Center

	Board Estimate	Notes
Conceptual Design Phase (VC/CC)	2,814,749	Spent to date
Schematic Design Phase	competitive harm	KCCT contract
Design Development Phase	competitive harm	KCCT contract
Construction Documents Phase	competitive harm	KCCT contract
LEED Requirements & Certification Services	competitive harm	KCCT contract
Integrated Building Information Model	competitive harm	KCCT contract
Sub-Contractor Mark-up	competitive harm	KCCT contract
Other Direct Costs	competitive harm	KCCT contract
Mod. - Programming Efforts	competitive harm	KCCT contract
Mod. - Smart Building Workshop	competitive harm	KCCT contract
Commissioning Agent Services	competitive harm	Jacobs contract
Construction Administrator Services	100,000	URS estimate (adjusted for inflation)
Independent Cost Estimation Services	30,749	Jacobs cost estimates
Legal Services	competitive harm	Venable services
Other Services	258,485	Food service study
Total, Design Cost Est., Before Contingency	competitive harm	
Contingency	competitive harm	
Total, Design Cost Estimate	competitive harm	
Total Design Funding	competitive harm	
Additional Contingency/(Est. Funding Gap)	competitive harm	

Financial Assumptions**Martin Building Renovation**

Construction timeline	3 years
Leased square footage (SF) - swing portion	142,000 SF
Leased square footage (SF) - decompact portion	n.a. SF
Lease/Rent commencement dates	1/1/2013
Build-out depreciation start date	1/1/2013
Base rent in 2013	\$ 55.00 PSF
Rent escalation (all years)	2.50%
Board's portion of build out costs - swing portion	\$ 127.50 PSF
Board's portion of build out costs - decompact por	n.a. PSF
Useful life - build out - swing portion	5 years
Useful life - build out - decompact portion	n.a. years
Useful life - build out - weighted average	5 years
Useful life - building	37 years
Useful life - furniture	10 years
Useful life - equipment	5 years
Useful life - IT equipment	4 years
Leased space: # of offices	533
Leased space: # of parking spaces - swing portion	95
Leased space: # of parking spaces - decompact por	n.a.
Renovated building: # of offices	560

Delay Martin Building Renovation

Leased square footage (SF)	50,000 SF
Lease/Rent commencement dates	1/1/2013
Build-out depreciation start date	1/1/2013
Base rent in 2013	\$ 55.00 PSF
Rent escalation (all years)	2.50%
Board's portion of build out costs	\$ 95.00 PSF
Useful life - build out	10 years
Useful life - furniture	10 years
Useful life - equipment	5 years
Useful life - IT equipment	4 years
Leased space: # of offices	167
Leased space: # of parking spaces	28

Swing Space Leasing Estimates For Option 1: Delay Martin Building Renovation Scenario

Assumptions

Building	Floor	RSF	Base Rent	TI Allow.	Date Space Available	Rent Start Date	Move In Date	GAAP Lease Term (Months)	# of Offices	# of Parking Spots	Furniture Delivery Date
Swing Space		50,000	\$ 55.00	\$ 65.00	1/1/2013	1/1/2013	1/1/2013	120	167	28	1/1/2013

Rent escalation (all years)
 Lease end date: 12/31/2022, 2.50%

Discount rate: 3.00%

2011 monthly parking fees (per space): \$ 248.50

Parking and real estate tax escalation (all years): \$ 3.00%

Fitness center fees: 0.25 PSF

Board's portion of build out costs: \$ 95.00 PSF

Rent & Parking Schedule

Space	Swing Space	Parking
Rent Start Date	1/1/2013	Varies
Year	Rent PSF	Monthly Fees
1	\$ 55.00	\$ 263.63
2	\$ 56.38	\$ 271.54
3	\$ 57.78	\$ 279.69
4	\$ 59.23	\$ 288.08
5	\$ 60.71	\$ 296.72
6	\$ 62.23	\$ 305.62
7	\$ 63.78	\$ 314.79
8	\$ 65.38	\$ 324.24
9	\$ 67.01	\$ 333.96
10	\$ 68.69	\$ 343.98

Summary of Rental Cash Flows

Year	Cash Outflow	GAAP
2013	\$ 2,750,000	\$ 3,080,930
2014	\$ 2,818,750	\$ 3,080,930
2015	\$ 2,889,219	\$ 3,080,930
2016	\$ 2,961,449	\$ 3,080,930
2017	\$ 3,035,485	\$ 3,080,930
2018	\$ 3,111,373	\$ 3,080,930
2019	\$ 3,189,157	\$ 3,080,930
2020	\$ 3,268,886	\$ 3,080,930
2021	\$ 3,350,608	\$ 3,080,930
2022	\$ 3,434,373	\$ 3,080,930
Total	\$ 30,809,300	\$ 30,809,300

Swing Space Leasing Estimates For Option 2: Martin Building Renovation Scenario

Assumptions

Building	Floor	RSF	Base Rent	TI Allow.	Date Space Available	Rent Start Date	Move In Date	GAAP Lease Term (Months)	# of Offices	# of Parking Spots	Furniture Delivery Date
Swing Space Portion		142,000	\$ 55.00	\$ 32.50	1/1/2013	1/1/2013	1/1/2013	60	533	n.a.	1/1/2013
Decompack Portion		-	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1/1/2013

Rent escalation (all years) 2.50%
 Lease end date - swing portion 12/31/2017
 Lease end date - decompack portion n.a.

Discount rate 3.00%
 2011 monthly parking fees (per space) \$ 248.50
 Parking and real estate tax escalation (all years) 3.00%
 Fitness center fees \$ 0.25 PSF

Board's portion of build out costs - swing portion \$ 127.50 PSF
 Board's portion of build out costs - decompack portion n.a. PSF

Rent & Parking Schedule

Space	Swing Space Portion	Parking - Swing Portion	Decompack Portion	Parking - Decompack Portion
Rent Start Date	1/1/2013	1/1/2013	n.a.	n.a.
Year	Rent PSF	Monthly Fees	Rent PSF	Monthly Fees
1	\$ 55.00	\$ 263.63	n.a.	n.a.
2	\$ 56.38	\$ 271.54	n.a.	n.a.
3	\$ 57.78	\$ 279.69	n.a.	n.a.
4	\$ 59.23	\$ 288.08	n.a.	n.a.
5	\$ 60.71	\$ 296.72	n.a.	n.a.
6			n.a.	n.a.
7			n.a.	n.a.
8			n.a.	n.a.
9			n.a.	n.a.
10			n.a.	n.a.

Summary of Rental Cash Flows

Year	Cash Outflow	GAAP
2013	\$ 7,810,000	\$ 8,210,385
2014	\$ 8,005,250	\$ 8,210,385
2015	\$ 8,205,381	\$ 8,210,385
2016	\$ 8,410,516	\$ 8,210,385
2017	\$ 8,620,779	\$ 8,210,385
2018	\$ -	\$ -
2019	\$ -	\$ -
2020	\$ -	\$ -
2021	\$ -	\$ -
2022	\$ -	\$ -
Total	\$ 41,051,926	\$ 41,051,926

Martin Building Swing Space Analysis

OPTION 1

Total Swing Space Requirement	# of Offices	Note
	165	50,000 sf will provide flexibility to enable renovation of up to one complete floor; relocation of smaller division to swing space to minimize office moves, eliminate need to split research divisions in more than two locations. Some additional vacant offices will be scattered on floors throughout the Martin Building, total dependent on growth rate.

OPTION 2

Division	# of Offices	Note
RBOFS	160	Currently on floor Martin
OSD	18	Currently on floor Martin, floor Eccles
MGIT	36	Facilities, LEU on floor Martin after relocation to Int'l Square
MA	25	Currently on floor Martin
FSPR	23	Currently on floor Martin
R&S	113	Currently on floor Martin
Eccles Growth to Martin	116	Legal, R&S, MA, IP growth (2011/estimated 2012 positions)
Visitors/Contractors	15	Estimated
Martin Swing Space Requirement	506	142,000 sf (At 300 sf/person, 151,800 sf less 9,657 sf leased in August 2011)
2013/2017 Growth (2.0%/yr)	109	Based on Martin/Eccles staff of 1,040 in 2012, 32,700 sf to co-locate staff growth in swing space (some growth included in ISQ and NYA allocations)
Total Swing Space Requirement	615	174,700 sf

Cost Per Employee To Lease Space

Appendix 4

Summary

New staff placed in existing Board or leased space	\$	4,000
Includes additional equipment and supplies required for employee to be productive; assumes office is already furnished		
New staff placed in newly acquired leased space	\$	69,000
Includes initial investment of \$49,000 to build out and outfit space and annual, on going rental and related costs of \$20,000		

Detail

Initial Investment¹

Item	Total Cost
Design, permit, build out	14,270,000
IT - VOIP/telephones	competitive harm
IT - equipment (network, wireless)	competitive harm
IT - labor	competitive harm
Furniture and supply purchases	competitive harm
Total Cost	<u>competitive harm</u>
# of employees ¹	387
Initial Investment Per Employee	\$ competitive harm

On-Going Costs

Item	Monthly Cost
Rent: 1850 K Street Lease: 4th Floor	162,514
Rent: 1850 K Street Lease: 7th/8th Floors	390,684
Rent: 3rd Int'l Square Lease (MGT/OIG)	654,050
Parking fees: all floors ²	41,411
Fitness center fees: all floors	5,341
Incremental real estate taxes: all floors ²	1,933
Incremental operating expenses: all floors ²	1,543
All other misc. operating expenses: all floors ²	10,682
Monthly Cost	<u>\$ 1,268,157</u>
Annual Cost	15,217,884
# of total employees at International Square ³	764
On-Going Costs Per Employee	\$ 20,000

1. Based on the 2011 lease at International Square for 141,000 square feet.

2. Every year, the parking fees, real estate taxes, and incremental operating expenses that the Board pays will increase.

3. Based on all leases for space at International Square, except for the most recent lease for 10,000 square feet signed in August 2011.

Southwest rendering



Northeast rendering



Southeast rendering



confidential - security



BACKGROUND ON MARTIN RENOVATION / VISITORS CENTER / CONFERENCE CENTER PROJECT

The Martin Building Construction Project (the "Project") is comprised of three interrelated construction and renovation initiatives. The project includes construction of the new Visitors Center and Conference Center along with the Martin Building renovation.

Visitors Center

The Board's existing facilities at the Eccles and Martin Buildings are accessible via three main entrances: Eccles Building entrance on C Street, Eccles Building Visitor Entrance at the East Court, and the Martin Building Entrance. Having three separate entrances triple the security requirements for screening visitors and staff.

Eccles Building Entrance at C Street

This entrance is accessed primarily by Board staff who are walking, being dropped off by the shuttle, or crossing C Street from the Martin Building.

The vestibule for this entrance was added in the 1970s. confidential - security

[REDACTED]

[REDACTED]

Eccles Building Visitors Entrance at the East Court

confidential - security

[REDACTED]

It has a limited area with a very small waiting space, does not have restroom facilities, and is physically located in a remote part of the building. The Board perceives this entrance to be unsuitable to its respected visitors.

Martin Building Entrance

This is currently the primary entrance for the Eccles Martin complex. In addition to being used by employees, this entrance serves as the point of entry for visitors and other Federal Reserve System staff arriving to do business at the Board. The current design of this entrance does not appropriately represent the headquarters of the nation's central bank.

The existing interior configuration was constructed in the aftermath of September 11th. The construction was intended to be temporary until a permanent solution could be designed and implemented. The furnishing used for security screening and the waiting area are off the shelf office furniture systems and are inadequate for ongoing operations. Since the original

construction, several security reviews have been completed on this space including a second review by the Secret Service in 2005.

confidential – security



Conference Center

During the past 30 years, the Board’s facilities have attempted to adapt to the needs and strains placed on them. Two constant struggles, which challenge the facilities’ flexibility, have been accommodating the steady growth of employees while adapting to the changing business needs.

The Board has taken various steps to accommodate the ever expanding number of employees. One method utilized has been the compaction of the office floors in the Martin Building; removing conference rooms, open spaces, and storage closets to make way for additional offices. The reduced number of conference rooms compared to the number of employees within the Martin Building has resulted in difficulties for staff to locate an available conference room for meetings. Since these meeting spaces are dispersed with office and other employee spaces which cannot be reasonably segregated; guests require an employee escort at all times causing a strain on resources.

The Board uses the terrace dining rooms in the Martin Building for most of its conferences and meetings which limits the size and number of events that can be held. Room layouts often need to be changed daily and in some cases more than once a day. The acoustics and audio-visual capabilities of these rooms are not ideal for all applications. The terrace cannot be isolated from the office floors requiring guests to be escorted to the terrace and observed at all times.

Martin Building Renovation

The Martin Building is over 30 years old, and has not undergone any significant prior renovations. The building has been generally well maintained during that time. Nevertheless, normal wear and tear, equipment obsolescence, and changes in building code and regulatory

requirements have resulted in a sufficient backlog of deficiencies to warrant a comprehensive upgrade. The design of portions of the building Heating Ventilation and Air Conditioning ("HVAC") system do not reflect current best practices, and no longer provide effective and/or energy efficient temperature and humidity control. Recent vulnerability assessments have identified a number of desirable physical security upgrades that would best be implemented as part of a comprehensive renovation effort.

Related Studies and Documents

The following is a non exhaustive list of studies and documents that are applicable to the Martin Construction Project:

- Security and CBR Threat Assessment Study, by URS Corporation, dated February 15, 2002
- Martin Building Renovation Study, by URS Corporation, dated June 4, 2004
- Federal Reserve System Facility & Security Guidelines, Volume II – Minimum Design Criteria for Security and Construction, June 2002
- District of Columbia and International Building Codes: The Board intends to comply with relevant building codes, accessibility codes, and life safety codes.
- Americans with Disabilities Act (ADA)
- National Capital Planning Commission (NCPC) applicable Guidelines such as The National Capital Urban Design and Security Plan of October 2002
- Commission of Fine Arts (CFA) Guidelines and Criteria
- Replace Main Electrical System, William McChesney Martin Jr. Building Preliminary Report and Findings, by URS Corporation, dated November 25, 2008

Project Approval

The concept for the Project began in 2001. After the 9/11 events, the division acknowledged the imminent need to move the screening of employees and visitors outside of the Martin Building envelope. Additionally, the division had begun exploring the possibility of renovating the Martin Building since it was over thirty years old. To fulfill these needs, it was proposed to combine the Visitors Center construction effort with the Martin Building renovation. Initial conceptual studies and models for new entrances were completed during 2002-03. However, the division delayed the Martin Building renovation in 2003. At that time, the renovation was to be phased and swing space would be located at the Board's New York Avenue Building. But, the internal space was not available and the division had no choice but to delay the project.

During the March 8, 2004 Committee on Board Affairs (CBA) meeting, the division communicated the renovation delay to the committee and requested that it proceed with the Visitors Center as a separate project. The CBA approved the request. Division staff developed a Visitors Center project plan and design statement of work (SOW) which was subsequently issued as a solicitation, offer, and award (SOA) in August 2005. After the SOA issuance, the division broadened the scope of the Visitors Center project to include conceptual designs of a

conference center and pavilions and movement of ~~confidential - security~~. Offerors were asked to delay submitting their proposals since the SOA was significantly modified but had not been internally approved and reissued.

In December 2005 the Visitors Center SOA modification was approved and reissued in February 2006. Offerors submitted proposals in May 2006 and the design contract was awarded to Karr Charuhas Chapman & Twohey (KCCT) on October 23, 2006.

After contract award, work commenced on the Visitors Center design and the division worked with Board representatives and KCCT to determine the conference center requirements. At the July 2007 CBA meeting, the division briefed the committee on the status of the Visitors Center design work and the feasibility and possibilities for a conference center. The CBA recommended that the division meet with division directors to gather feedback on the demand for a conference center and the feasibility of a suburban office site.

In December 2007, the Banking Supervision & Regulation (BS&R) division relocated its training center and some staff to leased office space at 1850 K Street. Also, the division included funding for designing the Martin Building renovation in the 2008-09 budget. Since a Visitors Center and most likely a Conference Center would be constructed and attached to the Martin Building, it made sense to renovate the building at the same time. Additionally, swing space for the project would now be leased.

During early 2008, BS&R approached the division to offer moving its remaining staff to the 1850 K Street building. Also, the division completed interviewing division directors regarding a suburban office site and a conference center. The results were that there was little interest in a suburban office complex and positive reviews for a conference center at the Martin Building.

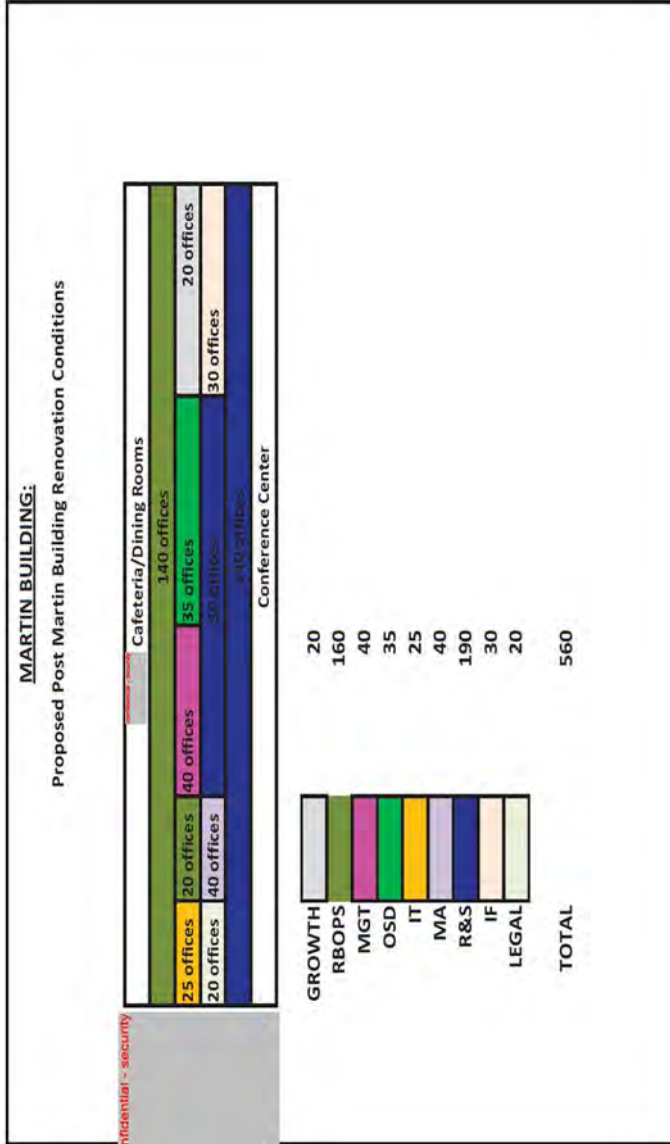
At the March 2008 CBA meeting, the division informed the committee of BS&R's relocation offer and the division directors' feedback. The division advised the CBA that BS&R's offer would create opportunities to renovate the Martin Building, combine the Visitors/Conference Center project with renovating the Martin Building, and decompact space at all three buildings in the immediate future. The division also requested and was given approval by the committee to speak informally with the NCPC and CFA about the Visitors/Conference Center plans.

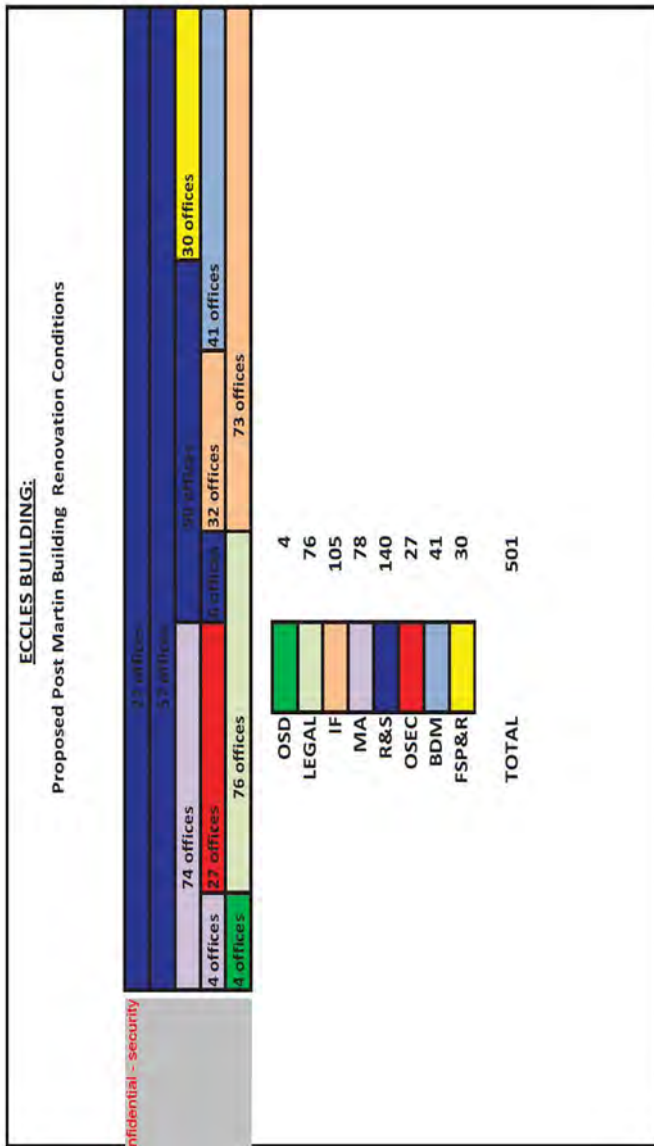
During the spring/summer of 2008, the division studied leasing additional space for the remainder of the BS&R division, provide swing space for the Martin Building renovation, and ease compaction in all buildings, with the goal to occupy leased space by September 2009. Also, the division prepared a directed procurement memo to authorize KCCT to design the Martin Building Renovation in conjunction with the Visitors/Conference Center. The memo was signed and approved September 18, 2008.

At the December 2008 CBA meeting, the division updated the committee about the Martin Building Renovation work to date. The division also requested the CBA's approval to submit the Visitors/Conference Center plans to the NCPC and CFA for formal approval. The CBA gave the division approval to formally approach the NCPC and CFA.

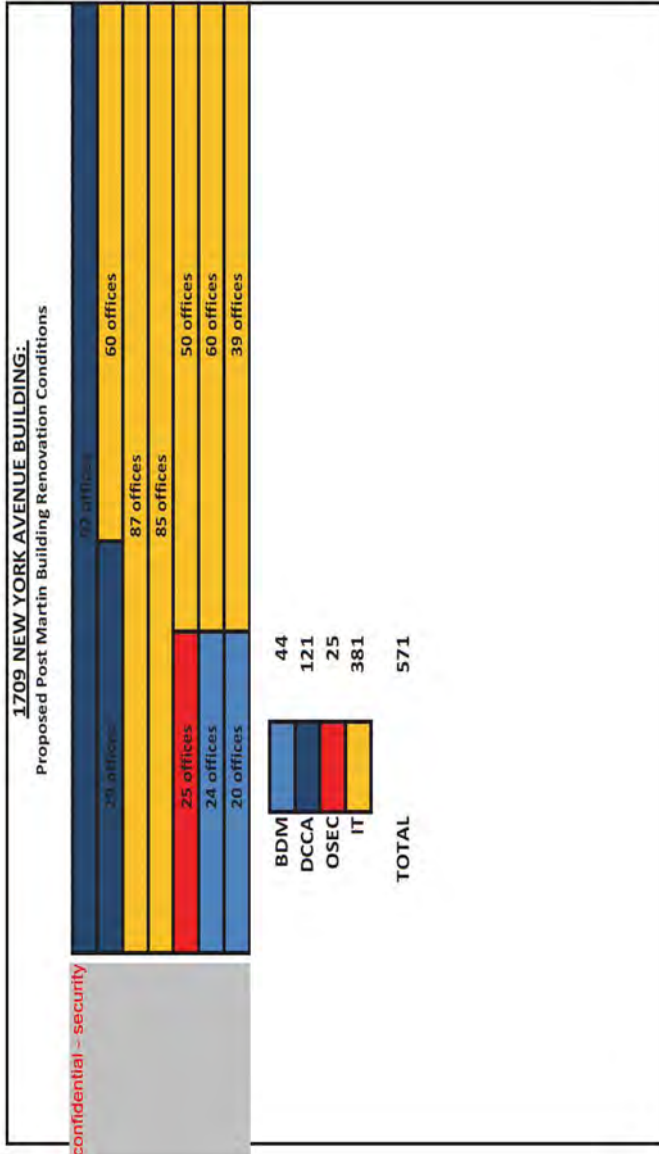
At the April 2009 CBA meeting, Management staff updated the committee regarding progress on both the Martin Building Renovation SOW and Visitors/Conference Center project. The update included preliminary feedback from the NCPC and CFA. During the summer of 2009, division staff continued working with the CFA on the Visitors/Conference Center design concepts. In November 2009, the CFA approved the design concepts for the Visitors/Conference Center. Following that approval, the NCPC gave its approval in February 2010.

