

STATE OF MINNESOTA (REV 10/16/2013)

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

RECS Project ID.:	N/A	Project Mgr.:	Gordon Christofferson	Contract Specialist:	Talia Landucci Owen
		Control No.	48072	RFP Event ID (if applicable)	2-1931
Project Name : Construction Audit Master Contract					

Total Amount of Contract:	N/A	Amount of Contract First FY:	Vendor Number:	0000823329
Category Code:		Category Code:	Category Code:	
Account:		Account:	Account:	
Amount:	N/A	Amount:	Amount:	

Accounting Distribution 1:	Accounting Distribution 2:	Accounting Distribution 3:
Business Unit:	Business Unit:	Business Unit:
Accounting Date:	Accounting Date:	Accounting Date:
Fund:	Fund:	Fund:
DeptID:	DeptID:	DeptID:
AppropID:	AppropID:	AppropID:
Project ID:	Project ID:	Project ID:
Activity:	Activity:	Activity:
Amount:	Amount:	Amount:

SWIFT Contract No: ^{144CA} **T#1402A/71819**

SWIFT Order: _____
Number / Date/ See Signature Page

Number/Date/Entry Initials

[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: **McGladrey LLP**
801 Nicollet Ave
Minneapolis, MN 55402

Contract Execution Date: 12/19/2013
Contract End Date: 11/30/2015

(*Note: According to Minn. Stat. 16C.08 Subd. 3(5), the combined contract and amendment cannot exceed five years, unless otherwise provided for by law.)

Contact Person: **Larry W. Schaedel**
Contact Person Phone: **312.634.4729**
Contact Person Fax: **312.634.3410**
Contact Person Email: **larry.schaedel@mcgladrey.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 McGladrey LLP, 801 Nicollet Ave., Suite 1100, Minneapolis, MN 55402 ("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

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 Larry W. Schaedel, Partner, 312.634.4729. 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.

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

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

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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Control Number: 48072

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 - McGladrey LLP

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: Larry W. Schaeffel
Title: Partner
Date: December 11, 2013

2. STATE AGENCY – Department of Administration

By: 
(with delegated authority)
Printed Name: Gordon Christofferson
Title: Project Operations Manager
Date: 12/7/13

3. COMMISSIONER OF ADMINISTRATION
As delegated to Materials Management Division

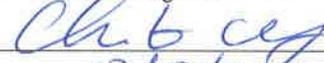
By: 
Date: 12/19/2013
#36657

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.



November 5, 2013

Talia Landucci Owen, Contracts Specialist
 Real Estate and Construction Services
 State of Minnesota, Department of Administration
 309 Administration Building
 50 Sherburne Ave.
 St. Paul, MN 55155

**Re: RFP G0211-2000001931
 Construction Auditing Services
 Proposed Rates**

Dear Ms. Landucci Owen:

Please find our proposed hourly rates for our various levels of personnel to provide the proposed services included within the above referenced RFP.

Please note that the below rates include all expenses associated with the performance of our work. The proposed rates are as follows:

<u>Level of Personnel</u>	<u>Billing Rate</u>
Partner	\$358.52
Director	\$325.38
Manager	\$241.22
Supervisor	\$211.22
Senior Staff	\$196.32
Staff	\$187.26
Administrative/Clerical	\$ 76.50

Once you have had the opportunity to review this response, we would be pleased to discuss your needs in greater detail or make a presentation to your team. In the meantime, please feel free to contact us with any questions.

Sincerely,

Larry W. Schaedel, Partner
 National Lead, Contract Compliance Services
 Midwest Regional Lead, Construction Cost Review and Advisory Services

EXHIBIT C - QUALIFICATIONS PROPOSAL

<p style="text-align: center;">STATE OF MINNESOTA REAL ESTATE AND CONSTRUCTION SERVICES (State) Qualifications and General Requirements Information</p>	<p>1. PROJECT: Construction Auditing Services G0211-2000001931</p>
<p>2. RESPONDER'S NAME & ADDRESS (include 9-digit zip code): McGladrey LLP 801 Nicollet Ave., Suite 1100 Minneapolis, MN 55402</p> <p>2a. COUNTY OF RESPONDER'S LOCATION: Hennepin</p> <p>2b. RESPONDER'S STATE VENDOR NO. : 0000823329</p> <p>2c. DATE FIRM ESTABLISHED: January 1, 1926</p>	<p>2d. NAME, TITLE & TELEPHONE NUMBER PERSON SIGNING PROPOSAL (see Section 8): Brandon Maves, Partner Larry W. Schaedel, Partner Construction Audit Services National Lead, Contract Compliance Services Midwest Regional Lead, Construction Cost Review and Advisory Services</p> <p>2e. RESPONDER'S (CONTACT) TELEPHONE NO.: 612 573-8750 312 634-4729</p> <p>2f. RESPONDER'S FAX NUMBER: 612 376-9876 312 634 3410</p> <p>2g. RESPONDER'S EMAIL ADDRESS: brandon.maves@mcgladrey.com larry.schaedel@mcgladrey.com</p>
<p>3. RESPONDER'S STATEMENT OF INTEREST TO PERFORM THE SERVICES AS INDICATED IN THE RFP: McGladrey LLP is highly qualified and highly interested in providing the required services to the State of Minnesota. McGladrey has vast resources both nationally and specifically within the State of Minnesota.</p>	<p>3a. RESPONDER'S STATEMENT ON AVAILABILITY TO START WORK PROMPTLY UPON EXECUTION OF CONTRACT AND TO PROMPTLY DELIVER SERVICES: McGladrey will make any and all resources available promptly that are needed to complete any and all tasks assigned upon execution of the underlying agreement and assignment of tasks. McGladrey does not anticipate any resource constraints that would affect or delay McGladrey's performance. We believe we have resources significantly in excess of those that will be required by the State to fulfill the needs of this RFP. McGladrey will act promptly to respond to all of the State's needs under the ensuing agreement.</p>

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?
<p>A. Brandon Maves, Partner Construction Audit Services</p>	<p>Mr. Maves will be primarily responsible for the management of the client relationship, as well as ensuring the adequate local resources are available and dedicated to satisfactorily perform all services requested over the duration of the contract. Mr. Maves will also act in the capacity of quality assurance partner to ensure all McGladrey services are performed in accordance with American Institute of Certified Public Accountants and other applicable standards.</p>	<p>X YES __ NO</p>
<p>B. Larry W. Schaedel, Partner National Lead, Contract Compliance Services Midwest Regional Lead, Construction Cost Review and Advisory Services</p>	<p>Mr. Schaedel will be ultimately responsible for the performance of McGladrey services and for the delivery of McGladrey work product. Mr. Schaedel will manage and lead projects to ensure satisfactory performance and work quality.</p>	<p>X YES __ NO</p>
<p>C. John Croy, Director National Lead, Construction Cost Review and Advisory Services West Region Lead, Construction Cost Review and Advisory Services</p>	<p>Mr. Croy will manage and direct engagements to execute engagement workplans to ensure McGladrey work is performed in accordance with project workplans and service standards.</p>	<p>X YES __ NO</p>
<p>D. John Lincoln, Director Midwest Regional Co-Lead, Construction Cost Review and Advisory Services</p>	<p>Mr. Lincoln will manage and direct engagements to execute engagement workplans to ensure McGladrey work is performed in accordance with project workplans and service standards.</p>	<p>X YES __ NO</p>
<p>E. Rob Broline, Director Southeast Regional Lead, Construction Cost Review and Advisory Services</p>	<p>Mr. Broline will manage and direct engagements to execute engagement workplans to ensure McGladrey work is performed in accordance with project workplans and service standards.</p>	<p>X YES __ NO</p>
<p>F. Aleksandar Milicevic, Manager Construction Cost Review and Advisory Services</p>	<p>Mr. Milicevic will manage and supervise project staff in conjunction with performing engagement workplan tasks. On larger engagements, Mr. Milicevic will be supplemented with other project staff. On smaller engagements, Mr. Milicevic will self-perform engagement tasks.</p>	<p>X YES __ NO</p>

<p>G. David Potak, Supervisor Construction Cost Review and Advisory Services</p>	<p>Mr. Potak will manage and supervise project staff in conjunction with performing engagement workplan tasks. On larger engagements, Mr. Potak will be supplemented with other project staff. On smaller engagements, Mr. Potak will self-perform engagement tasks.</p>	<p>X YES __NO</p>
<p>H. Fred Punsalan, Manager Construction Cost Review and Advisory Services</p>	<p>Mr. Punsalan will manage and supervise project staff in conjunction with performing engagement workplan tasks. On larger engagements, Mr. Punsalan will be supplemented with other project staff. On smaller engagements, Mr. Punsalan will self-perform engagement tasks.</p>	<p>X YES __NO</p>
<p>I. David Luker, Supervisor Construction Cost Review and Advisory Services</p>	<p>Mr. Luker will manage and supervise project staff in conjunction with performing engagement workplan tasks. On larger engagements, Mr. Luker will be supplemented with other project staff. On smaller engagements, Mr. Luker will self-perform engagement tasks.</p>	<p>X YES __NO</p>
<p>J. Elizabeth Watts, Supervisor Construction Cost Review and Advisory Services</p>	<p>Ms. Watts will manage and supervise project staff in conjunction with performing engagement workplan tasks. On larger engagements, Ms. Watts will be supplemented with other project staff. On smaller engagements, Ms. Watts will self-perform engagement tasks.</p>	<p>X YES __NO</p>

5. RESPONDENT'S TEAM QUALIFICATIONS

Team Member "A" From Section 4, Above.

