

**STATE OF MINNESOTA** (REV. 10/16/2013)

**Professional Technical Services Master Contract --Encumbrance Form (For State Use Only)**

<b>RECS Project ID.:</b>	<b>N/A</b>	<b>Project Mgr.:</b>	<b>Gordon Christofferson</b>	<b>Contract Specialist:</b>	<b>Talia Landucci Owen</b>
		<b>Control No.</b>	<b>48070</b>	<b>RFP Event ID (if applicable)</b>	<b>2-1931</b>
<b>Project Name : Construction Audit Master Contract</b>					

<b>Total Amount of Contract:</b>	<b>N/A</b>	<b>Amount of Contract First FY:</b>		<b>Vendor Number:</b>	<b>0000873443</b>
<b>Category Code:</b>		<b>Category Code:</b>		<b>Category Code:</b>	
<b>Account:</b>		<b>Account:</b>		<b>Account:</b>	
<b>Amount:</b>	<b>N/A</b>	<b>Amount:</b>		<b>Amount:</b>	

<b>Accounting Distribution 1:</b>	<b>Accounting Distribution 2:</b>	<b>Accounting Distribution 3:</b>
<b>Business Unit:</b>	<b>Business Unit:</b>	<b>Business Unit:</b>
<b>Accounting Date:</b>	<b>Accounting Date:</b>	<b>Accounting Date:</b>
<b>Fund:</b>	<b>Fund:</b>	<b>Fund:</b>
<b>DeptID:</b>	<b>DeptID:</b>	<b>DeptID:</b>
<b>AppropID:</b>	<b>AppropID:</b>	<b>AppropID:</b>
<b>Project ID:</b> <b>N/A</b>	<b>Project ID:</b>	<b>Project ID:</b>
<b>Activity:</b>	<b>Activity:</b>	<b>Activity:</b>
<b>Amount:</b> <b>N/A</b>	<b>Amount:</b>	<b>Amount:</b>

SWIFT Contract No: 14ACA  
T#1402A/71815  
 \_\_\_\_\_  
 Number/Date/Entry Initials

SWIFT Order: \_\_\_\_\_  
 Number / Date/ See Signature Page

*[Individual signing SWIFT Order or Contract certifies that funds have been encumbered as required by Minn. Stat. §§ 16A.15 and 16C.05]*

**NOTICE TO CONSULTANT:** You are required to provide your social security number or Federal employer tax identification number and Minnesota tax identification number if you do business with the State of Minnesota.

**Contractor Name and Address:** **Fort Hill Associates, LLC**  
**37 Villa Road, Suite 106**  
**Greenville, South Carolina**  
**29615-3040**

**Contract Execution Date:** 12/12/2013  
**Contract End Date:** 11/30/2015  
 (\*Note: According to Minn. Stat. 16C.08 Subd. 3(S), the combined contract and amendment cannot exceed five years, unless otherwise provided for by law.)

**Contact Person:** **Martin Howell**  
**Contact Person Phone:** **864.250.9065**  
**Contact Person Fax:** **864.382.3141**  
**Contact Person Email:** **mhowell@forthillassociates.com**

**STATE OF MINNESOTA  
PROFESSIONAL AND TECHNICAL SERVICES  
MASTER CONTRACT  
CONSTRUCTION AUDITING SERVICES**

This master contract is between the State of Minnesota, acting through its Commissioner of Administration ("State") and Fort Hill Associates, LLC, 37 Villa Road, Suite 106, Greenville, South Carolina 29615-3040 ("Consultant").

**Recitals**

1. Under Minnesota Statute § 15.061 the State is empowered to engage such assistance as deemed necessary.
2. The State is in need of construction auditing services.
3. The Consultant represents that it is duly qualified and agrees to perform all services described in this master contract and performed under work order contracts to the satisfaction of the State.

**Master Contract**

**1 Term of Master Contract**

- 1.1 **Effective Date:** The date the State obtains all required signatures under Minnesota Statute § 16C.05, subd. 2. **The Consultant must not accept work under this master contract until this master contract is fully executed and the Consultant has been notified by the State's Authorized Representative that it may begin accepting Work Order Contracts.**
- 1.2 **Work Order Contracts.** The term of work under work order contracts issued under this master contract may not extend beyond the expiration date of this master contract.
- 1.3 **Expiration Date:** November 30, 2015.
- 1.4 **Survival of Terms.** The following clauses survive the expiration or cancellation of this master contract and all work order contracts: 8. Indemnification; 9. State Audits; 10. Government Data Practices and Intellectual Property; 13. Publicity and Endorsement; 14. Governing Law, Jurisdiction, and Venue; and 18. Data Disclosure.

**2 Scope of Work**

The Consultant, who is not a state employee, may be requested to perform any of the following services under individual work order contracts:

The Scope of Work for this master contract may include one or all of the following as described. A complete detailed description of required work will be furnished in each work order contract issued.

**A. Contract Compliance Audit:**

1. Test and monitor controls per the base contract, the State's General Conditions, and any applicable amendments.
2. Review payment applications.
3. Test for contract compliance
4. Test and evaluate change orders
5. Identify potential over-charges and recommend action to the Owner
6. Recommend control improvements during the audit process
7. Visit the site at least every three months during periods of major activity.

**B. Contract Compliance Audit services should include but are not limited to:**

1. Verification of all project costs incurred by the Consultant, including proper payroll, overhead, and administrative costs.
  - Craft & Staff Labor hours, wages and / or stipulated rates charged to the construction project (including compliance with Davis-Bacon Act prevailing wage laws).

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- Labor Burden costs such as employee benefits, Federal & State Unemployment Insurance, workers' compensation, and other labor burden cost elements charged to the project.
  - Materials & Equipment costs charged to the project.
  - Subconsultants' costs charged to the project.
  - Consultant Owned Equipment Rentals charged to the project.
  - Small Tools and other construction costs charged to the project.
  - General Liability and other insurance costs charged to the project.
  - Home Office Overhead costs charged to the project.
  - Fees and mark-ups of any kind charged to the project.
  - Bond expenses
2. Verification of proper sales and use tax charges.
  3. Verification of proper math and methods used by the Consultant to develop the final billing, including proper credits for discounts or refundable deposits.
  4. Verification that proper bidding procedures were followed for subconsultants.
  5. Reconciliation of all alternates and allowances.
  6. Verification that all cost charged to the job were incurred for this job and that any unused materials or tools are properly credited to the owner.
  7. Reconciliation of the "guaranteed-maximum" and "savings that accrue to the Owner" per the contract.
  8. Verification of all change order costs to confirm that:
    - None are base scope-related;
    - All change order calculations are applied accurately per the terms of the contract
    - When appropriate, calculations are based upon actual costs, not "estimates".
  9. Verification of proper contingency use and documentation per the contract
  10. Final project cost reconciliation.
  11. Support during negotiation for adjustments based on audit findings.
  12. Review financial reports submitted by the CM.

C. Project Close-Out Audit:

1. Determine if obligations to subconsultants and suppliers have been satisfied
2. Review back-charges and buy-outs
3. Identify potential over-charges and recommend action to the Owner
4. Reconcile final billing and verify final billing accuracy
5. Provide final report to the owner with any recommendations for action

D. Special Tasks

1. Tasks that utilize the special skills and experience of the construction auditor. This may include, but are not limited to:
  - Review of specific construction cost proposals (Supplemental Agreements). May be a part of a project that otherwise is not being reviewed by construction auditor.
  - Review of construction contracts and cost control procedures for the purpose of refining or special tailoring of requirements so as to facilitate auditing and construction cost control after those documents are put into use.
  - Review of any other costs charged by a consultant or vendor.
  - Assistance with negotiations over proposed costs.

E. Other related services

The Consultant understands that only the receipt of a fully executed work order contract authorizes the Consultant to begin work under this master contract. Any and all effort, expenses, or actions taken before the work order contract is

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fully executed is not authorized under Minnesota Statutes and is under taken at the sole responsibility and expense of the Consultant. A sample work order contract is attached and incorporated into this master contract as Exhibit A.

The Consultant understands that this master contract is not a guarantee of a work order contract. The State has determined that it may have need for the services under this master contract, but does not commit to spending any money with the Consultant.

### 3 Time

The Consultant must comply with all the time requirements described in work order contracts. In the performance of work order contracts, time is of the essence.

### 4 Consideration and Payment

4.1 **Consideration.** The State will pay for all services satisfactorily performed by the Consultant for all work order contracts issued under this master contract. The total compensation of all work order contracts may not exceed \$2,000,000.00. All costs will follow the Consultant's fee schedule attached as Exhibit B and incorporated into this agreement. The Consultant may revise its fee schedule once a year after June 30, 2015. However, hourly rates may not exceed a 3% increase each year. Revised fee schedules meeting the requirements of this section will be effective on the date received by the State.

**Travel Expenses.** There are no allowable travel or other reimbursable expenses. All such expenses are included in the Consultant's fee schedule of hourly rates.

If included in hourly rates, travel and subsistence expenses actually and necessarily incurred by the Consultant as a result of any work order contract will be in same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the commissioner of Employee Relations. A copy of the Commissioner's Plan is available on the web at: <http://www.mmb.state.mn.us/comp-commissioner> (click on "Commissioner's Plan" in the right side column). The Consultant will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state. If during the course of the work, it is determined that subconsultant(s) are needed, their costs, when approved by the State's Project Manager, will be negotiated as an additional service at one (1.0) times Responder's cost.