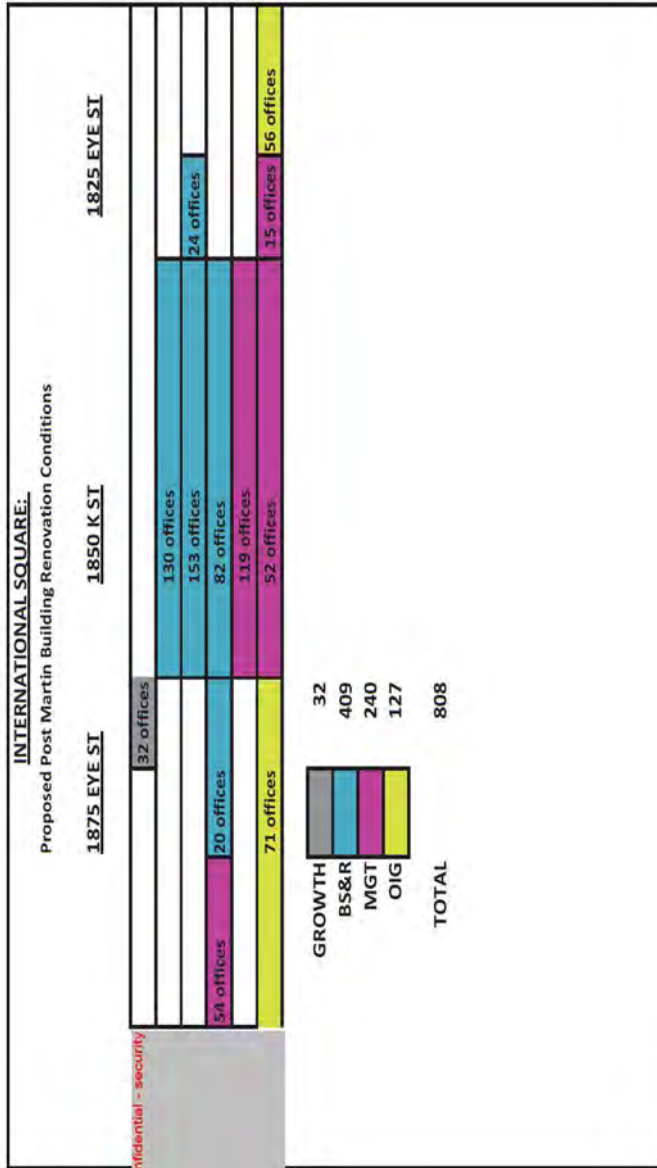
During early 2010, the Procurement section submitted a draft SOW of the Martin Building renovation design project to KCCT. The SOW was part of a modification to the existing contract with KCCT. The primary intent of the modification was to combine the Visitors/Conference Center design with that of the Martin Building Renovation. After SOW changes and negotiations, the Board and KCCT finalized the terms of the design project. The contract modification was formally awarded to KCCT on February 15, 2011.





confidential - security





Confidential - security

Number of Martin Offices (Pre/Post Renovation)

	Pre-Renovation ¹	Post-Renovation w/ Conference Center ²	Post-Renovation w/ Podium Occupied ³
Avg. Martin Office Floor (4 floors)	163	140	140
Podium	55	0	40
Total	705	560	600

¹ Currently the Martin Building has 705 offices on floors 1 thru 4 and the podium level. It has always been our goal to reduce this number as the building is overcrowded. Each floor is different but average to around 163 per floor plus 55 on the podium.

² If we build the visitors center and conference center (no longer any offices on the podium) and renovate the building we would have 560 offices. The goal is to have about 140 offices on each floor.

³ If we just build the visitors center and renovate the building (no conference center with offices remaining on the podium) we would have 600 offices. This again would be 140 offices per floor and about 40 on the podium.

Seats Required

Division, Office, or Special Account	AS OF JUNE 30, 2011									
	B	C	D	E	F	G	H	I	J	K
	Positions 1/1/10	Net Position Change	Positions as of 6/30/11	Filled Occupied Seats	Paid Interns	Contractors	Non-seated	Total Seats		
Board Members	88	1	89	0	3	0	11	81		
Staff Director	48	1	49	0	0	2	0	51		
Secretary	51	0	51	0	12	0	0	63		
Research & Statistics	296	29	325	0	5	5	0	335		
International Finance	115	9	124	4	7	2	0	137		
Monetary Affairs	95	16	111	2	2	3	0	118		
Financial Stability, Policy & Research	0	12	12	0	16	0	0	28		
Banking Supervision & Regulation	283	44	327	9	3	9	0	348		
Consumer & Community Affairs	120	(25)	95	5	3	5	0	108		
Legal	86	8	94	0	4	5	0	103		
Resv. Bank Ops. & Payment Sys.	138	16	154	1	4	6	0	165		
Information Technology	353	16	369	5	13	45	0	432		
Management Division	517	17	534	23	19	15	230	361		
Total, Board Operations	2,190	144	2,334	49	91	97	241	2,330		
Inspector General	61	24	85	0	1	16	0	102		
Total (Incl. IG)	2,251	168	2,419	49	92	113	241	2,432		

(1) Management Division position counts include 31 positions for cooperative education, worker trainee, and student aid programs that assist divisions Boardwide.
 (2) Consumer & Community Affairs' positions include the reduction of 25 staff for functions planned to transfer to the Consumer Financial Protection Bureau in the last quarter and may be counted in the incorrect division since some Boardwide programs are maintained by a single division.
 (3) Interns are excluded in the position counts. The paid interns (including vacancies) numbers are estimates July 2011.
 (4) Contractors include special visitors, system interchange personnel, and long term contractors who require offices. The contractor counts are estimates from August 2010 and may be counted in the incorrect division since some Boardwide programs are maintained by a single division.
 (5) Non seated positions for Board Members include portions of the printing, duplicating, and publications functions; Management Division include portions of the law enforcement, motor transport, mechanical, maintenance, supply, and mail & postal functions.

Space Acquisition Methodology

1. Determine the number of seats needed for staff, contractors, visiting experts, details, dual occupancies, and interns.
2. Estimate future space requirements based on historical growth rates and known requirements for positions requiring seats.
3. Compare new positions needing seats to number of seats available.
4. Absent any available space in Board-owned buildings, acquire necessary leased space.
 - Each new seat requires approximately 300 square feet of leased space, which includes a share of common areas: conferencing, circulation, support, storage, and other spaces.
 - If 100 new seats are needed, look for 30,000 square feet of space.
 - Actual average office size for a professional in all Board space is about 110 square feet.

Office Space Standards

Board Office Space Standards

	<u>Eccles</u>	<u>Martin</u>	<u>NYA</u>	<u>Int'l Square</u>
Director	432	282	230	230
Deputy Director	216	169	173	173
Associate Director	216	169	173	173
Assistant Director	108	113	115	115
Professional Staff	108	113	115	115

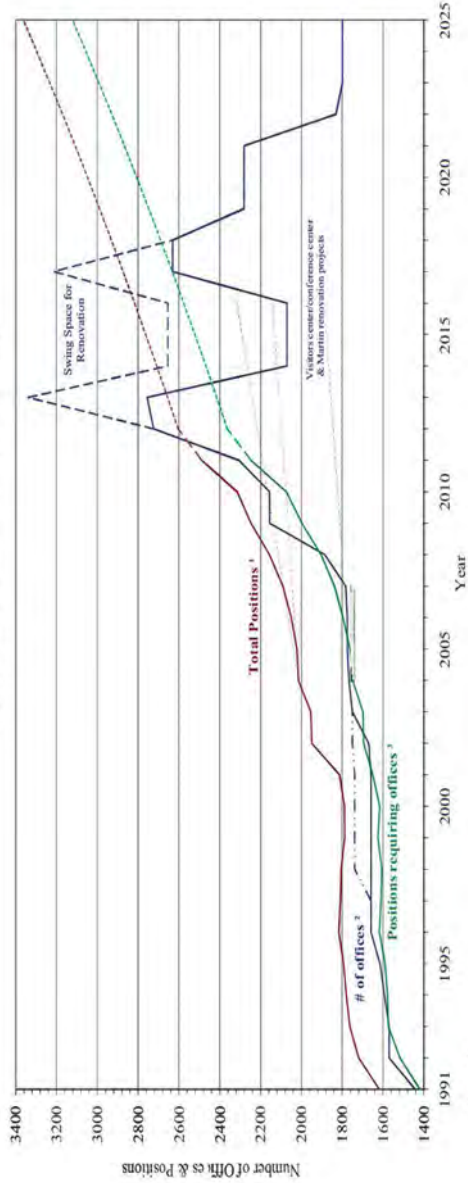
Note: For planning purposes, with respect to determining space requirements, a 300 square foot per office standard is used, which includes circulation space, conference rooms, and other shared floor space as well as the office.

Comparison to Other Agencies (Professional Staff Office Space)¹

<u>Agency</u>	<u>Per Person (sf)</u>
Federal Reserve Board (FRB)	114
Office of the Comptroller of the Currency (OCC)	120
Commodity Futures Trading Commission (CFTC)	120
Federal Deposit Insurance Corporation (FDIC)	135
Security and Exchange Commission (SEC)	120
Department of the Treasury (Treasury)	120

¹ Based on a SAS survey (6/2001)

FRB Office Space Utilization (2.0% growth)



Legend
 — # of positions¹
 - - - # of offices²
 . . . # of positions requiring offices³

¹ Includes dual authorizations, law enforcement, maintenance staff, etc. but not consultants, contractors, temporary help, or summer interns.
² Does not include dual authorizations, law enforcement, maintenance staff, etc. but not consultants, contractors, temporary help, or summer interns.
³ Includes dual authorizations but does not include law enforcement, maintenance staff, etc. along with approximately 120 long-term contractors

(Dotted lines from 2004 illustrates high, medium, and low position growth estimates from Division of Research & Statistics study)

Position data as of 7/2011
 Office space data as of 8/2011
 Generated September 9, 2011

Other Agency Spending

Board proposed renovation costs are in line with similar projects across federal government.

General Services Administration (Headquarters) ¹	\$250 million ¹
Department of the Interior (Headquarters) ²	\$275 million ²
Department of Commerce (Headquarters)	\$185.2 million ³
White House (West and East Wing)	\$376 million ⁴
Department of State (Headquarters) – on-going ⁵	\$159 million ⁵
Department of Veterans Affairs / Export-Import Bank (Lafayette)	\$129 million ⁶
Department of Homeland Security (New headquarters at St. Elizabeths)	\$450 million ⁷

¹ Neighbors to the Board.

¹ Federal Business Opportunities (2010), "Revised Pre-Solicitation Notice, General Construction (GC) Services for the Modernization of the GSA Headquarters," www.fbo.gov/utills/view/?id=bafebd0b38c9bd9ab369b286318fa65e (accessed October 3, 2011).

² GSA, "Fact Sheet – Alteration: Main Interior Building, Washington, DC," www.gsa.gov/graphics/pbs/Main_Interior_Building_Fact_Sheet_Washington_DC.pdf (accessed October 3, 2011).

³ Diane Stolz, GSA (2010), "Public Buildings Service," presented at Meet the Construction Chiefs, Professional Women in Construction, April 22.

⁴ GSA, "Fact Sheet- Alteration: West and East Wing Infrastructure Systems Replacement, Washington, DC," www.gsa.gov/graphics/pbs/fy11_program_repair_and_alteration_west_and_east_wing_infrastructure_systems_replacement_factsheet_washington_dc.pdf (accessed October 3, 2011).

⁵ GSA (2011), "Amended Prospectus – Alteration: Harry S. Truman, Washington, DC," www.gsa.gov/graphics/pbs/Harry_S_Truman_Building_Main_State_Washington_DC.pdf (accessed October 3, 2011).

⁶ Diane Stolz, GSA (2010)

⁷ GSA (2010), "Prospectus – Construction: Department of Homeland Security, Consolidation, Infrastructure, Site Acquisition, and Development of St. Elizabeths Campus, Washington, DC," www.gsa.gov/graphics/pbs/fy11_program_construction_department_of_homeland_security_consolidation_infrastructure_site_acquisition_and_development_of_st_elizabeths_campus_washington_dc.pdf (accessed October 3, 2011).

Board of Governors of the Federal Reserve System
 Facilities Planning Summary
 Handout - Congressional Visit¹
 June 9, 2008

- Under the Federal Reserve Act, the Board owns its buildings.
- The Board has the following buildings in Washington DC:
 - Eccles Building - built in 1936; most recent renovation completed in 2003.
 - Martin Building - built in early 1970's; never renovated.
 - 1709 New York Avenue - purchased in 2001; some renovation.
 - Leases additional office space in downtown DC.
- Board plans to renovate Martin Building:
 - First occupied in 1974 and will be 37 years old when planned renovation begins in 2011.
 - Need to address Americans with Disabilities Act (ADA) issues, security issues such as moving air intakes from ground level, safety issues concerning emergency egress, antiquated and inefficient building systems such as heating, ventilation, air conditioning (HVAC) and electrical, and lack of parts for movable wall partition and ceiling systems.
 - Lacks adequate entrance for screening employees, visitors, and guests.
 - Inadequate conference/meeting areas.
 - Board will incorporate "green" technology to improve energy efficiency and seek at least a "silver" Leadership in Energy and Environmental Design (LEED) rating.
 - Building is overcrowded; containing over 730 employees when 550 to 600 is desired occupancy and what it was originally designed to accommodate.
- Board plans to lease additional space to provide:
 - Swing space for a comprehensive renovation of the Martin Building.
 - Growth space to address shortage of offices in all three buildings.
 - Space to relieve severe overcrowding, particularly in Eccles and Martin buildings.
 - Lease will be flexible to allow for increases/decreases in size of Board staff over next ten years.
- All renovated and leased space will compare favorably to GSA's recommended office standards.

¹ Steve Malphrus, Don Spicer, and Brian Gross spoke to senior staff of both the Senate and House committees during the visit.

Space & Building Planning Milestones
Updated September 2011

No.	Date	Item	Description
1	2001	Visitors Center Concept	The events of 9/11 coupled with earlier recommendations made by the United States Secret Service convinced Support Services of the need to move visitor screening confidential - security
2	2002	Visitors Center Planning	The division begins planning to construct a Visitors Center in conjunction with renovating the Martin building. The combined effort will begin after completion of the perimeter security enhancement project around the Eccles/Martin complex and the installation of a sprinkler system in the Martin Building.
3	2003	Martin Renovation Delayed	The Martin building renovation is delayed due to lack of swing space for employees who would be displaced during the renovation. A floor-by-floor phased renovation was planned but swing space available at NYA was used for staff growth.
4	March 2004	Visitors Center	The division presents conceptual views of the Visitors Center to the CBA. Since the Martin building renovation was deferred, the division requests approval to continue with the Visitors Center as a separate project. The CBA approves this request.
5	April 2004-July 2005	Visitors Center Design	A project plan and SOW for design are developed during this period. However, progress is slow due to the project's complexity and staff turnover in the Design & Construction section.
6	August 2005	Visitors Center Design SOA	A SOA for design is issued. The offers are due November 2005.
7	November 2005	Visitors Center Design SOA Modification	The Visitors Center design scope is modified and broadened to include conceptual designs of a conference center on the podium level to include new one story pavilions on the east and west sides of the building and the confidential - security . Originally, both items were part of the Martin building renovation project that had been deferred. Offerors are asked to delay submitting their proposals since the SOA has been significantly modified and has not been approved and reissued.
8	December 2005	Visitors Center Design SOA Modification	The OSDM gives approval for the design SOA modification.
9	February 2006 - April 2006	Amended Visitors Center Design SOA	The Visitors Center's design SOA is amended for the modification and is reissued. The CBA is briefed about the modification and concurs with the approach.
10	June 2006	Office & Warehouse Leased Space	The Board approves the Management Division's request to again lease office space to address staff growth as there will be no space available in any of the Board's three owned buildings - Eccles, Martin, and NYA. Also, the current warehouse lease at Pickett Street is renewed on May 20, 2006 for five years, through May 31, 2011. The division will seek to lease warehouse space at another site in 2011.
11	May 2006-September 2006	Visitors Center Design Proposals	Management Division staff receives revised design proposals in May 2006 and begins reviewing the documents.
12	October 2006	Visitors Center Program Change Request (PCR) & Design Contract	The PCR is approved for full funding of concept design work for the Visitors Center, Conference Center, and movement of the air intake. Also, the design contract is awarded to KECT on 10/23/06.
13	June 2007	Leased Space-1850 K Street	The Management Division signs a lease for 34,969 square feet at 1850 K Street which will be occupied by the BSS&R training center.
14	July 2007	CBA Meeting	Management Division staff meets with the CBA and discusses the status of the Visitors Center design and the feasibility and possibilities for a Conference Center. Management Division staff also seeks approval from the CBA to complete the full scope of work outlined in October 2006 PCR (additional funding will be needed for the work).

No.	Date	Item	Description
15	December 2007	Leased Space-1850 K Street & Martin Building Renovation	The BS&R Division moves its training center and other staff to 1850 K Street. Concurrently, the Management Division: <ul style="list-style-type: none"> • Requests \$3,000,000 in funding for the Martin Building Renovation design initiative. • Receives approval and the funding added to the 2008-09 budget cycle.
16	January 2008	NYA Vacated Space & Martin Building Renovation	The Space Planning section begins a year long process to use space vacated by the BS&R Division to reallocate space in all three buildings. Meanwhile, the first draft of the Martin Building Renovation design SOW (section C) is completed.
17	March 2008	CBA Meeting	Management Division staff briefs the CBA on the results of meetings with division directors regarding a suburban office location and 1850 K Street. With the CBA, they inform the CBA about BS&R's offer to relocate its remaining staff to 1850 K Street. With the prospect of BS&R moving out of the Martin Building, an opportunity emerges to revive the Martin Building Renovation. The vacant space would be used as office space. It is also possible to explore other options for building the Visitors/Conference Center on the vacant space. The building and leasing competition in the buildings. The financial implications of another lease and updated estimates for the Visitors/Conference Center are discussed. The CBA favorably views BS&R's possible move and the associated opportunities. The next steps following this meeting are to discuss the initiative to lease additional space, relocate BS&R, and plan for a Martin building renovation with the Chairman. Also, Management Division staff will seek guidance from the CBA on the Visitors/Conference Center options. The CBA gives Management Division staff approval to speak informally with NCPC and CFA about Visitors/Conference Center plans.
18	April 2008- November 2008	Lease Additional Office Space & Visitors/Conference Center	In April, Management Division staff further studies leasing approximately 80,000 square feet at 1850 K Street to relocate the remainder of BS&R, provide swing space for Martin renovation and case compaction in all buildings, with goal to occupy by September 2009. Also, during April 2008 through November 2008, design work continues and KCCT and Management Division staff meets informally with the NCPC and CFA.
19	June 2008	confidential - security	If the Conference Center concept is not approved with the Visitors Center project, the project will be completed as a separate project or will be included in the Martin Building renovation. Initially, the project was included as a separate capital project for the 2006-07 budget cycle. The project was then added to the Visitors Center design project and its associated funding was reallocated to other capital projects during 2006-07.
20	August 2008	Martin Building Renovation	The design work for the Martin building renovation is expected to begin during 2008 since funding was requested for the 2008-09 budget cycle.
21	September 2008	Martin Building Renovation	The directed procurement document for the renovation is signed (9/28/08). Also, the Board will request that KCCT submit a "non phase" renovation quote when it submits its proposal for the renovation.
22	October 2008	Visitors/Conference Center Construction	Approval to continue the project will be based on 35 percent design documents and initial construction estimates.
23	November 2008	Martin Building Renovation	The SOW is completed for legal services associated with the building renovation.
24	December 2008	Lease Additional Office Space & CBA Meeting	The Board signs a lease for an additional 80,837 square feet at K Street (7 th and 8 th floors). Additionally, the CBA is updated about the Martin building renovation work/plans. Management Division staff also relays the preliminary feedback from the NCPC and CFA to the CBA. Also, division staff requests CBA approval to submit Visitors/Conference Center plans for formal approval from the NCPC and CFA. The CBA gives division staff approval to formally approach the NCPC and CFA.

No.	Date	Item	Description
25	April 2009	CBA Meeting & Martin Building Renovation	The CBA is updated about progress on the Martin building renovation design SOW and the engagement of outside counsel for the project. Management staff also updates the CBA about preliminary feedback from the NCPIC and CFA regarding the Visitors Conference Center project. In addition, the Facilities branch staff complete the final draft of the Martin Building Renovation design SOW (section C).
26	May 2009	Visitors/Conference Center (any in the building)	Division staff will prepare documentation to request final approval of Visitors/Conference Center funding.
27	June 2009	Martin Building Renovation	The legal contractor, Vernable, begins renovation SOW review.
28	July 2009	CFA Meeting & 2010-2015 Strategic Space Planning	The design team presents an overview of the Visitors/ Conference Center's conceptual design to the CFA. The CFA asks the committee to ask the design team to respond by developing a revised concept. Meanwhile, the division conducts a series of space studies, they in fact Board strategic plan and the 2010 - 2011 budget. Remaining BSS&R staff and selected IT staff relocate to the second leased site at K Street.
29	August 2009	Second Leased Space Site at K Street	Division staff will prepare documentation to receive final approval of funding for design work. Also, the design team meets with the CFA:
30	September 2009	Martin Building Renovation & CFA Meeting	<ul style="list-style-type: none"> It presents three design alternatives in response to the commission's July recommendations. The CFA approves Option 2 of the alternatives for further development.
31	November 2009	CFA Meeting	The design team presents the revised concept of the Visitors/Conference Center along with a model to the CFA.
32	December 2009	GSA Lease at 1709 NYA	The CFA approves the revised concept and delegates the final design to the staff.
33	January 2010	Martin Building Renovation	GSA lease terminates December 2009 and the space will be reconfigured for Board use. Construction was planned to begin in January 2010 but GSA did not vacate the space until August 2010.
34	February 2010	Martin Building Renovation Design	The division receives the final scope for the renovation SOW from Vernable.
35	March 2010	NCPIC Meeting	Board sends draft of Martin Building renovation design SOW to KCCT.
36	April 2010	Martin Building Renovation	The design team presents the conceptual design of the Visitors/Conference Center to the NCPIC. The NCPIC gives its approval for the conceptual design. The design team will meet with the NCPIC in the future regarding the design.
37	June 2010	Visitors/Conference Center	The Facilities Branch of the division produces the final draft of section C of the SOW for the renovation design work.
38	June 2010	Martin Building Renovation	Board receives comments from NCPIC on the Environmental Assessment (EA). The division holds a meeting to vet the draft EA for the project.
39	June 2010	GSA Lease at 1709 NYA	Management Division begins preparing a business plan for the project. Also, a commissioning solicitation is sent to contractors for proposals.
40	July 2010	CBA Meeting	GSA finalizes terms to vacate its space at the 1709 NYA building. The CBA grants permission to the Management Division to move forward with the design phase of the Martin Building Renovation project. In addition, the division presented its proposal for a non-phased building renovation. The committee accepted the proposal and gives approval to relocate all Martin Building occupants during the renovation. Permission was granted to lease 140,000 square feet of space to meet growth needs at the Board tied to the financial crisis and implementation of Dodd-Frank. The CBA requested a proposed housing plan for the Board.
41	August 2010	1709 NYA	GSA vacates the space it leased at the 1709 NYA building and the division initiates process to remodel vacated GSA space.

No.	Date	Item	Description
42	September 2010	Visitors/Conference Center	The Board receives final confirmation that outstanding issues (comments) on the EA are resolved. In addition, the NCFPC concurs on the EA and it is now considered to be final.
43	September 2010	Martin Building Renovation & Board Housing Plan	A "non phase" renovation design quote is requested from KCCT. Also: <ul style="list-style-type: none"> The division prepares a board housing plan that includes all building and leased space. The housing plan is reviewed and approved in September 2010.
44	October 2010	CBA Meeting	The Management Division presents it plan for leasing up to an additional 150,000 sf to accommodate the OIG and Board growth. Subsequently, the division is given approval to seek additional leased space to meet the Board's space needs.
45	Oct/Nov 2010	Administrative Governor	Governor Walsh approved the Management Division's request to look for additional leased space.
46	December 2010	Approval to Lease Additional Space	Approval to lease was granted with the 2011 budget approval.
47	January 2011	Board Housing Plan & Leased Office Space	The Board housing plan included moving the OIG and a majority of Management to International Square (K Street) and IT division to NYA. The leadership of these divisions approved the relocation plans. Also, the Board signs a lease for 141,011 square feet at International Square to accommodate BS&R growth and relocation of OIG and the majority of MCT.
48	2011	1709 NYA	Preliminary plans for occupying remodeled GSA space at 1709 NYA are: 1) 2 nd floor – March/April 2011; and, 2) 6 th floor – July/August 2011.
49	February 2011	Martin Building Renovation	The contract modification is formally awarded to KCCT (February 15, 2011). This modification includes designing the Martin Building Renovation and combining that work with the designing of the Visitors/Conference Center. A total of \$15.4 million is now approved and available for the complete design.
50	March 2011	Warehouse Leased Space	The Board signs a lease for 47,132 of newly leased warehouse space. 14,400 sf of the space is for LEU's firing range/training center. After the lease was signed, Space Planning in conjunction with other sections developed the build-out plan. Build-out of the warehouse space should begin August 2011 and the tentative move-in date is November 2011.
51	April 2011	CBA Meeting	The Management Division presents an overview/update of the Visitors/Conference Center and Martin Building Renovation project, Space Planning, and Food Services. Next steps/issues are also presented for the Visitors/Conference Center and Martin Building Renovation project and Space Planning. One particular pressing issue is that there will be a critical shortage of space between June and December 2011.
52	May 2011	CBA Meeting	The Management Division requests approval to lease up to 170,000 sf at the International Square complex (K Street) primarily to house staff during the upcoming Martin Building renovation and provide space for employee growth. About 127,000 sf will be available in the next two years and 43,000 sf is anticipated to be available in the same time period.
53	May 2011	Warehouse Leased Space	The lease for the Pickett Street warehouse space expired May 31, 2011. However, the division executed a five month lease extension which will expire October 31, 2011. The division expects to vacate the space at the close of the extension period.