Name of Individual: **Brandon Maves, Partner, CPA**

Number of audits for projects with construction cost exceeding \$5 Million dollars **100+**

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: | 222 South Hennepin | Duration of Audit: | One month |
| Owner: | Ryan Companies US, Inc / Excelsior Group | Contracting Model: | Cost Plus/GMP |
| Construction Cost: | \$64,000,000 | | |

2. Project:	New Gillette Children's Specialty Hospital	Duration of Audit:	Three months
Owner:	Gillette Children's Specialty Hospital	Contracting Model:	Cost Plus/GMP
Construction Cost:	\$21,000,000		
3. Project:	Capella Pedregal Resort	Duration of Audit:	Three months
Owner:	CarVal Investors	Contracting Model:	Cost Plus/GMP
Construction Cost:	\$100,000,000		
4. Project:	NAU Wellness Center	Duration of Audit:	Three months
Owner:	Northern Arizona University	Contracting Model:	CM at Risk
Construction Cost:	\$79,000,000		

Team Member "B" From Section 4, Above.

Name of Individual: **Larry Schaedel, Partner, CPA, CFE**

Number of audits for projects with construction cost exceeding \$5 million dollars **250+**

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:	City of Chicago - Cement Supply Billing Review	Duration of Audit:	6 months
Owner:	City of Chicago	Contracting Model:	Specified Item Supply Agreement
Construction Cost:	\$120,000,000		

*Have performed 15 to 20 construction cost reviews and special investigations for the City of Chicago, reporting to various City officials including the City's Corporation Counsel, Outside Counsel, Director of Audit, Commissioner of Transportation and other City Management. The City has been a client for these services since 1998.

2. Project:	Sunol Valley Water Treatment Plant- Change Order Review	Duration of Audit:	Ongoing, approximately 90 days
Owner:	City of San Francisco	Contracting Model:	Design/Bid/Build
Construction Cost:	\$102,600,000		

3. Project: Illinois Department of Transportation - 80 Contract Reviews Duration of Audit: One year
 Owner: State of Illinois Contracting Model: Specified Item and Lump Sum
 Construction Cost: Approximately \$400,000,000

*Performed approximately 50 construction project/cost reviews for state and federally funded road and vertical construction projects throughout the State of Illinois. McGladrey has a Master Services Agreement with The City of San Francisco for construction audit services.

4. Project: Chicago Public Schools - Capital Improvements Program Duration of Audit: Three years
 Owner: City of Chicago, Chicago Board of Education Contracting Model: Lump Sum with Cost Plus Change Pricing
 Construction Cost: Program \$3 Billion, Projects generally ranged from \$10 to \$75 million

*Performed approximately 75 to 100 construction project/cost and contract reviews for various levels of Capital Improvement Program participants including Program Managers, Construction Managers, Project Managers, Property Advisors, General Contractors and Subcontractors providing construction services for CPS over a three year term. Also, provided assistance to CPS in developing Capital Improvements Program structure, processes, procedures and controls for associated with CPS' Capital Improvements Program. McGladrey began this work for CPS in year 1997 and now performs the annual audit for CPS.

5. Project: University of Connecticut - Uconn 2000 Construction Program Duration of Audit: Five years, ongoing
 Owner: University of Connecticut Contracting Model: Cost Plus/GMP and Lump Sum
 Construction Cost: Costs to date of approximately \$240,000,000

*McGladrey has a five year agreement with the University of Connecticut to provide Audit and Agreed Upon Services to the University relative to their Uconn 2000 Construction Program. McGladrey performs an audit of all completed projects (named projects and projects with costs in excess of \$500K) as well as performing agreed upon procedures on 50 to 60 % of current year expenditures. McGladrey is in year three of its five year agreement with the University.

6. Project: IFiber - 550 Mile Fiber Optic Network Duration of Audit: Four months
 Owner: IFiber (NFP) Northern Illinois University Contracting Model: Cost Plus/GMP, with unit pricing
 Construction Cost: \$82,000,000

*Project was a 550 mile fiber optic network located throughout northwest Illinois. McGladrey assisted with contract structuring, terms and conditions. McGladrey assisted in saving IFiber approximately \$8,000,000 through contractor selection, negotiation and agreement structuring.

7. Project:	New Gillette Children's Specialty Hospital	Duration of Audit:	3 months
Owner:	Gillette Children's Specialty Hospital	Contracting Model:	Cost Plus/GMP
Construction Cost:	\$21,000,000		
8. Project:	Rush University Medical Center – New Patient Tower	Duration of Audit:	Two - three month intervals
Owner:	Rush University	Contracting Model:	Cost Plus/ GMP
Construction Cost:	\$200,000,000		
9. Project:	Heritage Millennium (new construction plus historical renovation) Residential, retail and commercial space	Duration of Audit:	Four months
Owner:	Mesa Development	Contracting Model:	CM at Risk
Construction Cost:	\$180,000,000		
10. Project:	Cosmopolitan Resort	Duration of Audit:	Six months
Owner:	Deutsche Bank	Contracting Model:	Design Build
Construction Cost:	\$3.7 Billion		
11. Project:	George Mason University Student Housing project	Duration of Audit:	Two months
Owner:	George Mason University	Contracting Model:	Cost Plus GMP
Construction Cost:	\$23,000,000		
12. Project:	University of North Texas New Student Union	Duration of Audit:	Two years, in intervals
Owner:	University of North Texas	Contracting Model:	Cost Plus/GMP
Construction Cost:	\$78,000,000		

13. Project: University of Chicago Medical Center – Change Order Review Duration of Audit: Two years, in intervals
 Owner: University of Chicago Contracting Model: Cost Plus, Negotiated
 Construction Cost: \$80,000,000

14. Project: Shakopee Mdewakanton Sioux Community Duration of Audit: Six months
 Gaming Commission
 Owner: Shakopee Mdewakanton Sioux Community Contracting Model: Cost Plus/GMP
 Construction Cost: \$200,000,000, multiple projects

15. Project: Caesars Entertainment Corporation Duration of Audit: Three months
 Owner: Nobu Hotel, Hotel Remediation and Restaurant Contracting Model: Cost Plus/GMP
 Construction Cost: \$20,000,000, multiple projects

Team Member “C” From Section 4, Above.

Name of Individual: John Croy, Director CPA, CFE, CIA

Number of audits for projects with construction cost exceeding \$5 million dollars 200+

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: New York Yankees Duration of Audit: Eight months
 Owner: New York Yankees Contracting Model: CM at Risk
 Construction Cost: \$1,000,000,000

2. Project: Silicon Valley Berreyessa Extension Duration of Audit: Three months
 Owner: Valley Transit Authority Contracting Model: Design/Build
 Construction Cost: \$800,000,000

3. Project:	University Station	Duration of Audit:	Three months
Owner:	Sound Transit	Contracting Model:	CM at Risk
Construction Cost:	\$150,000,000		
4. Project:	Memorial Stadium Renovation	Duration of Audit:	Two months
Owner:	University of California Berkeley	Contracting Model:	CM at Risk
Construction Cost:	\$222,000,000		
5. Project:	Data Center	Duration of Audit:	Two months
Owner:	eBay	Contracting Model:	CM at Risk
Construction Cost:	\$350,000,000		
6. Project:	Moa Ancillary Project	Duration of Audit:	3 months
Owner:	Kaiser Permanente	Contracting Model:	CM at Risk
Construction Cost:	\$350,000,000		
7. Project:	Collaborative Life Science Building	Duration of Audit:	3 Months
Owner:	Portland State University	Contracting Model:	CM at Risk
Construction Cost:	\$200,000,000		
8. Project:	Nuclear Reactor Facilities	Duration of Audit:	2 Months
Owner:	Florida Power and Light	Contracting Model:	CM at Risk
Construction Cost:	\$6,000,000,000		

9. Project: Norman Y. Mineta San Jose International Airport Duration of Audit: 3 Years
 Owner: City of San Jose Contracting Model: Design Build
 Construction Cost: \$897,000,000

10. Project: Keystone Pipeline Duration of Audit: 3 Years
 Owner: TransCanada Pipeline Contracting Model: Various
 Construction Cost: \$6,000,000,000

Team Member "D" from Section 4, above.

Name of Individual John A. Lincoln

Number of audits for projects with construction cost exceeding \$5 Million dollars 150+

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: Sunol Valley Water Treatment Plant Duration of Audit: ongoing
 Owner: City of San Francisco Contracting Model: Design/Bid/Build
 Construction Cost: \$102,600,000
2. Project: George Mason University Student Housing Duration of Audit: one month
 Owner: Gilbane Development Co. Contracting Model: Design/Bid/Build
 Construction Cost: \$22,000,000
3. Project: University of Chicago Center for Care and Discovery (hospital) Duration of Audit: two months
 Owner: University of Chicago Contracting Model: Design/Build
 Construction Cost: \$700,000,000

4. Project:	Kingston Dry Fly Ash Conversion Project	Duration of Audit:	one month
Owner:	Tennessee Valley Authority	Contracting Model:	Design/Build
Construction Cost:	\$61,500,000		
5. Project:	Gillette Specialty Children's Hospital Expansion	Duration of Audit:	five months
Owner:	Gillette Specialty Children's Hospital	Contracting Model:	Design/Bid/Build
Construction Cost:	\$40,000,000		
6. Project:	Rush University Medical Center Bed Tower Project	Duration of Audit:	seven months
Owner:	Rush University Medical Center	Contracting Model:	CM at Risk
Construction Cost:	\$600,000,000		
7. Project:	Illinois Department of Transportation ARRA Funded Road and Bridge Projects	Duration of Audit:	six months
Owner:	Illinois Department of Transportation	Contracting Model:	Design/Bid/Build
Construction Cost:	\$900,000,000		
8. Project:	Mojave Crossing Event Center	Duration of Audit:	18 months
Owner:	Ft. Mojave Indian Nation	Contracting Model:	various
Construction Cost:	\$32,000,000		
9. Project:	Grant Place Retail Center	Duration of Audit:	five months
Owner:	City of North Chicago, Illinois	Contracting Model:	Design/Bid/Build
Construction Cost:	\$30,500,000		

10. **Project:** Chicago Public Schools - Capital Improvements Program **Duration of Audit:** Three years
Owner: City of Chicago, Chicago Board of Education **Contracting Model:** Lump Sum with Cost Plus Change Pricing
Construction Cost: Program \$3 Billion, Projects generally ranged from \$10 to \$75 million
11. **Project:** University of Connecticut - Uconn 2000 Construction Program **Duration of Audit:** Five years, ongoing
Owner: University of Connecticut **Contracting Model:** Cost Plus/GMP and Lump Sum
Construction Cost: Costs to date of approximately \$240,000,000
12. **Project:** IFiber – 550 Mile Fiber Optic Network **Duration of Audit:** Four months
Owner: IFiber (NFP) Northern Illinois University **Contracting Model:** Cost Plus/GMP, with unit pricing
Construction Cost: \$82,000,000

Team Member "E" From Section 4, Above.