#### 4.2. Payment

(A) **Invoices.** The State will promptly pay the Consultant after the Consultant presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely no more frequently than monthly.

(B) **Retainage.** Under Minnesota Statute § 16C.08, subdivision 5(b), no more than 90 percent of the amount due under any work order contract may be paid until the final product of the work order contract has been reviewed by the State's agency head. The balance due will be paid when the State's agency head determines that the Consultant has satisfactorily fulfilled all the terms of the work order contract.

### 5 Conditions of Payment

All services provided by the Consultant under a work order contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Consultant will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

### 6 Authorized Representatives and Project Managers

The State's Authorized Representative for this master contract is Talia Landucci Owen, Contracts Specialist, 651.201.2372 or Gordon Christofferson, Project Operations Manager, 651.201.2380, or his/her successor, and has the responsibility to monitor the Consultant's performance.

The State's Project Manager will be identified in each work order contract.

The Consultant's Authorized Representative is Martin Howell, Principal, 864.250.9065. If the Consultant's Authorized Representative changes at any time during this master contract, the Consultant must immediately notify the State.

The Consultant's Project Manager will be identified in each work order contract.

**7 Assignment, Amendments, Waiver, and Contract Complete**

7.1 **Assignment.** The Consultant may neither assign nor transfer any rights or obligations under this master contract or any work order contract without the prior consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this master contract, or their successors in office.

7.2 **Amendments.** Any amendment to this master contract or any work order contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original contract, or their successors in office.

7.3 **Waiver.** If the State fails to enforce any provision of this master contract or any work order contract, that failure does not waive the provision or its right to enforce it.

7.4 **Contract Complete.** This master contract and any work order contract contain all negotiations and agreements between the State and the Consultant. No other understanding regarding this master contract or work order contract, whether written or oral, may be used to bind either party.

**8 Indemnification**

In the performance of this contract by Consultant, or Consultant's agents or employees, the Consultant must indemnify, save, and hold harmless the State, its agents, and employees, from any claims or causes of action, including attorney's fees incurred by the state, to the extent caused by Consultant's:

- 1) Intentional, willful, or negligent acts or omissions; or
- 2) Actions that give rise to strict liability; or
- 3) Breach of contract or warranty.

The indemnification obligations of this section do not apply in the event the claim or cause of action is the result of the State's sole negligence. This clause will not be construed to bar any legal remedies the Consultant may have for the State's failure to fulfill its obligation under this contract.

**9 State Audits**

Under Minnesota Statute§ 16C.05, subdivision 5, the Consultant's books, records, documents, and accounting procedures and practices relevant to any work order contract are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this master contract.

**10 Government Data Practices and Intellectual Property**

10.1. **Government Data Practices.** The Consultant and State must comply with the Minnesota Government Data Practices Act, Minnesota StatuteCh. 13, as it applies to all data provided by the State under any work order contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Consultant under the work order contract. The civil remedies of Minnesota Statute§ 13.08 apply to the release of the data referred to in this clause by either the Consultant or the State.

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If the Consultant receives a request to release the data referred to in this Clause, the Consultant must immediately notify the State. The State will give the Consultant instructions concerning the release of the data to the requesting party before the data is released.

#### 10.2. *Intellectual Property Rights*

(A) *Intellectual Property Rights.* The State owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents *created and paid for under work order contracts*. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Consultant, its employees, agents, and subConsultants, either individually or jointly with others in the performance of this master contract or any work order contract. Works includes "Documents." Documents are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Consultant, its employees, agents, or subConsultants, in the performance of a work order contract. The Documents will be the exclusive property of the State and all such Documents must be immediately returned to the State by the Consultant upon completion or cancellation of the work order contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." The Consultant assigns all right, title, and interest it may have in the Works and the Documents to the State. The Consultant must, at the request of the State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

#### (B) *Obligations*

1. *Notification.* Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Consultant, including its employees and subConsultants, in the performance of the work order contract, the Consultant will immediately give the State's Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure thereon.

2. *Representation.* The Consultant must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the State, and that neither Consultant nor its employees, agents, or subConsultants retain any interest in and to the Works and Documents. The Consultant represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, the Consultant will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Consultant's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Consultant will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Consultant's or the State's opinion is likely to arise, the Consultant must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

### 11 **Affirmative Action Requirements for Contracts in Excess of \$100,000 and if the Consultant has More than 40 Full-time Employees in Minnesota or its Principal Place of Business**

The State intends to carry out its responsibility for requiring affirmative action by its Consultants.

11.1 *Covered Contracts and Consultants.* If the Contract exceeds \$100,000 and the Consultant employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the

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state where it has its principle place of business, then the Consultant must comply with the requirements of Minnesota Statute § 363A.36 and Minnesota Rule Parts 5000.3400-5000.3600. A Consultant covered by Minnesota Statute § 363A.36 because it employed more than 40 full-time employees in another state and does not have a certificate of compliance, must certify that it is in compliance with federal affirmative action requirements.

11.2 **Minnesota Statute § 363A.36.** Minnesota Statute § 363A.36 requires the Consultant to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights (“Commissioner”) as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.

11.3 **Minnesota Rule Parts 5000.3400-5000.3600.**

(A) **General.** Minnesota Rule Parts 5000.3400-5000.3600 implement Minnesota Statute § 363A.36. These rules include, but are not limited to, criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a Consultant’s compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for non-compliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minnesota Rule Parts 5000.3400-5000.3600 including, but not limited to, parts 5000.3420-5000.3500 and 5000.3552-5000.3559.

(B) **Disabled Workers.** The Consultant must comply with the following affirmative action requirements for disabled workers.

- (1) The Consultant must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The Consultant agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- (2) The Consultant agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
- (3) In the event of the Consultant's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minnesota Statutes Section 363A.36, and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
- (4) The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices must state the Consultant's obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.
- (5) The Consultant must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Consultant is bound by the terms of Minnesota Statutes Section 363A.36, of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.

(C) **Consequences.** The consequences for the Consultant’s failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a

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certificate of compliance by the Commissioner, refusal by the Commissioner to approve subsequent plans, and termination of all or part of this contract by the Commissioner or the State.

- (D) *Certification.* The Consultant hereby certifies that it is in compliance with the requirements of Minnesota Statute§ 363A.36 and Minnesota Rule Parts 5000.3400-5000.3600 and is aware of the consequences for noncompliance.

## 12 Workers' Compensation and Other Insurance

Consultant certifies that it is in compliance with all insurance requirements specified in Exhibit D1.

Further, the Consultant certifies that it is in compliance with Minnesota Statute§ 176.181, subdivision 2, pertaining to workers' compensation insurance coverage. The Consultant's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way the State's obligation or responsibility.

## 13 Publicity and Endorsement

13.1 *Publicity.* Any publicity regarding the subject matter of a work order contract must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Consultant individually or jointly with others, or any subconsultants, with respect to the program, publications, or services provided resulting from a work order contract.

13.2 *Endorsement.* The Consultant must not claim that the State endorses its products or services.

## 14 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this master contract and all work order contracts. Venue for all legal proceedings out of this master contract and/or any work order contracts, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

## 15 Payment to Subconsultants

(If applicable) As required by Minnesota Statute§ 16A.1245, the prime Consultant must pay all subconsultants, less any retainage, within 10 calendar days of the prime Consultant's receipt of payment from the State for undisputed services provided by the subconsultant(s) and must pay interest at the rate of one and one-half percent per month or any part of a month to the subconsultant(s) on any undisputed amount not paid on time to the subconsultant(s).

## 16 Minnesota Statute§ 181.59

The vendor will comply with the provisions of Minnesota Statute§ 181.59 which requires:

Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the Consultant agrees: (1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Consultant, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) That no Consultant, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) That a violation of this section is a misdemeanor; and (4) That this contract may be canceled or terminated

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by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

**17 Termination**

17.1 **Termination by the State.** The State or commissioner of Administration may cancel this master contract and any work order contracts at any time, with or without cause, upon 30 days' written notice to the Consultant. Upon termination, the Consultant will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

17.2 **Termination for Insufficient Funding.** The State may immediately terminate this master contract and any work order contract if it does not obtain funding from the Minnesota legislature or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Consultant. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Consultant will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the master contract or work order is terminated because of the decision of the Minnesota legislature or other funding source, not to appropriate funds. The State must provide the Consultant notice of the lack of funding within a reasonable time of the State's receiving that notice.

**18 Data Disclosure**

Under Minnesota Statute § 270C.65, Subdivision 3 and other applicable law, the Consultant consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring the Consultant to file state tax returns, pay delinquent state tax liabilities, if any, or pay other state liabilities.

**19 E-Verify Certification (In accordance with Minn. Stat. §16C.075)**

For services valued in excess of \$50,000, Consultant certifies that as of the date of services performed on behalf of the State, Consultant and all its subconsultants will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. Consultant is responsible for collecting all subconsultant certifications and may do so utilizing the E-Verify Subconsultant Certification Form available at <http://www.mmd.admin.state.mn.us/doc/EverifySubCertForm.doc>. All subconsultant certifications must be kept on file with Consultant and made available to the State upon request.

**20 Schedule of Exhibits**

The following exhibits are attached and incorporated into this Master Contract.