Appendix 12

No.	Date	Item	Description
54	June 2011	CBA Meeting	The Management Division discussed the initial housing proposal and the current status of leased space at International Square (K Street). The majority of this discussion focused on the 127,000 sf that the landlord offered the Board (10,000 sf is available immediately). The division also requested approval to lease swing space concurrent with the approval of the available space. The division also requested approval to lease swing space concurrent with the approval of the available space. The division also requested approval to lease swing space concurrent with the approval of the available space. The division also requested approval to lease swing space concurrent with the approval of the available space.
55	July 2011	Leased Space	The Management Division is given approval to lease 10,000 sf at International Square to meet the immediate critical need.
56	August 2011	Leased Space	Board signs a lease on August 15, 2011 for 9,657 sf at International Square to accommodate BS&R growth.

9/27/2011

Board Leasing History Through August 2011

1. The Board leased space at the Watergate Building in the 1960s and 1970s, leading up to the construction of the Martin Building in the early 1970s. The Board left the Watergate Building in 1979 after completing the Eccles Building renovation and Martin Building podium enclosure.
2. BS&R's training facility had been located at Columbia Plaza (CP) since the late 1970's. The training center was moved to the 2nd and 3rd floors at the 1709 New York Avenue Building (NYA) in 1994 as that division required better space, the CP lease was due to expire in April 1994, and moves to 1709 NYA were part of Support Services' plan for consolidating offsite space in one location. Eventually, the training center was moved to 1850 K Street in 2007.
3. Shortly after the Office of the Inspector General (OIG) was formed, growth in its staffing levels required more space than was available in the Eccles/Martin complex and they moved to 1850 K Street in May 1990. They shared the space with the General Accounting Office (GAO) who the Board was required to provide space by statute. GAO eventually moved to NYA in the mid 1990's but the requirement to house GAO staff ended soon thereafter.
4. Initially, the Board managed the space needs for the FFIEC. They were located in space at 1776 G Street and in January 1990 took a sublease with the Bank of Abu Dhabi, also at 1776 G Street. FFIEC growth and Appraisal Subcommittee growth forced them to terminate their agreement with Abu Dhabi in December 1991 and to seek larger space elsewhere. They subsequently subleased space at 2100 Pennsylvania Avenue from Walker/Dunlop, eventually turning this into a prime lease with George Washington University. The lease expired on December 31, 1998 and the FFIEC relocated to new space at 2000 K Street. Once that lease terminated, the FFIEC moved to the FDIC's site at Virginia Square.
5. Increasing staffing requirements in BS&R led the Board to sublease some of the FFIEC space at 2100 Pennsylvania Avenue for BS&R overflow (Securities Regulation and Trust/EDP) and they moved to 2100 Pennsylvania Avenue in August 1992. The Board took another parcel of space at 2100 Pennsylvania Avenue under a direct lease with George Washington University in October 1992. This space was filled with the Applications Analysis Program of BS&R.
6. Staffing growth, particularly in BS&R, led the Board to obtain its first lease at NYA for the 4th and 5th floors. A March 18, 1992 memo from Governor Kelley to the Board requested approval to lease space, but only after implementing a plan to accommodate 50 positions by reconfiguring every possible area in the Eccles/Martin complex. The need for space was based on actual and projected staff growth; the need for automation, file, and conference space based on a survey submitted to all Division Directors; and the need to begin to reduce severe compaction. The Board decided on October 8, 1992 to lease 38,000 square feet

at NYA with the ability to lease an additional 20,000 if conservative growth estimates proved wrong. On December 2, 1992, Governor Kelley gave approval to lease 6,000 additional square feet on the 4th and 5th floors. Staff from BS&R, R&S, and IRM primarily from the Martin Building podium, moved to the space in the spring of 1993. (Actual Board staff grew by 171 positions between January 1990 and December 1994.)

7. GAO staff at 1850 K Street also moved into the new space at NYA, as the OIG needed the additional space at 1850 K Street due to OIG staff growth.
8. Support Services made a first attempt to lease the third floor at NYA in the spring of 1993 to move OIG and help address other space concerns but this action was not approved by Governor Kelley.
9. A second leasing phase at NYA revolved around the need to move the BS&R training center, OIG and GAO. In July 1993, BS&R requested from its oversight committee approval to seek better space as CP was no longer suitable and the CP lease would expire in April 1994. Approval for this was granted in October 1993 and space on the 2nd and 3rd floors was obtained for this purpose and was occupied in the spring of 1994.
10. The 8th floor at NYA was subsequently obtained as there was no room for DCCA staff growth in the Martin Building and they needed to move. This entire package was approved in the Fall of 1994 as part of the 1995 budget submission.
11. The 7th floor at NYA was acquired in the fall of 1998 with the lease commencing June 1999. This space was required for relocating staff due to the Eccles Infrastructure Enhancement Project.
12. The Board has leased storage warehouse space since the 1970's for storage of building equipment and furniture, supplies, publications, and files. In 1999, it had storage space at Pickett Street in Alexandria, Virginia; Columbia Plaza; and NYA.
13. As of 1999, the Board leased 117,000 square feet of office space and 22,000 square feet of storage space with 1999 expenses of approximately \$4.4 million.
14. The Board acquired NYA on September 25, 2001 and gained several tenants with the acquisition. By 2004 there was only one tenant left in the building, the General Services Administration (GSA) who housed a component of the United States Secret Service (USSS). GSA's lease expired in December 2009 and the Management Division began developing plans for the vacated space. Ultimately, GSA did not vacate NYA until August 2010. **Once NYA was purchased, the Board was no longer leasing office space at any location for Board staff.**

15. A lease for 69,181 square feet was acquired at **confidential - security** on March 31, 2004 with an expiration date of December 31, 2008. The lease was for contingency space in and it contained automatic lease renewals every 2 years. The Board sub-leased 20,017 square feet of the space to five tenants. As of 2011, the Board continued to lease 69,181 square feet and sub-lease 20,017 square feet **confidential - security** under this contract.
16. The storage leases which totaled 15,238 square feet at Pickett Street in Alexandria, Virginia were renewed May 20, 2006 with a lease expiration of May 31, 2011. Before the lease expiration, the Management Division began searching for larger space to accommodate increased storage needs and a site for the Law Enforcement Unit's (LEU) firing range/training center. Space was found in suburban Maryland and a lease was signed in March 2011, for 47,132 square feet; 32,732 square feet is for dedicated warehouse space and 14,400 square feet is for LEU's firing range/training center. After the lease signing, the Division began developing plans for the space build-out. Additional funding was needed as of August 2011 for the build-out. Funding was granted in August 2011 and the tentative move-in date is November 2011 with the LEU area to be implemented later in 2012. The lease at Pickett Street was extended through October 31, 2011.
17. The storage space agreement for 1,692 square feet at Columbia Plaza remains intact and is renewed on a yearly basis. As of 2011, the Board does not anticipate terminating the agreement.
18. Beginning in 2006, the Management Division again sought approval from the Board to search for additional leased space to address employee growth. Owned space was no longer sufficient to meet the need.
19. The Management Division found available space at International Square (the 1850 Street building) to accommodate BS&R's training center and associated staff. A lease was signed June 7, 2007 for 34,969 square feet and the lease commenced on November 1, 2007. BS&R moved affected staff to the newly leased space in December 2007.
20. During early 2008, BS&R offered to move its remaining staff to International Square. The Board was informed of this offer and the Management Division began working with the Board's real estate broker to determine if additional space was available at International Square.
21. The Board signed a lease with International Square on December 16, 2008 for 80,387 square feet. By December 2009, all remaining BS&R staff in the Martin Building and select IT staff had moved to the leased site.
22. During late 2010, the Management Division began seeking approval to lease additional space given the significant growth in staff tied to the financial crisis and the implementation of the Dodd-Frank Act. During October/November

- 2010, Governor Warsh granted the Management Division's request to seek additional space. Approval to lease was given with the budget approval in December 2010. On January 14, 2011, the Board signed a lease with International Square for an additional 141,011 square feet and began implementation of a plan that would move the OIG and a majority of the Management Division to International Square and all of IT to NYA.
23. During the spring/summer of 2011, the Management Division began seeking approval to lease an additional 170,000 square feet for potential swing space for the possible renovation of the Martin Building and for continued staff growth. About 127,000 square feet was available at International Square over the next two years and 10,000 square feet was available immediately. The remaining space balance was expected to be picked up at International Square. This initiative was put on hold pending a final decision by the Board on the plan to renovate the Martin Building.
 24. The Management Division was given approval in July 2011 to lease the 10,000 square feet at International Square to address critical space needs of BS&R. On August 15, 2011, the Board signed a lease for 9,657 square feet at International Square.
 25. As of August 2011, the Board leases 335,205 square feet of office space (20,017 square feet of this is sub-leased), 49,662 square feet of storage space (this amount will decrease by 15,238 square feet on October 31, 2011), and 14,400 square feet of LEU training space. 2011 leasing expenses are projected to be approximately \$7,900,000 while 2012 are projected to be approximately \$15,600,000. The jump in projected 2012 expenses is attributable to the last pieces of leased space at International Square coming on-line during the first half of 2012.

A History of Third Site Initiatives

1. The Association of General Contractors (AGC) site at 20th and E Streets was considered in the late 1970's but was not approved by the Board, as they did not want to be in the real estate business. The Support Services Division looked at the site again in the early 1990's with the Board's broker and actually looked at potential floor plans, but no further action or development was taken. Shortly afterwards, signs seeking development interest were posted on the site.
2. The Red Cross Building on E Street between 20th and 21st was considered a number of times. There was interest in 1982 but in 1988 the Board sent a letter indicating no further interest in the project. The Board's interest was reactivated in 1992 with the consideration of a long term leasing arrangement being pushed forward by former Senator Mathias from Maryland but nothing came of the action. An April 1993 memo made reference to the Red Cross no longer being a viable option and Support Services presented other options while pursuing a change in the Federal Reserve Act that would allow the purchase of an additional site. In 1996-1997, the Board's broker arranged for staff to review preliminary design plans for a much larger building to go on the site that the Red Cross intended to share with one large tenant. There was no interest in pursuing any further actions, but the site remained available for a period of time for some sort of joint effort.
3. Multiple analyses concerning the possible sale price of NYA were performed over the years based on projected income streams available from the property. The results were consistent over the years and were validated when the building was finally sold in late 1997 to a new owner. Support Services put forward an alternative to buy NYA a number of times but due to a variety of circumstances, particularly as they related to the Federal Reserve Act, no action was taken.
4. A detailed presentation, including some preliminary drawings and construction cost estimates, was made to Vice Chair Rivlin about the possibility of buying the Department of the Interior South (DOI) Building in September 1996. Some preliminary meetings were held with GSA at the Staff Director for Management level to discuss a possible transaction. However, no action was taken on this plan and in May 1997, GSA withdrew its offer of the space as they began developing a use of the space by the National Park Service.
5. Support Services produced a number of memoranda and reports over the years requesting that the Federal Reserve Act be changed so that the Board could be in a position to do something if the opportunity arose. A burst of activity occurred during 1992-1993 and the Board considered a number of different sites, including AGC, Red Cross, the Gewirz site at 20th and E, a site of George Washington's at 19th and E, the Pan-American Health Building at 23rd and Virginia Avenue, NYA and others. In 1995, some consideration was also given to the Office of Personnel Management Building at 19th and E.

6. In 1991, Support Services drew up preliminary floor plans for enclosing the wings of the Eccles Building but realized that the gains did not justify the costs and preliminary discussions with the Fine Arts Commission indicated that this would be a difficult proposal to get approved.
7. BS&R led an effort in 1988 to look into buying or long term leasing of one of the towers at the Federal Deposit Insurance Corporation's site at Virginia Square. This was not approved.
8. At various times, Chairman Greenspan gave his approval to the notion of changing the Act, but the head of Congressional Liaison, Don Winn, had either been unable to find a suitable vehicle on which to attach the appropriate language or Support Services was held to a "pay-as-you-go" standard that looked for unobtainable levels of return on any proposed solutions to the Board's long range space needs. There were also a number of discussions with Legal and Support Services as to whether "non-ownership" methods such as long term leasing would require the Act to be changed. At that time, the Vice Chair expressed her unwillingness to go to Congress to change the Act without having any particular building or plan in mind.
9. In 2000-2001, the Board was finally able to change the Act and put in motion an effort to purchase NYA from Mack-Cali, its owner. The Board acquired NYA on September 25, 2001 at a cost of \$67,000,000.

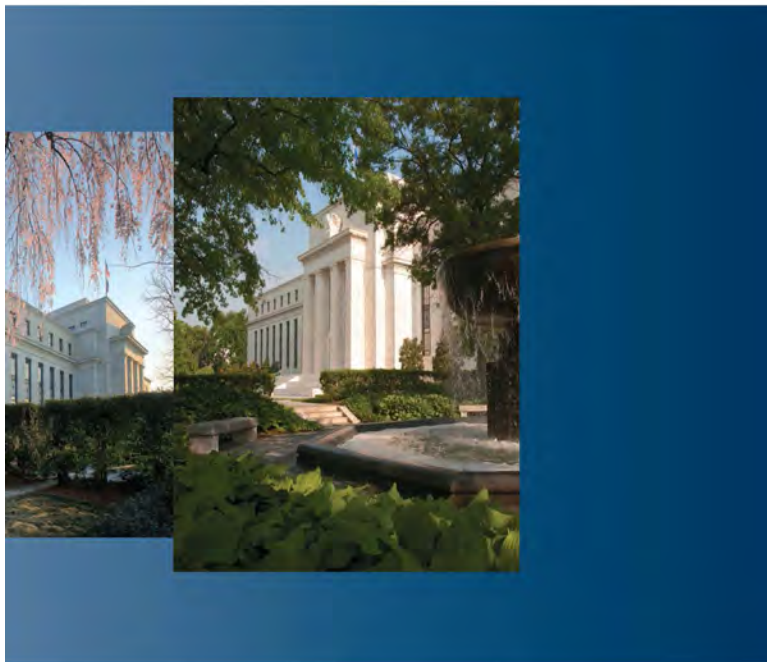
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ADDITIONAL MATERIAL SUPPLIED FOR THE RECORD

For use at 10:00 a.m., EDT
July 15, 2014

MONETARY POLICY REPORT

July 15, 2014



Board of Governors of the Federal Reserve System

LETTER OF TRANSMITTAL



BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

Washington, D.C., July 15, 2014

THE PRESIDENT OF THE SENATE
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

The Board of Governors is pleased to submit its *Monetary Policy Report* pursuant to section 2B of the Federal Reserve Act.

Sincerely,

A handwritten signature in cursive script that reads "Janet L. Yellen".

Janet L. Yellen, Chair

STATEMENT ON LONGER-RUN GOALS AND MONETARY POLICY STRATEGY

As amended effective January 28, 2014

The Federal Open Market Committee (FOMC) is firmly committed to fulfilling its statutory mandate from the Congress of promoting maximum employment, stable prices, and moderate long-term interest rates. The Committee seeks to explain its monetary policy decisions to the public as clearly as possible. Such clarity facilitates well-informed decisionmaking by households and businesses, reduces economic and financial uncertainty, increases the effectiveness of monetary policy, and enhances transparency and accountability, which are essential in a democratic society.

Inflation, employment, and long-term interest rates fluctuate over time in response to economic and financial disturbances. Moreover, monetary policy actions tend to influence economic activity and prices with a lag. Therefore, the Committee's policy decisions reflect its longer-run goals, its medium-term outlook, and its assessments of the balance of risks, including risks to the financial system that could impede the attainment of the Committee's goals.

The inflation rate over the longer run is primarily determined by monetary policy, and hence the Committee has the ability to specify a longer-run goal for inflation. The Committee reaffirms its judgment that inflation at the rate of 2 percent, as measured by the annual change in the price index for personal consumption expenditures, is most consistent over the longer run with the Federal Reserve's statutory mandate. Communicating this inflation goal clearly to the public helps keep longer-term inflation expectations firmly anchored, thereby fostering price stability and moderate long-term interest rates and enhancing the Committee's ability to promote maximum employment in the face of significant economic disturbances.

The maximum level of employment is largely determined by nonmonetary factors that affect the structure and dynamics of the labor market. These factors may change over time and may not be directly measurable. Consequently, it would not be appropriate to specify a fixed goal for employment; rather, the Committee's policy decisions must be informed by assessments of the maximum level of employment, recognizing that such assessments are necessarily uncertain and subject to revision. The Committee considers a wide range of indicators in making these assessments. Information about Committee participants' estimates of the longer-run normal rates of output growth and unemployment is published four times per year in the FOMC's Summary of Economic Projections. For example, in the most recent projections, FOMC participants' estimates of the longer-run normal rate of unemployment had a central tendency of 5.2 percent to 5.8 percent.

In setting monetary policy, the Committee seeks to mitigate deviations of inflation from its longer-run goal and deviations of employment from the Committee's assessments of its maximum level. These objectives are generally complementary. However, under circumstances in which the Committee judges that the objectives are not complementary, it follows a balanced approach in promoting them, taking into account the magnitude of the deviations and the potentially different time horizons over which employment and inflation are projected to return to levels judged consistent with its mandate.

The Committee intends to reaffirm these principles and to make adjustments as appropriate at its annual organizational meeting each January.

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NOTE: Unless otherwise noted, the time series in the figures extend through, for daily data, July 10, 2014; for monthly data, June 2014; and, for quarterly data, 2014:Q1. In bar charts, except as noted, the change for a given period is measured to its final quarter from the final quarter of the preceding period.

SUMMARY

The overall condition of the labor market continued to improve during the first half of 2014. Gains in payroll employment picked up to an average monthly pace of about 230,000, and the unemployment rate fell to 6.1 percent in June, nearly 4 percentage points below its peak in 2009. Notwithstanding those improvements, a broad array of labor market indicators—such as labor force participation, hiring and quit rates, and the number of people working part time for economic reasons—generally suggests that significant slack remains in the labor market. Continued slow increases in most measures of labor compensation also corroborate the view that labor resources are not being fully utilized.

Inflation has moved up this year following unusually low readings in 2013, but it has remained somewhat below the Federal Open Market Committee's (FOMC) longer-run goal of 2 percent. The price index for personal consumption expenditures (PCE) rose 1¾ percent over the 12 months ending in May, up from an increase of only 1 percent a year earlier. The PCE price index excluding food and energy items rose 1½ percent over the past 12 months. Meanwhile, both survey- and market-based measures of longer-term inflation expectations have remained stable.

Real gross domestic product is reported to have declined in the first quarter of this year, but a number of recent indicators suggest that economic activity rebounded in the second quarter. The pace of economic growth abroad also appears to have quickened in the second quarter following weakness earlier this year, which should provide support for export sales. Moreover, expansion in economic activity continues to be supported by ongoing job gains, a waning drag from fiscal policy, and accommodative financial conditions. However, the housing sector has shown little recent progress. While it has recovered notably from its earlier trough, activity in the sector

leveled off in the wake of last year's increase in mortgage rates, and readings this year have, overall, continued to be disappointing.

The Committee expects that, with appropriate policy accommodation, economic activity will expand at a moderate pace and labor market conditions will continue to move gradually toward levels that the Committee judges consistent with its dual mandate of maximum employment and price stability. In addition, the Committee anticipates that with stable inflation expectations and strengthening economic activity, inflation will, over time, return to the Committee's 2 percent objective. Those expectations are reflected in the June Summary of Economic Projections, which is included as Part 3 of this report.

Financial conditions have generally remained supportive of economic growth. Longer-term interest rates have continued to be low by historical standards, and over the first half of the year those interest rates moved down significantly in the United States as well as in most other advanced economies. Overall, borrowing conditions for households have continued to slowly improve amid rising house and equity prices and the faster pace of employment growth so far this year. Credit flows to large nonfinancial businesses have remained strong, and small business lending activity has shown signs of improvement in recent months.

With respect to financial stability, signs of risk-taking that could leave segments of the U.S. financial sector vulnerable to possible adverse events have increased modestly this year, albeit from a subdued level. Prices for real estate, equities, and corporate debt have risen and valuation measures have increased, but valuations remain roughly in line with historical norms. Signs of excesses that could lead to higher future defaults and losses have emerged in some sectors, including

2 SUMMARY

for speculative-grade corporate bonds and leveraged loans. At the same time, financial firms' use of short-term wholesale funding has not increased materially and the capital and liquidity position of the banking sector continued to improve. The Federal Reserve and other agencies took further supervisory and regulatory steps to improve resilience, including conducting the 2014 stress tests of the largest bank holding companies (BHCs); finalizing rules to strengthen prudential standards for the largest domestic BHCs and for the U.S. operations of foreign banking firms; and raising leverage ratio standards for the largest, most interconnected firms.

To support continued progress toward maximum employment and price stability, the FOMC has maintained a highly accommodative stance of monetary policy. Specifically, the Committee has kept its target range for the federal funds rate at 0 to $\frac{1}{4}$ percent; updated its forward guidance regarding the path of the federal funds rate; and continued to increase its sizable holdings of longer-term securities, though at a gradually diminishing pace. In particular, the Committee made additional measured reductions at each of its first four regularly scheduled meetings in 2014 in the monthly pace of its asset purchases. The FOMC also stated at each meeting that, if incoming information continued to broadly support the Committee's assessment of the economic outlook, the Committee would likely reduce the pace of asset purchases in further measured steps at future meetings. However, the Committee also noted that its asset purchases are not on a preset course, and that decisions about their pace will remain contingent on the economic outlook.

The FOMC has provided forward guidance for the federal funds rate based on its assessment of economic and financial conditions. As 2014 began, the Committee's forward rate guidance

included quantitative thresholds relating to the unemployment rate and inflation. However, with the unemployment rate having neared its $6\frac{1}{2}$ percent threshold, the Committee decided at its March meeting to replace the numerical thresholds with a qualitative characterization of its approach to determining how long to maintain the current 0 to $\frac{1}{4}$ percent target range for the federal funds rate. Specifically, the Committee stated that it will assess progress—both realized and expected—toward its objectives of maximum employment and 2 percent inflation, taking into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments. The Committee continues to anticipate, based on its assessment of these factors, that it likely will be appropriate to maintain the current target range for the federal funds rate for a considerable time after the asset purchase program ends. The Committee additionally stated its anticipation that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run.

As part of prudent planning, the Federal Reserve has continued to prepare for the eventual normalization of the stance and conduct of monetary policy. The FOMC remains confident that it has the tools it needs to raise short-term interest rates when the time is right and to achieve the desired level of short-term interest rates thereafter, even while the Federal Reserve is holding a very large balance sheet. The Committee intends to continue its discussions about policy normalization at upcoming meetings while it proceeds with testing the operational readiness of its tools; it expects to provide to the public more information about its normalization plans later this year.

PART 1

RECENT ECONOMIC AND FINANCIAL DEVELOPMENTS

Labor market conditions continued to improve over the first half of this year. Gains in payroll employment since the start of the year have averaged about 230,000 jobs per month, up a little from the average pace in 2013, and the unemployment rate declined to 6.1 percent in June, the lowest rate recorded in more than five years. Nevertheless, the jobless rate is still above Federal Open Market Committee (FOMC) participants' estimates of the longer-run normal rate. Other measures of labor utilization, as well as the continued slow increases in most measures of labor compensation, generally corroborate the view that significant slack remains in the labor market. Inflation, as measured by the price index for personal consumption expenditures (PCE), averaged 1¾ percent over the 12 months ending in May, higher than the unusually low level over the preceding 12 months but still somewhat below the Committee's 2 percent objective. Meanwhile, both survey- and market-based measures of longer-term inflation expectations have remained quite stable. Real gross domestic product (GDP) was reported to have decreased in the first quarter of this year, but the available information for the second quarter suggests that the decline was transitory. One area of concern, however, is the housing sector, where activity softened by more, relative to its earlier trajectory, than would have been expected based on last year's rise in mortgage interest rates. Financial conditions have generally remained supportive of economic growth. Longer-term interest rates in the United States as well as in most other advanced economies have partially reversed last year's increases, and borrowing conditions for households and small businesses have slowly improved, while credit flows to large nonfinancial corporations have remained strong.

Domestic Developments

Labor market conditions have strengthened further . . .

The labor market continued to improve in the first half of 2014. Payroll employment has increased by an average of about 230,000 per month so far this year, higher than the average gain in 2013 (figure 1). The unemployment rate continued to trend down, declining from 6.7 percent in December 2013 to 6.1 percent in June of this year, while the labor force participation rate was little changed, on net, over the first half of this year after having moved down considerably in the second half of last year (figure 2). The unemployment rate has declined nearly 4 percentage points from its peak in 2009, although it remains elevated when judged against FOMC participants' estimates of the longer-run normal rate. Payrolls have reversed the cumulative job losses that occurred over the last recession, though that recovery has been achieved in the context of a larger population and labor force.

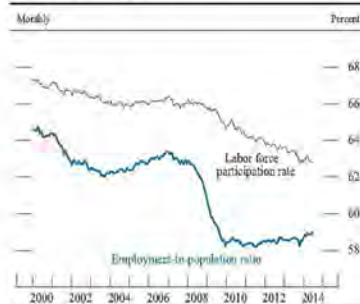
1. Net change in payroll employment



NOTE: The data extend through June 2014.
SOURCE: Department of Labor, Bureau of Labor Statistics.

4 PART 1: RECENT ECONOMIC AND FINANCIAL DEVELOPMENTS

2. Labor force participation rate and employment-to-population ratio



NOTE: Both series are a percent of the population aged 16 and over.
SOURCE: Department of Labor, Bureau of Labor Statistics.

3. Change in labor market conditions index



NOTE: Data are three-month moving averages. The index is estimated using a dynamic factor model to measure the primary source of common variation among 19 labor market indicators. The index has a mean of zero and a standard deviation of 100; an increase indicates an improvement in labor market conditions.

SOURCE: Federal Reserve Board staff estimates based on data from the Conference Board, Department of Labor, Bureau of Labor Statistics and Employment and Training Administration; National Federation of Independent Business.