Name of Individual **Rob Broline**

Number of audits for projects with construction cost exceeding \$5 Million dollars **50**

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:** Biomedical Building New Building **Duration of Audit:** Three months
Owner: University of Central Florida **Contracting Model:** CM at Risk
Construction Cost: \$68,000,000
2. **Project:** Foundation Phase 1 – Condos, Office Building **Duration of Audit:** Twelve months, interim audits
Owner: Brickell CitiCentre **Contracting Model:** CM at Risk
Construction Cost: \$350,000,000

3. Project:	High Schools (4) New Construction	Duration of Audit:	Six months
Owner:	Lake County Public Schools	Contracting Model:	CM at Risk
Construction Cost:	\$150,000,000		
4. Project:	Parking Garage	Duration of Audit:	Two months
Owner:	University of Central Florida	Contracting Model:	Design Build
Construction Cost:	\$13,000,000		
5. Project:	Osceola Forensic Facilities Audit - Multiple Audits	Duration of Audit:	Six months
Owner:	Osceola County School District	Contracting Model:	CM at Risk
Construction Cost:	\$190,000,000		
6. Project:	Building 6	Duration of Audit:	Three months
Owner:	Broward College	Contracting Model:	CM at Risk
Construction Cost:	\$5,000,000		

Team Member "F" From Section 4, Above.

Name of Individual Aleksandar Milicevic

Number of audits for projects with construction cost exceeding \$5 Million dollars 45 +

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:	Rush University Medical Center - New Patient Tower	Duration of Audit:	Seven months
Owner:	Rush University Medical Center	Contracting Model:	CM at Risk
Construction Cost:	\$600,000,000		

2. Project:	George Mason University Student Housing	Duration of Audit:	One month
Owner:	Gilbane Development Co.	Contracting Model:	Design/Bid/Build
Construction Cost:	\$22,000,000		
3. Project:	University of Chicago Center for Care and Discovery (hospital)	Duration of Audit:	Two months
Owner:	University of Chicago	Contracting Model:	Design/Build
Construction Cost:	\$700,000,000		
4. Project:	Illinois Department of Transportation ARRA Funded Road and Bridge Projects	Duration of Audit:	Six months
Owner:	Illinois Department of Transportation	Contracting Model:	Design/Bid/Build
Construction Cost:	\$900,000,000		
5. Project:	Grant Place Retail Center	Duration of Audit:	Five months
Owner:	City of North Chicago, Illinois	Contracting Model:	Design/Bid/Build
Construction Cost:	\$30,500,000		

Team Member "G" From Section 4, Above.

Name of Individual: **David Potak, Supervisor, CPA**

Number of audits for projects with construction cost exceeding \$5 Million dollars **25+**

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:	University of Connecticut UConn 2000 Construction Program	Duration of Audit:	Ongoing (2011 to Present)
Owner:	University of Connecticut	Contracting Model:	Various (Fixed-Price, Cost-Plus GMP, etc.)
Construction Cost:	\$160 million (to date)		

2. Project:	Sacred Heart Medical Center at Riverbend	Duration of Audit:	9 months
Owner:	PeaceHealth	Contracting Model:	CM at Risk / Cost-Plus GMP
Construction Cost:	\$550 million		
3. Project:	Brightwater Central Tunnel Project	Duration of Audit:	2+ years
Owner:	King County Environmental Services	Contracting Model:	CM at Risk / Competitively Bid Fixed-Price
Construction Cost:	\$212 million		
4. Project:	Hood Canal Bridge Retrofit (Phase 2)	Duration of Audit:	1+ years
Owner:	Washington State Department of Transportation	Contracting Model:	CM at Risk / Competitively Bid Fixed-Price
Construction Cost:	\$415 million		
5. Project:	Eastside Catholic High School	Duration of Audit:	6 months
Owner:	Eastside Catholic	Contracting Model:	CM at Risk / Cost-Plus GMP
Construction Cost:	\$55 million		
6. Project:	Nobu Hotel & Restaurant	Duration of Audit:	3 months
Owner:	Caesars Entertainment	Contracting Model:	CM at Risk / Cost-Plus GMP
Construction Cost:	\$23 million		
7. Project:	George Mason University Upper Level Student Housing	Duration of Audit:	3 months
Owner:	George Mason University	Contracting Model:	CM at Risk / Competitively Bid Fixed-Price
Construction Cost:	\$22 million		

8. Project: PCB Treatment, Inc. Environmental Remediation Ongoing (2004 to Present)
 Owner: PTI Steering Committee CM at Risk / Cost-Plus GMP
 Construction Cost: \$18 million

9. Project: Bacchanal Buffet 3 months
 Owner: Caesars Entertainment CM at Risk / Cost-Plus GMP
 Construction Cost: \$13 million

Team Member "H" from Section 4, above.

Name of Individual Fred Punsalan

Number of audits for projects with construction cost exceeding \$5 Million dollars 60+

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: Moa Ancillary Project Three months
 Owner: Kasier Permanente CM at Risk
 Construction Cost: \$350,000,000

2. Project: Silicon Valley Berreyessa Extension Three months
 Owner: Valley Transit Authority Design/Build
 Construction Cost: \$800,000,000

3. Project: University Station Three months
 Owner: Sound Transit CM at Risk
 Construction Cost: \$150,000,000

4. Project:	Memorial Stadium Renovation	Duration of Audit:	Two months
Owner:	University of California Berkeley	Contracting Model:	CM at Risk
Construction Cost:	\$222,000,000		
5. Project:	Casino Hotel	Duration of Audit:	Four months
Owner:	Jackson Rancheria	Contracting Model:	CM at Risk
Construction Cost:	\$70,000,000		
6. Project:	Collaborative Life Science Building	Duration of Audit:	3 Months
Owner:	Portland State University	Contracting Model:	CM at Risk
Construction Cost:	\$200,000,000		
7. Project:	Norman Y. Mineta San Jose International Airport	Duration of Audit:	3 Years
Owner:	City of San Jose	Contracting Model:	Design Build
Construction Cost:	\$897,000,000		

Team Member "I" from Section 4, above.

Name of Individual David Luker

Number of audits for projects with construction cost exceeding \$5 Million dollars 50

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:	Biomedical Building New Building	Duration of Audit:	Three months
Owner:	University of Central Florida	Contracting Model:	CM at Risk
Construction Cost:	\$68,000,000		

2. Project:	Foundation Phase 1 – Condos, Office Building	Duration of Audit:	12 months, interim audits
Owner:	Brickell CitiCentre	Contracting Model:	CM at Risk
Construction Cost:	\$350,000,000		
3. Project:	High Schools (4) New Construction	Duration of Audit:	Six months
Owner:	Lake County Public Schools	Contracting Model:	CM at Risk
Construction Cost:	\$150,000,000		
4. Project:	Parking Garage	Duration of Audit:	Two months
Owner:	University of Central Florida	Contracting Model:	Design Build
Construction Cost:	\$13,000,000		
5. Project:	Osceola Forensic Facilities Audit - Multiple Audits	Duration of Audit:	Six months
Owner:	Osceola County School District	Contracting Model:	CM at Risk
Construction Cost:	\$190,000,000		
6. Project:	Building 6	Duration of Audit:	3 months
Owner:	Broward College	Contracting Model:	CM at Risk
Construction Cost:	\$5,000,000		

Team Member “J” from Section 4, above.

Name of Individual: Elizabeth Watts, Supervisor

Number of audits for projects with construction cost exceeding \$5 Million dollars 12

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:** Heritage Millennium (new construction plus historical renovation) Duration of Audit: 4 months
Residential, retail and commercial space
- Owner:** Mesa Development **Contracting Model:** CM at Risk
- Construction Cost:** \$180,000,000
2. **Project:** Cosmopolitan Resort **Duration of Audit:** 6 months
- Owner:** Deutsche Bank **Contracting Model:** Design Build
- Construction Cost:** \$3.7 Billion
3. **Project:** PCB Treatment, Inc. Environmental Remediation **Duration of Audit:** Ongoing (2004 to Present)
- Owner:** PTI Steering Committee **Contracting Model:** CM at Risk / Cost-Plus GMP
- Construction Cost:** \$18 million
4. **Project:** Sunol Valley Water Treatment Plant- Change Order Review **Duration of Audit:** Ongoing, approximately 90 days
- Owner:** City of San Francisco **Contracting Model:** Design/Bid/Build
- Construction Cost:** \$102,600,000
5. **Project:** Matrix/Conoco Phillips 66 Bayway Facility **Duration of Audit:** 1 month
- Owner:** Matrix **Contracting Model:** CM at Risk
- Construction Cost:** Disputed costs approximately \$15.7 million

6. PROJECT ACCOMPLISHMENTS AND EXPERIENCE

Team Member "A" From Section 4, Above. **Name of Individual: Brandon Maves, Partner, CPA**

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.)*

Audit of a five-star hotel and resort in Cabo San Lucas, Mexico. The scope included an audit of approximately \$105,000,000 of construction costs associated with the construction of a luxury resort located in Cabo San Lucas Mexico. The project was challenging due to somewhat different business practices as a result of the project being built in Mexico, as well as exchange rate issues and different contracting methods. McGladrey used personnel located in Mexico to supplement our staff to provide counsel related to business practices in Mexico.