- Exhibit A: Sample Work Order
- Exhibit B: Fee Schedule
- Exhibit C: Consultant's Qualifications
- Exhibit D1: State Insurance Requirements
- Exhibit E: Affirmative Action Certification
- Exhibit F: Certification Regarding Lobbying
- Exhibit G: Not Used
- Exhibit H: Not Used
- Exhibit I: Affidavit of Noncollusion

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IN WITNESS WHEREOF State has caused this Agreement to be duly executed in its behalf and the Consultant has caused the same to be duly executed on its behalf.

**1. CONSULTANT - Fort Hill Associates, LLC**

The Consultant certifies that the appropriate person(s) have executed the contract on behalf of the Consultant as required by applicable articles or bylaws.

By:   
Printed Name: Martin S. Howell  
Title: Principal  
Date: 12/6/13

**2. STATE AGENCY - Department of Administration**

By:   
(with delegated authority)

Printed Name: Gordon Christofferson

Title: Project Operations Manager

Date: 12/11/13

**3. COMMISSIONER OF ADMINISTRATION**

As delegated to Materials Management Division

By:   
Date: 12/12/13

# 35910

## Exhibit A

### SAMPLE STATE OF MINNESOTA PROFESSIONAL AND TECHNICAL SERVICES WORK ORDER CONTRACT

This work order contract is between the State of Minnesota, acting through its \_\_\_\_\_ ("State") and \_\_\_\_\_ ("Consultant"). This work order contract is issued under the authority of Master Contract T-Number \_\_\_\_\_, SWIFT Number \_\_\_\_\_, and is subject to all provisions of the master contract which is incorporated by reference.

#### Work Order Contract

#### 1 Term of Contract

1.1 **Effective date:** \_\_\_\_\_, or the date the State obtains all required signatures under Minnesota Statute § 16C.05, subdivision 2, whichever is later.

**The Consultant must not begin work under this contract until this contract is fully executed and the Consultant has been notified by the State's Authorized Representative to begin the work.**

1.2 **Expiration date:** \_\_\_\_\_, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

#### 2 Consultant's Duties

The Consultant, who is not a state employee, will: \_\_\_\_\_.

#### 3 Consideration and Payment

3.1 **Consideration.** The State will pay for all services performed by the Consultant under this work order contract as follows:

(A) **Compensation.** The Consultant will be paid \_\_\_\_\_.

(B) **Travel Expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Consultant as a result of this work order contract will not exceed \$N/A \_\_\_\_\_.

(C) **Total Obligation.** The total obligation of the State for all compensation and reimbursements to the Consultant under this work order contract will not exceed \$ \_\_\_\_\_.

3.2. **Invoices.** The State will promptly pay the Consultant after the Consultant presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule:

#### 4 Project Managers

The State's Project Manager is \_\_\_\_\_. The State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Consultant's Project Manager is \_\_\_\_\_. If the Consultant's Project Manager changes at any time during this work order contract, the Consultant must immediately notify the State.

**SIGNATURES AS REQUIRED BY THE STATE.**

# Exhibit B

Fort Hill Hourly Fee Schedule to the State of Minnesota*			
Principal	Title	Hourly Rate to the State of Minnesota	
Martin Howell	Engagement Manager	\$	140.00
Doug Plyler	Audit Manager	\$	140.00
Curt Plyler	Audit Manager	\$	140.00

\* A not-to-exceed price per project is available upon request



11/5/13

MARTIN HOWELL

PRINCIPAL

## EXHIBIT C - QUALIFICATIONS PROPOSAL

<p>STATE OF MINNESOTA  REAL ESTATE AND CONSTRUCTION SERVICES (State)  Qualifications and General Requirements Information</p>	<p>1. PROJECT: Construction Auditing Services</p>
<p>2. RESPONDER'S NAME &amp; ADDRESS (include 9-digit zip code):   Fort Hill Associates, LLC  37 Villa Road, Suite 106  Greenville, South Carolina 29615-3040</p> <p>2a. COUNTY OF RESPONDER'S LOCATION: Greenville</p> <p>2b. RESPONDER'S STATE VENDOR NO. : 0000873443</p> <p>2c. DATE FIRM ESTABLISHED: 2006</p>	<p>2d. NAME, TITLE &amp; TELEPHONE NUMBER PERSON SIGNING PROPOSAL  (see Section 8):   Martin Howell  Principal</p> <p>2e. RESPONDER'S (CONTACT) TELEPHONE NO.: 864.250.9065</p> <p>2f. RESPONDER'S FAX NUMBER: 864.382.3141</p> <p>2g. RESPONDER'S EMAIL ADDRESS: mhowell@forthillassociates.com</p>

3. RESPONDER'S STATEMENT OF INTEREST TO PERFORM THE SERVICES AS INDICATED IN THE RFP:

Fort Hill Associates, LLC is pleased to submit this request for proposal to provide Construction Auditing services to the State of Minnesota Department of Administration's Real Estate and Construction Services.

Fort Hill is a leading construction audit consultancy and is available to perform the services called for in this RFP in a prompt and timely manner. Fort Hill specializes in auditing the billings of a project against the contractual terms to identify and recover contract leakage to help our clients. Fort Hill's Principals and Associates have extensive experience auditing contracts in the fields of construction, contract labor, engineering, and facilities maintenance. We have experience working closely with the Internal Audit Departments and Facilities Departments with many of our clients.

Services Offered:

- Pre-Construction Contract Reviews
- Construction Phase Contract Audits
- Construction Closeout Contract Audits
- On-site Training
- Owner Capital Accounting Process Reviews

Fort Hill's sole focus is providing construction contract audit services and has vast experience in the public/not-for-profit sector. This specialization will allow Fort Hill to perform the various functions outlined in the proposal. Upon completion of the project and resolution of the audit, Fort Hill will utilize the audit findings to demonstrate how to prevent these issues from reoccurring. This action can be as simple as a "lessons learned" review with management to a formal educational seminar with staff. Fort Hill's audit capabilities will allow the State of Minnesota to satisfy external fiduciary duties along with the internal "checks and balances" projects of these sizes and types command.

3a. RESPONDER'S STATEMENT ON AVAILABILITY TO START WORK PROMPTLY UPON EXECUTION OF CONTRACT AND TO PROMPTLY DELIVER SERVICES:

Fort Hill's standard audit timeline is 6-8 weeks; additionally, Fort Hill has the ability and resources to promptly commence its audit program upon the State of Minnesota's request.

4. TEAM PROPOSED FOR THIS PROJECT

NAME	POSITION (Also, identify if working with team as sub consultant or on contract basis)	HAS PERSON WORKED WITH RESPONDER BEFORE?
A. Martin Howell – Engagement Manager	Principal	<input type="checkbox"/> YES <input checked="" type="checkbox"/> X_NO
B. Doug Plyler – Audit Manager	Principal	<input type="checkbox"/> YES <input checked="" type="checkbox"/> X_NO
C. Curt Plyler – Audit Manager	Principal	<input type="checkbox"/> YES <input checked="" type="checkbox"/> X_NO
D.		<input type="checkbox"/> YES <input type="checkbox"/> NO

5. RESPONDENT'S TEAM QUALIFICATIONS

Team member "A" from Section 4, above.

Name of Individual Martin Howell

Number of audits for projects with construction cost exceeding \$5 Million dollars 55

List at least four audits completed within the last five years that exceed the above construction cost, that are for public or large institutional clients. Also list Construction Cost, Owner, Duration of Audit, Contracting Model (CM at Risk, Design/Build, Design/Bid/Build, Other - Describe)

1. Project Center for the Arts Duration of Audit 10 weeks

Owner Virginia Polytechnic University (Blacksburg, VA) Contracting Model CM At Risk

Construction Cost \$93,000,000

2. Project Cougar Dining Hall Duration of Audit 6 weeks

Owner The University of Houston (Houston, TX) Contracting Model CM at Risk

Construction Cost \$7,000,000

3. Project Clovis Community Medical Center Expansion (Approx. 2 months each) Duration of Audit Four different audits: 2010-Present (Approx. 2 months)

Owner Clovis Community Medical Center (Fresno, CA) Contracting Model CM at Risk

Construction Cost \$195,000,000

4. Project State of Virginia - State Fairgrounds Duration of Audit 8 weeks

Owner The State of Virginia State Fairgrounds (Loudon, VA) Contracting Model CM at Risk

Construction Cost \$55,000,000

5. Project Multiple Projects \_\_\_\_\_  
on average \_\_\_\_\_

Duration of Audit: Multiple Projects from 2008-Present typically 6-8 weeks

Owner Duke University (Durham, NC) \_\_\_\_\_  
Price \_\_\_\_\_ Contracting Model CM at Risk, Design Bid,

Construction Cost \$250,000,000 \_\_\_\_\_

**Team member "B" from Section 4, above.**

Name of Individual Douglas M Plyler \_\_\_\_\_

Number of audits for projects with construction cost exceeding \$5 Million dollars 48 \_\_\_\_\_

List at least four audits completed within the last five years that exceed the above construction cost, that are for public or large institutional clients. Also list Construction Cost, Owner, Duration of Audit, Contracting Model (CM at Risk, Design/Bid/Build, Design/Bid/Build, Other – Describe)

1. Project Osprey Fountains \_\_\_\_\_ Duration of Audit 10 weeks \_\_\_\_\_  
Owner The University of North Florida (Jacksonville, FL) \_\_\_\_\_ Contracting Model CM at Risk \_\_\_\_\_  
Construction Cost \$63,000,000 \_\_\_\_\_