An index constructed by Board staff that aims to summarize movements in a broad array of labor market indicators also suggests that labor market conditions have strengthened further this year (figure 3).¹ While increases in that index slowed a touch at the beginning of this year, partly reflecting the effects of the unseasonably cold and snowy weather this winter, the pace has picked up again in recent months.

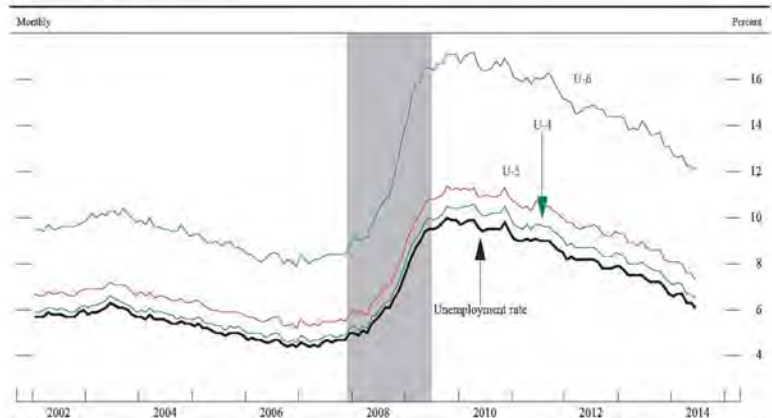
... but significant slack remains . . .

Notwithstanding those improvements, various labor market indicators suggest that a significant degree of slack remains in labor utilization. For instance, measures of labor underutilization that incorporate broader definitions of unemployment are still well above their pre-recession levels, even though they have moved down further this year (figure 4). The proportion of workers employed part time because they are unable to find full-time work has similarly declined but remains elevated, and hiring and quit rates are still below their pre-recession norms. Moreover, the median duration of unemployment is still well above its long-run average.

The declines in the participation rate during the past few years, within the context of a strengthening labor market, also could be an indication of continuing labor market slack. To be sure, movements in the participation rate partly reflect the changing demographic composition of the population, most notably the increasing share of older persons, who have lower-than-average participation rates because they are more likely to be retired. As such, many of those exits from the labor force probably would have occurred even if

1. For details on the construction of the labor market conditions index, see Hess Chung, Bruce Fallick, Christopher Nekarda, and David Ratner (2014), "Assessing the Change in Labor Market Conditions," FEDS Notes (Washington: Board of Governors of the Federal Reserve System, May 22), www.federalreserve.gov/econresdata/notes/feds-notes/2014/assessing-the-change-in-labor-market-conditions-20140522.html.

4. Measures of labor underutilization



Note: U-4 measures total unemployed plus discouraged workers, as a percent of the labor force plus discouraged workers. Discouraged workers are a subset of marginally attached workers who are not currently looking for work because they believe no jobs are available for them. U-5 measures total unemployed plus all marginally attached to the labor force, as a percent of the labor force plus persons marginally attached to the labor force. Marginally attached workers are not in the labor force, want and are available for work, and have looked for a job in the past 12 months. U-6 measures total unemployed plus all marginally attached workers plus total employed part time for economic reasons, as a percent of the labor force plus all marginally attached workers. The shaded bar indicates a period of business recession as defined by the National Bureau of Economic Research.
 SOURCE: Department of Labor, Bureau of Labor Statistics.

the labor market had been stronger. However, some exits are likely occurring because the prolonged period of high unemployment has led some individuals to give up their job search, and such dynamics could have harmful consequences for economic activity in the long run.

... and wage growth has remained tepid
 Continued slow increases in most measures of labor compensation offer further evidence of labor market slack. Compensation per hour in the nonfarm business sector is estimated to have risen at a modest pace of 2¼ percent over the four quarters ending in the first quarter of this year; the employment cost index for private industry workers rose at an annual rate of only 1¼ percent in the same period; and average hourly earnings rose about 2 percent over the 12 months ending in June, little changed from the average rate of increase in hourly earnings during the past several years (figure 5). Over the past five years, the various measures of nominal hourly compensation

5. Measures of change in hourly compensation



Note: For nonfarm business compensation, change is over four quarters; for the employment cost index, change is over the 12 months ending in the last month of each quarter; for average hourly earnings, change is over the 12 months ending in June. The average hourly earnings data series begins in March 2007.
 SOURCE: Department of Labor, Bureau of Labor Statistics.

6 PART 1: RECENT ECONOMIC AND FINANCIAL DEVELOPMENTS

6. Change in the chain-type price index for personal consumption expenditures



NOTE: The data extend through May 2014; changes are from one year earlier.

SOURCE: Department of Commerce, Bureau of Economic Analysis.

7. Prices of oil and nonfuel commodities



NOTE: The data are weekly averages of daily data through July 10, 2014. The price of oil is the spot price of Brent crude oil, and the price of nonfuel commodities is an index of 23 primary-commodity prices.

SOURCE: CRB Data Center; Fitch IIFM; Commodity Research Bureau.

have increased roughly 2 percent per year, on average, and after adjusting for inflation, growth of real compensation has fallen short of the gains in productivity over this period.

Consumer price inflation has moved up . . .

Inflation has moved higher this year following unusually low readings in 2013. The PCE price index rose 1¼ percent over the 12 months ending in May, up from the 1 percent increase recorded over the preceding 12 months (figure 6). The PCE price index excluding food and energy items rose 1½ percent over the 12 months ending in May, slightly less than the overall index. The FOMC continues to judge that inflation at the rate of 2 percent, as measured by the annual change in the PCE price index, is most consistent over the longer run with the Federal Reserve's statutory mandate. Thus, inflation remained somewhat below the Committee's goal. Some of the factors that contributed to the unusually low inflation in 2013, such as the softness seen in non-oil import prices, have begun to unwind and are pushing up inflation a little this year. More generally, however, with wages growing slowly and raw materials prices generally flat or moving downward, firms are not facing much in the way of cost pressures that they might otherwise try to pass on.

A portion of the recent increase in inflation reflects movements in energy and food prices that appear transitory. Consumer energy prices rose at an annual rate of nearly 6 percent over the 12 months ending in May, partly reflecting strong demand for electricity and natural gas during the cold winter. Global oil prices have been remarkably stable for much of the past year, with oil prices remaining mostly in a narrow range of between about \$105 and \$110 per barrel and moving above that range only temporarily in reaction to events in Iraq (figure 7). Meanwhile, adverse growing conditions in both the United States and abroad have pushed up wholesale prices for various food commodities—including

corn, wheat, and coffee—and these higher raw materials prices have led to somewhat larger increases in consumer food prices this year.

... but inflation expectations have changed little

Survey- and market-based measures of inflation expectations at medium- and longer-term horizons have remained quite stable throughout the recent period. Readings on inflation expectations 5 to 10 years ahead, as reported in the Thomson Reuters/University of Michigan Surveys of Consumers, have continued to move within a narrow range (figure 8). In the Survey of Professional Forecasters, conducted by the Federal Reserve Bank of Philadelphia, the median expectation in the second quarter for the annual rate of increase in the PCE price index over the next 10 years was 2 percent, similar to its level in recent years. Meanwhile, market-based measures of medium- (5-year) and longer-term (5-to-10-years-ahead) inflation compensation derived from differences between yields on nominal Treasury securities and Treasury Inflation-Protected Securities have also remained within their respective ranges observed over the past few years (figure 9).

The first-quarter decline in real GDP appears to have been transitory

Measures of real aggregate output—that is, GDP and gross domestic income—were both reported to have declined in the first quarter of this year (figure 10).² Part of the weakness in output was likely related to severe weather early in the year.³ But much of the drop in first-quarter GDP reflected

2. Gross domestic income measures the same economic concept as GDP, and the two estimates would be identical if they were measured without error.

3. Manufacturing output was held down by both snow and extreme cold in parts of the country in January and February. In March, output appears to have been boosted significantly by manufacturers making up for earlier production curtailments. Factory output subsequently dropped back in April, consistent with the view that this makeup production had been achieved.

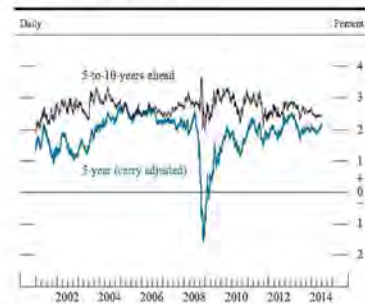
8. Median inflation expectations



NOTE: The Michigan survey data are monthly. The SPF data for inflation expectations for personal consumption expenditures are quarterly and extend from 2007:Q1 through 2014:Q2.

SOURCE: Thomson Reuters/University of Michigan Surveys of Consumers; Survey of Professional Forecasters (SPF).

9. Inflation compensation

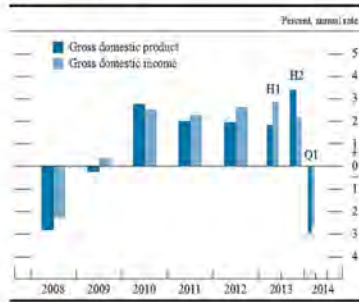


NOTE: Inflation compensation is the difference between yields on nominal Treasury securities and Treasury Inflation-Protected Securities (TIPS) of comparable maturities, based on yield curves fitted to off-the-run nominal Treasury securities and on- and off-the-run TIPS. The 5-year measure is adjusted for the effect of indexation lags.

SOURCE: Federal Reserve Bank of New York; Barclays TIPS Pricing; Federal Reserve Board staff estimates.

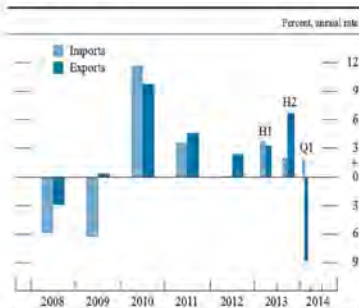
8 PART 1: RECENT ECONOMIC AND FINANCIAL DEVELOPMENTS

10. Change in real gross domestic product and gross domestic income



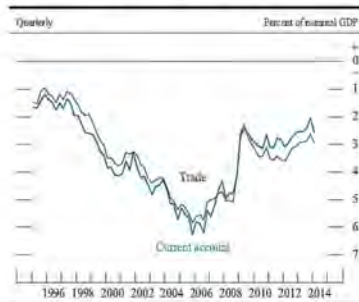
Source: Department of Commerce, Bureau of Economic Analysis.

11. Change in real imports and exports of goods and services



Source: Department of Commerce, Bureau of Economic Analysis.

12. U.S. trade and current account balances



Source: Department of Commerce, Bureau of Economic Analysis.

unusually large swings in inventories and net exports, two volatile categories for which the available monthly data point to a rebound in the second quarter. In addition, a number of recent indicators of second-quarter spending, including motor vehicle sales, retail sales, and shipments of capital goods, suggests that the overall pace of consumer and business spending also picked up in the second quarter. Expansion in real activity continues to be supported by ongoing job gains, a waning drag from fiscal policy, and accommodative financial conditions. However, activity in the housing sector has yet to show persistent gains since it slowed in the wake of last year's rise in mortgage interest rates.

Export declines weighed heavily on first-quarter GDP

Real exports of goods and services declined at an annual rate of about 9 percent in the first quarter of 2014 (figure 11), coinciding with a global slowdown in trade. The decline partly reflected a retrenchment in two volatile categories, petroleum and agriculture, that had surged in the fourth quarter of 2013. With real imports of goods and services advancing in the first quarter, albeit slowly, net exports subtracted 1½ percentage points—an unusually large amount—from overall GDP growth. However, available data for April and May indicate that exports rebounded in the second quarter, and net exports will likely be more supportive of growth in the second quarter.

The current account deficit widened somewhat in the first quarter of this year after having narrowed further over 2013; however, measured relative to nominal GDP, the deficit remains near its narrowest readings since the late 1990s (figure 12). In the second half of 2013, the current account deficit continued to be financed mostly by purchases of Treasury and corporate securities by both foreign official investors and foreign private investors (figure 13). Foreign private purchases remained strong in the first quarter of 2014, but official

inflows weakened as conditions in emerging market economies (EMEs) worsened early in the quarter.

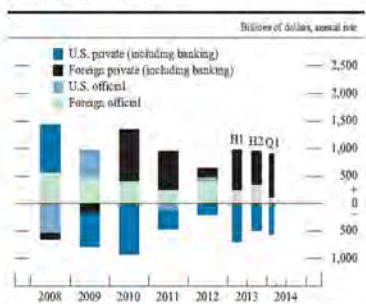
Gains in wealth and income are supporting consumer spending

Smoothing through weather-related fluctuations, consumer spending was reported to have risen at a modest annual rate of 1 percent over the first five months of this year, while disposable personal income advanced at a stronger pace of 2¼ percent over the same period (figure 14).⁴ The faster pace of job gains so far this year has helped improve the economic prospects of many households and has contributed to a pickup in the pace of aggregate income growth, though it is not yet clear how widely these income gains have been shared across the population. In addition, personal tax payments and social security contributions, which surged last year as a consequence of higher federal payroll and income taxes, are no longer weighing as heavily on income growth.

Consumption growth this year also has been supported by ongoing gains in household net worth. House prices, which are of particular importance for the wealth position of many middle-income households, have continued to move higher, with the CoreLogic national index showing a rise of almost 9 percent over the 12 months ending in May (figure 15). Meanwhile, the value of corporate equities has risen more than 15 percent over the past year and has added substantially to net wealth. Reflecting those solid gains, aggregate household net worth is estimated to have approached 6½ times the value of disposable

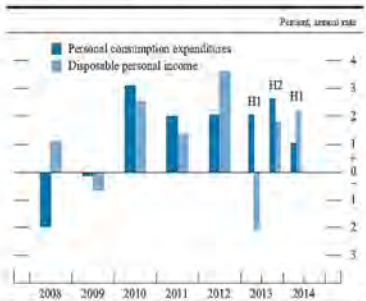
4. In its third release of quarterly GDP, the Bureau of Economic Analysis reported that consumer spending on health-care services declined in the first quarter. This estimate reflected the incorporation of census data from the U.S. Census Bureau's Quarterly Services Survey, which showed a decline in the revenues of health-care providers. By contrast, a variety of other indicators, including data on Medicaid payments as well as health-care exchange enrollments and subsidies related to the Affordable Care Act, are suggestive of greater strength in health-care spending.

13. U.S. net financial inflows



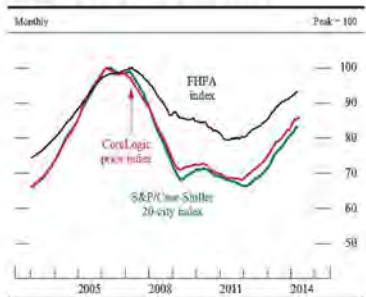
Note: Negative numbers indicate a balance of payments outflow, generated when U.S. residents, on net, purchase foreign assets or when foreign residents, on net, sell U.S. assets. A negative number for "U.S. private" or "U.S. official" indicates an increase in U.S. residents' holdings of foreign assets. U.S. official flows include the foreign currency acquired when foreign central banks draw on their swap lines with the Federal Reserve.
Source: Department of Commerce, Bureau of Economic Analysis.

14. Change in real personal consumption expenditures and disposable personal income



Note: The reading for 2014-H1 is the annualized May/Q4 change.
Source: Department of Commerce, Bureau of Economic Analysis.

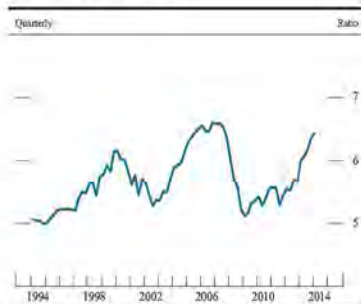
15. Prices of existing single-family houses



Note: The S&P/Case-Shiller and FHFA data extend through April 2014. The CoreLogic data extend through May.
Source: Federal Housing Finance Agency (FHFA); Case-Shiller data via S&P Capital IQ Solutions' Capital IQ Platform; staff calculations based on data provided by CoreLogic.

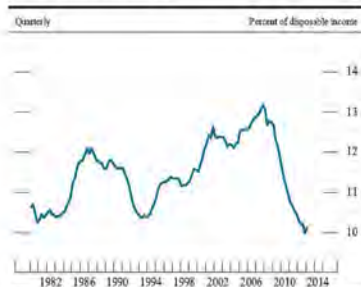
10 PART 1: RECENT ECONOMIC AND FINANCIAL DEVELOPMENTS

16. Wealth-to-income ratio



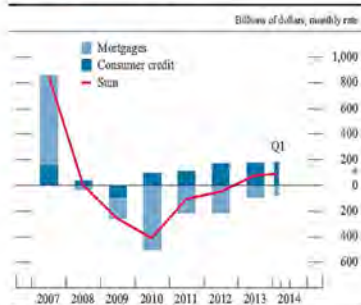
NOTE: The ratio is household net worth to disposable personal income.
SOURCE: For net worth, Federal Reserve Board, Flow of Funds data; for income, Department of Commerce, Bureau of Economic Analysis.

17. Household debt service



NOTE: Debt service payments consist of estimated required payments on outstanding mortgage and consumer debt.
SOURCE: Federal Reserve Board, statistical release, "Household Debt Service and Financial Obligations Ratios."

18. Changes in household debt



NOTE: Changes are calculated from year-end to year-end.
SOURCE: Federal Reserve Board, Statistical Release Z.1, "Financial Accounts of the United States."

personal income in the first quarter of this year, the highest level observed for that ratio since 2007 (figure 16).

Coupled with low interest rates, the rise in incomes has enabled many households to reduce their debt payment burdens. The household debt service ratio—that is, the ratio of required principal and interest payments on outstanding household debt to disposable personal income—dropped further in the first quarter of this year and stood at a very low level by historical standards (figure 17).

Borrowing conditions for households are slowly improving . . .

The improvements in households' balance sheets so far this year have been accompanied by a gradual easing in borrowing conditions. For example, large banks reported a net easing of standards for home purchase loans to prime borrowers in the Federal Reserve Board's April 2014 Senior Loan Officer Opinion Survey on Bank Lending Practices (SLOOS).⁵ SLOOS responses also indicated a net easing in credit standards for consumer loans. Even so, mortgage lending standards have remained tight for many households; indeed, standards on nontraditional mortgage loans were reported to have tightened further in the April survey. Likely reflecting, in part, the increased willingness to lend, the rate of decline in mortgage debt has slowed so far this year, and growth in other consumer credit has been robust (figure 18).

. . . but consumer confidence remains tepid

Despite the strengthening in household incomes and wealth, indicators of consumer sentiment still appear somewhat depressed compared with their longer-run norms. The Michigan survey's index of consumer

5. The SLOOS is available on the Board's website at www.federalreserve.gov/boarddocs/sloosurvey.

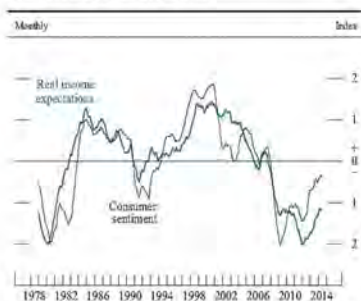
sentiment—which incorporates households' views about their own financial situations as well as broader economic conditions—has recovered noticeably from its recessionary low but has changed little, on net, over the past year (figure 19). The responses to a separate survey question about income expectations display a similar pattern: Although an index of households' expectations of real income changes in the year ahead has recovered somewhat since 2011, it remains substantially below the historical average and suggests a more guarded outlook than the headline index.

Business investment has been lackluster, . . .

After recording modest gains in 2013, business fixed investment ticked down in the first quarter of this year, as a large decline in spending on nonresidential structures was partly offset by a small increase in outlays for equipment and intangible (E&I) capital (figure 20). Although the expiration of a tax provision allowing 50 percent bonus depreciation may have pulled some capital investment forward into late 2013, looking over a longer period, the pattern of investment outlays over the past year and a half appears broadly consistent with the sluggish pace of business output growth during the period. Nevertheless, various forward-looking indicators, such as business sentiment and earnings expectations of capital goods producers, paint a fairly upbeat picture and point to a pickup in the growth of E&I investment.

Business investment in structures has been relatively weak this year, as demand for nonresidential buildings continues to be restrained by high vacancy rates for existing properties and tight financing conditions for new construction. However, the level of investment in drilling and mining structures is extremely high by historical standards, a reflection of the boom in oil and natural gas extraction.

19. Consumer sentiment indexes



Note: Data are 12-month moving averages. Average values since 1978 equal zero. Real income expectations are calculated as the net percent of survey respondents expecting family income to go up more than prices during the next year or two.

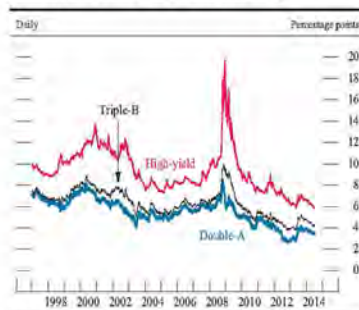
Source: Thomson Reuters-University of Michigan Surveys of Consumers.

20. Change in real business fixed investment



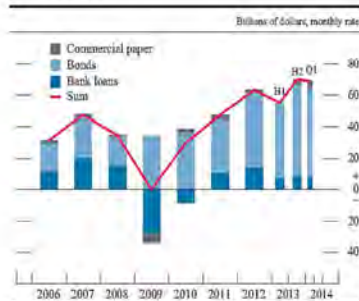
Source: Department of Commerce, Bureau of Economic Analysis.

21. Corporate bond yields by securities rating



NOTE: The yields shown are yields on 10-year bonds.
SOURCE: BoFA Merrill Lynch Global Research, used with permission.

22. Selected components of net financing for nonfinancial businesses



NOTE: The data for the components except bonds are seasonally adjusted.
SOURCE: Federal Reserve Board, Statistical Release Z.1, "Financial Accounts of the United States."

... even as corporate borrowing has expanded and loan terms and standards appear to be easing

The financial condition of large nonfinancial firms has remained strong so far this year, with profitability high and the default rate on nonfinancial corporate bonds generally low. Nonfinancial firms have continued to raise funds at a robust pace, given strong corporate credit quality and historically low interest rates on corporate bonds (figure 21). Indeed, bond issuance by both investment- and speculative-grade nonfinancial firms has been strong (figure 22).

Moreover, credit availability in business loan markets has shown further improvement. According to the April SLOOS, banks again eased standards on commercial and industrial (C&I) loans to firms of all sizes in the first quarter, and many banks have eased price-related and other terms on such loans. In addition, according to the Federal Reserve Board's May 2014 Survey of Terms of Business Lending, loan rate spreads over market interest rates for newly originated C&I loans have continued to decline. In this environment, C&I loans on banks' books and commercial paper outstanding both have registered solid increases. Issuance of leveraged loans continued to be rapid in the first half of 2014, and issuance of collateralized loan obligations reached very high levels in the period from February to April.⁶ Small business lending activity has picked up as well in recent months, likely reflecting some increase in credit availability as well as a strengthening in businesses' demand for credit.

In the commercial real estate (CRE) sector, loans continued to expand at a moderate

6. New collateralized loan obligation (CLO) deals over this period were reportedly structured to address certain restrictions in the Volcker rule. In addition, the Federal Reserve Board announced that bank holding companies have until July 21, 2017, to disinvest from non-Volcker-compliant CLOs originated prior to the end of 2013. The extension for complying with the requirement reportedly alleviated the risk of forced liquidations of such instruments in the near term.

pace, and increases in banks' CRE loans remained widespread across all major CRE segments (that is, loans secured by nonfarm nonresidential properties, multifamily residential properties, and construction and land development loans). According to the April SLOOS, standards on CRE loans extended by banks also eased in the first quarter. Special survey questions asked about changes in terms on CRE loans over the past year, and many banks reported having eased interest rate spreads and increased maximum loan sizes and terms to maturity. Nevertheless, standards for construction and land development loans appear to have remained relatively tight.

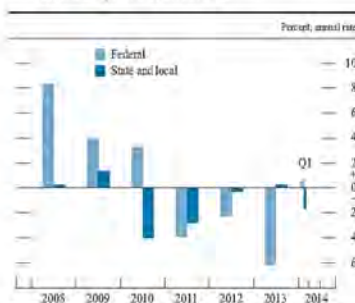
The drag from federal fiscal restraint is waning . . .

Fiscal policy has been a contractionary force through most of the past three years and was especially so in 2013, when the temporary payroll tax cut expired, taxes increased for high-income households, and federal purchases were pushed down by the sequestration and caps on discretionary spending (figure 23). Moreover, in the fourth quarter of last year, disruptions related to the government shutdown led to a sharp but temporary reduction in federal purchases. For 2013 as a whole, real federal purchases (as measured in the national income and product accounts) fell 6¼ percent, twice as large as the average decline in the previous two years.

This year, however, fiscal policy has become somewhat less restrictive for GDP growth, as the effects of the 2013 tax and spending changes are fading. While the expiration of emergency unemployment compensation at the beginning of the year has exerted a drag on consumer spending, medical benefits provided for under the Affordable Care Act will likely support increased consumption of medical services.

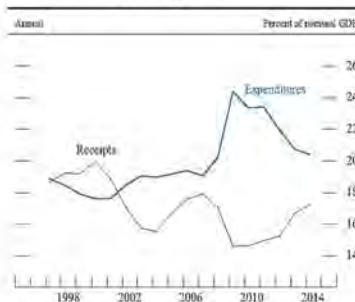
With few major changes in tax policy in 2014, federal receipts have edged up to around 17 percent of GDP, their highest level since before the recession (figure 24). Meanwhile, nominal federal outlays as a share of GDP

23. Change in real government expenditures on consumption and investment



Source: Department of Commerce, Bureau of Economic Analysis

24. Federal receipts and expenditures



Notes: Through 2013, receipts and expenditures are for fiscal years (October to September); gross domestic product (GDP) is for the four quarters ending in Q3. For 2014, receipts and expenditures are for the 12 months ending in June, and GDP is the average of 2013:Q4 and 2014:Q1. Receipts and expenditures are on a unified-budget basis.
Source: Office of Management and Budget.