2. 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 I worked on was also the Cabo San Lucas Resort Project. In particular, the costs were stated in both in terms of US dollar and in terms of pesos (a mix thereof). Record keeping was not good and timing differences resulted between when work was paid and when the liability for the work was incurred. As a way of doing business in Mexico, amounts are often paid in advance of work being performed and in advance of knowing contractors actual costs (agreements were Cost Plus GMP Agreements). The accounting system used for job cost reporting was poor and did not adequately capture work classifications. To complicate this, the contractor miscoded and recoded work between Cost of Work and General Conditions. As a result, McGladrey had to manually review a significant amount of costs and reclassify costs into correct classifications (agreement had separate limits of General Conditions and Cost of Work). McGladrey was successful in recasting costs and determining cost in US dollars based upon conversion rules set forth in the underlying agreement. McGladrey also demonstrated that the Contractor miscoded and recoded work to his financial benefit.

Team Member "B" From Section 4, Above. **Name of Individual: Larry Schaedel, Partner, CPA CFE**

1. 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 single construction cost audit I was involved in (I was ultimately responsible for McGladrey's performance) was the Cosmopolitan Resort located in Las Vegas, Nevada. The project budget was approximately \$3.7 billion. McGladrey split the review up into approximately 12 distinct tasks and assigned a team to each task. Each team had a task manager and one to five staff dedicated to completing the task. I was ultimately responsible for monitoring, overseeing and ensuring tasks were performed and completed in a proper and timely manner. I created a detailed project plan and timeline which I used to monitor progress and to manage tasks to completion. I updated the project plan for progress and comparison to planned completion and due dates. I also monitored, oversaw and managed team leaders and their progress toward completion of deliverables. Our scope of work was completed in an expedited manner within project timelines.

2. 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 I worked on was a financial investigation into the billing practices of a supplier of ready mix concrete providing concrete to the City of Chicago Department of Transportation. McGladrey reviewed several years of billing and plant batch records in order to identify overbillings and inappropriate billing practices. Because the supplier had two separate systems for plant batch processing and customer billing, McGladrey had to create a single database of batch processing and billing data in order to match batches and batch quantities to delivery and billing records. This process had to be done from hard copy files through OCR scanning and centralized in a single database. Through electronic matching supplemented with manual review and verification, McGladrey was able to determine and prove a duplicative billing scheme was perpetrated against the City. McGladrey both proved the scheme, as well as determined the financial impact of the overbillings. In total, McGladrey reviewed and matched more than 350,000 batches of concrete. As there was no common data between the files, McGladrey developed logic using batch times, truck numbers, drivers names and numbers and other information in order to match batches to delivery tickets, billings and batch record. McGladrey successfully proved a multi-million dollar overbilling scheme based upon double billing unused, returned concrete.

Team Member "C" From Section 4, Above.

Name of Individual: John Croy, Director CPA, CFE, CCM

1. What is the largest, in terms of construction cost, audit that person "C", 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.)*

Audit and review of a major hotel and casino, Las Vegas, Nevada with a construction value of \$9 billion. The review included an audit of the labor and associated fringe benefit costs. The contractor was claiming any unused vacation and invoicing these costs to the owner. We analyzed the vacation and determined that the contractor was not recording vacation time. An adjustment for the vacation was provided to the owner for several million dollars.

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

The data center close out audit involved safety issues regarding the electrical work. The architect originally determined that the electrical work did not pose a safety hazard. It was subsequently determined that the electrical specifications did have life safety issues resulting in an additional \$5 million in electrical work. This was to be offset using three strand copper rather than the four strand which would result in a \$1.5 million savings. We assisted by determining that the \$1.5 million was not credited by the electrical subcontractor. We also assisted with the owner in providing documentation regarding the negligence on the design of the electrical work as provided by the architect.

Team Member "D" from Section 4, above.

Name of Individual: John Lincoln Director, PE

1. What is the largest, in terms of construction cost, audit that person "D", 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.)*

Audit and review of the Chicago Public Schools Capital Improvement Program. Total construction cost: \$3.1 billion. Duration of services provided: two years. Program included new construction, repair and renovation of hundreds of school buildings. McGladrey's involvement began with a review of CPS's management structure with recommendations presented as to supplementing their internal resources with outside, professional program managers. Cost audits included auditing Program Manager, Construction Manager and Architects' fees, fixed-price construction contracts, cost-change orders, and capital maintenance expenditures. The high visibility and political nature of this program presented a unique challenge. McGladrey used its extensive experience in public and large institution construction auditing and consulting to successfully navigate the various sensitivities of this engagement.

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

The Illinois Department of Transportation ARRA-Funded Road and Bridges program presented many unusual challenges. It involved auditing cost and quantity documentation records at hundreds of fairly small construction projects located in towns across the entire state of Illinois. Each project required the involvement of a Registered Professional Engineer and a Certified Fraud Examiner. McGladrey assembled a talented and diverse team of professionals, backed by a dedicated administrative staff, and invested many hours in training the group in the procedures required. The effort spent in planning, organizing and scheduling the team resulted in hundreds of successful audits completed on time and under (the extremely tight) budget.

Team Member "E" From Section 4, Above.

Name of Individual: Rob Broline, Director, CPA

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.)*

An audit and review of a major office, condo, and marketplace construction project in downtown Miami that started at \$350,000,000 and when the projected is completed in the next two years - \$1 billion. The construction cost review included pre-construction audit of the proposed contract and GMP proposal which included the audit of the labor and associated fringe benefit costs. Data access due to magnitude of documents was a challenge on this project, but through our experience with process improvements and efficiencies, we were able to work with the client to streamline our procedures and obtain access to e-builder (web based project management software) to retrieve data as needed. The foundation work for the preliminary phase of this project has been completed and our related findings have resulted in \$330,000 of direct cost recovery. Observations were identified in multiple areas including general conditions, contingency, subcontractor default insurance and labor burden. Our labor burden findings were the source of the direct cost recovery identified.

2. 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)*

Due to the nature of major construction projects, most reviews are challenging at some point because of political interests, complexity or even fraudulent activity. The \$1 billion dollar project noted above has significant amounts of data that must change hands nearly instantaneously to keep the project on schedule and proper reviews and approvals obtained. In an effort to assist our client in managing these complexities, we conducted a facilitative session to discuss timing of review and approvals for various sub processes within their reporting functions. We also worked with management to seamlessly integrate our review procedures into these processes by obtaining access to their web based project management software to have real-time access to contract documents, pay applications, etc as they are reviewed and approved.

Team Member "F" From Section 4, Above.

Name of Individual: Aleksandar Milicevic, Manager, CPA,

1. What is the largest, in terms of construction cost, audit that person "F", 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.)*

Audit and review of a major hotel and casino, Las Vegas, Nevada. This review involved a mid-project examination of the \$4.8 billion construction of a full-service hotel, casino and entertainment complex on behalf of the lender. Issues addressed included evaluating the general contractor's forecast cost to complete, change orders, allowances and exclusions, as well as the developer's staffing and overhead expenditures. McGladrey's challenge was to develop realistic cost projections despite working with an uncooperative developer, and create various cash flow scenarios to support the bank's various options for completing the project. Our efforts resulted in presenting a much more realistic picture of the financial status of the project to the bank, which in turn led to the bank foreclosing on the loan, replacing the developer, and re-programming the project.

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

The Grant Place Retail Center audit involved the review of a city-owned and city-managed retail development that was over-budget and behind schedule. Challenges included understanding the unique organization of the project team, and working with an owner organization that was not without culpability. In addition, project files and documentation were scattered, disorganized and incomplete. Working through several project participants, McGladrey reassembled the project financial records in order to determine and conduct a financial review of costs spent to-date and forecast costs to complete. A pattern of improper management and contracting on behalf of the general contractor was uncovered and documented, leading to a subsequent indictment on fraud charges.

Team Member "G" From Section 4, Above.

Name of Individual: Dave Potak, CPA

1. What is the largest, in terms of construction cost, audit that person "G", 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 cost that David has worked on is the Sacred Heart Medical Center at Riverbend in Eugene, OR. The hospital is a 1,300,000 square foot medical complex that finished construction in 2008. This was a cost-plus guaranteed maximum price project that included a shared savings incentive split between the Owner and Contractor. With total billed costs coming in substantially under budget, David's previous firm was hired to audit the billings on the project, establish the final actual cost of construction, and determine the shared savings due to both parties. As the project was not in dispute and involved shared savings, the Owner did not wish to spend a significant amount auditing the costs on the project. As such, a significant challenge to the audit was to address the highest areas of risk and provide sufficient coverage of total cost at an economical price. David and his team accomplished this goal by providing the Owner with a risk assessment prior to the start of substantial fieldwork and discussed the various options for targeting the highest areas of risk. With collaboration between the audit team, the Owner, and project personnel, David and his team were able to focus their efforts on the most significant risks without getting too "bogged down in the detail" of areas that were less impactful. The efforts of the audit team resulted in a revised final cost that provided an increase in shared savings for the Owner of several million dollars.

2. What is the most challenging audit that person "G", 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 David has worked on is the Brightwater Central Tunnel Project in Kenmore, WA. The tunnel was one of three tunnels built to service the newly constructed Brightwater Wastewater Treatment Facility. The purpose of the tunnel was to transport waste from the facility to an ocean outfall nearly 13 miles away. Three joint ventures were hired to build the tunnels, all using different boring methods and equipment. Due to the use of a specific type of tunnel-boring machine by one of the Contractors, the Central Tunnel experienced delays and cost overruns from the outset of the project. David's previous firm was hired to provide interim audit reports until the project's completion. Several months into the interim audits, the Contractor was terminated from the job by the County due to concerns over schedule and budget. Upon termination, both parties filed claims for recovery of cost on the project. David's firm was subsequently hired by the County to provide

affirmative damage calculations, expert witness testimony, and litigation support during this process. David served as lead consultant in the analysis of the opposing party's approximately \$70 million counter-claim, which was reduced to \$26 million upon final judgment. The County was awarded nearly all of the \$155 million sought in damages.