2. Project Signature Engineering Building \_\_\_\_\_ Duration of Audit 9 weeks \_\_\_\_\_  
Owner Virginia Polytechnic University (Blacksburg, VA) \_\_\_\_\_ Contracting Model Design/Build \_\_\_\_\_  
Construction Cost \$95,000,000 \_\_\_\_\_

3. Project Chris Evert Children's Healthcare Expansion \_\_\_\_\_ Duration of Audit Three different audits: 2011-Present (approximately 6 weeks each) \_\_\_\_\_  
Owner Broward Health (Ft. Lauderdale, FL) \_\_\_\_\_ Contracting Model CM at Risk \_\_\_\_\_  
Construction Cost \$25,000,000 \_\_\_\_\_

4. Project Jaguar Suites \_\_\_\_\_ Duration of Audit 7 weeks \_\_\_\_\_

Owner \_\_The University of Houston - Victoria\_(Victoria, Texas) \_\_\_\_\_ Contracting Model \_\_CM at Risk \_\_\_\_\_  
Construction Cost \_\_\$20,000,000 \_\_\_\_\_

5. Project \_\_Multiple Projects \_\_\_\_\_ Duration of Audit Multiple Projects from 2007-Present (Approximately 6-8 weeks on average) \_\_\_\_\_  
Owner \_\_Greenville Health System\_(Greenville, SC ) \_\_\_\_\_ Contracting Model \_\_CM at Risk, Design Build \_\_\_\_\_  
Construction Cost \_\_\$250,000,000 \_\_\_\_\_

**Team member "C" from Section 4, above.**

Name of Individual \_\_Curtis H Plyler \_\_\_\_\_

Number of audits for projects with construction cost exceeding \$5 Million dollars \_\_62 \_\_\_\_\_

List at least four audits completed within the last five years that exceed the above construction cost, that are for public or large institutional clients. Also list Construction Cost, Owner, Duration of Audit, Contracting Model (CM at Risk, Design/Build, Design/Bid/Build, Other – Describe)

1. Project \_\_Cone Health System Expansion \_\_\_\_\_ Duration of Audit\_Periodic Audits from 2010 – Present (Approximately 6 to 8 weeks on average) \_\_\_\_\_ Contracting Model \_\_CM at Risk \_\_\_\_\_  
Owner \_\_Cone Health System (Greensboro, NC) \_\_\_\_\_  
Construction Cost \_\_\$120,000,000 \_\_\_\_\_
2. Project \_\_WakeMed \_\_\_\_\_ Duration of Audit\_\_ Multiple Projects from 2009-Present (Approximately 6-9 weeks on average) \_\_\_\_\_ Contracting Model \_\_Design/Build, CM at Risk \_\_\_\_\_  
Owner \_\_WakeMed (Raleigh, NC) \_\_\_\_\_  
Construction Cost \_\_\$60,000,000 \_\_\_\_\_
3. Project \_\_Stamford Health \_\_\_\_\_ Duration of Audit\_Periodic Audits from 2013 – Present (Approximately 5 to 7 weeks on average) \_\_\_\_\_ Contracting Model \_\_CM at Risk \_\_\_\_\_  
Owner \_\_Stamford Health (Stamford, CT) \_\_\_\_\_  
Construction Cost \_\_\$200,000,000 \_\_\_\_\_

4. Project \_\_ Upper Quad \_\_\_\_\_ Duration of Audit \_\_ 7 weeks \_\_\_\_\_

Owner \_\_ Virginia Polytechnic University (Blacksburg, VA) \_\_\_\_\_ Contracting Model \_\_ CM at Risk \_\_\_\_\_

Construction Cost \_\_ \$20,000,000,000 \_\_\_\_\_

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5. Project \_\_ Duke University Health System \_\_\_\_\_ Duration of Audit \_\_ Multiple Projects from 2009-Present typically 7-10 weeks on average \_\_\_\_\_

Owner \_\_ Duke University Health System (Durham, NC) \_\_\_\_\_ Contracting Model \_\_ CM at Risk, Design Bid \_\_\_\_\_

Construction Cost \_\_ \$300,000,000 \_\_\_\_\_

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## 6. PROJECT ACCOMPLISHMENTS AND EXPERIENCE

1. What is the largest, in terms of construction cost, audit that person "A", as cited in Exhibit C, Section 4, has participated in? *(Please provide project details, challenges, how challenges were approached, and the outcome of the overall audit.)*

The largest project in terms of construction value that Martin Howell (Person A) has participated in as the Engagement Manager was Northeast Georgia Health System's major hospital expansion in Gainesville, Georgia. This project initially included a new patient tower (\$110MM) and imaging center (\$20MM). Subsequently, Fort Hill was also brought in to perform a pre-construction contract review and subsequent construction contract audits on the Owner's new Patient Tower (\$105MM) in nearby Braselton, Georgia.

### Project Details:

The North Patient Tower is a seven story new construction project tied into an existing operational hospital and consists of 32 ICU beds and 96 surgical beds. The Imaging Center is three story free standing structure for CT, MRI, PET, and X-ray scans. Northeast Georgia's new patient tower is designed to anchor its South Hall County Campus in Braselton, Georgia

Fort Hill's audit process validated the reimbursable basis of all charges billed back to the Owner. On the projects listed below, Fort Hill identified issues surrounding labor bill rates, labor burden, insurance, information technology costs, rework, Subcontractors, and various other miscellaneous items whose reimbursable basis violated contractual terms. In some instances, these issues were mitigated up front during a pre-construction contract review. In other instances during construction phase reviews, credits were subsequently issued to the Owner. Due to confidentiality agreements signed with the various references listed below, Fort Hill cannot state the specific issues identified and associated cost recoveries. However, the University of Minnesota is free to contact any of the references listed later in this section to better understand the results of the various engagements. Additionally, a complete reference list is available upon request.

North Patient Tower - Fort Hill Associates performed a close-out audit for NGHS. The Owner brought FHA in to provide insight into the final accounting offered by the Construction Manager and one of the main trades. The audit was conducted over an eight week period.

Imaging Center - Fort Hill Associates also performed a close-out audit for NGHS on the CM for this project and represented the Owner in Mediation over the findings of the audit.

South Hall Project - Fort Hill Associates performed a pre-construction contract review of for NGHS along with subsequent periodic audits during the project. This project is still on-going.

### Challenges/Outcome:

Fort Hill's initial audit of the \$110MM project at NGHS's main campus in Gainesville brought forth its major challenge in the review of a Subcontractor's billings to the Owner. This Subcontractor had a GMP contract with the Construction Manager that enabled them to recoup costs that were clearly non-reimbursable pursuant to the Owner's agreement the Construction Manager. Fort Hill worked with the Owner, Construction Manager, and Subcontractor to remedy a solution that satisfied all parties - with all parties giving on certain items in order to reach a mutually beneficial solution.

Fort Hill's audit of the \$20MM Imaging Center identified a Construction Manager billing process in total violation of the underlying Contract between the CM and Owner. The Owner's General Counsel utilized Fort Hill's findings as the basis for a mediation hearing between the Owner and Construction Manager to remedy a solution. Fort Hill was present at the mediation hearing and testified accordingly.

Fort Hill's main challenge on the \$105MM Braselton project involved the audit findings of four Subcontractors who each were operating under a reimbursable contract (with the Construction Manager) that deviated from the Owner's Contract with the Construction Manager. As with the Owner's other project in Gainesville, Fort Hill worked with the Owner, Construction Manager, and Subcontractor to remedy a solution that satisfied all parties – with all parties giving on certain items in order to reach a mutually beneficial solution.

What is the most challenging audit that person "A", as cited in Exhibit C, Section 4, has worked on? *(Please describe what made this project most challenging, how challenges were approached)*

The most challenging project that Martin Howell (Person A) has worked on was the new North Concourse, Duke Medicine Pavilion, and Cancer Center Projects for the Duke University Health System. The Construction Manager on these projects elected to utilize three of the major Subcontractors under a reimbursable arrangement. Most CM at Risk projects utilize a fixed-fee arrangement for the trades performing work under the CM. In this case, the three trades representing contract values of \$75M, \$22M, and \$32M respectively, completed work on the three separate projects for DUHS.

By utilizing reimbursable contracts for the three trades, the audit required Fort Hill to not only validate the costs incurred by the Construction Manager, but also all costs associated with the trades. The trades were also required to segment all of the work by project (North Concourse, Medicine Pavilion, and Cancer Center).

#### Challenges:

- Subcontractors were not accustomed to billing on a reimbursable basis and did not provide adequate support to substantiate costs incurred in each period.
- The Subcontractors had significant labor personnel on the job site – in some instances over 350 on staff supporting the three projects. The Subs did not have a method of segregating their labor costs and material costs by project.
- The CM did not have the resources available to validate the billings submitted by the Subcontractors.
- The Audit scope expanded from an interim and close-out review of the CM's performance on the North Concourse, Duke Medicine Pavilion, and Cancer Center to audit reviews of both the CM and Subcontractors.

#### Approach:

- Fort Hill worked with the CM to address the documentation that should be provided with each pay application from the Subcontractors.
- Fort Hill took on the role normally completed by the CM to validate the pay applications and support (invoices, receipts, time sheets etc.) for accuracy and compliance with the terms and conditions established in the Contract.