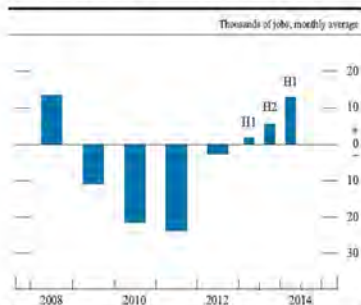
25. Federal government debt held by the public



NOTE: The data are for the third quarter of each year. The data for gross domestic product (GDP) are at an annual rate.
SOURCE: Department of Commerce, Bureau of Economic Analysis; Department of the Treasury, Financial Management Service.

have continued to trend downward but have remained above the levels observed before the start of the recession. Thus, the federal unified budget deficit has narrowed again this year; the Congressional Budget Office projects that the budget deficit for fiscal year 2014 as a whole will be 3 percent of GDP, compared with the fiscal 2013 deficit of 4 percent of GDP. Overall federal debt held by the public has continued to rise, and the ratio of nominal federal debt to GDP moved up to near 75 percent in early 2014 (figure 25).

26. State and local government employment change

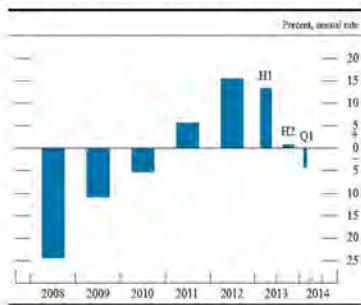


SOURCE: Department of Labor, Bureau of Labor Statistics.

... and state and local government expenditures are turning up

At the state and local level, the ongoing strengthening in economic activity, as well as previous spending cuts, has helped foster a gradual improvement in the budget situations of most jurisdictions. Consistent with improving sector finances, states and localities have been expanding their workforces: employment accelerated in the first half of the year after rising modestly in the second half of 2013 (figure 26). Construction expenditures by those governments, however, have yet to show a sustained recovery.

27. Change in residential investment



SOURCE: Department of Commerce, Bureau of Economic Analysis.

The recovery in the housing market has lost traction

After proceeding briskly in 2012 and the first half of 2013, the recovery in residential construction seems to have faltered. Real residential investment declined for two successive quarters around the turn of the year, and the available data point to only a modest gain in the second quarter (figure 27). The renewed softness of late has proven more extensive and persistent than would have been expected given the rise in mortgage interest rates around the middle of last year (see the box “The Slow Recovery of Housing Activity”). That said, household formation remains depressed relative to demographic norms, and the ongoing improvement in labor market conditions could help spur a more decisive return to those norms.

Productivity growth has been modest

In general, gains in labor productivity have been modest in recent years. Output per hour in the nonfarm business sector has risen at an annual rate of less than 1½ percent since 2007, well below the pace of gains observed over the late 1990s and early 2000s (figure 28). The relatively slow pace of productivity growth likely reflects, in part, the sustained weakness in capital investment over the recession and recovery period, and productivity gains may be better supported in the future as outlays for productivity-enhancing capital equipment strengthen.

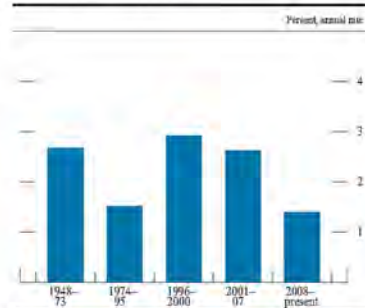
Financial Developments

The expected path for the federal funds rate edged down

Market-based measures of the expected path of the federal funds rate through late 2017 edged down, on balance, over the first half of the year. After accounting for transitory factors such as weather, market participants appeared to judge the incoming economic data as somewhat better than they had expected but as still continuing to point to subdued inflationary pressures and an accommodative policy stance by the FOMC. The relatively small movements of the market-based measures are consistent with the results of the most recent Survey of Primary Dealers and the pilot survey of market participants, each conducted just prior to the June FOMC meeting by the Open Market Desk at the Federal Reserve Bank of New York. Those surveys suggest that dealers and buy-side respondents both anticipate that the initial increase in the target federal funds rate from its current range will occur in the third quarter of 2015, slightly earlier than dealers had anticipated at the beginning of this year and about the same as what buy-side respondents had anticipated.⁷

7. The results of the Survey of Primary Dealers and of the pilot survey of market participants are available on the Federal Reserve Bank of New York's website at www.newyorkfed.org/markets/primarydealer_survey_questions.html and www.newyorkfed.org/markets/pilot_survey_market_participants.html, respectively.

28. Change in output per hour



NOTE: The data are for the nonfarm business sector. Changes for the first four periods are measured from Q4 of the year immediately preceding the period through Q4 of the final year of the period. The final period is measured from 2007:Q4 through 2014:Q1.

SOURCE: Department of Labor, Bureau of Labor Statistics.

The Slow Recovery of Housing Activity

Partly because of its sensitivity to interest rates, investment in residential structures has often played an important role in jump-starting economic recoveries, even though it has constituted less than 5 percent of gross domestic product (GDP), on average, since World War II. For example, in 1983, coming out of a severe double-dip recession, residential investment rose 50 percent and contributed 1.7 percentage points to GDP growth. But the recent recovery period has been quite different from previous episodes, even with interest rates at historically low levels. In 2010 and 2011, the first two years of the recovery, residential investment contributed essentially nothing, on average, to the growth of real GDP. Even after rising noticeably in 2012 and the first half of 2013, real residential investment remains 45 percent below its pre-recession peak. The lack of a rapid housing recovery has also affected the labor market: Employment in the construction sector is still more than 1.6 million lower than the average level in 2006.

The failure of residential construction to significantly boost the current recovery likely reflects a number of headwinds. First, a much tighter supply of mortgage credit in the aftermath of the housing bubble, particularly for prospective borrowers with low credit scores, has cramped demand for owner-occupied housing. Second, the slow recovery of the labor market has significantly reduced the pace of new household formation, as young adults in particular have become more likely to live with their parents or other relatives. Third, the relatively rapid recovery of house prices, even as construction remains far below trend, suggests that constraints on new housing supply also have played a role. These constraints may include shortages of skilled labor and buildable lots, implying that some time may be required to shift resources back into the sector.

Despite these headwinds, housing activity began to recover in late 2011, supported by declining unemployment, record-low longer-term interest rates, and improving confidence in the economic recovery. Single-family housing starts and sales of existing homes both trended up in 2012 and continued to do so through mid-2013 (figures A and B). During this period, multifamily construction recovered to its average pace in the 1990s and early 2000s, supported by a shift in the composition of demand toward rental units driven by many of the same factors that have constrained the single-family, owner-occupied sector. All told, from the fourth quarter of 2011 through the second quarter of 2013, residential investment (as measured in the national income and product accounts) grew at an average annual rate of nearly 15 percent. All of the major components of residential investment—including construction of new single-family and multifamily homes, improvements to existing structures, and brokers' commissions and fees—made sizable positive contributions to investment growth over the period (figure C).

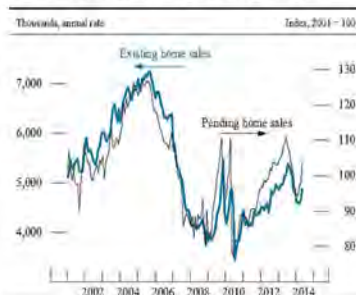
In spite of this positive momentum, the recovery stalled in mid-2013 in the wake of a spike in mortgage interest rates that sharply reduced housing affordability (figure D). Permits for single-family construction—the best gauge of underlying activity in the sector—have been roughly flat over the past year. Meanwhile, existing home sales have fallen almost 10 percent from their recent highs. Residential investment turned sharply negative for two successive quarters around the turn of the year. Measures of builder, real estate agent, and homebuyer sentiment have also deteriorated. Arguably, the only bright spot of late has been the data on multifamily starts and permits, which are noisy but appear to have continued to trend higher on net.

A. Private housing starts and permits



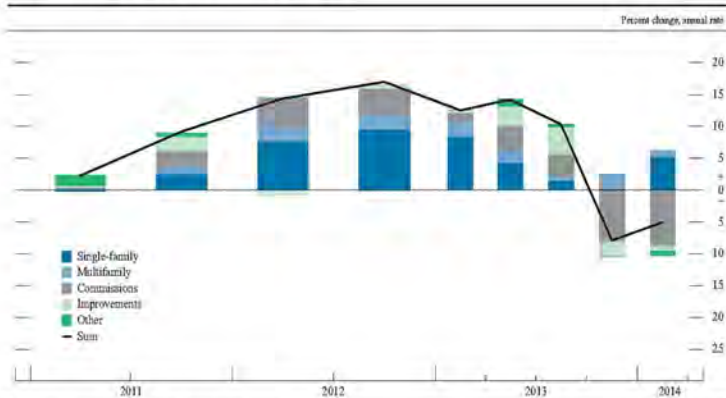
NOTE: The data extend through May 2014.
SOURCE: Department of Commerce, Bureau of the Census.

B. Pending home sales index and existing home sales



NOTE: The data are monthly and extend through May 2014. Total existing home sales includes single-family and condo and co-op sales.
SOURCE: National Association of Realtors.

C. Contribution to growth in total residential investment



Source: Department of Commerce, Bureau of Economic Analysis.

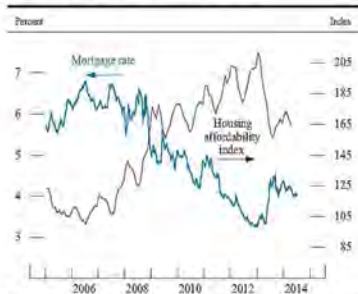
While the most obvious explanation for the weakness in the housing market over the past year is the run-up in mortgage rates during the spring and summer of 2013, it seems unlikely that interest rates are the whole story. Historical correlations between mortgage rates and residential investment suggest that the effects of last year's run-up should have begun to fade by now, but housing activity has yet to pick up. Moreover, since last summer, mortgage rates have retraced a portion of their earlier increases without any noticeable improvement in activity.

Even so, it is possible that the interest rate spike may have had a larger and longer-lasting effect than

would be suggested by historical experience, especially because an interest rate rise of that magnitude, with rates so low and housing activity so depressed, is unprecedented. Alternatively, ongoing increases in house prices may indicate that constraints on the supply of new housing are binding more significantly than seemed to be the case in 2012, when residential investment rose fairly rapidly. Finally, the downturn in existing home sales, which has had a particularly pronounced effect on total residential investment via brokers' commissions, may reflect factors specific to the resale market; in particular, short sales and sales of foreclosed properties have declined markedly over the past couple of years.

Regardless of what explains the recent weakness, the level of new home construction likely remains much too low to be sustainable. Prior to the housing boom and bust, an average of roughly 1½ million housing units were started per year.¹ In comparison, only about 1 million units were started in 2013, despite the recovery of multifamily starts to pre-recession levels. It is difficult to judge when construction will resume its upward trend or, given all of the changes in the housing market in recent years, at what level it will stabilize. That said, the Census Bureau projects that the adult population will continue to grow by roughly 2 million per year over the next two decades; with that rate of population growth, the pace of construction seems likely to rise from current levels.

D. Mortgage rates and housing affordability



Note: The housing affordability index data are monthly through April 2014 and the mortgage rate data are weekly through July 9, 2014. At an index value of 100, a median-income family has exactly enough income to qualify for a median-priced home mortgage. Housing affordability is seasonally adjusted by Bostel staff.

Source: For housing affordability index, National Association of Realtors; for mortgage rate, Freddie Mac Primary Mortgage Market Survey and LoanStreet.

1. This figure is calculated using data from 1960 to 2000 and includes single-family and multifamily construction as well as shipments of new mobile homes.

29. Yields on nominal Treasury securities



NOTE: The Treasury ceased publication of the 30-year constant maturity series on February 18, 2002, and resumed that series on February 9, 2006.

SOURCE: Department of the Treasury.

30. Yield and spread on agency mortgage-backed securities



NOTE: The data are daily. Yield shown is for the Freddie Mac 30-year current coupon, the coupon rate at which new mortgage-backed securities would be priced at par, or face, value. Spread shown is to the average of the 5- and 10-year nominal Treasury yields.

SOURCE: Department of the Treasury; Barclays Live.

Finally, while some forward measures of policy rate uncertainty have risen, overall policy rate uncertainty has generally remained relatively low.

However, Treasury yields declined significantly, especially at longer maturities, as have sovereign bond yields in other advanced economies

After rising notably over the spring and summer months of 2013, yields on longer-term Treasury securities drifted down over the first half of 2014 and now stand at fairly low levels by historical standards (figure 29). In particular, while the yield on 5-year nominal Treasury securities edged down only about 5 basis points from its level at the end of December 2013, the yields on the 10- and 30-year securities decreased about 50 basis points and 60 basis points, respectively. The decline in longer-term yields reflects a notable reduction in longer-horizon forward rates, with the 5-year-forward rate 5 years ahead dropping about 105 basis points since year-end. Five-year-forward inflation compensation over this period declined 20 basis points, implying that much of this reduction in nominal forward rates was concentrated in forward real rates. Yields on 30-year agency mortgage-backed securities (MBS) decreased about 35 basis points, on balance, over the same period (figure 30).

Long-term benchmark sovereign yields in advanced foreign economies (AFEs) have also moved down since late last year, with particularly marked reductions in the euro area (figure 31). Market participants have pointed to several potential explanations for the declines in U.S. and foreign yields. One possible explanation is that market participants have lowered their expectations for future short-term interest rates around the globe. This downward adjustment in expectations may be due to a combination of a lower assessment of the global economy's long-run potential growth rate and a decrease in long-run inflation expectations. Indeed, the lower yields in the euro area are consistent

with indications of declining inflation and weak growth in the euro area in recent months, bolstering expectations that the European Central Bank (ECB) would loosen its monetary policy, as it eventually did at its meeting in early June.

In addition, term premiums—the extra return investors expect to obtain from holding longer-term securities as opposed to holding and rolling over a sequence of short-term securities for the same period—may have come down, reflecting several potential factors. One potential factor is a reduction in the amount of compensation for interest rate risk that investors require to hold fixed-income securities, likely due in part to perceptions that uncertainty about the outlook for monetary policy and economic growth has decreased; indeed, swaption-implied volatility on longer-term rates has fallen noticeably since the beginning of the year. Another potential factor is increased demand for Treasury securities from price-insensitive investors, such as pension funds and commercial banks. Lastly, in light of the notable co-movements between forward interest rates at longer horizons in the United States and other advanced economies, it appears likely that there is a global component of term premiums that is affected not only by U.S. developments, but also by foreign developments, such as investors becoming increasingly confident that policy rates at the major foreign central banks will remain low for an extended period.

Broad equity price indexes increased further, and risk spreads on corporate debt declined

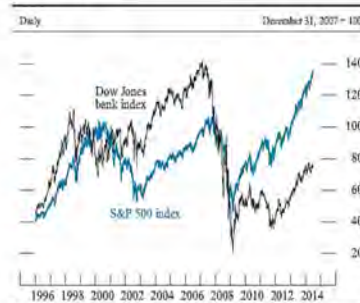
Although equity investors appeared to pull back from the market for a time early in the year in reaction to concerns about the strength of some EMEs and the possible implications for global growth, broad measures of U.S. equity prices have posted solid gains of 6 percent since the beginning of 2014, on balance, after having risen 30 percent in 2013 (figure 32). Overall, equity investors appeared

31. 10-year nominal benchmark yields in advanced foreign economies



Source: Bloomberg.

32. Equity prices



Source: Dow Jones bank index; Standard & Poor's 500 index via Bloomberg.

to become more confident in the near-term economic outlook amid somewhat better-than-expected economic data releases, declining longer-term interest rates, and upward revisions to expected year-ahead earnings per share for firms in the S&P 500 index.

Some broad equity price indexes have increased to all-time highs in nominal terms since the end of 2013. However, valuation measures for the overall market in early July were generally at levels not far above their historical averages, suggesting that, in aggregate, investors are not excessively optimistic regarding equities. Nevertheless, valuation metrics in some sectors do appear substantially stretched—particularly those for smaller firms in the social media and biotechnology industries, despite a notable downturn in equity prices for such firms early in the year. Moreover, implied volatility for the overall S&P 500 index, as calculated from option prices, has declined in recent months to low levels last recorded in the mid-1990s and mid-2000s, reflecting improved market sentiment and, perhaps, the influence of “reach for yield” behavior by some investors.

Credit spreads in the corporate sector have also declined, on balance, in recent months. After having temporarily increased early in the year, the spreads of yields on corporate bonds to yields on Treasury securities of comparable maturities ended the first half of the year about unchanged or a bit narrower. Credit spreads on high-yield corporate bonds are near the bottom of their range over the past decade. While spreads on syndicated loans have changed little this year, they are also relatively low. For further discussion of asset prices and other financial stability issues, see the box “Developments Related to Financial Stability.”

Treasury market functioning and liquidity conditions in the MBS market were generally stable . . .

Indicators of Treasury market functioning remained stable amid ongoing reductions in the pace of the Federal Reserve’s asset

purchases over the first half of 2014. In particular, liquidity conditions in Treasury markets remained stable, with bid-asked spreads in the Treasury market staying in line with recent averages. In addition, the Treasury's first-ever auction of a Floating Rate Note in January was well received, as were subsequent auctions of those notes.

Liquidity conditions in the MBS markets were also generally stable, though there have been some signs of scarcity of certain securities, as evidenced by somewhat low levels of implied financing rates in the production-coupon "dollar roll" markets during the first half of this year. However, the implied financing rates rose in recent days, suggesting easing of settlement pressures in these markets of late (figure 33).⁸ Gross issuance of these securities remained somewhat lower than in the past two years, reflecting relatively low mortgage originations.

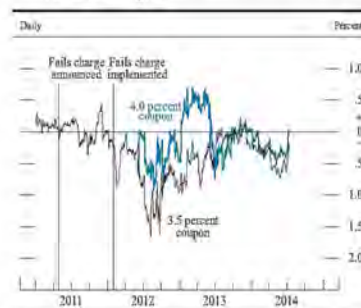
... and short-term funding markets also continued to function well

Conditions in short-term dollar funding markets also remained stable during the first half of 2014. Early in the year, yields on Treasury bills maturing between late February and mid-March of 2014—those that could have been affected by delayed payments if a debt ceiling agreement had not been reached—were elevated for a time, but those yields declined in mid-February in response to news of pending legislation to suspend the debt ceiling until March 2015. The federal funds rate remained at very low levels, and broader measures of unsecured dollar bank funding costs, such as the LIBOR, or London

8. Dollar roll transactions consist of a purchase or sale of agency MBS with the simultaneous agreement to sell or purchase substantially similar securities on a specified future date. The Federal Reserve engages in these transactions as necessary to facilitate settlement of its agency MBS purchases.

During April and May, the Open Market Desk transitioned purchases of agency MBS to FedTrade, the Desk's proprietary trading system that uses multiple-price competitive auctions.

33. Dollar-roll-implied financing rates (front month), Fannie Mae 30-year



Note: The 4.0 percent coupon data series begins on June 1, 2012.
Source: J.P. Morgan.

Developments Related to Financial Stability

Pressures within the U.S. financial system that could leave it vulnerable to adverse events do not appear to have increased appreciably this year. In the current economic environment, the Committee views low interest rates as necessary to support progress toward price stability and maximum sustainable employment. Policymakers have noted the possibility that a prolonged period of low interest rates may provide incentives for some investors to “reach for yield,” and those actions could increase vulnerabilities in the financial system. Asset prices for real estate, equities, and corporate bonds have risen and valuation measures have increased, but valuations have remained generally in line with historical norms. Moreover, despite brisk borrowing by the business sector, aggregate private nonfinancial debt has increased at only a moderate pace, and the financial strength of the banking sector has continued to improve. Substantial progress has been made to reduce structural vulnerabilities in the financial system, although this work is ongoing.

With regard to asset valuations, house prices have continued to increase, but, for the most part, these increases have left aggregate price-to-rent ratios within historical norms. Moreover, growth in residential mortgage debt has remained anemic, suggesting that the recent increases are not fueled by excessively aggressive lending conditions. More broadly, aggregate measures of the household debt burden appear reasonable despite recent rapid growth in auto lending and student loans, which has strained some borrowers, particularly those in the lower half of the income distribution.

However, signs of risk-taking have increased in some asset classes. Equity valuations of smaller firms as well as social media and biotechnology firms appear to be stretched, with ratios of prices to forward earnings remaining high relative to historical norms. Beyond equities, risk spreads for corporate bonds have narrowed and yields have reached all-time lows. Issuance of speculative-grade corporate bonds and leveraged loans has been very robust, and underwriting standards have loosened. For example, average debt-to-earnings multiples have risen, and the share rated B or below has moved up further for leveraged loans. The Federal Reserve continues to closely monitor developments in the leveraged lending market and, in

conjunction with other federal agencies, is working to enhance compliance with previous guidance on issuance, pricing, and underwriting standards.¹

The financial strength of the banking sector has continued to improve. Bank holding companies (BHCs) have pushed up their regulatory capital ratios, continuing a trend seen since the first set of government stress tests in 2009. The sector’s aggregate Tier 1 common equity ratio, which compares high-quality capital to risk-weighted assets for all BHCs, has more than doubled, from 5.5 percent in the fourth quarter of 2008 to 11.7 percent in the first quarter of 2014. In addition, all of the domestic systemically important banking organizations met their minimum Tier 1 common equity ratios, including the capital surcharge, required under Basel III rules. Moreover, BHCs have continued to strengthen their liquidity positions in recent quarters and have become less reliant on wholesale short-term funding.

Strong capital and liquidity positions help ensure that banking organizations have the ability to lend to households and businesses and to continue to meet their financial obligations, even in times of economic difficulty. Results of the most recent set of stress tests were released in March 2014. Thirty BHCs participated in the stress tests. These institutions have a combined \$13.5 trillion in assets, or approximately 80 percent of all U.S. BHC assets. The Dodd-Frank Act stress test (DFAST), mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and the Comprehensive Capital Analysis and Review (CCAR) continue to enhance supervisors’ understanding of the underlying processes used by each BHC to assess the adequacy of the size and composition

1. In March 2013, the Federal Deposit Insurance Corporation, the Federal Reserve, and the Office of the Comptroller of the Currency issued joint supervisory guidance on leveraged lending practices, which became effective in May 2013. Since that time, there has been strong supervisory follow-up to ensure compliance, in the form of supervisory reviews throughout 2014 and the issuance of supervisory letters, including specific Matters Requiring Attention. See Board of Governors of the Federal Reserve System, Division of Banking Supervision and Regulation (2013), “Interagency Guidance on Leveraged Lending,” Supervision and Regulation Letter SR 13-3 (March 21), www.federalreserve.gov/bankinfo/reg/srletters/sr1303.htm.

of its capital relative to the risks it faces. Under the “severely adverse” DFAST scenario, all but one of the participating BHCs exceeded minimum capital requirements. Furthermore, under CCAR, the Federal Reserve Board granted nonobjections to the capital plans of 24 BHCs.²

Recent results from the Senior Credit Officer Opinion Survey on Dealer Financing Terms indicate that the use of financial leverage by respondents’ counterparties to purchase securities has not changed notably in recent quarters, although demand for financing commercial mortgage-backed securities and collateralized loan obligations (CLOs) has been rising recently. However, aggregate measures of the use of short-term wholesale funding to finance assets remained roughly unchanged over the past couple of years. Similarly, securitization, which continues to be an important means of financing, has been modest, though issuance of CLCs has increased.

Moving beyond recent developments, important structural vulnerabilities remain that could leave the U.S. financial system exposed to adverse events. Despite the increase in resilience within the banking sector highlighted by the stress tests, the broader financial system remains highly interconnected. While stronger capital and liquidity positions in the banking sector should help reduce the consequences of this structural vulnerability, the Federal Reserve nevertheless continues to encourage firms to better manage their exposures to large counterparties and to improve their recovery and resolution plans. The Federal Reserve is also working to strengthen the infrastructure of derivatives markets—for instance, by working with other agencies on rules to establish initial and variation margin requirements for over-the-counter derivatives transactions. The potential for runs on money market mutual funds in the event of a severe liquidity or credit shock remains significant, and this risk will continue to pose a threat to financial stability until further structural reforms are adopted, as recommended by the Financial Stability Oversight Council.

The Federal Reserve has taken a number of steps to

2. Initially, the Federal Reserve Board granted nonobjections to the capital plans of 25 firms, but the nonobjection granted to the 25th firm was withdrawn after that firm restated its capital position.

continue improving the resiliency of the financial system. Some regulatory reforms taken since the previous *Monetary Policy Report* are highlighted here. Pursuant to section 165 of the Dodd-Frank Act, the Federal Reserve Board approved a final rule strengthening the supervision and regulation of large U.S. BHCs and foreign banking organizations. The rule establishes enhanced prudential standards with respect to capital, liquidity, and risk management. It also requires foreign banking organizations with a significant U.S. presence to establish an intermediate holding company over their U.S. subsidiaries, which will facilitate consistent supervision and regulation of the U.S. operations of these foreign banks.

Furthermore, together with other federal agencies, the Federal Reserve Board adopted a final rule to strengthen the leverage ratio standards for the largest, most interconnected U.S. banking organizations. The final rule applies to top-tier U.S. BHCs with more than \$700 billion in consolidated total assets or more than \$10 trillion in assets under custody and to their insured depository institution subsidiaries. These BHCs must maintain a leverage buffer greater than 2 percentage points above the minimum supplementary leverage ratio requirement of 3 percent, for a total of more than 5 percent, to avoid restrictions on capital distributions and discretionary employee bonus payments. Insured depository institution subsidiaries of these BHCs must maintain at least a 6 percent supplementary leverage ratio to be considered “well capitalized” under the agencies’ prompt corrective action framework. The final rule has an effective date of January 1, 2018. The Federal Reserve Board is also working on proposals for additional risk-based capital surcharges and long-term debt requirements for global, systemically important banking organizations based in the United States.