Team Member "H" from Section 4, above. Name of Individual: Fred Punsalan, Supervisor, CPA

1. What is the largest, in terms of construction cost, audit that person "H", 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.)*

Participated in audit of one of the extensions of the BART service is the Silicon Valley Berryessa Extension (SVBX). The SVBX is an approximately 10 mile extension of BART service which has a construction value of approximately \$800 million. McGladrey was engaged to conduct an assessment of the Project Delivery Method and Project Execution. The purpose of the Project Delivery assessment was to: (1) determine whether VTA has hired staff with design build experience and (2) determine if the organization is structured to address the risk associate with design build agreements. The purpose of the Project Execution assessment was to (1) determine whether policies and procedures have been aligned with the design build and (2) determine whether there is clarity to obligating VTA funds. One of the primary challenges was the review of change orders. Executive management wanted to approve all change orders. We were able to demonstrate that based on our experience with other transit projects, that an approval matrix would improve efficiency and still mitigate any risk associated with change orders.

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

A hospital had a \$350 million expansion project in Hawaii. While doing the construction audit, we identified challenges of the project pertaining to cost and schedule which was the result of an individual with the project management firm. We issued a separate report which identified the issues and provided our recommendation to improve operations. The owner accepted our recommendations and changes were made to improve the process.

Team Member "I" From Section 4, Above. Name of Individual: David Luker, Supervisor, CPA

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.)*

An audit and review of a major office, condo, and marketplace construction project in downtown Miami that started at \$350,000,000 and when the project is completed in the next two years - \$1 billion. The construction cost review included pre-construction audit of the proposed contract and GMP proposal which included the audit of the labor and associated fringe benefit costs. Data access due to magnitude of documents was a challenge on this project, but through our experience with process improvements and efficiencies, we were able to work with the client to streamline our procedures and obtain access to e-builder (web based project management software) to retrieve data as needed. The foundation work for the preliminary phase of this project has been completed and our related findings have resulted in \$330,000 of direct cost recovery. Observations were identified in multiple areas including general conditions, contingency, subcontractor default insurance and labor burden. Our labor burden findings were the source of the direct cost recovery identified.

2. 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)*

Due to the nature of major construction projects, most reviews are challenging at some point because of political interests, complexity or even fraudulent activity. The \$1 billion dollar project noted above has significant amounts of data that must change hands nearly instantaneously to keep the project on schedule and proper reviews and approvals obtained. In an effort to assist our client in managing these complexities, we conducted a facilitative session to discuss timing of review and approvals for various sub processes within their reporting functions. We also worked with management

to seamlessly integrate our review procedures into these processes by obtaining access to their web based project management software to have real-time access to contract documents, pay applications, etc as they are reviewed and approved.

Team Member "J" From Section 4, Above.

Name of Individual: Elizabeth Watts, Supervisor, CFE

1. What is the largest, in terms of construction cost, audit that person "j", 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 I've been involved in was for Mesa Development, a \$180 million new construction and historical renovation project for residential, retail, and commercial space. The project was a 4 month project. Challenges were the coordination of information from numerous resources, tracking of documentation to ensure duplicate information was not billed to the project. We created a documentation database that allowed us to track each cost for each phase of the project.

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

Matrix/Phillips 66 Construction Cost Audit: This project was a labor, material, rental, and owned equipment cost dispute. Towards the ending of the project, the owner exercised an option to change the cost structure from a flat fee to cost plus guaranteed maximum price. Since the contractor had not tracked costs on this detailed basis throughout the majority of the project, there were multiple disputes surrounding how the contractor assigned costs back to labor and materials. McGladrey was engaged by both Matrix and Phillips 66 to review the costs in question and verify amounts that were supported by appropriate documentation. We worked closely with both parties to ensure we had a thorough understanding of the project activities, associated cost methodologies, and ultimately the parties came to an agreement based on our findings.

7. UNIQUE QUALIFICATIONS

McGladrey A Proven Leader

McGladrey LLP ranks as the fifth largest provider of accounting, tax and consulting services across the nation. McGladrey currently has more than 7,000 professionals serving clients from offices in 85 cities nationwide. McGladrey LLP prides itself in providing nationally recognized service and expertise, delivered with a local and personal touch. Due to our national reach, we are able to provide clients with resources comparable to those of the "Big Four" firms with greater senior-level attention at a competitive fee. McGladrey employs a concept of service predicated on the personal attention of our people to the needs of our clients. Our ratio of partners/directors to professional staff enables us to provide each client, regardless of size, with services under the personal supervision of a partner or director. By maintaining close professional contact, we pride ourselves in striving to develop services that are truly responsive to your needs. We have the breadth of experience and depth of knowledge to deliver the proactive, industry-specific service that you deserve. McGladrey is also a member of RSM International, the sixth largest providers of assurance, tax and consulting services worldwide with more than 32,500 professionals serving clients in 86 countries.

RANK	Firm	Headquarters	Chief executive	2012 REVENUE				PERSONNEL				PER FIRM				
				Total	Int'l	Domestic	Non-audit	Partners	Professionals	Temp	AAA	Top 100	Mid	Other		
1	Deloitte	Ann Arbor, Mich.	David D. Egan	\$15,243.0	\$1,913	\$13,330	\$1,285	2,875	13,700	1,149	11,282	1,813	32	29	64	8
2	PwC	New York City	Richard A. Scobee	\$14,848.0	\$1,658	\$13,190	\$1,295	2,935	13,935	1,458	12,477	1,477	34	28	38	8
3	Ernst & Young	New York City	David A. Bonior	\$13,910.0	\$1,653	\$12,257	\$1,202	2,825	13,725	1,518	12,207	1,722	15	21	22	6
4	KPMG	New York City	John A. Holmbeck	\$12,410.0	\$1,495	\$10,915	\$1,244	2,885	13,000	1,111	11,889	1,411	14	24	31	5
5	McGladrey & Pullen	Birmingham, Ala.	Joe Adams	\$11,574.0	\$1,871	\$9,703	\$1,100	2,555	13,483	1,100	12,383	1,110	43	36	20	1
6	Grant Thornton	Chicago	Stephen C. O'Brien	\$11,464.0	\$1,811	\$9,653	\$1,100	2,485	13,100	1,100	12,000	1,100	16	28	18	3
7	RTKL Group	Chicago	Robert L. Smith	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	21	22	30	0
8	BDG	Chicago	John W. Berman	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
9	Grant Thornton	Chicago	Stephen C. O'Brien	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
10	BDG	Chicago	John W. Berman	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
11	Moore	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
12	Perle Weissberg	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
13	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
14	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
15	Moore	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
16	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
17	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
18	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
19	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
20	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
21	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
22	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
23	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
24	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
25	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
26	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
27	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
28	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
29	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
30	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
31	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
32	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
33	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
34	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
35	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
36	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
37	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
38	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
39	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
40	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
41	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
42	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
43	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
44	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
45	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
46	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
47	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
48	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
49	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
50	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
51	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
52	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
53	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
54	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
55	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
56	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
57	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
58	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
59	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
60	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
61	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
62	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
63	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
64	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
65	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255	\$1,100	2,415	13,719	1,100	12,619	1,119	11	28	11	3
66	Quinn-Tamm	Seattle	Richard A. Scobee	\$11,374.0	\$1,119	\$10,255										

establishing financial, management and administrative processes, procedures and controls focused on effectively managing and controlling construction costs and work.

Our contract compliance construction cost review and advisory services rendered to our clients include the following:

<p>Construction Cost Review</p> <ul style="list-style-type: none"> ▪ Cost review and verification ▪ Compliance monitoring and verification ▪ Regulatory monitoring and verification ▪ Change order review ▪ GMP and cost savings computation ▪ Cost, progress and budget review 	<p>Construction Program and Project Advisory</p> <ul style="list-style-type: none"> ▪ Program and project structure development ▪ Agreement structuring ▪ Processes and procedure review ▪ Control review and development ▪ Reporting, monitoring and oversight ▪ Management and administration
<p>Other Contract Compliance Audit and Review Services</p> <ul style="list-style-type: none"> ▪ Royalty and licensee agreement review ▪ Lease review and administration ▪ Telecom ▪ Procurement agreements ▪ Supply agreements ▪ Management agreements ▪ Professional services 	<p>Cost Containment, Dispute Avoidance and Resolution</p> <ul style="list-style-type: none"> ▪ Agreement terms and conditions review ▪ Reporting and documentation requirements ▪ Monitoring and oversight ▪ Issue review and resolution ▪ Negotiation assistance ▪ Arbitration, mediation, litigation

Whether we are ensuring the appropriateness of revenues or costs, our clients receive assurance that their contractual rights are being adhered to, complied with and appropriately accounted for pursuant to the terms of the agreements they have entered. All of our services concentrate on assessing contractor and vendor adherence to the financial, compliance and performance terms, conditions and provisions of agreements entered into by our clients.

While our contract compliance services are most commonly applied as consulting services as defined by the AICPA, we also commonly provide our services in the context of either agreed upon services or as audits. In addition to performing its services on a project basis, McGladrey also commonly audits entire construction programs of our clients. McGladrey is also highly experienced in providing advisory services to our clients on a program basis and relative to individual projects. When applied on a proactive basis (as part of ongoing monitoring or oversight), our clients realize the benefit of our services to contain and control costs, establish billing and documentation requirements and implement controls targeted on cost savings and dispute avoidance.

Our Construction Cost Review and Advisory Services Practice

McGladrey provides construction cost review, as well as project and program consulting services specifically tailored to the needs of each project. We focus on evaluating and assessing construction

costs to verify adherence to contract terms, effectively administering construction and capital maintenance programs, projects and costs, and avoiding and resolving issues and disputes originating from large complex construction projects and programs. Our multi-discipline team of professionals combines their skills to identify and evaluate not only the nature and appropriateness of construction costs, but also the nature of the activities from which the costs arise. We then use our understanding of the specific nature of the costs, as well as the underlying construction activities, to ensure adherence to agreement terms.

Our Construction Cost Review and Advisory Services Practice is an established, full-time service line formalized in 1994. Our professionals are full time, dedicated personnel exclusively providing construction consulting and cost audit services. Our team is a nationally structured practice serving clients throughout the United States using a mix of national knowhow with local resources.