2. What is the largest, in terms of construction cost, audit that person "B", as cited in Exhibit C, Section 4, has participated in? (Please provide project details, challenges, how challenges were approached, and the outcome of the overall audit.)

The largest project in terms of construction value that Doug Plyler (Person B) has participated in as the Engagement Manager was F. Hoffman La Roche's construction of a \$240,000,000 pharmaceutical facility in Penzberg, Germany. Fort Hill performed audits of both the Construction Manager along with the A&E firm responsible for administering this project. This audit of this capacity expansion took place in early 2010 and was Fort Hill's initial audit conducted outside of the United States.

#### Project Approach:

Fort Hill's audit process validated the reimbursable basis of all charges billed back to the Owner. Fort Hill had an initial kickoff meeting with each Contractor to map out both an audit timeline but also to go over an initial documentation request. Fort Hill's subsequent field visit to both Contractors detailed issues and sought further information as a result of the information received in the initial documentation request. Fort Hill subsequently drafted an audit report for the Owner detailing all the exceptions (to the Contract) billed to the Owner as a reimbursable cost.

#### Challenges/Results:

On this specific project in Penzberg and Fort Hill's first project auditing a German Contractor, the obvious main challenge was ensuring German payroll taxes and benefits were being billed in a matter consistent with both the contractual terms but also German labor laws. Fort Hill had previously audited projects for this client in the United States and the Owner utilized a similar contract; however, tax statutes and required benefits are obviously different between the United States and Germany. Fort Hill employed a consultant to assist in fulfilling the gap that existed between Fort Hill's audit program and German labor laws. Fort Hill reached a successful conclusion to the audit approximately 8 weeks after audit commencement with the prime goal of ensuring labor was billed at cost reached. Due to confidentiality agreements signed with the various references listed below, Fort Hill cannot state the specific issues identified and associated cost recoveries. However, the State of Minnesota is free to contact any of the references listed below to better understand the results of the various engagements. Additionally, a complete reference list is available upon request.

What is the most challenging audit that person "B", as cited in Exhibit C, Section 4, has worked on? (Please describe what made this project most challenging, how challenges were approached)

The most challenging project that Doug Plyler (Person B) has worked on is the Clovis Community Medical Center in Fresno, California. The Contract utilized by the Owner on this \$195MM project was a reimbursable (GMP) master agreement consisting of six, "Mini-GMP's" that were supposed to be broken down on a component level. Fort Hill was introduced to the project approximately six months after contract execution and has since engaged in periodic audits (and will until project completion in 2014).

#### Challenges:

- The Construction Manager did not segment general condition costs amongst the various components as specified by the Contract.
- Many issues addressed in the Contract were billed in a totally different manner. The Contractor had been billed in this manner for several years on other projects (administered under the same contractual terms) and thus showed some resistance to changing their billing procedures to a manner commiserate with the underlying contract.
- The CFO left the hospital during the middle of the project.

- Board meetings required significant time constraints on the production of an audit report (on some audit reviews).
- The Construction Manager had a major staff transition during the project life cycle with both the Project Manager and Project Executive transferring to other Construction Manager projects.

**Approach:**

- Fort Hill corresponded with both the hospital executive team and the outsourced Project Management group to keep all parties apprised of the issues in a timely manner.
- Fort Hill condensed an audit timeline in order to meet the hospital's goals with regards to board meetings, etc.
- Fort Hill drafted a Memorandum of Understanding between the Owner and Construction Manager to clarify all the issues and put in place a legally binding document to assist going forward.

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## 7. UNIQUE QUALIFICATIONS

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### Capabilities / Services/Client Offerings

Fort Hill is strictly a construction contract audit firm. Within this area, Fort Hill has specialized in many public projects. Fort Hill's typical engagement with these entities consists of the "one-off" opportunities, but also strives to act as an ongoing collaborative partner in a public building program. As a collaborative partner, Fort Hill has performed construction audit services at all steps in a building program – from assistance to the Owner's legal representation in contract preparation to assistance to the Owner's project group with RFP issuance and pre-construction contract reviews all the way to periodic and closeout audits.

Fort Hill believes strongly that utilizing its firms' Principals as the Engagement Manager and Audit Managers for the State of Minnesota will increase efficiency, result in higher quality, and give the highest level of service to the State of Minnesota. All of Fort Hill's Principals are Certified Construction Auditors. As can be seen in the chart on the following pages, Fort Hill's client base contains industry leaders in both the public and private sectors:

While the RFP specified by the requirement specified a more retrospective audit approach as opposed to pre-construction contract reviews, Fort Hill's preferred methodology on projects early in the project life cycle is to execute a pre-construction contract review (as specified below). Fort Hill's construction phase/closeout reviews can be performed with or without a pre-construction contract review.

### Pre-Construction Contract Reviews

Prior to execution of the Contract between the Owner and the Contractor, a thorough review of all language in the Contract is undertaken (the contracts to be reviewed can be the standard AIA or Design Builders of Americas or a completely new and customized Contract). This step clarifies any ambiguous language that may not be of benefit to the Owner. Additionally, during the Pre-Construction Contract Review, all rates included in the Contract are validated. These rates include items such as labor bill rates, labor burden rates, insurance, sub-guard, builder's risk, CCIP, OCIP, IT rates, and others. In many instances, the rates provided by the Contractor have the potential to be additional profit centers beyond the actual fee established in the Contract. In these cases, we would validate the rates provided by the Contractor with the actual costs to be incurred and reset the rates to the appropriate level if necessary.

Addressing each of these items prior to construction ensures the Contractor is fully aware of the expectations of the Owner and is contractually bound to meet them. Our team facilitates and manages this process in conjunction with the Owner's agreement.

### Construction Phase and Closeout Contract Audits

Construction Phase Audits consists of reviews at set points in the project timeline. These reviews include all of the support required to validate the reimbursable basis of costs billed to the Owner. While some firms merely rely on a sampling technique at some point in time during the life of the construction project, Fort Hill's audit process will focus on the aggregate billings. On a construction contract audit, this distinction is key as many audit findings result from seeing the whole picture in aggregate, not a 'snapshot' or subset of transactions.

The State of Minnesota's plans for a construction phase/closeout review (as specified in the RFP) will result in Fort Hill customizing its standard audit procedure (as shown on the following pages) to best serve its client's needs.

*Financial Control Process Reviews*

Fort Hill has also reviewed Owner internal control processes to ensure large capital projects are managed appropriately both from a financial standpoint as well as a project management viewpoint. Fort Hill has inserted control points throughout the Owner's capital process in order to mitigate and manage risk as well as add another layer to project oversight in certain instances.



<b>Fort Hill Associates, LLC – Recent Project Experience</b>			
<b>Project Name</b>	<b>Location</b>	<b>Project Description</b>	<b>Project Cost</b>
Alexian Brothers Medical System	Chicago, IL	Construction of new Patient Bed Tower, Parking Garage, and numerous other smaller projects.	\$ 140,000,000.00
Athens Regional Medical Center	Athens, GA	Patient Tower	\$ 40,000,000.00
Branch Properties d/b/a Greison Trail Apartments, LLC	Newnan, GA	Construction of Multifamily (Apartments) Community	\$ 14,000,000.00
Branch Properties d/b/a Highlands Viera West II, LLC	Melbourne, FL	Construction of Multifamily (Apartments) Community	\$ 15,000,000.00
Broward Medical Center	Ft. Lauderdale, FL	Chris Everett Children's Hospital Phase 1A	\$ 25,000,000.00
Clare Oaks	Bartlett, IL	Construction of new CCRC	\$ 70,000,000.00
Clovis Community Medical Center	Fresno, CA	Bed Tower, Central Energy Plant, Diagnostic and Treatment Facility, Women's Pavilion, and Parking Garage	\$ 195,000,000.00
Cypress of Raleigh	Raleigh, NC	Construction of new CCRC	\$ 75,000,000.00
Deerfield Episcopal Retirement Community	Asheville, NC	CCRC Addition and Renovation	\$ 70,000,000.00
Duke University	Durham, NC	Cancer Center, South Concourse, Bell Building Demolition, Law School Commons, Athletic Indoor Practice Facility (Field House), Utility Tunnel, Events Pavilion, Perkins 2.3	\$ 300,000,000.00
Emory University	Atlanta, GA	Candler School of Theology	\$ 20,000,000.00
Estates, Inc d/b/a St. Simons Waterfront, LLC	St. Simons, GA	Construction of Multifamily (Condos) Community	\$ 20,000,000.00
Greenville Hospital System University Medical Center	Greenville, SC	Construction of Six (6) buildings including two new hospitals across five campuses within the GHS System	\$ 250,000,000.00
Hathaway Mills	Portland, ME	Rehab of Warehouse into Multifamily (Condo) Community	\$ 15,000,000.00
HealthSouth	Loudon, VA	Rehabilitation Hospital	\$ 15,000,000.00
F. Hoffman LaRoche	Boulder, CO	EPCM Contract for Modification to API Plant	\$ 100,000,000.00
F. Hoffman LaRoche	Penzberg, Germany	New Pharmaceutical Manufacturing Facility	\$ 240,000,000.00
F. Hoffman LaRoche	Florence, SC	Addition to Manufacturing Plant	\$ 80,000,000.00
Houston Medical Center	Wamer Robins, GA	New Patient Tower and Central Energy Plant	\$ 50,000,000.00
Lone Star College System	The Woodlands, TX	Victory Center	\$ 16,000,000.00
McCall Capital d/b/a Blythewood Crossing, LLC	Columbia, SC	Construction of Multifamily (Apartments) Community	\$ 14,000,000.00
Cone Health System	Greensboro, NC	Central Energy Plant, North Patient Tower, Utility Infrastructure Improvements and Renovations (through 2014)	\$ 120,000,000.00
Northeast Georgia Health System, Inc.	Gainesville, GA	Construction of Three Facilities: South Hall Campus, New Patient Tower, Imaging Center	\$ 400,000,000.00