The Federal Reserve Board also issued a notice of proposed rulemaking to implement section 622 of the Dodd-Frank Act. Section 622 establishes a financial-sector concentration limit that prohibits a financial company from merging with, acquiring, or consolidating with another company if the ratio of the resulting financial company’s liabilities to the aggregate consolidated liabilities of all financial companies exceeds 10 percent. The proposed rule spells out the details involved in calculating the limit.

interbank offered rate, remain at very low levels, reflecting the absence of major funding pressures.

Money market participants continued to focus on the Federal Reserve's testing of its monetary policy tools. Daily awards at the overnight reverse repurchase agreement (ON RRP) exercise have ranged between about \$50 billion and about \$340 billion since early 2014. The number of counterparties participating and the dollar volume of take-up have been sensitive to the spread between market rates for repurchase agreements and the fixed ON RRP rate offered in the exercise.⁹ Indeed, take-up has been large at quarter-ends, when balance sheet adjustments by financial institutions tend to limit other investment options. Experience to date suggests that ON RRP operations have helped establish a floor on money market interest rates. Testing of the Term Deposit Facility, as well as take-up of and participation in its test offerings, has expanded during the first half of 2014. (For further discussion of the testing of monetary policy tools, see the box "Planning for Monetary Policy Implementation during Normalization" in Part 2.)

The condition of financial institutions improved further, although profitability remained below its historical average

Regulatory capital ratios at bank holding companies (BHCs) increased further during the first half of 2014, and measures of bank liquidity remained robust. In addition, credit quality at BHCs continued to improve across major loan categories, and the ratios of loss reserves to delinquencies and to charge-offs each edged up. At the same time, standard

9. Fixed-rate ON RRP operations were first authorized by the FOMC at the September 2013 meeting, and were reauthorized in January 2014, for the purpose of assessing operational readiness. The Committee authorized the Open Market Desk to conduct such operations involving U.S. government securities and securities that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States.

measures of the profitability of BHCs have been little changed for the past six months (figure 34). Profitability of these companies remained below its historical average, in part because of subdued income from mortgage and trading businesses and compressed net interest margins at large banks. A few large banks have also incurred sizable costs from legal settlements associated with the origination of mortgages prior to the recent financial crisis. Aggregate credit provided by commercial banks grew at a solid pace in the first half of 2014 (figure 35). The increase was driven by a pickup in loan growth and a rise in holdings of U.S. Treasury securities that was reportedly influenced by banks' efforts to meet new liquidity regulations. Equity prices of large domestic banks increased a bit from the beginning of the year, on net, but underperformed the overall market, as shown in figure 32. Credit default swap (CDS) spreads for large BHCs remain low.

Among nonbank financial institutions, equity prices of insurance companies have also increased slightly, on net, since the beginning of the year. Nonbank financial institutions continued to grow at a very strong pace, as assets under management at hedge funds and private equity groups each reached record highs, reflecting modest increases in asset values as well as net inflows. Nevertheless, in response to the Federal Reserve Board's Senior Credit Officer Opinion Survey on Dealer Financing Terms for March and June, most dealers indicated that hedge funds had not changed their use of leverage since the beginning of the year (figure 36).¹⁰ In the same survey, some dealers noted that the use of financial leverage by trading REITs, or real estate investment trusts, had decreased, continuing a trend that began in the summer of 2013. Assets under management at bond mutual funds also reached a record high.

10. The Senior Credit Officer Opinion Survey on Dealer Financing Terms is available on the Board's website at www.federalreserve.gov/econresdata/releases/scos.htm.

34. Profitability of bank holding companies



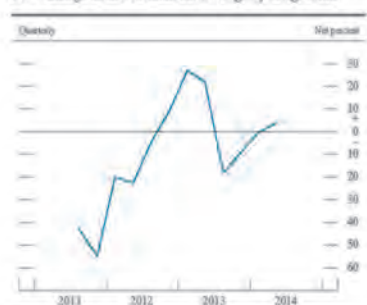
Note: The data, which are seasonally adjusted, are quarterly.
Source: Federal Reserve Board, Reporting Form FR Y-9C, Consolidated Financial Statements for Bank Holding Companies.

35. Change in total bank credit



Note: The data are seasonally adjusted and extend through 2014:Q2.
Source: Federal Reserve Board, Statistical Release H-3, "Assets and Liabilities of Commercial Banks in the United States."

36. Change in use of financial leverage by hedge funds



Note: The data begin in 2011:Q3 and extend through 2014:Q2. Net percent equals the percent of dealers that reported an increase in the use of leverage (those the response "increased considerably" or "increased somewhat") minus the percent of dealers that reported a decrease in the use of leverage (those the response "decreased considerably" or "decreased somewhat").

Source: Federal Reserve Board, Senior Credit Officer Opinion Survey on Dealer Financing Terms.

Municipal bond markets functioned smoothly, but some issuers remained strained

Credit conditions in municipal bond markets generally appeared to remain stable over the first half of the year. Yields on 20-year general obligation municipal bonds have declined slightly since the beginning of the year, and the MCDX, an index of CDS for a broad portfolio of municipal bonds, has also moved down. However, the ratio of an index of municipal bond yields to Treasury yields has increased a bit.

Nevertheless, significant financial strains have been evident for some issuers. Standard & Poor's, Moody's Investors Service, and Fitch Ratings downgraded Puerto Rico's general obligation bonds from investment grade to speculative grade in February. In addition, the City of Detroit continues to negotiate the terms of its bankruptcy plan.

Liquid deposits in the banking sector continued to advance briskly, boosting M2

M2 has increased at an annual rate of about 7 percent since December, about the same pace registered in the second half of 2013 and somewhat faster than the pace of nominal GDP. The growth in M2 has been driven by an increase in liquid deposits as well as an uptick in demand for currency.

International Developments

As in the United States, foreign bond yields declined and asset prices increased, on net . . .

As noted earlier, foreign long-term benchmark sovereign yields have moved significantly lower since the beginning of the year. Factors contributing to the decline include expectations for lower policy interest rates, a decline in the required compensation for risk, and increased demand by price-insensitive investors for these assets. Similarly, foreign corporate and sovereign yield spreads have also declined since the start of the year. In particular, peripheral euro-area sovereign yield

spreads narrowed substantially, on balance, as financial stresses in the euro area have eased and central banks in the advanced economies have emphasized that they will keep monetary policy accommodative for some time, though spreads in a few economies have moved up more recently. Sovereign yield spreads in EMEs have also declined, on net, consistent with measures adopted by EME central banks to reduce vulnerabilities and with the general increase in the prices for risky assets.

Foreign equity indexes rose, on net, during the first half of the year (figure 37). Stock prices increased, on balance, in most of the AFEs. Japanese equities underperformed early in the year, but they have moved up recently on stronger-than-expected incoming economic data. And European bank stock prices declined lately in part on concerns over troubles at several banks. Equities in most EMEs have also moved higher, as market sentiment toward these economies has continued to improve. However, the Chinese stock market fell on concerns over the economic outlook. Realized volatility across most financial markets and countries has declined since January, in part as sentiment toward risky assets generally improved.

... and the dollar is about unchanged

The broad nominal value of the dollar is little changed, on net, since the beginning of the year (figure 38). The U.S. dollar appreciated notably against the Chinese renminbi in the first months of the year. However, the People's Bank of China has since kept the value of the renminbi steady. In contrast, the dollar depreciated against most other emerging market currencies, as financial stresses earlier in the year unwound. In addition, the dollar depreciated against the British pound, as macroeconomic conditions improved in the United Kingdom and markets moved forward their expectations for the first rate hike by the Bank of England, and also depreciated against the Japanese yen, as investors reduced their expectations for stronger policy accommodation in Japan.

37. Equity indexes for selected foreign economies



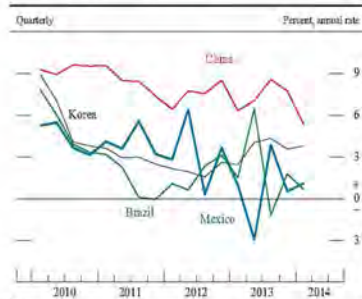
SOURCE: For emerging markets, Morgan Stanley Emerging Markets MNEF Capital Index; for the euro area, Dow Jones Euro STOXX Index; for Japan, Tokyo Stock Price Index (TOPIX); for China, Shanghai Composite Index; all via Bloomberg.

38. U.S. dollar exchange rate against broad index and selected major currencies



NOTE: The data are in foreign currency units per dollar. SOURCE: Federal Reserve Board, Statistical Release H.10, "Foreign Exchange Rates."

39. Real gross domestic product growth in selected emerging market economies



SOURCE: For China, CEIC Data; for Korea, Bank of Korea via ECOS Economic Statistics System; for Brazil, Brazilian Institute of Geography and Statistics; for Mexico, Haver Analytics.

Activity in the emerging market economies slowed in the first quarter but showed signs of picking up in the second quarter . . .

Aggregate real GDP growth in the EMEs slowed in the first quarter of this year, led by a step-down in China's economy that also weighed on activity in many of its trading partners, especially in emerging Asia (figure 39). The slowing in China reflected a sharp fall in exports, as well as a restraint on domestic demand from tighter financial conditions, as the government attempted to rein in credit. In Mexico, growth remained weak in the first quarter, likely restrained by hikes in tax rates and administered fuel prices and softer U.S. demand for Mexican exports. Brazilian real GDP rose at a tepid pace in the first quarter, extending the lackluster performance of the past two years.

Recent indicators, notably exports, suggest that EME growth picked up in the second quarter. In particular, Chinese exports grew robustly in the second quarter, reversing most of the sharp decline in February, and the authorities announced a series of small targeted stimulus measures to support growth. The improvement in Chinese growth, along with firmer growth in the advanced economies, will help boost global economic activity in the rest of emerging Asia. Growth in Mexico is also expected to step up in the second quarter, in line with U.S. manufacturing output, and recent data in Brazil point to some, albeit modest, improvement.

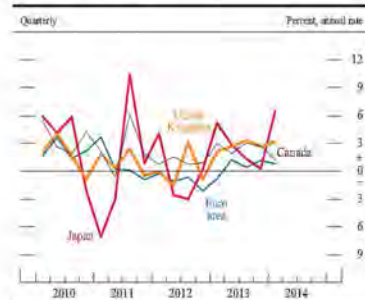
Inflation remained subdued in most EMEs, and central banks in some countries, such as Chile, Mexico, and Thailand, cut rates to support growth. In contrast, the central banks of a few EMEs, such as Brazil and India, where inflation remained elevated, raised policy rates.

... while economic growth in most advanced foreign economies remained moderate

Indicators suggest that average economic growth in the AFEs remained moderate in the first half of 2014 (figure 40). The severe winter weather that hampered growth in the United States also weighed on real GDP in Canada, where growth slowed to an annualized 1¼ percent pace in the first quarter. However, data including the purchasing managers index are consistent with Canadian growth bouncing back in the second quarter. In Japan, GDP growth surged in the first quarter at a nearly 7 percent pace, led by household spending ahead of the April hike in the Japanese consumption tax, but recent retail sales data suggest that activity fell back sharply in April. In the United Kingdom, GDP growth remained robust in the first quarter at 3¼ percent, and the unemployment rate fell about 1 percentage point between mid-2013 and the first quarter of 2014. The euro area's recovery continued at a subdued pace—with GDP rising at an annual rate of around ¾ percent in the first quarter—and recent indicators point to a firming in growth in the second quarter as financial and credit conditions continue to normalize.

Inflation during the first half of the year has been around 2 percent in Canada and somewhat below that level in the United Kingdom. In Japan, the April tax hike as well as rising import prices in response to recent yen depreciation pushed up the 12-month rate of consumer price inflation in April. However, inflation excluding taxes remained much lower, and the Bank of Japan continued its aggressive program of asset purchases aimed at achieving its inflation target of 2 percent in a stable manner. In the euro area, inflation slowed to just ½ percent in May, and the ECB responded in June by cutting its key policy rates—taking the deposit rate into negative territory—and by announcing measures to ease credit conditions. (For further discussion of monetary policy at foreign central banks, see the box “Prospects for Monetary Policy Normalization in the Advanced Economies.”)

40. Real gross domestic product growth in selected advanced foreign economies



Source: For Canada, Statistics Canada; for the euro area, Eurostat; for Japan, Cabinet Office of Japan; for the United Kingdom, Office for National Statistics.

Prospects for Monetary Policy Normalization in the Advanced Economies

Five years after the global financial crisis, policy rates in the advanced economies remain at or near record lows, and the asset holdings of several central banks remain elevated (figure A). Even as recently as mid-2013, market expectations, as implied by quotes for overnight index swaps, suggested that policy normalization in the advanced economies would occur more or less in tandem (figure B).

Since that time, however, market views on the prospective policies of the major central banks seem to have diverged. Over the past 15 months, markets have progressively revised upward, on net, the policy rate expected at the end of 2015 in the United Kingdom. These expectations, along with those for the United States, have decoupled from those for the euro area and Japan. Market expectations of policy rates in the euro area have decreased steadily over the past year, while in Japan policy rates are expected to remain low.

In part, this divergence is due to the differences in inflation and growth outlooks across these economies. The recovery has gained footing in the United Kingdom and remains on track in the United States, with the unemployment rate continuing to fall in both countries. In contrast, euro-area inflation has declined markedly, and medium-term expectations for inflation, measured both from surveys and from inflation swaps, have also edged down. Gross domestic product in the euro area has grown more slowly than in other economies. In

A. Central bank assets in selected advanced economies



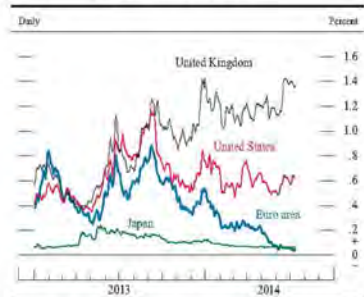
Note: The data extend through 2014:Q2. The 2014:Q2 central bank assets are divided by 2014:Q1 gross domestic product (GDP).

Sources: For the euro area, European Central Bank (ECB) and Eurostat; for Japan, Bank of Japan (BOJ) and Cabinet Office of Japan; for the United Kingdom, Bank of England (BOE) and Office for National Statistics; for the United States, Federal Reserve Board (FRB) and Bureau of Economic Analysis.

Japan, survey-based expectations for inflation over the next 10 years have risen more than 1 percentage point since early 2013 but are still below the 2 percent target.

Indeed, recent monetary policy actions across major central banks appear to have diverged. Some

B. December 2015 expected policy rates



NOTE: The data are three-day moving averages of one-month forward rates from overnight index swap quotes.
SOURCE: Overnight index swap quotes are from Bloomberg.

central banks are beginning to take steps to prepare for normalization, though monetary policy remains accommodative. The Bank of England (BOE) stopped asset purchases in 2012, though it has maintained its asset holdings by reinvesting the proceeds of maturing assets. In addition, the BOE issued forward guidance laying out the conditions under which it will begin to

raise its policy rate, and the unemployment rate has already fallen below its initially announced threshold. The Federal Reserve has reduced the pace of its asset purchases in recent months and continues to provide forward guidance regarding the eventual liftoff of the federal funds rate and its subsequent path.

In contrast, the Bank of Japan (BOJ) and the European Central Bank (ECB) continue to ease policy. The BOJ announced a substantial expansion of its asset purchases in April 2013 with its Quantitative and Qualitative Monetary Easing program and committed to continuing purchases "as long as necessary" to achieve its 2 percent inflation target, though its stated aim is to achieve that goal by April 2015. As part of the program, the BOJ is doubling the monetary base and its holdings of Japanese government bonds and exchange-traded funds. Likewise, the ECB announced a new round of stimulus measures in its June 2014 policy meeting. The ECB cut its policy rates, lowering its main lending rate to 15 basis points and its deposit rate to negative 10 basis points. The ECB also increased the provision of short-term liquidity and announced targeted longer-term refinancing operations, or TLTROs, at fixed interest rates through 2018, thus reinforcing its forward guidance that it will keep rates low for an extended period. Moreover, the ECB announced it will intensify preparatory work related to purchases of asset-backed securities.

PART 2 MONETARY POLICY

To support further progress toward maximum employment and price stability, monetary policy has remained highly accommodative. The Federal Reserve kept the target federal funds rate at its effective lower bound, updated its forward guidance regarding the path of the federal funds rate, and added to its sizable holdings of longer-term securities, albeit at a reduced pace. The Federal Reserve has also continued to plan for the eventual normalization of monetary policy.

The Federal Open Market Committee continued to use large-scale asset purchases and forward rate guidance to support further progress toward maximum employment and price stability

The Committee has continued to judge that a highly accommodative stance of monetary policy remains warranted to support progress toward its dual mandate of maximum employment and price stability. With the target range for the federal funds rate remaining at its effective lower bound, the Federal Open Market Committee (FOMC) has made further use of nontraditional policy tools to provide appropriate monetary stimulus (figure 41). In particular, the FOMC has used large-scale asset purchases to put downward pressure on longer-term interest rates and to ease financial conditions more broadly so as to promote the more rapid achievement of its dual objectives. In addition, the FOMC has provided guidance about the likely future path of the federal funds

rate in an effort to give greater clarity to the public about its policy outlook and intentions. In light of the cumulative progress toward its monetary policy objectives and the outlook for further progress over coming years, the Committee made adjustments during the first half of 2014 to both its asset purchase program and its forward guidance about the path of the federal funds rate.

The FOMC made further measured reductions in the pace of its asset purchases . . .

During the first half of 2014, the Committee made further measured reductions in the pace of its asset purchases, following the initial modest reduction announced at the December 2013 meeting.¹¹ These actions

11. See Board of Governors of the Federal Reserve System (2013), "Federal Reserve Issues FOMC Statement," press release, December 18, www.federalreserve.gov/newsevents/press/monetary/20131218a.htm.

41. Selected interest rates



NOTE: The 2-year and 10-year Treasury rates are the constant-maturity yields based on the most actively traded securities. The dates on the horizontal axis are those of regularly scheduled Federal Open Market Committee meetings.
SOURCE: Department of the Treasury; Federal Reserve Board.

reflected the cumulative progress toward maximum employment and the improvement in the outlook for labor market conditions since the inception of the current asset purchase program in the fall of 2012 as well as the Committee's judgment that there was sufficient underlying strength in the broader economy to support ongoing improvement in labor market conditions and inflation moving back toward its longer-run objective.

Specifically, at its four meetings in the first half of 2014, the Committee reduced the monthly pace of its purchases of agency mortgage-backed securities (MBS) and of longer-term Treasury securities by \$5 billion each. Accordingly, beginning in July, the Committee is adding to its holdings of agency MBS at a pace of \$15 billion per month (compared with \$35 billion per month at the beginning of the year) and is adding to its holdings of longer-term Treasury securities at a pace of \$20 billion per month (compared with \$40 billion per month at the beginning of the year). The FOMC also maintained its existing policy of reinvesting principal payments from its holdings of agency debt and agency MBS in agency MBS and of rolling over maturing Treasury securities at auction.

While making measured reductions in the pace of its purchases, the Committee noted that its sizable and still-increasing holdings of longer-term securities should maintain downward pressure on longer-term interest rates, support mortgage markets, and help make broader financial conditions more accommodative. More accommodative financial conditions, in turn, should promote a stronger economic recovery, a further improvement in labor market conditions, and a return of inflation, over time, toward the Committee's 2 percent objective.

At each of its meetings so far this year, the FOMC reiterated that it would closely monitor incoming information on economic and financial developments, and that it would continue asset purchases and employ its other policy tools as appropriate until the outlook for

the labor market had improved substantially in a context of price stability. The Committee also noted that if incoming information broadly supports its expectation of ongoing improvement in labor market conditions and inflation moving back toward its longer-run objective, it would likely reduce the pace of asset purchases in further measured steps at future meetings. However, the Committee also emphasized that asset purchases are not on a preset course, and that decisions about their pace would remain contingent on the Committee's outlook for the labor market and inflation as well as its assessment of the likely efficacy and costs of such purchases.

... updated its forward guidance with a qualitative description of the factors that will influence its decision to begin raising the federal funds rate ...

As 2014 began, the Committee's forward guidance included quantitative thresholds, stating that the exceptionally low target range for the federal funds rate of 0 to ¼ percent would be appropriate at least as long as the unemployment rate remained above 6½ percent, inflation between one and two years ahead was projected to be no more than a half percentage point above the Committee's 2 percent longer-run goal, and longer-term inflation expectations continued to be well anchored.¹² The Committee also indicated that in determining how long to maintain a highly accommodative stance of monetary policy, it would consider not only the unemployment rate but also other indicators, including additional measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments. Based on its assessment of these factors, the Committee noted that it likely would be appropriate to maintain the current target range for the federal funds rate well past the time the unemployment rate declines below 6½ percent, especially if

12. See Board of Governors of the Federal Reserve System (2014), "Federal Reserve Issues FOMC Statement," press release, January 29, www.federalreserve.gov/newsevents/press/monetary/20140129a.htm.

projected inflation continues to run below the Committee's 2 percent longer-run goal.

At the time of the March meeting, with the unemployment rate quickly approaching the threshold of 6½ percent, the FOMC decided to update its forward guidance by providing a qualitative description of the factors that would influence its decision regarding the appropriate time of the first increase in the target federal funds rate from its current 0 to ¼ percent target range.¹³ The Committee agreed that while reliance on a single indicator—the unemployment rate—had been useful for communications purposes when employment conditions were much further from mandate-consistent levels, with labor market conditions improving, the Committee would base its judgment concerning progress in the labor market on a much broader set of indicators from that point forward. Specifically, the Committee indicated that in determining how long to maintain the current target range, it would assess progress—both realized and expected—toward its objectives of maximum employment and 2 percent inflation. This assessment would take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments. Based on its assessment of these factors, the Committee indicated that it likely would be appropriate to maintain the current target range for the federal funds rate for a considerable time after the asset purchase program ends, especially if projected inflation continued to run below the Committee's 2 percent longer-run goal and provided that longer-term inflation expectations remained well anchored. To help forestall misinterpretation of the new forward guidance, the Committee noted that the change in its guidance did not indicate any change in its policy intentions as set forth in its recent statements.

13. See Board of Governors of the Federal Reserve System (2014), "Federal Reserve Issues FOMC Statement," press release, March 19, www.federalreserve.gov/newsevents/press/monetary/20140319a.htm.

... and added information regarding the likely behavior of the target federal funds rate after the rate is raised above its effective lower bound

The Committee also stated that, when it decides to begin to remove policy accommodation, it will take a balanced approach consistent with its longer-run goals of maximum employment and inflation of 2 percent. In addition, the Committee indicated its anticipation that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run.

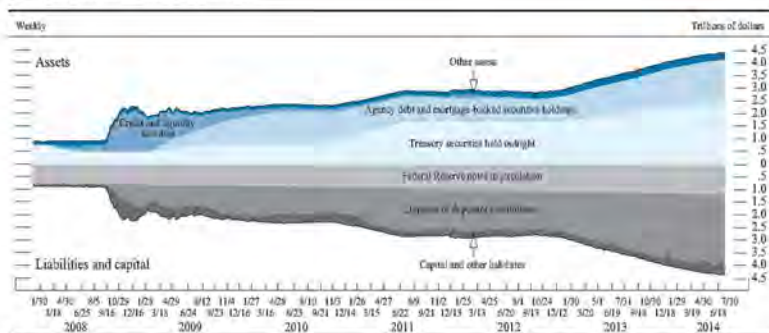
Committee participants have noted that a prolonged period of low interest rates could lead investors to take on excessive risk, potentially posing risks to longer-term financial stability. The Federal Reserve will continue to monitor the financial system for any signs of the buildup of such risks and will take appropriate steps to address such risks as needed (see the box "Developments Related to Financial Stability" in Part I).

The Committee's large-scale asset purchases led to a further increase in the size of the Federal Reserve's balance sheet

As a result of the FOMC's ongoing large-scale asset purchase program, Federal Reserve assets have increased further since the end of last year (figure 42). Holdings of U.S. Treasury securities in the System Open Market Account (SOMA) increased \$200 billion to \$2.4 trillion, and holdings of agency debt and MBS increased \$160 billion, on net, to \$1.7 trillion.¹⁴ On the liability side of the balance sheet, the increase in the Federal Reserve's assets was largely matched

14. The changes in the par value of SOMA holdings, noted earlier, can differ from the amount of securities purchased over the same period, largely because of lags in the settlement of the purchases. Among other assets, the outstanding amount of dollars provided through the temporary U.S. dollar liquidity swap arrangements with foreign central banks edged lower since the end of last year and remains close to zero, reflecting the continued stability in offshore U.S. dollar funding markets.

42. Federal Reserve assets and liabilities



NOTE: The data extend through July 9, 2014. Credit and liquidity facilities consists of primary, secondary, and seasonal credit; term auction credit; central bank liquidity swaps; support for Maiden Lane, Bear Stearns, and AIG; and other credit facilities, including the Primary Dealer Credit Facility, the Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility, the Commercial Paper Funding Facility, and the Term Asset-Backed Securities Loan Facility. Other assets includes unamortized premiums and discounts on securities held outright. Other liabilities includes reverse repurchase agreements, the U.S. Treasury General Account, and the U.S. Treasury Supplementary Financing Account. The dates on the horizontal axis are those of regularly scheduled Federal Open Market Committee meetings.

SOURCE: Federal Reserve Board, Statistical Release H.4.1, "Factors Affecting Reserve Balances."

by increases in reserve balances, currency in circulation, deposits with Federal Reserve banks, and reverse repurchase agreements.