We provide our services to private, public, governmental and quasi-governmental clients and regularly represent owners, investors and developers with their program and project needs. We have audited and reviewed a wide range of construction costs on projects ranging from a few million dollars to projects in excess of \$4 billion. We are regularly called upon to apply our services on either a program basis or on a project basis. Our services are provided in the context of program, project and control structuring; ongoing monitoring and oversight; retrospective post completion audits "project audits"; issue avoidance and resolution; and forensic investigations or litigation. We also frequently assist clients with construction cost program or project risk assessments, project snapshots, troubled project workouts and other issues arising from large, complex, multi-year projects and programs.

McGladrey's Construction Cost Professionals

McGladrey is distinct from other service providers because of our unique combination of professional personnel. We combine the resources of experienced personnel in order to audit, evaluate and assess construction cost issues and disputes arising from construction projects. By doing so, we are uniquely qualified to not only understand the nature of costs under review, but also understand the scope, schedule and other technical issues predating the costs. Our Construction Cost Review and Advisory Services Practice is comprised of a unique combination of seasoned professionals with diverse, yet specific credentials, expertise, training and experience.

- Certified Construction Auditors
- Certified Fraud Examiners
- Certified Internal Auditors
- Certified Public Accountants
- Claim/Dispute and Litigation Specialists
- Architects
- Real Estate Industry Experts
- Construction Managers
- Attorneys
- Professional Engineers
- Project Accountants
- Risk Management Specialists

It is this unique combination of industry understanding, depth of knowledge and experienced personnel that differentiates McGladrey from your other options.

Our team of national construction cost professionals is joined by local staff from one of our 85 nationwide practice offices that best fits the geographic dynamics of your engagement. McGladrey combines experienced contract compliance professionals with a pool of trained staff level resources to reduce travel costs and maximize value to your engagement. When needed or required, McGladrey also uses subcontractor personnel to assist in completing required services. In such instances, subcontractor personnel typically work under the direction and supervision of McGladrey's key management personnel.

McGladrey remains responsible for all work, work product and deliverables required under each engagement.

Our Construction Cost Review Services

Our construction contract and cost review and audit processes encompass a series of processes and procedures that review, analyze and compare contractors' costs to the underlying agreements our clients have entered. Our professionals first review and understand the financial and relevant compliance terms and conditions of the underlying agreement(s), then compile, analyze and separate contractor costs into source components in order to clearly understand the source, nature, timing and extent of costs. We then measure and scrutinize costs in comparison to the specific terms, conditions and requirements of the underlying agreement. After which, we identify and separate costs that are allowable by contract terms and costs that are not. During the process, our team assembles and generates full documentation which is presented to project management and owners in order to clearly demonstrate and document amounts billed in excess of contract terms.

We provide project owners with complete detail of our findings, as well as recommended courses of action in order to recover amounts billed in excess of contract terms, along with corrective action to facilitate and enforce future compliance. If requested, we will also provide support to project owners to present, discuss and resolve findings with contractor representatives in an effort to successfully recover amounts billed in excess of the agreed terms.

Contingent upon the course of action dictated by project owners and contractor response, we will provide additional support services as requested, commensurate with the course of action desired to be taken by project management or owners. This assistance often includes settlement and negotiation with contractors, support to operations and procurement departments and legal action by project owners.

Our construction cost review and audit processes typically include the following activities:

- Contract terms and conditions
- Identification of areas of primary risk and identification of ambiguities in contract terms
- Recommendations for clarification or improvement of ambiguous or inadequate contract terms
- Recommendation of risk mitigation processes, procedures and tools
- Recommendation of improvements to owner's processes, procedures and controls incorporating industry best practices
- Review of contractors' bids and proposals prior to award for compliance with contract terms and conditions, including assumptions, exclusions, burden rates, etc.
- Detailed review of contractors' billings focused on identified areas presenting a high degree of risk
- Detailed comparison of contractor billings to the terms and conditions of the underlying contract(s)
- Detailed labor, burden and mark-up analysis
- Identification and documentation of costs billed in excess of contract terms
- Verification of compliance with relevant terms and conditions of contracts such as insurance, bonding, letters of credit, minimum wage rates, target market, residence and local content
- Computation, audit and verification of amounts due under guaranteed maximum price contracts and shared savings clauses
- Verification of costs incurred for public purpose

- Presentation of our findings and recommendations pertaining to recovery of amounts over-billed
- Assistance with recovery, negotiation and settlement of disputed amounts and issues
- Assistance and support with course of action dictated by project owners, findings and contractor response

With our construction cost audit services, clients receive an independent assessment of risks and construction costs that invariably lead to cost savings. If involved at project inception, we can assist in identifying risk and recommending adequate processes, procedures and controls that contain costs and assist in keeping projects within budget and contract expectations. If we are involved on an ongoing basis throughout the project, we can review invoices and pay applications and identify costs in excess of contract terms thereby giving clients adequate information to contain and control costs as, and before, they are incurred. On an after-the-fact basis, our audits identify specific issues on which costs are based and quantify costs by issue in order to provide clients with sufficient relevant information to identify and contest costs in excess of contract terms. Invariably, the savings and value received by our clients far exceed fees incurred for the service.

It is not uncommon for McGladrey to identify overbillings in the range of 3% to 5% of costs audited. In some instances, McGladrey will provide its construction cost review services on a contingency basis, based upon overbillings identified. Overbillings identified by McGladrey are often three (3) to ten (10) times McGladrey's fees for its construction cost review services.

Our Construction Program and Project Advisory Services

McGladrey professionals provide construction program and project advisory services specifically on large complex construction programs and projects.

Our construction program and project advisory services include:

- | | |
|---|--|
| ▪ Assistance in developing or refining program structure and organization | ▪ Expert witness testimony |
| ▪ Assistance in structuring financial terms of contracts | ▪ Fairness reviews on dispute issues |
| ▪ Benchmarking industry costs and market price levels | ▪ Fraud investigations |
| ▪ Change order negotiation support | ▪ GMP and cost savings amount review and determination |
| ▪ Change order scope and pricing review | ▪ GMP tracking, monitoring and audit |
| ▪ Change order tracking | ▪ Identification, recommendation and implementation of risk mitigation processes, procedures and tools |
| ▪ Compliance monitoring | ▪ Invoice and pay application review |
| ▪ Construction delay and disruption claims analysis | ▪ Litigation, mediation and arbitration support |
| ▪ Contingency and allowance tracking, review and assessment | ▪ OCIP audit and monitoring |
| ▪ Creation of dispute avoidance and dispute resolution processes | ▪ Ongoing monitoring and oversight |
| ▪ Damage calculations | ▪ Participant role and responsibility identification |
| ▪ Establishing contract oversight controls | ▪ Pricing and fairness assessments |
| ▪ Establishing monitoring, tracking and reporting requirements | ▪ Target market and other special program monitoring and audit |
| | ▪ Value engineering assessment and support |

Clients are able to monitor, track and control construction costs across projects and programs through our program and project advisory services. Our clients often use us to establish and enforce contractor and other participant requirements in an effort to monitor and control costs and other compliance aspects of their programs and projects. Clients often leverage out work across many projects to achieve substantial cost savings in their programs. When leveraged over an entire program, it is not uncommon for clients to save millions or even tens of millions of dollars in construction and soft costs. On a program basis, savings approximating 25 to 50 times McGladrey fees are not uncommon.

Cost Containment Dispute Avoidance and Resolution Services

McGladrey assists clients in structuring proactive cost avoidance measures including structuring the financial terms and conditions of agreements, and establishing billing, reporting, monitoring and documentation requirements focused on avoiding and controlling costs and budget spend. If an issue has surfaced, or is suspected to exist, we will help review, assess, determine and quantify overbilling and billing improprieties. Our professionals also work with clients to assist and facilitate recovery. We frequently provide policy and programmatic guidance that can be deployed by procurement and contracting departments to establish additional control. These controls help to control costs and shift responsibility to cover the cost of audit to contractors or vendors in the event that they do not comply with the agreed-upon financial terms and conditions.

Other Contract Compliance Services

Royalty and licensee audit and review

McGladrey's contractual compliance group focuses on performing royalty investigations on a worldwide basis for licensors of intellectual property, copyrights or trademarks. We help you identify the royalty income owed you. Through mutually agreed-upon procedures (commonly referred to as "royalty audits"), we assist you in determining whether your licensee is reporting sales and their applicable royalties according to the terms of your license agreement. We have a combined total of more than 40 years experience in conducting royalty investigations. We assist our clients on internal royalty monitoring systems and license agreement language as it relates to accounting terms and definitions, as well as audit paragraphs, all of which afford the licensor greater protection of royalty streams.

The benefits of our royalty investigations come to you in dollars and cents. Over the past 10 years, we have helped our clients identify millions of dollars of unpaid royalties. Based on our experience, we believe that it is good business practice to conduct royalty investigations, the rewards of which many times exceed the costs of doing so. In many cases, based on our findings, the burden of the audit cost has been shifted to the licensee.

If the need arises, we have experienced professionals to handle your Intellectual Property Valuation and Litigation needs. These services include providing expert testimony, determining lost profits, evaluating financial strategies, and determining the value of various types of intellectual property assets.

Lease audit, review and administration

McGladrey provides lease review and audit services that ensure proper adherence and accountability to the terms and conditions of your leases. Our lease review and audit services include lease abstraction, due diligence, administration, auditing and general lease accounting services. McGladrey also provides outsourced lease administration services for clients in connection with administering and monitoring their leased portfolios.

As a nationally recognized accounting firm, McGladrey is the only firm in the industry that can provide:

- In-house lease abstraction and analysis
- On-point lease administration expertise
- Full independence from brokerage, leasing and property management
- Sophisticated FAS Lease Accounting, 10-K and Sarbanes-Oxley understanding

Our lease administration professionals include accountants, attorneys, paralegals and real estate professionals with extensive expertise and experience. Irrespective of whether our work is revenue or expense centric, our focus is ensuring our clients obtain the full benefit, or incur the proper cost, based upon the terms of the lease agreements they have entered.