<b>Fort Hill Associates, LLC – Recent Project Experience (Continued)</b>			
<b>Project Name</b>	<b>Location</b>	<b>Project Description</b>	<b>Project Cost</b>
Oconee Medical Center	Seneca, SC	New Patient Tower and Addition	\$ 40,000,000.00
REC (Renewable Energy Corporation)	Moses Lake, WA	Chemical Processing and Silane Gas Operation	\$ 1,200,000,000.00
Rex/UNC Healthcare	Raleigh, NC	Campus wide construction - Cancer Center Hospital Expansion, Central Energy Plant, Surgery Consolidation, Heart & Vascular Center, (Estimated to finish 2015) MOB and Ambulatory Surgery Center	\$ 200,000,000.00
Self Regional Healthcare	Greenwood, SC	Litigation Support for dispute between GC and Owner of construction related to new patient tower; Construction of miscellaneous medical buildings	\$ 75,000,000.00
Spartanburg Regional Healthcare System (Village at Pelham Hospital)	Greer, SC	New Hospital	\$ 50,000,000.00
State Fair of Virginia	Richmond, VA	Construction of new State Fair Grounds and Ancillary Facilities	\$ 55,000,000.00
The University of Houston	Houston, TX	Cougar Dining Hall, Energy Research Park, Jaguar Suites, Girard Street Parking Garage	\$ 25,000,000.00
The University of North Carolina - Charlotte	Charlotte, NC	PORTAL Building, Phase X Residence Hall	\$ 70,000,000.00
The University of North Carolina - Greensboro	Greensboro, NC	Tower Village II Dormitory & Spartan Village Dormitory	\$ 42,000,000.00
The University of North Florida	Jacksonville, FL	Osprey Fountains Student Housing, Addition to the College of Education and Human Services Building, Student Wellness Center, Osprey Dining Hall	\$ 120,000,000.00
Virginia Tech University	Blacksburg, VA	Signature Engineering Building & Center for the Arts	\$ 188,000,000.00
Wake Forest University and Wake Forest University Baptist Medical Center	Winston-Salem, NC	Welcome Center, Cancer Center Expansion	\$ 91,000,000.00
Wake Med	Raleigh, NC	New Patient Tower and Addition	\$ 60,000,000.00
WellStar Health System, Inc.	Marietta, GA	MOB, Imaging Center and Patient Tower	\$ 41,000,000.00

## Fort Hill Associates' Audit Procedure for the State of Minnesota

### Origination

1. A meeting is scheduled with the State of Minnesota, providing a brief overview of Fort Hill Associates (FHA) after signing a mutual confidentiality agreement.
2. An engagement letter is then sent to the State of Minnesota, and the contract between FHA and the State of Minnesota is finalized. The compensation terms are determined and agreed at this time to accommodate specific concerns or objectives for either party given the known parameters of the Construction Close-Out audit desired by the State of Minnesota.

### Construction Phase/Close-Out Audit Process

FHA's audit process consists of two parts:

1. Review all project costs and request supporting documentation of any questionable cost to validate the reimbursable nature of those costs.
2. A field audit is conducted to allow FHA to verify various items in the Contractor's system(s) and resolve any outstanding issues. The field audit typically last two days.

### Payroll

1. A review of payroll is conducted by reconstructing it from the original source documents such as the timesheet and the on-site timekeeping system.
2. The following items are verified upon payroll reconstruction:
  - a. Individual rates are within the rate ranges specified by the Contract(s)
  - b. Straight time hours billed agree with the timesheet
  - c. Overtime hours agree with the timesheet
  - d. All payroll components are calculated correctly
  - e. All burden (including worker's compensation rates) and benefit multipliers (including retirement benefits) are applied per the Contract terms
  - f. Actual costs are reconciled (i.e., a true-up) when estimated costs are utilized (i.e., multipliers)
  - g. Items not specified in the Contract as reimbursable are not present in the billings (i.e., car allowances, per diem, and bonuses)
  - h. Individuals billed are listed on the approved project roster (if required by the Contract)

- i. Amount billed for payroll is being passed to the employee (verified in the field audit)
- j. Amount billed for overtime is actually passed to the employee (verified in the field audit)
- k. Ghost(s) on the payroll (verified in the field audit)

*Subcontracts*

1. Verify the bid process is in accordance with the contractual terms (receive an outline of the bid process in the field audit and then test to determine compliance)
2. Verify the University of Minnesota's approval was obtained if required by the Contract
3. Reconcile payments made to Contractor to payments the Contractor paid to the Subcontractors (verified in the field audit)
4. Verify amounts paid to Contractor do not exceed Contract value
5. Determine if change orders are properly approved and executed
6. Ensure true "arms length" transactions are occurring (if Subcontractor is a wholly or partially-owned subsidiary of the Contractor determine if fair market value pricing exists)
7. Identify duplicate payments
8. Review Subcontractor Change Orders to ensure appropriate cost and markups were invoiced pursuant to the contractual documents

*Leased Equipment (Contractor-owned and third-party)*

1. Verify the State of Minnesota's approval if required by the Contract
2. Verify lease process is in accordance with the Contract
3. Verify lease payments are in accordance with any caps imposed by the Contract (most contracts call for lease payments to cease when aggregate lease payments reach a certain specified value, such as 80% to 90% of the fair value of the asset)
4. Verify equipment is being utilized and not just sitting on the State of Minnesota's site (verified in the field audit). This verification is difficult to obtain after the equipment has left the job site. The optimal time to audit this item is at the peak of activity.
5. Verify all other charges related to leased equipment are in accordance with the Contract
6. Identify duplicate payments

### *Materials and Other*

Typically all charges that do not fall in the category of payroll, Subcontractors, and leased equipment will be billed under the *materials* and *other* category. These charges range from miscellaneous supplies to Contractor out-of-pocket expenses for travel and materials utilized on the project.

FHA reviews up to 100% of these charges to determine if any are not in compliance with contractual terms and also identifies the existence of any duplicate payments.

### *Contingency / Allowance Reconciliation*

1. Reconcile final reimbursable costs against all allowances and contingencies identified in the Contract.
2. Verify shared savings, if applicable

### *Project Closeout*

1. Reconcile final application for payment to final, reimbursable costs
2. Verify shared savings, if applicable

### *Audit Conclusion*

Upon the completion of the audit, FHA will draft an audit report itemizing all charges billed that were not compliant with the compensation arrangements in the Contract. FHA does not review this report with the Contractor prior to review with the State of Minnesota. After FHA and the University of Minnesota have analyzed the report, FHA will make any edits requested by the State of Minnesota and issue the report.

After the audit report is issued, the Contractor will be given a specific period to respond. The State of Minnesota will take comments into consideration and a corrective action will be taken. FHA offers complete assistance during the discussions with the Contractor and is content to be a voice on the side of the State of Minnesota. However, if the State of Minnesota so desires, the discussion phase can be handled without FHA's presence.

### *Audit Timeline*

As can be seen in the chart on the following page, Fort Hill's audit process consists of numerous audit steps – although more are without Owner and Contractor involvement. The critical steps in order to meet any time requirement of the State of Minnesota will be the date of the initial kickoff meeting, a two week turnaround on the initial documentation request by the Contractor, and the field visit. Fort Hill, in conjunction with the State of Minnesota's requirements, will insert control points/dates into the schedule below in order to meet any deadline desired by the State of Minnesota.

Fort Hill Audit Timeline - State of Minnesota				
Activity ID	Location	Activity Description	Responsible	Target Completion (Time)
1		Coordinate with Owner to send Audit Notification	FHA	
2		Schedule audit kick off meeting	FHA/Contractor	
3	Home Office	Review payment application/change order documentation provided to the Owner and determine which items will be needed from the Contractor	FHA	
4	Owner's Offices	Hold Auditor/Contractor audit kick off meeting to clearly communicate documentation requirements and establish timelines that information will be provided or available for copy	FHA/Contractor	Day 1
5	Contractor Offices	Documentation prepared or ready for copy	Contractor	
6	Home Office	Receive copies of Documentation	Contractor/FHA	Day 14
7	Home Office	Review documentation and match documentation to ledger and identify any missing documentation	FHA	
8		Communicate missing documentation to Contractor	FHA	
9	Home Office	Perform audit procedures on documentation provided	FHA	
10	Home Office	Develop field audit program and open items list for review with contractor	FHA	
11	Contractor Offices	Field Audit with Contractor	FHA	Day 24
12	Home Office	Develop listing of open items to be cleared to review with Contractor	FHA	
13	Home Office	Provide documentation and information to clear open items outstanding from field audit	Contractor	
14	Home Office	Draft Report	FHA	
15	Owner's Office	Review report with Owner	FHA/Owner	Day 40
16		Communicate findings to Contractor	FHA/Owner	Day 42
17		Contractor response to findings	Contractor	Day 49
18	Owner's Office	Schedule audit resolutions and close out meetings as necessary	FHA/Owner/Contractor	Day 56

### Frequency of Audits

Fort Hill has performed many pre-construction contract reviews for clients prior to contract execution. These reviews clarify many ambiguities contained in the contract documents along with the validation of any rates that are to be utilized by the Contractor. Fort Hill's typical in-process audit scope consists of interim and/or closeout audits. We would highly recommend performing a closeout audit in conjunction with project completion. With projects whose minimum duration is at least a year and project values greater than \$15MM, Fort Hill would recommend periodic reviews every six to nine months depending on both the project size and duration. Obviously, performing interim reviews dramatically reduces the possibility of subsequent contract leakage. Additionally, it has been our experience that a series of reviews fosters a more collaborative audit relationship between the Contractor and Owner. For those projects whose project size is less than \$15MM, Fort Hill believes it to a more efficient use to simply perform a closeout review.