Given the Federal Reserve's large and growing balance sheet, interest income on the SOMA portfolio continued to support substantial remittances to the U.S. Treasury. Last year, remittances totaled \$80 billion, and remittances over the first quarter of this year remained very high. Cumulative remittances to the Treasury from 2008 through the first quarter of 2014 exceeded \$420 billion.¹⁵

The Federal Reserve continued to plan for the eventual normalization of monetary policy

At its April meeting, the FOMC discussed issues associated with the eventual normalization of the stance and conduct of monetary policy during a period when the

15. See Board of Governors of the Federal Reserve System (2014), *Quarterly Report on Federal Reserve Balance Sheet Developments* (Washington: Board of Governors, May), www.federalreserve.gov/monetarypolicy/files/quarterly_balance_sheet_developments_report_201405.pdf.

Federal Reserve's balance sheet will be very large.¹⁶ The Committee's discussion of this topic was undertaken as part of prudent planning and did not imply that normalization will begin soon. The Committee discussed various tools that could be used to raise short-term interest rates—and to control the level of short-term interest rates once they are above the effective lower bound—even while the balance sheet of the Federal Reserve remains very large. Those tools included the rate of interest paid on excess reserve balances, fixed-rate overnight reverse repurchase agreement (ON RRP) operations, term reverse repurchase agreements, and the Term Deposit Facility (TDF). Participants considered how various combinations of tools could have different implications for the degree of control over short-term interest rates, the Federal Reserve's balance sheet and remittances to the Treasury, the functioning of the federal funds market, and financial stability in both normal times and periods of stress.

16. See Board of Governors of the Federal Reserve System (2014), "Minutes of the Federal Open Market Committee, April 29–30, 2014," press release, May 21, www.federalreserve.gov/newsevents/press/monetary/20140521a.htm.

At the June FOMC meeting, participants continued their discussion of normalization issues and considered some possible strategies for implementing and communicating monetary policy during that process.¹⁷ Most participants agreed that adjustments in the rate of interest on excess reserves (IOER) should play a central role during the normalization process. It was generally agreed that an ON RRP facility with an interest rate set below the IOER rate could play a useful supporting role by helping to firm the floor under money market interest rates. A few participants commented that the Committee should also be prepared to use its other policy tools, including term deposits and term reverse repurchase agreements, if necessary. Most participants thought that the federal funds rate should continue to play a role in the Committee's operating framework and communications during normalization, with many of them indicating a preference for continuing to announce a target range. While generally agreeing that an ON RRP facility could play an important role in the policy normalization process, participants discussed several possible concerns about using such a facility, including the potential for substantial shifts in investments toward the facility and away from financial and nonfinancial firms

17. See Board of Governors of the Federal Reserve System (2014), "Minutes of the Federal Open Market Committee, June 17–18, 2014," press release, July 9, www.federalreserve.gov/newsevents/press/monetary/20140709a.htm.

in times of financial stress, the potential expansion of the Federal Reserve's role in financial intermediation, and the extent to which monetary policy operations might be conducted with nontraditional counterparties. Participants discussed design features that could help address these concerns. Several participants emphasized that, although the ON RRP rate would be useful in controlling short-term interest rates during normalization, they did not anticipate that such a facility would be a permanent part of the Committee's longer-run operating framework. Overall, participants generally expressed a preference for a simple and clear approach to normalization, and it was observed that it would be useful for the Committee to develop its plans and communicate them to the public later this year, well before the first steps in normalizing policy become appropriate, and to maintain flexibility about the evolution of the normalization process as well as the Committee's longer-run operating framework.

The Federal Reserve has continued to test the operational readiness of its policy tools, conducting daily ON RRP operations and several tests of the TDF during the first half of 2014. To date, testing has progressed smoothly, and, in recent months, short-term market rates have generally traded above the ON RRP rate. (For more discussion of the Federal Reserve's preparations for the eventual normalization of monetary policy, see the box "Planning for Monetary Policy Implementation during Normalization.")

Planning for Monetary Policy Implementation during Normalization

As noted in recent communications by the Federal Open Market Committee (FOMC), if the economy continues to evolve as anticipated, the Federal Reserve's asset purchase program will likely be concluded following the October meeting. At that time, the size of the Federal Reserve's balance sheet will stand at about \$4.5 trillion, and reserve balances in the banking system will be close to \$3 trillion, an extraordinarily elevated level relative to the average level of reserve balances prior to the onset of the financial crisis—about \$25 billion. As a result, when the FOMC eventually chooses to begin removing policy accommodation, it will do so with a level of reserves in the banking system far in excess of that during any prior period of policy tightening.

In the past, the Federal Reserve tightened policy by draining small amounts of reserve balances through open market operations. The resulting scarcity of reserves in the banking system effectively raised the value to banks of their holdings of reserve balances as a means of satisfying reserve requirements and meeting clearing needs. The higher value of reserve balances then led banks to bid up the rate in the federal funds market and other short-term funding markets as they bolstered their reserve positions.

This traditional, quantity-based mechanism for tightening policy will not be feasible during the normalization period given the very elevated level of reserves in the banking system. Nonetheless, the Federal Reserve is confident that it has the tools necessary to tighten policy at the appropriate time. The basic tools at the Federal Reserve's disposal during the period of policy normalization include adjustments to the interest on excess reserves (IOER) rate; overnight reverse repurchase agreement (ON RRP) operations; and term operations, including the offer of term deposits issued through the Term Deposit Facility (TDF) and term reverse repurchase agreements (term RRP).

Alternative Policy Tools

As discussed in the minutes of recent FOMC meetings, adjustments to the IOER rate will be a particularly important tool during the normalization period. Banks should be unwilling to lend to any private counterparty at a rate lower than the rate they can earn on balances maintained at the Federal Reserve. As a result, an increase in the IOER rate will put upward pressure on a range of short-term interest rates. In effect, raising the IOER rate allows the Federal Reserve to increase the value that banks place on reserve balances, which will have market effects similar to those associated with a reduction in the quantity of

reserves in the traditional, quantity-based mechanism for tightening the stance of monetary policy.

As a complement to the IOER rate, the Federal Reserve could also employ ON RRP operations to put additional upward pressure on short-term interest rates. In an ON RRP operation, eligible Federal Reserve counterparties, importantly including many nonbank financial institutions, may invest funds with the Federal Reserve overnight at a given rate. Consequently, these institutions should be unwilling to lend to private counterparties in money markets at a rate below that available to them on ON RRP transactions with the Federal Reserve. As a result, ON RRP operations should complement the IOER rate in helping to establish a floor on money market interest rates. Finally, the Federal Reserve could also employ term operations—term deposits issued through the TDF and term RRP—to help drain reserves in the banking system and put further upward pressure on short-term interest rates.

As noted in the minutes of the April and June FOMC meetings, policymakers have considered a number of possible ways that these tools could be employed in combination during the normalization period.¹ These discussions have considered a range of issues, such as the extent of control over short-term interest rates, potential effects on trading in the federal funds market, financial stability considerations, costs to the Federal Reserve, and potential changes in patterns of financial intermediation. The Committee expects to provide the public with more information about its normalization plans later this year.

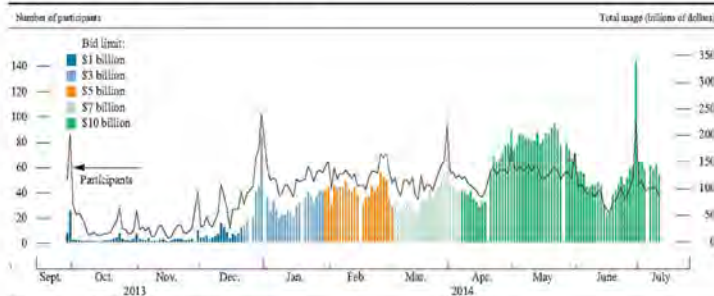
Ongoing Testing of the Alternative Policy Tools

At the same time, as part of prudent planning, the Federal Reserve has continued to test the operational readiness of its policy tools. The testing of these normalization tools has been ongoing for some time and has evolved in terms of the offering formats, tenors and rates offered, maximum awards or allotment amounts, and eligible counterparties.²

1. See Board of Governors of the Federal Reserve System (2014), "Minutes of the Federal Open Market Committee, April 29–30, 2014," press release, May 21, www.federalreserve.gov/newsevents/press/monetary/20140521a.htm; and Board of Governors of the Federal Reserve System (2014), "Minutes of the Federal Open Market Committee, June 17–18, 2014," press release, July 9, www.federalreserve.gov/newsevents/press/monetary/20140709a.htm.

2. The types of counterparties that are currently eligible to participate in the Federal Reserve's ON RRP operations include depository institutions, money market funds, government-sponsored enterprises, and primary dealers, while

A. Overnight reverse repurchase agreement operations



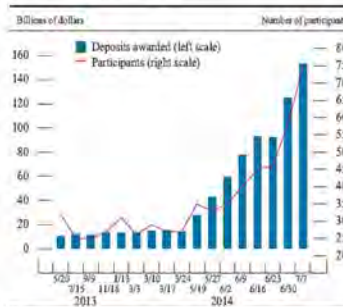
NOTE: The data are daily and begin on September 23, 2013.
SOURCE: Federal Reserve Bank of New York, temporary open market operations data.

Since September 2013, the Open Market Desk has been conducting daily fixed-rate, capped-allotment ON RRP operations as authorized by the FOMC. In general, daily take-up of ON RRP has ranged between about \$50 billion and about \$340 billion since early this year, with the variation in usage primarily reflecting three factors: (1) changes in the daily counterparty allotment limit; (2) changes in the spread between market repurchase agreement rates and the rate offered in the Federal Reserve's ON RRP operations; and (3) calendar effects, including those related to month- and quarter-ends (figure A). Since the introduction of the exercise, the daily counterparty allotment limit has been gradually raised from \$0.5 billion to \$10 billion, the fixed rate offered on ON RRP operations has been changed within the authorized limits and currently stands at 5 basis points, and the collateral accepted in the operations has been limited to U.S. Treasury securities. Money market funds have accounted for most of the daily participants and most of the daily volume of take-up. All operations to date have proceeded smoothly. The availability of the ON RRP operations reportedly has helped establish a floor on overnight interest rates.³

only depository institutions may participate in TDF operations. Results of ON RRP operations can be found on the Federal Reserve Bank of New York's website at www.newyorkfed.org/markets/omv/dmm/temp.cfm, and results of the TDF operations can be found on the Federal Reserve Board's website at www.federalreserve.gov/monetarypolicy/tdf.htm.
3. Between December 2009 and April 2013, the Open Market Desk also conducted a series of small-scale term RRP test operations. Those testing operations used a multi-price auction format and a term of two to six days; accepted collateral included U.S. Treasury securities, direct agency debt, and agency mortgage-backed securities. The number of eligible counterparties was extended over this period. The amount awarded in these test operations peaked at about \$3.3 billion.

The Federal Reserve's testing of the TDF has been ongoing since June 2010 and evolved in the first half of this year. The incremental changes to the terms and format of the facility this year were aimed at improving the participation of depository institutions as well as operational readiness.⁴ Most recently, the Federal Reserve conducted a series of eight TDF test operations, during which the maximum award amount per institution and the interest rate paid at the facility were raised gradually. As a result, the level of activity in these operations increased considerably relative to such levels in test operations conducted over recent years (figure B).

B. Term Deposit Facility operations



SOURCE: Federal Reserve Board.

4. Authority to operate the TDF comes from section 19(b)(12) of the Federal Reserve Act, which allows eligible institutions to receive earnings on balances maintained at Federal Reserve Banks and authorizes the Board of Governors to prescribe regulations concerning the payment of such earnings. Within this authority, the Board created the TDF and has adjusted the parameters of the facility from time to time.

PART 3

SUMMARY OF ECONOMIC PROJECTIONS

The following material appeared as an addendum to the minutes of the June 17–18, 2014, meeting of the Federal Open Market Committee.

In conjunction with the June 17–18, 2014, Federal Open Market Committee (FOMC) meeting, meeting participants submitted their assessments of real output growth, the unemployment rate, inflation, and the target federal funds rate for each year from 2014 through 2016 and over the longer run.¹⁸ Each participant's assessment was based on information available at the time of the meeting plus his or her judgment of appropriate monetary policy and assumptions about the factors likely to affect economic outcomes. The longer-run projections represent each participant's judgment of the value to which each variable would be expected to converge, over time, under appropriate monetary policy and in the absence of further shocks to the economy. "Appropriate monetary policy" is defined as the future

path of policy that each participant deems most likely to foster outcomes for economic activity and inflation that best satisfy his or her individual interpretation of the Federal Reserve's objectives of maximum employment and stable prices.

Overall, FOMC participants expected that, under appropriate monetary policy, economic growth would pick up notably in the second half of 2014 and remain in 2015 and 2016 above their estimates of the longer-run normal rate of economic growth. Consistent with that outlook, the unemployment rate was projected to continue to decline toward its longer-run normal level over the projection period (table 1 and figure 1). The majority of participants projected that inflation, as measured by the annual change in the price index for personal consumption expenditures (PCE), would rise to a level at or slightly below the Committee's 2 percent objective in 2016.

The majority of participants expected that highly accommodative monetary policy would

18. Four members of the Board of Governors and the presidents of the 12 Federal Reserve Banks submitted projections. Governor Brainard took office on June 16, 2014, and participated in the June 17–18, 2014, FOMC meeting; she was not able to submit economic projections.

Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, June 2014
Percent

Variable	Central tendency ¹				Range ²			
	2014	2015	2016	Longer run	2014	2015	2016	Longer run
Change in real GDP.....	2.1 to 2.3	3.0 to 3.2	2.5 to 3.0	2.1 to 2.3	1.9 to 2.4	2.2 to 3.6	2.2 to 3.2	1.8 to 2.5
March projection.....	2.8 to 3.0	3.0 to 3.2	2.5 to 3.0	2.2 to 2.3	2.1 to 3.0	2.2 to 3.5	2.2 to 3.4	1.8 to 2.4
Unemployment rate.....	6.0 to 6.1	5.4 to 5.7	5.1 to 5.5	5.2 to 5.5	5.8 to 6.2	5.2 to 5.9	5.0 to 5.6	5.0 to 6.0
March projection.....	6.1 to 6.3	5.6 to 5.9	5.2 to 5.6	5.2 to 5.6	6.0 to 6.5	5.4 to 5.9	5.1 to 5.8	5.2 to 6.0
PCE inflation.....	1.5 to 1.7	1.5 to 2.0	1.6 to 2.0	2.0	1.4 to 2.0	1.4 to 2.4	1.5 to 2.0	2.0
March projection.....	1.5 to 1.6	1.5 to 2.0	1.7 to 2.0	2.0	1.3 to 1.8	1.5 to 2.4	1.6 to 2.0	2.0
Core PCE inflation ³	1.5 to 1.6	1.6 to 2.0	1.7 to 2.0		1.4 to 1.8	1.5 to 2.4	1.6 to 2.0	
March projection.....	1.4 to 1.6	1.7 to 2.0	1.8 to 2.0		1.3 to 1.8	1.5 to 2.4	1.6 to 2.0	

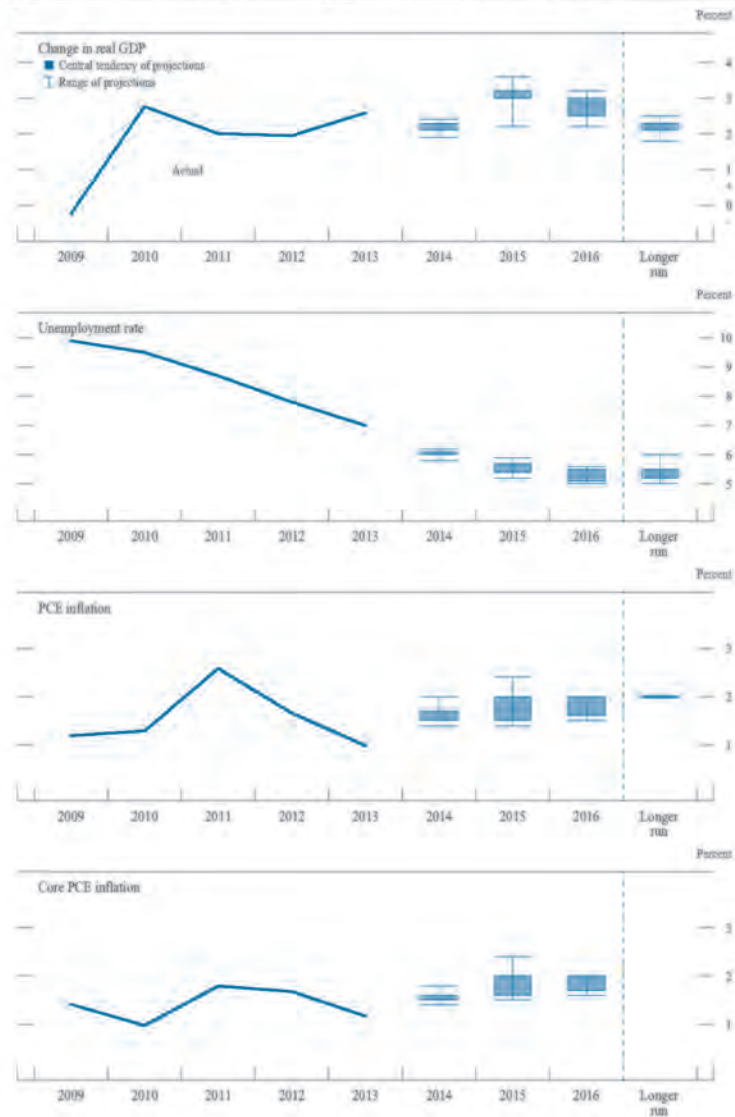
Note: Projections of change in real gross domestic product (GDP) and projections for both measures of inflation are from the fourth quarter of the previous year to the fourth quarter of the year indicated. PCE inflation and core PCE inflation are the percentage rates of change in, respectively, the price index for personal consumption expenditures (PCE) and the price index for PCE excluding food and energy. Projections for the unemployment rate are for the average civilian unemployment rate in the fourth quarter of the year indicated. Each participant's projections are based on his or her assessment of appropriate monetary policy. Longer-run projections represent each participant's assessment of the rate to which each variable would be expected to converge under appropriate monetary policy and in the absence of further shocks to the economy. The March projections were made in conjunction with the meeting of the Federal Open Market Committee on March 18–19, 2014.

1. The central tendency includes the three highest and three lowest projections for each variable in each year.

2. The range for a variable in a given year includes all participants' projections from lowest to highest, for that variable in that year.

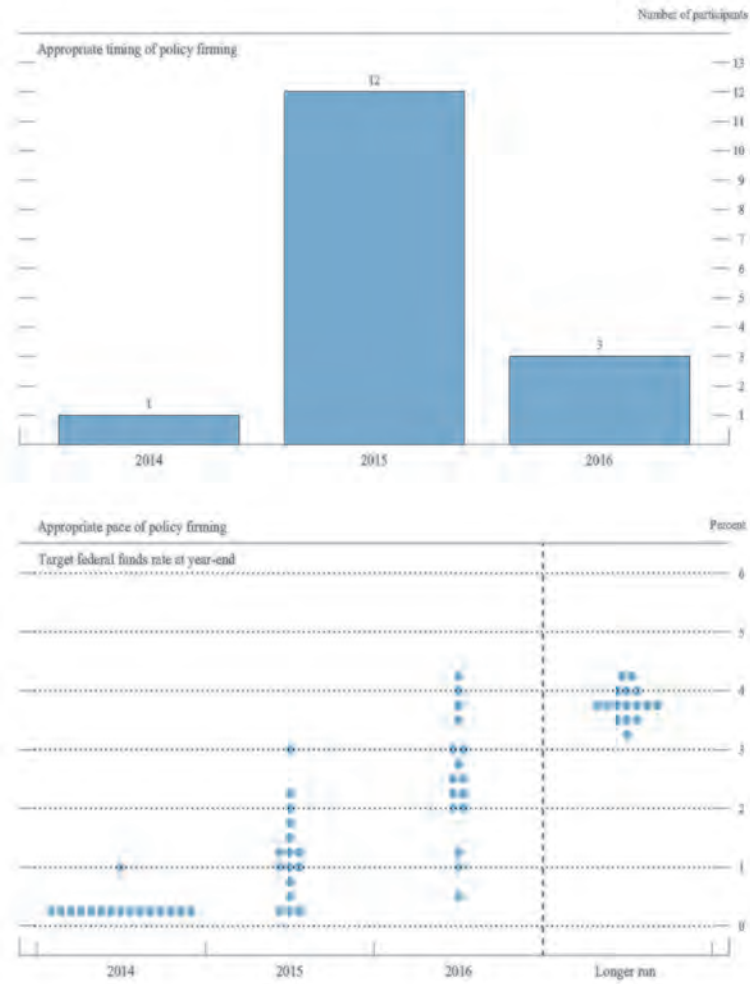
3. Longer-run projections for core PCE inflation are not collected.

Figure 1. Central tendencies and ranges of economic projections, 2014–16 and over the longer run



NOTE: Definitions of variables are in the general note to table 1. The data for the actual values of the variables are annual.

Figure 2. Overview of FOMC participants' assessments of appropriate monetary policy



Note: In the upper panel, the height of each bar denotes the number of FOMC participants who judge that, under appropriate monetary policy, the first increase in the target federal funds rate from its current range of 0 to ¼ percent will occur in the specified calendar year. In March 2014, the numbers of FOMC participants who judged that the first increase in the target federal funds rate would occur in 2014, 2015, and 2016 were, respectively, 1, 13, and 2. In the lower panel, each shaded circle indicates the value (rounded to the nearest ¼ percentage point) of an individual participant's judgment of the appropriate level of the target federal funds rate at the end of the specified calendar year or over the longer run.

remain appropriate over the next few years to foster progress toward the Federal Reserve's longer-run objectives. As shown in figure 2, all but one of the participants anticipated that it would be appropriate to wait at least until 2015 before beginning to increase the federal funds rate, and most projected that it would then be appropriate to raise the target federal funds rate fairly gradually. Given their economic outlooks, most participants judged that it would be appropriate to continue gradually slowing the pace of the Committee's purchases of longer-term securities and complete the asset purchase program later this year.

Most participants saw the uncertainty associated with their outlooks for economic growth, the unemployment rate, and inflation as similar to that of the past 20 years. In addition, most participants considered the risks to the outlook for real GDP growth and the unemployment rate to be broadly balanced, and a majority saw the risks to inflation as broadly balanced. However, some saw the risks to their forecasts for economic growth or inflation as tilted to the downside, and a couple saw the risks to their forecasts for inflation as tilted to the upside.

The Outlook for Economic Activity

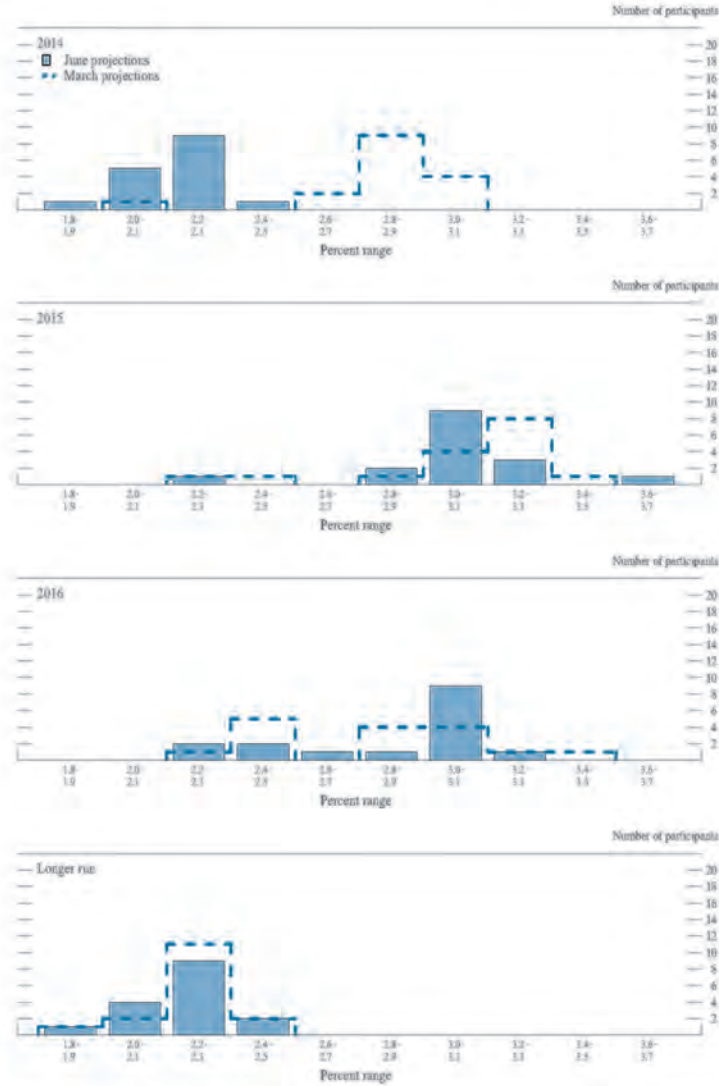
Participants generally projected that, conditional on their individual assumptions about appropriate monetary policy, real GDP growth would pick up notably in the second half of this year and remain in 2015 and 2016 above their estimates of the longer-run normal rate of output growth. All participants revised down their projections of real GDP growth for the first half of 2014 compared with their projections in March, but most left their forecasts for the remainder of the projection period largely unchanged. Participants generally judged that real GDP growth in the first half of this year was held down by transitory factors depressing output early in the year, and they pointed to a number of factors that they expected would continue to contribute to a pickup in economic growth

later this year and next, including rising household net worth, diminished restraint from fiscal policy, improving labor market conditions, and highly accommodative monetary policy. The central tendencies of participants' projections for real GDP growth were 2.1 to 2.3 percent in 2014, 3.0 to 3.2 percent in 2015, and 2.5 to 3.0 percent in 2016. The central tendency for the longer-run normal rate of growth of real GDP was 2.1 to 2.3 percent, only slightly lower than in March.