Telecom and utility audit and review

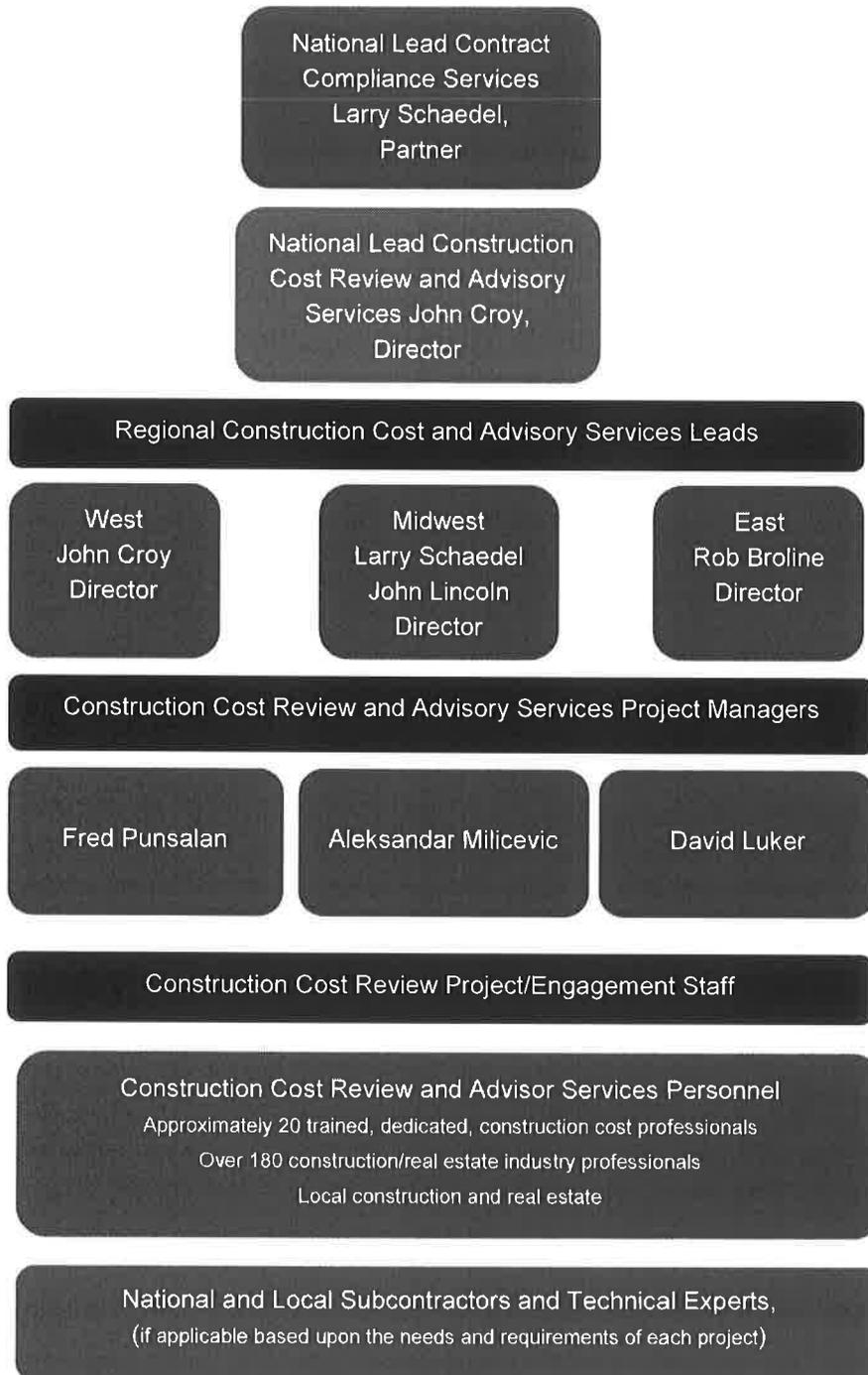
McGladrey provides telecommunication optimization services to identify and eliminate telecommunication service costs in excess of client needs. We conduct a comprehensive review of our client's business, initiatives and strategic direction, and also meet with the existing vendors and conduct new vendor meetings. Simultaneously, we review each network agreement, infrastructure design, service cost and budget. Telecommunication recommendations and initiatives are prepared utilizing a combination of optimization, elimination, new processes and contract restructuring or replacement to ensure that client's telecommunication spend is being invested as wisely as possible. At the end of our assessment, we present our recommendations and mutually develop a plan to achieve the projected results. Fees to our clients are on a contingent basis based on the cost savings achieved from our procedures performed.

Procurement audit and review

McGladrey provides vendor, supplier and contract services contract reviews in order to ensure contractors are complying with pricing and compliance terms and conditions of the agreements they have entered with our higher education clients. Our professionals perform specific contract audits, work with procurement officers, agents and departments establishing programmatic audit plans and assist in developing monitoring and oversight programs and controls focused on cost control, avoidance and recovery. We are highly experienced in reviewing supply agreements, professional services agreements, as well as operating and other agreements in order to ensure billings are in accordance with the terms and conditions of the underlying agreements.

McGladrey's National Construction Cost Expertise

Our Construction Cost Review and Advisory Services Practice Structure



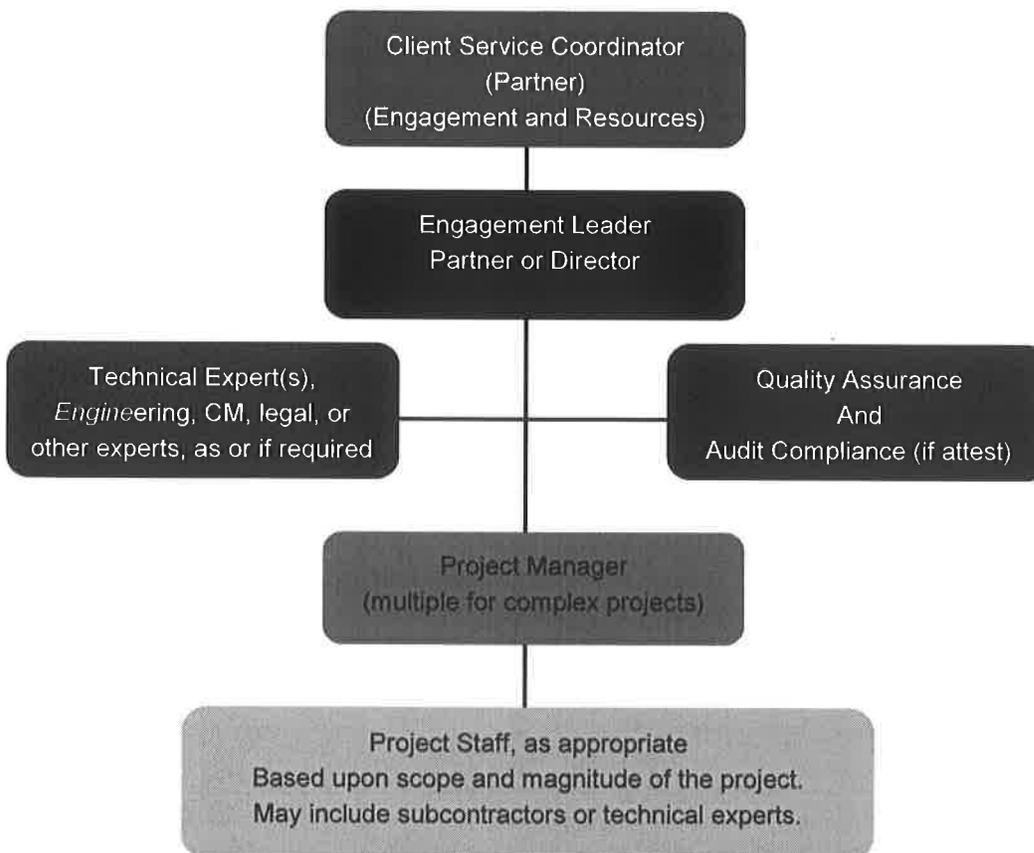
In addition to the above key experienced contract compliance professionals, McGladrey also has a national pool of trained staff level resources that we utilize on an as needed basis per the scope of the

project and the client's service needs. Being a national firm with offices in 85 cities across the country, we are able to take the location of the engagement into account when staffing in order to minimize travel expenses and provide you with local resources. When needed, or required, McGladrey also utilizes subcontractor personnel to assist in completing required services. In such instances, subcontractor personnel typically work under the direction and supervision of McGladrey's key management personnel. McGladrey remains responsible for all work, work product and deliverable required under each engagement.

Typical Project Team Structure

As dictated by the needs of each client or engagement, project teams are typically structured in the manner set forth below. Resources are first assigned based upon the expertise required to meet client and engagement needs, then upon location of project and resource proximity. In instances where engagement needs require certain expertise, but such expertise is not primary to the engagement, McGladrey supplements the project team through technical experts who are available to address the technical aspects of projects within their realm of expertise. When such expertise is primary to services required in an engagement, a McGladrey technical expert may work in the capacity of engagement leader. Project staff is assigned based upon requisite experience and proximity to client, project location or location of fieldwork.

A typical McGladrey construction cost review project team structure is as follows:



McGladrey's National Expertise

The Right Team to Serve You

Matching the right technical know-how to the specific requirements of an engagement is paramount to its success. Some of the construction cost review and advisory service professionals who may be involved with your engagement include:

Larry Schaedel, Partner

National Lead, Contract Compliance Services

Midwest Region Lead, Construction Cost Review and Advisory Services

Larry is a Partner with McGladrey LLP and the national leader of McGladrey's Contract Compliance Services Practice and the Midwest leader of McGladrey's Construction and Real Estate Advisory Services Practice. Larry is a certified public accountant and a certified fraud examiner, and has been a member of the firm for the past 23 years. He has approximately 28 years of experience in providing financial advisory, contract compliance, construction cost and advisory services to public, private and not for profit clients in a variety of industries. Larry has managed hundreds of construction cost review and construction advisory services projects, addressing issues of cost control, project management process improvement, contract compliance, internal control, claims, fraud, forensic and litigation matters. He has extensive experience working on construction audit assignments on projects ranging in cost from \$10 million to \$4 billion in costs. He regularly assists universities, health care organizations, government agencies, municipalities and private companies with construction projects. Larry frequently provides services to agencies and organizations to assist with program policies, processes and procedures, controls and management tools. His clients have included the University of Connecticut, University of North Texas and Rush University, City of Chicago, City of San Francisco, the Chicago Public Schools, the State of Illinois and various other agencies and not for profit organizations. He is often called upon to provide cost control, dispute avoidance and dispute resolution services. Larry is also frequently engaged to provide expert witness testimony in construction claims and disputes in litigation, mediation and arbitration matters.