### Constraints/Issues

Fort Hill believes the collective experience level of the project team devoted to the University of Minnesota will allow for a successful audit while minimizing external issues. Fort Hill will utilize three of its Principals on the State of Minnesota projects who will perform all aspects of the audit. These three individuals have worked together on project teams in the past and have collectively audited over \$3B in construction in the last 6 years. Additionally, all three of these Principals are Certified Construction Auditors (CCA). Fort Hill will draw upon this experience to tailor an audit program to the State of Minnesota's needs. This audit program will utilize the following procedures to reduce any constraints or issues.

- Kickoff Meeting – Fort Hill believes an initial kickoff meeting between the Owner, Construction Manager, an audit team are imperative to minimize potential conflict down the road. This initial kickoff meeting will lay out the Owner's expectations, go over the initial documentation request, and map out a projected audit timeline. It has been our experience that an initial meeting/call to get all three stakeholders on the same page is important to meet the Owner's needs.
- "Open Dialogue" Policy – Fort Hill believes that any issue uncovered during an audit should be shared with the Construction Manager prior to the publication of an audit report. This will allow some findings to get credited back to the Owner in more, real-time but it will also allow Fort Hill to obtain the Construction Manager's perspective and incorporate their response into an audit report.
- Review of Draft Report with an Owner – Fort Hill prefers to review a draft copy of the audit report and eliminate any findings/language the Owner prefers not to be in the final report. In many instances, verbal agreements outside of contract compliance have led to areas of findings and the Owner is in agreement with the Construction Manager's billing practice as a result.

Involvement at a Settlement Meeting - Fort Hill prefers to be present at the settlement meeting to assist the Owner as well as to give input with regards to contract compliance. Fort Hill's Principals are the ones who draft an audit report, and it is our opinion that those same Principals are the ones who can best defend any findings and represent the Owner.

### References

Fort Hill encourages the State of Minnesota to contact any of the references listed on the following pages:

**FORT HILL ASSOCIATES, LLC CLIENT REFERENCE LIST**

Client	Project	Project Size	Services	Reference	Contact Information
Duke University	Law School Commons CHW Distribution Line Additional Chilled Water Plant Bailewin Auditorium Kochane Quad (K-4) East Campus Thermal Plant Renovation Events Pavilion Perkins 2/3 Multi-Utility Connection Support Athletic Indoor Practice Facility	\$22MM \$8MM \$18MM \$15MM \$18MM \$9MM \$20MM \$22MM \$12MM	Pre-Construction Audit/Construction Phase Audit Construction Phase Audit Pre-Construction Audit/Construction Phase Audit Pre-Construction Audit/Construction Phase Audit Pre-Construction Audit/Construction Phase Audit Pre-Construction Audit Pre-Construction Audit Pre-Construction Audit/Construction Phase Audit Pre-Construction Audit/Construction Phase Audit Pre-Construction Audit/Construction Phase Audit Pre-Construction Audit/Construction Phase Audit	Paul Manning	Director, Project Management Duke University Facilities Management Department Box 90144 114 South Buchanan Boulevard Durham, North Carolina 27708-0144 Tel: (919) 660-4221 <a href="mailto:pamanning@duke.edu">pamanning@duke.edu</a>
Duke University Health System	Duke University Cancer Center Duke Medicine Pavilion North Concourse	\$133MM \$90MM \$16MM	Pre-Construction Audit/Construction Phase Audit Construction Phase Audit Pre-Construction Audit/Construction Phase Audit	Shawn Subazic	Director Duke Medicine Facility Planning, Design & Construction Capital Projects Program Office 301 Trent Drive Durham, North Carolina 27708-0144 Tel: (919) 668-1790 <a href="mailto:shawn.subazic@duke.edu">shawn.subazic@duke.edu</a>
The University of Pittsburgh Medical Center	Radiology Relocation Emergency Department Relocation	\$24MM \$4MM	Pre-Construction Audit/Construction Phase Audit Construction Phase Audit	Beth Emerson, PE, PMP	Assistant Director Duke Medicine Facility Planning, Design & Construction Capital Projects Program Office 301 Trent Drive Durham, North Carolina 27708-0144 Tel: (919) 668-3710 <a href="mailto:beth.emerson@duke.edu">beth.emerson@duke.edu</a>
The University of Pittsburgh Medical Center	Radiology Relocation Emergency Department Relocation	\$24MM \$4MM	Pre-Construction Audit/Construction Phase Audit Construction Phase Audit	Brian F. Conroy	Director Planning, Design, & Construction The University of Pittsburgh Medical Center Presbyterian Shadyside 8600 Inquis Building, Suite 207 Pittsburgh, Pennsylvania 15213 Tel: (412) 647-8691 <a href="mailto:bconroy@upmc.edu">bconroy@upmc.edu</a>
Greenville Hospital System University Medical Center	GMH Diagnostic and Treatment Renovation Greer Medical Campus (New Hospital) Patewood Hospital (New Hospital) GHM Patient Floor Renovation Research and Education Innovative Institute GMH Emergency Trauma Renovation USC School of Medicine USC School of Medicine - Architect Review North Atrium Upgrade Architect Master Building Program	\$40MM \$68MM \$53MM \$32MM \$18MM \$33MM \$2MM \$19MM \$16MM	Construction Phase Audit Construction Phase Audit Construction Phase Audit Construction Phase Audit Construction Phase Audit Pre-Construction Audit/Construction Phase Audit Architect Master Agreement Compliance Construction Phase Audit Architect Master Agreement Compliance	Mark Loukidis	Director Facilities Development & Campus Planning Greenville Hospital System 700 West Fairs Road Greenville, South Carolina 29605 Tel: (864) 453-4235 <a href="mailto:mloukidis@ghs.org">mloukidis@ghs.org</a>
Wake Forest University and Wake Forest University Baptist Medical Center	Welcome Center Comprehensive Cancer Center Expansion	\$12MM \$81MM	Construction Phase Audit Construction Phase Audit Controls Process Review	Skip Morris  Rhett Johnson, CPA, CHC	Executive Director Corporate Integrity Greenville Hospital System University Medical Center 300 East Meber Avenue, Suite 300 Greenville, South Carolina 29601 Tel: (864) 797-7720 <a href="mailto:smorris@ghs.org">smorris@ghs.org</a>

**FORT HILL ASSOCIATES, LLC CLIENT REFERENCE LIST**

Client	Project	Project Size	Services	Reference	Contact Information
The University of North Florida	Osprey Fountains Residence Hall College of Education and Human Services Addition Student Wellness Center	\$80MM \$4MM \$16MM	Construction Phase Audit Construction Phase Audit Construction Phase Audit	Zak Dvornik, AIA, MRAIC	Director Campus Planning, Design & Construction Office The University of North Florida #1 UNF Drive Jacksonville, Florida 32224-2648 Tel: (904) 630-2016 <a href="mailto:zdvornik@unf.edu">zdvornik@unf.edu</a>
Lone Star College System	Victory Center	\$16MM	Construction Phase Audit	Sundaresk Karmath, AIA, NCARB, LEED AP	Executive Director of Construction Facilities Planning & Construction Lone Star College System 20515 SH 249 Houston, Texas 77070-2607 Tel: (281) 290-8072 <a href="mailto:Sundaresk.Karmath@LoneStar.edu">Sundaresk.Karmath@LoneStar.edu</a>
Clovis Community Medical Center	Clovis Phase B Hospital Expansion	\$195MM	Construction Phase Audit	John Hill	Director Facilities Management Clovis Community Medical Center 2755 Herndon Avenue Clovis, California 93611 Tel: (559) 324-4700 x44700
WalshMed Health and Hospitals	Patient Tower and Parking Garage North Hospital Project Garner Healthplex Architect Review	\$60MM	Pre-Construction Audit/Construction Phase Audit Pre-Construction Audit/Construction Phase Audit Architect Master Agreement Compliance	Pendora Holloway	Interim Executive Director, Corporate Compliance and Chief Compliance Officer Waterfield Health and Hospitals 3000 New Bern Avenue Raleigh, North Carolina 27610 Tel: (919) 350-6241 <a href="mailto:Pholloway@walshmed.com">Pholloway@walshmed.com</a>
Northeast Georgia Health System	Patient Tower Imaging Center South Hall Campus	\$70MM \$17MM \$100MM	Construction Phase Audit Construction Phase Audit Pre-Construction Audit/Construction Phase Audit Controls Process Review	Rudy Lonergan	Facilities Development Manager Northeast Georgia Medical Center 743 Spring Street Gainesville, Georgia 30501-3699 Tel: (770) 219-2310 <a href="mailto:rudy.lonergan@nghs.com">rudy.lonergan@nghs.com</a>

8. PLEASE ANSWER THE QUESTIONS LISTED BELOW, TO CONFIRM SPECIFIC ELIGIBILITY REQUIREMENTS.

- a. I have read and agree to the State's Standard Professional / Technical Services Contract ( X ) Yes ( ) No
- b. A Certificate of insurance will be provided in accordance with State's Standard Professional/Technical Services Contract, if awarded project ( X ) Yes ( ) No
- c. A signed Affidavit of Non-collusion is attached. ( X ) Yes ( ) No
- d. A completed and signed Affirmative Action Data Page is included with this proposal ( X ) Yes ( ) No
- e. Foreign outsourcing ( ) will ( X ) will not be involved in the delivery of contract services.