Participants continued to anticipate a gradual decline in the unemployment rate over the projection period. The central tendencies of participants' forecasts for the unemployment rate in the fourth quarter of each year were 6.0 to 6.1 percent in 2014, 5.4 to 5.7 percent in 2015, and 5.1 to 5.5 percent in 2016. Nearly all participants revised down their projected paths for the unemployment rate this year and next relative to their March projections, with the majority pointing to the decline in the unemployment rate in recent months as a reason for the downward revision. The central tendency of participants' estimates of the longer-run normal rate of unemployment that would prevail under appropriate monetary policy and in the absence of further shocks to the economy also edged down, to 5.2 to 5.5 percent. Most participants projected that the unemployment rate would be close to their individual estimates of its longer-run level at the end of 2016.

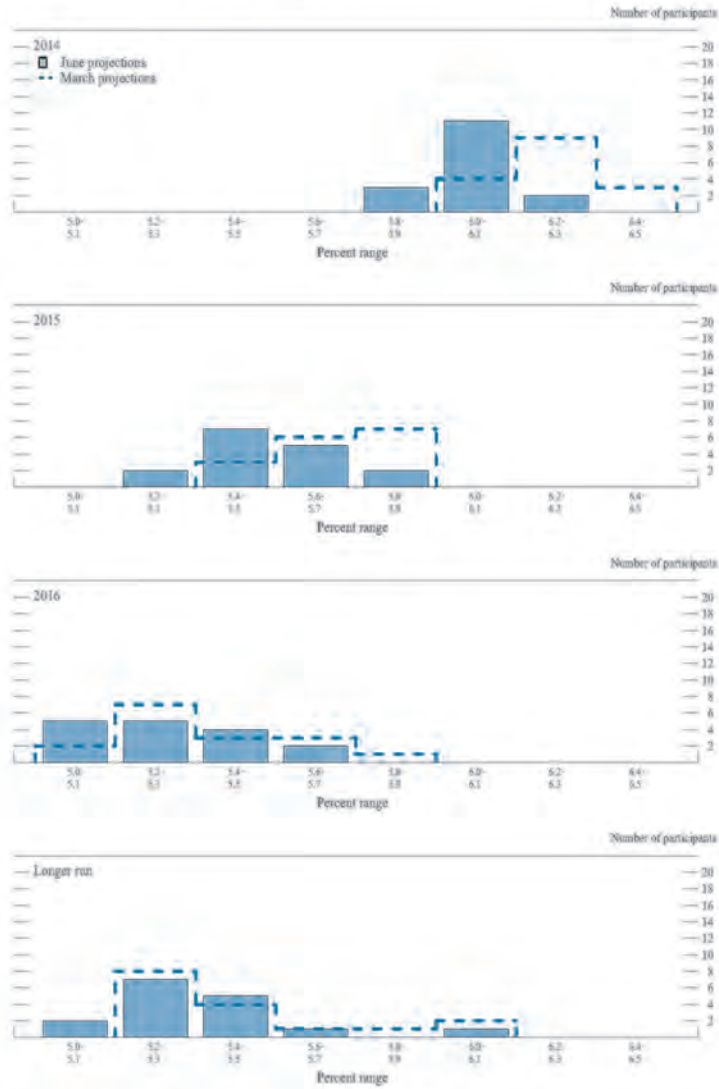
Figures 3.A and 3.B show that participants continued to hold a range of views regarding the likely outcomes for real GDP growth and the unemployment rate over the next two years. The diversity of views reflected their individual assessments of the rate at which the headwinds that have been holding back the pace of the economic recovery would abate and of the anticipated path for foreign economic activity, the trajectory for growth in household net worth, and the appropriate path of monetary policy. Relative to March, the dispersion of participants' projections for real GDP growth narrowed a bit in 2014.

Figure 3.A. Distribution of participants' projections for the change in real GDP, 2014-16 and over the longer run



Note: Definitions of variables are in the general note to table 1.

Figure 3.B. Distribution of participants' projections for the unemployment rate, 2014-16 and over the longer run



Note: Definitions of variables are in the general note to table 1.

but was largely unchanged over the next two years, and the dispersion of projections for the unemployment rate over the entire projection period was little changed.

The Outlook for Inflation

Compared with March, the central tendencies of participants' projections for inflation were largely unchanged for all years in the projection period, although many participants marked up a bit their projections for inflation in 2014. The vast majority of participants anticipated that, on average, both headline and core inflation would rise gradually over the next few years, and the majority of participants expected headline inflation to be at or slightly below the Committee's 2 percent objective in 2016. Specifically, the central tendencies for PCE inflation were 1.5 to 1.7 percent in 2014, 1.5 to 2.0 percent in 2015, and 1.6 to 2.0 percent in 2016. The central tendencies of the forecasts for core inflation were broadly similar to those for the headline measure. It was noted that some combination of stable inflation expectations and steadily diminishing resource slack was likely to contribute to a gradual rise of inflation back toward the Committee's longer-run objective of 2 percent.

Figures 3.C and 3.D provide information on the diversity of participants' views about the outlook for inflation. The ranges of participants' projections for overall inflation were little changed relative to March. The forecasts for PCE inflation in 2016 were at or below the Committee's longer-run objective. Similar to the projections for headline inflation, the projections for core inflation in 2016 were concentrated at or below 2 percent.

Appropriate Monetary Policy

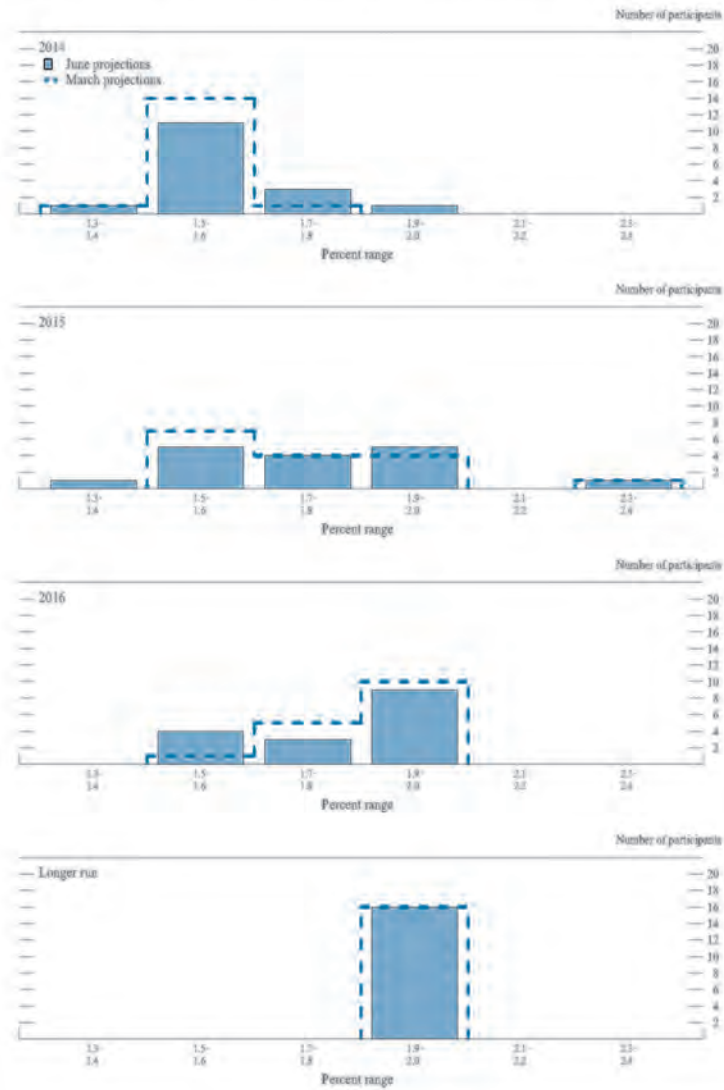
As indicated in figure 2, nearly all participants judged that low levels of the federal funds rate would remain appropriate for the next few years. In particular, 12 participants thought that the first increase in the target federal funds

rate would not be warranted until sometime in 2015, and 3 judged that policy firming would likely not be appropriate until 2016. Only 1 participant thought that an increase in the federal funds rate would be warranted in 2014.

All participants projected that the unemployment rate would be below 6 percent at the end of the year in which they judged the initial increase in the federal funds rate to be warranted, and all but one anticipated that inflation would be at or below the Committee's longer-run objective at that time. Most participants projected that the unemployment rate would remain above their estimates of its longer-run normal level at the end of the year in which they saw the federal funds rate increasing from its effective lower bound.

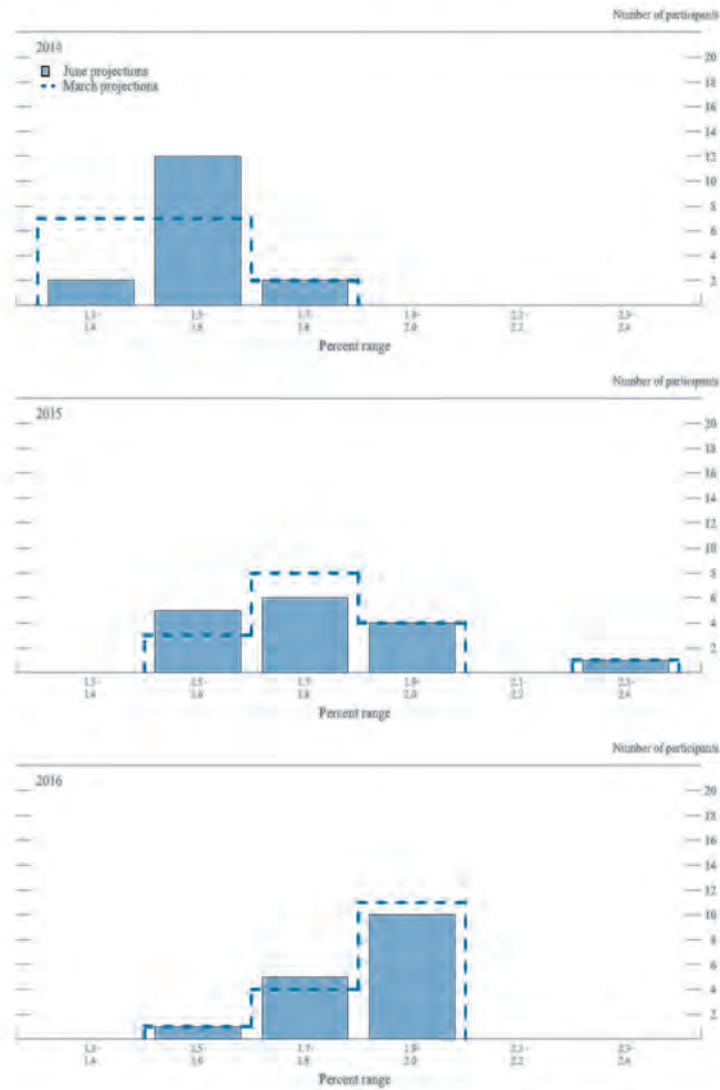
Figure 3.E provides the distribution of participants' judgments regarding the appropriate level of the target federal funds rate at the end of each calendar year from 2014 to 2016 and over the longer run. As noted earlier, nearly all participants judged that economic conditions would warrant maintaining the current exceptionally low level of the federal funds rate at least until 2015. Relative to their projections in March, the median values of the federal funds rate at the end of 2015 and 2016 increased 13 basis points and 25 basis points to 1.13 percent and 2.50 percent, respectively, while the mean values rose 7 basis points and 11 basis points to 1.18 percent and 2.53 percent, respectively. The dispersion of projections for the value of the federal funds rate was little changed in 2015 but widened slightly in 2016. Most participants expected that the federal funds rate at the end of 2016 would still be significantly below their individual assessments of its longer-run level. For about half of these participants, the low level of the federal funds rate at that time was associated with inflation well below the Committee's 2 percent objective. In contrast, the rest of these participants saw the federal funds rate at the end of 2016 as still significantly low despite their projections that the unemployment rate would be close

Figure 3 C. Distribution of participants' projections for PCE inflation, 2014-16 and over the longer run



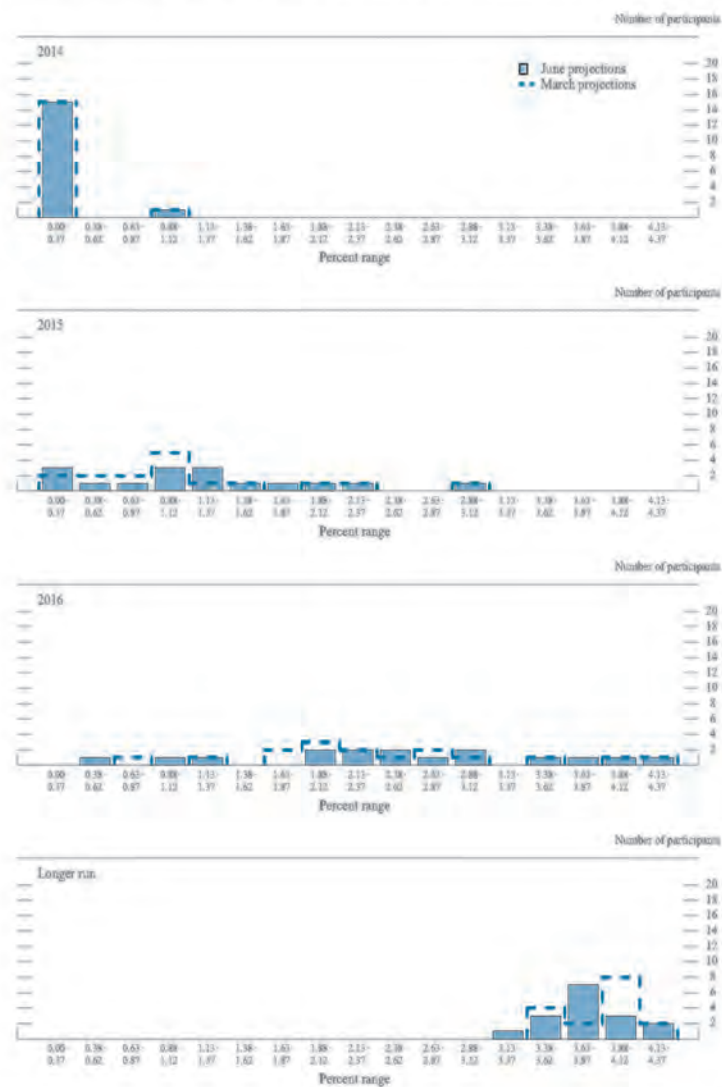
Note: Definitions of variables are in the general note to table 1.

Figure 3.D. Distribution of participants' projections for core PCE inflation, 2014-16



Note: Definitions of variables are in the general note to table 1.

Figure 3.E. Distribution of participants' projections for the target federal funds rate, 2014-16 and over the longer run



NOTE: The target federal funds rate is measured as the level of the target rate at the end of the calendar year or in the longer run.

to or below their individual longer-run projections and inflation would be at or close to 2 percent at that time. These participants cited some combination of a lower equilibrium real interest rate, continuing headwinds from the financial crisis and subsequent recession, and a desire to raise the federal funds rate at a gradual pace after liftoff as explanations for the still-low level of the projected federal funds rate at the end of 2016. A couple of participants also mentioned broader measures of labor market slack that may take longer to return to their normal levels than the unemployment rate. Estimates of the longer-run level of the federal funds rate ranged from 3¼ to about 4¼ percent, reflecting the Committee's inflation objective of 2 percent and participants' individual judgments regarding the appropriate longer-run level of the real federal funds rate in the absence of further shocks to the economy. Compared with March, some participants revised down their estimates of the longer-run federal funds rate, with a lower assessment of the longer-run level of potential output growth cited as a contributing factor for the majority of those revisions. As a result, the median estimate of the longer-run federal funds rate shifted down to 3.75 percent from 4 percent in March, while its mean value declined 11 basis points to 3.78 percent.

Participants also described their views regarding the appropriate path of the Federal Reserve's balance sheet. Conditional on their respective economic outlooks, most participants judged that it would be appropriate to continue to reduce the pace of the Committee's purchases of longer-term securities in measured steps and to conclude the purchases later this year. A couple of participants judged that a more rapid reduction in the pace of purchases and an earlier end to the asset purchase program would be appropriate.

Participants' views of the appropriate path for monetary policy were informed by their judgments about the state of the economy, including the values of the unemployment rate

and other labor market indicators that would be consistent with maximum employment, the extent to which the economy was currently falling short of maximum employment, the prospects for inflation to return to the Committee's longer-term objective of 2 percent, and the balance of risks around the outlook. Many participants also mentioned the prescriptions of various monetary policy rules as factors they considered in judging the appropriate path for the federal funds rate.

Table 2. Average historical projection error ranges
Percentage points

Variable	2014	2015	2016
Change in real GDP ¹	±1.0	±2.0	±2.1
Unemployment rate ²	±0.4	±1.2	±1.8
Total consumer prices ²	±0.8	±1.0	±1.0

NOTE: Error ranges shown are measured as plus or minus the root mean squared error of projections for 1994 through 2013 that were released in the spring by various private and government forecasters. As described in the box "Forecast Uncertainty," under certain assumptions, there is about a 70 percent probability that actual outcomes for real GDP, unemployment, and consumer prices will be in ranges implied by the average size of projection errors made in the past. For more information, see David Reifschneider and Peter Tully (2007), "Gauging the Uncertainty of the Economic Outlook from Historical Forecasting Errors," Finance and Economics Discussion Series 2007-60 (Washington: Board of Governors of the Federal Reserve System, November), available at <http://www.federalreserve.gov/pubs/feds/2007/200760/200760a.html> and Board of Governors of the Federal Reserve System, Division of Research and Statistics (2014), "Updated Historical Forecast Errors," memorandum, April 9, <http://www.federalreserve.gov/foia/files/2014/04/09-historical-forecast-errors.pdf>.

1. Definitions of variables are in the general note to table 1.

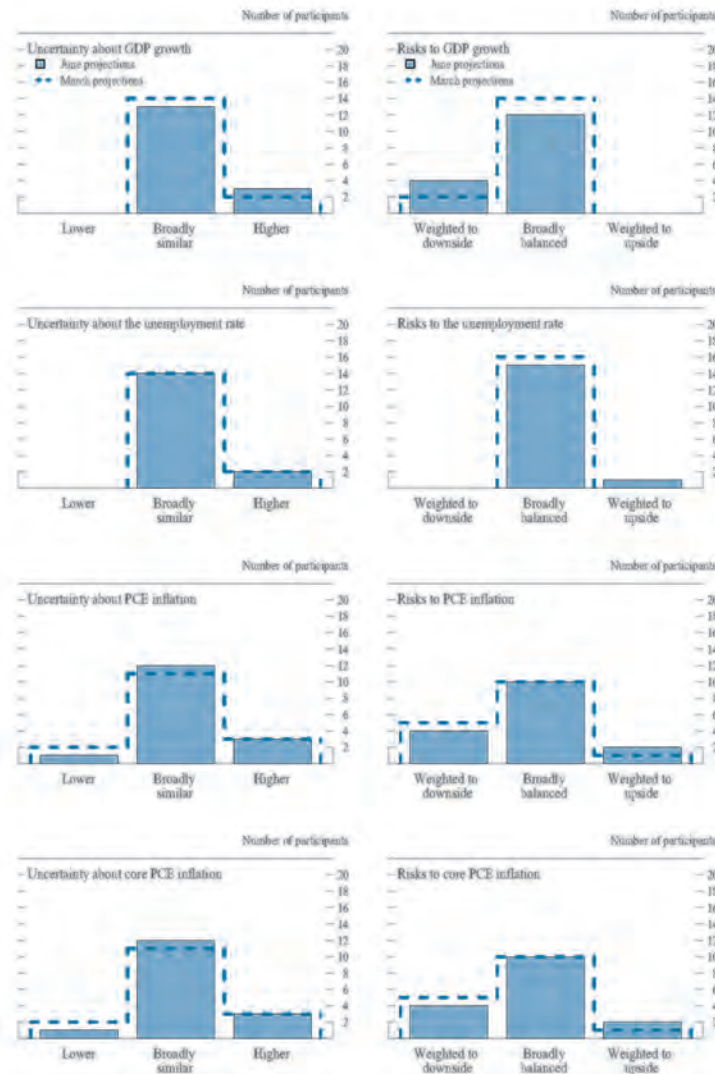
2. Measure is the overall consumer price index, the price measure that has been most widely used in government and private economic forecasts. Projection is percent change, fourth quarter of the previous year to the fourth quarter of the year indicated.

Uncertainty and Risks

The vast majority of participants continued to judge the levels of uncertainty about their projections for real GDP growth and the unemployment rate as broadly similar to the norms during the previous 20 years (figure 4).¹⁹

19. Table 2 provides estimates of the forecast uncertainty for the change in real GDP, the unemployment rate, and total consumer price inflation over the period from 1994 through 2013. At the end of this summary, the box "Forecast Uncertainty" discusses the sources and interpretation of uncertainty in the economic forecasts and explains the approach used to assess the uncertainty and risks attending the participants' projections.

Figure 4. Uncertainty and risks in economic projections



NOTE: For definitions of uncertainty and risks in economic projections, see the box "Forecast Uncertainty." Definitions of variables are in the general note to table 1.

Most participants continued to judge the risks to real GDP growth and the unemployment rate to be broadly balanced, although a few participants viewed the risks as weighted to the downside, reflecting, for example, their concerns about the limited ability of monetary policy at the zero lower bound to respond to negative shocks to the economy as well as external economic and geopolitical risks. Similar to March, nearly all participants continued to judge the risks to the unemployment rate to be broadly balanced.

Almost all participants saw the level of uncertainty and the balance of risks around their forecasts for overall PCE inflation and core inflation as little changed from March.

Most participants continued to judge the levels of uncertainty associated with their forecasts for the two inflation measures to be broadly similar to historical norms, and a majority continued to see the risks to those projections as broadly balanced. A few participants, however, viewed the risks to their inflation forecasts as tilted to the downside, reflecting, for example, the possibilities that the recent low levels of inflation could prove more persistent than anticipated, and that the upward pull on prices from inflation expectations might be weaker than assumed. Conversely, two participants saw upside risks to inflation, with one citing uncertainty about the timing and efficacy of the Committee's withdrawal of accommodation.

Forecast Uncertainty

The economic projections provided by the members of the Board of Governors and the presidents of the Federal Reserve Banks inform discussions of monetary policy among policymakers and can aid public understanding of the basis for policy actions. Considerable uncertainty attends these projections, however. The economic and statistical models and relationships used to help produce economic forecasts are necessarily imperfect descriptions of the real world, and the future path of the economy can be affected by myriad unforeseen developments and events. Thus, in setting the stance of monetary policy, participants consider not only what appears to be the most likely economic outcome as embodied in their projections, but also the range of alternative possibilities, the likelihood of their occurring, and the potential costs to the economy should they occur.

Table 2 summarizes the average historical accuracy of a range of forecasts, including those reported in past *Monetary Policy Reports* and those prepared by the Federal Reserve Board's staff in advance of meetings of the Federal Open Market Committee. The projection error ranges shown in the table illustrate the considerable uncertainty associated with economic forecasts. For example, suppose a participant projects that real gross domestic product (GDP) and total consumer prices will rise steadily at annual rates of, respectively, 3 percent and 2 percent. If the uncertainty attending those projections is similar to that experienced in the past and the risks around the projections are broadly balanced, the numbers reported in table 2 would imply a probability of about 70 percent that actual GDP would expand within a range of 1.6 to 4.4 percent in the current year, 1.0 to 5.0 percent

in the second year, and 0.9 to 5.1 percent in the third year. The corresponding 70 percent confidence intervals for overall inflation would be 1.2 to 2.8 percent in the current year and 1.0 to 3.0 percent in the second and third years.

Because current conditions may differ from those that prevailed, on average, over history, participants provide judgments as to whether the uncertainty attached to their projections of each variable is greater than, smaller than, or broadly similar to typical levels of forecast uncertainty in the past, as shown in table 2. Participants also provide judgments as to whether the risks to their projections are weighted to the upside, are weighted to the downside, or are broadly balanced. That is, participants judge whether each variable is more likely to be above or below their projections of the most likely outcome. These judgments about the uncertainty and the risks attending each participant's projections are distinct from the diversity of participants' views about the most likely outcomes. Forecast uncertainty is concerned with the risks associated with a particular projection rather than with divergences across a number of different projections.

As with real activity and inflation, the outlook for the future path of the federal funds rate is subject to considerable uncertainty. This uncertainty arises primarily because each participant's assessment of the appropriate stance of monetary policy depends importantly on the evolution of real activity and inflation over time. If economic conditions evolve in an unexpected manner, then assessments of the appropriate setting of the federal funds rate would change from that point forward.

ABBREVIATIONS

AFE	advanced foreign economy
BHC	bank holding company
CDS	credit default swaps
C&I	commercial and industrial
CRE	commercial real estate
ECB	European Central Bank
E&I	equipment and intangible
EME	emerging market economy
FOMC	Federal Open Market Committee; also, the Committee
GDP	gross domestic product
IOER	interest on excess reserves
LIBOR	London interbank offered rate
MBS	mortgage-backed securities
ON RRP	overnight reverse repurchase agreement
PCE	personal consumption expenditures
REIT	real estate investment trust
SLOOS	Senior Loan Officer Opinion Survey on Bank Lending Practices
SOMA	System Open Market Account
S&P	Standard & Poor's
TDF	Term Deposit Facility

1700



Chart Showing the Federal Reserve's Projection of GDP Submitted by Senator Toomey