Authorized Signature:   
 (Signature of person identified in Section 2)

( ) corporate officer\* ( X ) partner\* ( ) sole proprietor  
 \*provide copy of corporate resolution or by-laws

Firm is registered in Minnesota as a:  
 ( ) Corporation ( ) LLP ( X ) Other  
 LLC \_\_\_\_\_

MN Tax ID No. \_\_\_\_\_ FED Tax ID No. 56-2605132 \_\_\_\_\_

MN Vendor No. 0000873443 \_\_\_\_\_  
 (required for contract)

\_\_\_\_ Martin Howell \_\_\_\_\_  
 (Typed Name)

\_\_\_\_ Principal \_\_\_\_\_  
 (Typed Title)

\_\_\_\_ 11/5/13 \_\_\_\_\_  
 Date:

END OF EXHIBIT C

**Exhibit D1**  
**PROFESSIONAL/TECHNICAL CONTRACTS**  
**GENERAL INSURANCE REQUIREMENTS**

A. Contractor shall not commence work under the contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.

B. Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

1. **Workers' Compensation Insurance:** Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** limits are as follows:

\$100,000 – Bodily Injury by Disease per employee  
\$500,000 – Bodily Injury by Disease aggregate  
\$100,000 – Bodily Injury by Accident

If Minnesota Statute 176.041 exempts Contractor from Workers' Compensation insurance or if the Contractor has no employees in the State of Minnesota, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota Workers' Compensation requirements.

If during the course of the contract the Contractor becomes eligible for Workers' Compensation, the Contractor must comply with the Workers' Compensation Insurance requirements herein and provide the State of Minnesota with a certificate of insurance.

2. **Commercial General Liability Insurance:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the Contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the contract. Insurance **minimum** limits are as follows:

\$2,000,000 – per occurrence  
\$2,000,000 – annual aggregate  
\$2,000,000 – annual aggregate – Products/Completed Operations

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage  
Personal and Advertising Injury  
Blanket Contractual Liability  
Products and Completed Operations Liability  
Other; if applicable, please list \_\_\_\_\_  
State of Minnesota named as an Additional Insured, to the extent permitted by law

3. **Commercial Automobile Liability Insurance:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the contractor will require the subcontractor to maintain Commercial Automobile Liability insurance. Insurance **minimum** limits are as follows:

## Exhibit D1

\$2,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

Owned, Hired, and Non-owned Automobile

#### 4. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance [EXCLUDED]**

This policy will provide coverage for all claims the contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the contract.

Contractor is required to carry the following **minimum** limits:

\$2,000,000 – per claim or event

\$2,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of the State. If the Contractor desires authority from the State to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that the State can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract and Contractor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If such insurance is discontinued, extended reporting period coverage must be obtained by Contractor to fulfill this requirement.

#### C. Additional Insurance Conditions:

- Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Contractor's performance under this contract;
- If Contractor receives a cancellation notice from an insurance carrier affording coverage herein, Contractor agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless Contractor's policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota;
- Contractor is responsible for payment of Contract related insurance premiums and deductibles;
- If Contractor is self-insured, a Certificate of Self-Insurance must be attached;
- Contractor's policy(ies) shall include legal defense fees in addition to its liability policy limits, with the exception of B.4 above;
- Contractor shall obtain insurance policy(ies) from insurance company(ies) having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and

## **Exhibit D1**

- An Umbrella or Excess Liability insurance policy may be used to supplement the Contractor's policy limits to satisfy the full policy limits required by the Contract.
- D. The State reserves the right to immediately terminate the contract if the contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State's authorized representative upon written request.
- E. The successful responder is required to submit Certificates of Insurance acceptable to the State of MN as evidence of insurance coverage requirements prior to commencing work under the contract.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
12/11/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER County Banc Insurance Services, Inc. PO Box 309  Greenwood SC 29648	CONTACT NAME: BJ Leopard
	PHONE (A/C, No, Ext): (864) 942-8000 FAX (A/C, No): (864) 942-8040
	E-MAIL ADDRESS: bleopard@ecountybanc.com
	INSURER(S) AFFORDING COVERAGE NAIC #
	INSURER A: The Phoenix Ins Co 25623
	INSURER B: The Travelers Indemnity Co 25658
	INSURER C: Trav Prop Casualty Co of Ameri 25674
	INSURER D: Westchester Fire Insurance Co
	INSURER E:
	INSURER F:

COVERAGES CERTIFICATE NUMBER: 2013-2014 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/>			6809257C69342	2/1/2013	2/1/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/>			6809257C69342	2/1/2013	2/1/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		CUP4A39664042	2/1/2013	2/1/2014	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N <input type="checkbox"/> N/A	IJUB526M8417	11/19/2013	11/19/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
D	Professional Liability Claims Made			G24156771004	8/22/2013	8/22/2014	Each Claim 3,000,000 Aggregate 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
If required by written contract or agreement, certificate holder The State of Minnesota is included as Additional Insured for General Liability but only as respects insured's operations.

<b>CERTIFICATE HOLDER</b>  The State of Minnesota Department of Administration- Real Estate & Construction Services 309 Administration Building 50 Sherburne Ave. St. Paul, MN 55155	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  County Banc Insurance Inc.

**Exhibit E**  
**State Of Minnesota – Affirmative Action Certification**

**BOX A – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to BOX B.**

Your response will be rejected unless your business:

- has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)
- or–
- has submitted an affirmative action plan to the MDHR, which the Department received prior to the date and time the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- We have a current Certificate of Compliance issued by the MDHR. **Proceed to BOX C. Include a copy of your certificate with your response.**
- We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on \_\_\_\_\_ (date). [If the date is the same as the response due date, indicate the time your plan was received: \_\_\_\_\_ (time). **Proceed to BOX C.**
- We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. **We acknowledge that our response will be rejected. Proceed to BOX C. Contact the Minnesota Department of Human Rights for assistance.** (See below for contact information.)

**Please note:** Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

**BOX B – For those companies not described in BOX A**

Check below.

- We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. Proceed to **BOX C.**

**BOX C – For all companies**

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contracts. Contractors are alerted to these requirements by the federal government.)

Name of Company: Fort Hill Associates, LLC Date: 11/5/13  
Authorized Signature: [Signature] Telephone number: 864.250.9065  
Printed Name: Martin Howell Title: Principal

**For assistance with this form, contact:**

Minnesota Department of Human Rights, Compliance Services Section

Mail: 190 East 5<sup>th</sup> St., Suite 700 St. Paul, MN 55101 TC Metro: (651) 296-5663 Toll Free: 800-657-3704  
Web: www.humanrights.state.mn.us Fax: (651) 296-9042 TTY: (651) 296-1283  
Email: employerinfo@therightsplace.net

# Exhibit F

## CERTIFICATION REGARDING LOBBYING For State of Minnesota Contracts and Grants over \$100,000

The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, A Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

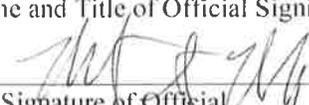
This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Fort Hill Associates, LLC

Organization Name

Martin Howell, Principal

Name and Title of Official Signing for Organization

By: 

Signature of Official

11/5/13

Date

# Affidavit of Noncollusion

State of Minnesota  
Request for Proposals

Firm Name:

Instructions: Please return your completed form as part of the Response submittal.

I swear (or affirm) under the penalty of perjury:

1. That I am the Responder (if the Responder is an individual), a partner in the company (if the Responder is a partnership), or an officer or employee of the responding corporation having authority to sign on its behalf (if the Responder is a corporation).
2. That the attached proposal submitted in response to the <insert name> Request for Proposals has been arrived at by the Responder independently and has been submitted without collusion with and without any agreement, understanding or planned common course of action with, any other Responder of materials, supplies, equipment, or services described in the Request for Proposals, designed to limit fair and open competition.
3. That the contents of the proposal have not been communicated by the Responder or its employees or agents to any person not an employee or agent of the Responder and will not be communicated to any such persons prior to the official opening of the proposals.
4. That I am fully informed regarding the accuracy of the statements made in this affidavit.

## Authorized Signature

Responder's firm name: Fort Hill Associates, LLC  
 Print authorized representative name: Douglas M. Plyler Title: Principal  
 Authorized signature: *[Signature]* Date (mm/dd/yyyy): 11/4/13

## Notary Public

Subscribed and sworn to before me this:  
4th day of November, 2013

*[Signature]*  
Notary Public signature

6-8-2015  
Commission expires (mm/dd/yyyy)