John Croy, Director

West Region Lead, Construction Cost Review and Advisory Services

John is the national leader of McGladrey's Construction and Real Estate Advisory Services Practice. He has 30 years experience which includes construction, engineering, forensic and manufacturing accounting and auditing of commercial and governmental projects in North America and several foreign countries. He has extensive experience in providing construction risk advisory services to higher education institutions including Penn State University, Arizona State University, Texas A&M University, University of Houston, Southern Methodist University, Eastern Oregon University, Oregon Institute of Technology, Portland State University, Oregon Institute of Technology, Princeton University, Northern Arizona University, Maricopa County Community College and University of Central Florida.

John Lincoln, Director

Midwest Region Co-Lead, Construction Cost Review and Advisory Services

John is a Director and co-leader of McGladrey's Midwest Construction and Real Estate Advisory Services Practice. A registered Professional Engineer, he has more than 30 years experience in construction project management. Prior to joining McGladrey, John spent 10 years in project management with an international engineering/construction firm. He has performed project management services for construction projects for a wide variety of facility types, both public and private, including many university

systems and medical center facilities. His expertise includes profit and loss analysis, planning, scheduling, and cost control. He also has extensive experience in litigation support, construction claims preparation and expert testimony with proficiency in analysis of delay, disruption, cost growth, overhead and financing issues. John is an active speaker and author, and has presented construction management topics in many forums around the country.

Rob Broline, Director

East Region Lead, Construction Cost Review and Advisory Services

Rob is a Director and leader of McGladrey's Eastern Real Estate and Construction Advisory Services Practice. He is a certified public accountant with twelve years of experience in project management, risks and controls, business process analysis, contract compliance services, construction risk management, forensic investigations and financial statement audits. Rob worked for a Big 4 accounting firm in the past in external audit and internal audit / risk management. Rob specializes in construction risk management and has performed numerous construction contract cost compliance and process reviews acting as the project lead on multiple client engagements for major universities, colleges, large school districts and county governments including such higher education institutions as the University of Central Florida, Broward College, and Palm Beach State College.

Alice Lerman, Director

Construction Cost Review and Advisory Services, Technical Expert - Legal

Alice has 25 years of broad-based experience as a construction law attorney, a strategy consultant and as a facility master planner for hospitals. She has three post-graduate degrees in law, architecture and business. Her areas of strength include extensive knowledge of hospital non-clinical operations, hospital facilities strategies, planning and facility project management, construction contracts, sourcing and procurement and portfolio analysis. Alice is commonly used as a subject matter expert on legal issues related to agreement terms, conditions and verbiage.

Fred Punsalan

Project Manager

Fred has over 30 years of construction accounting and project auditing experience, and has managed and supervised over \$4 billion worth of construction projects. He has broad experience in both private and public works and has expertise in various types of deliverables. Fred has extensive knowledge of cost/process control and "end life cost" development to assist clients in assessing overall risks in their project administration. He has managed several large construction engagements specifically for healthcare and higher education clients such as Eastern Oregon University and Maricopa County Community College.

David Luker

Project Manager

David has more than six years of audit and accounting experience in the construction industry in public accounting, as an external auditor for medium to large construction companies and as a risk management consultant for universities and school districts. He has broad experience in both private and public works and has expertise in various types of deliverables. David has as a Masters Degree in accounting from Auburn University and has provided construction audit services to the University of Central Florida, the Broward County School District, Broward College and The Osceola County School District.

Aleksandar Milicevic, Project Manager

Alex specializes in construction contract cost analysis. He has more than fifteen years of experience performing contract cost management and financial analysis services. Before joining McGladrey, Alex gained experience working on various engineering and construction projects, both domestic and abroad, in the commercial, industrial and municipal sectors, as well as corporate accounting responsibilities in a professional services setting. His expertise includes financial analysis, accounting, contract cost control, budgeting and contract compliance.

Representative Construction Cost Review and Advisory Services Clientele

A representative sample of our construction cost audit service clientele is as follows:

Education	Healthcare
Arizona State University	Advocate Health
Cornell University	Blue Cross/Blue Shield
Florida International University	Cleveland Clinic
Johns Hopkins University (applied physics lab)	Gillette Children's Specialty Hospital
North Carolina A&T State University	Kaiser Permanente
Oregon Institute of Technology	Mayo Clinic
Penn State University	Northwestern Memorial Hospital
Portland State University	Rush University Medical Center
Southern Methodist University	Sutter Health
Texas A&M University	
Texas Tech University	
Texas Technical Institute	
University of Central Florida	
University of Connecticut	
University of Florida	
University of North Texas	

Other Construction Cost and Construction Advisory Services Clients

In addition to clients in the higher education and healthcare industries, McGladrey also has significant experience with government, municipal and private sector entities. McGladrey's experience in these other market sectors gives our professionals diverse technical skills and experience, valuable to our construction cost and advisory service engagements.

Some of our government, municipal and private sector clients include:

Government / Municipal	Developers, Contractors, Lenders
City of Chicago, Law Department	Bechtel Corporation
Texas Department of Transportation	Deutsche Bank
The California Energy Commission	GE Capital
The Chicago Department of Transportation	Mesa Development
The City of San Francisco	Wells Fargo Bank
The Illinois Department of Transportation	Gilbane Building Company

Representative Project Experience

Heritage Millennium Building

Project name: Construction Cost Review

Location: Chicago, Illinois

Size in Gross Square Feet: 93,000 SF

Construction Cost: \$189,000,000

Description of Project: High-rise, mixed-use condominium, commercial and retail historical redevelopment project.

Services Provided: McGladrey reviewed hard and soft construction costs incurred under a guaranteed maximum price agreement. Also included in the review was the review and assessment of change order costs and scope, the use of allowances contractor and owner contingencies and a detailed review of a 2nd tier subcontract issued to a related party of the general contractor. McGladrey reviewed and analyzed actual costs included in a final accounting, identified and adjusted for costs outside agreement terms, calculated contract sum, GMP and amounts due to parties under the agreement saving cause terms. McGladrey also assisted and supported the owner in the negotiation and settlement of several unresolved issues related to project costs and schedule.

Cosmopolitan Resort

Project name: Cost review, financial and budget analysis and financial modeling

Location: Las Vegas, Nevada

Owner: N/A

Construction Cost: \$4,000,000,000

Size in Gross Square Feet: Project Size: 6,900,000 SF

Description of Project: An approximately \$4 billion mixed-use resort casino property consisting of a hotel, resort, condominium, casino, retail and entertainment space located on Las Vegas Boulevard in Las Vegas, Nevada.

Services Provided: McGladrey performed a review costs incurred, committed and expected to be incurred to complete construction of the project at approximately 25% completion. McGladrey also performed financial modeling related to completion and divesture scenarios. McGladrey's review included both hard and soft construction costs, the use of loan proceeds and propriety of the developer's soft costs.

The University of Connecticut

Project Name: UConn 2000 Construction Program

Location: Storrs, Connecticut

Owner: University of Connecticut

Construction Cost: \$130 million to \$240 million annually

Size in Gross Square Feet: Project size varies, ranging in cost from \$500,000 to \$500,000,000. Our work includes the John Dempsey Hospital Replacement Project.

Description of Project: McGladrey is engaged to perform both an annual audit of University of Connecticut completed construction projects and agreed upon procedures on current year expenditures within the University's UConn 2000 Construction Program. Projects subject to the audit include 15 to 30 completed projects annually. Project types include new construction, renovation and capital maintenance of residential housing, academic buildings, campus improvements, laboratories, library buildings, healthcare facilities, administrative buildings and parking facilities.

Services Provided: Included within the scope of the audit are all named projects and all deferred maintenance projects in excess of \$500,000 in construction costs completed during each of the University's fiscal years 2011 through 2015. Project costs subject to the audit typically range from \$80 to \$200 million in completed construction costs during each fiscal year. McGladrey is also engaged to perform agreed upon procedures on current year expenditures made on all projects with total project costs in excess of \$100,000 made under the UConn 2000 Construction Program. Agreed upon procedures performed include the verification of contractual basis, requisite management approvals, and appropriateness of costs. McGladrey uses the results of the agreed upon procedures as a basis for future year audits of completed projects.

The Illinois Department of Transportation

Project Name: ARRA Subrecipient Monitoring

Location: Statewide throughout the State of Illinois

Owner: the State of Illinois (Public Agency)

Construction Cost: Multiple projects of \$100,000 to \$80,000,000 per project totaling approximately \$2,000,000,000.

Size in Gross Square Feet: Various

Project Description: McGladrey performed state-wide reviews of ARRA funded construction projects managed by the Illinois Department of Transportation. Reviews performed by McGladrey included a review of costs incurred, as well as verification of compliance with Federal and State Requirements.

Services Provided: Services provided included the review of construction costs, adherence to technical specifications and compliance with contractual and federal requirements on road construction projects funded by, or through, the Illinois Department of Transportation. McGladrey performed approximately 40 on-site reviews of such construction projects contracted based upon specified item - unit priced contracts. As part of our review, McGladrey reviewed and verified adherence to and compliance with agency technical specification for the oversight and management work and adherence to various federal requirements.

The University of Central Florida

Project Name: Construction Risk Management and Consulting Services for the University of Central Florida

Location: Orlando, Florida

Owner: University of Central Florida

Construction Cost: \$125 million (total)

Size in Gross Square Feet: not available

Project Description: Several major construction projects, including a biomedical building, a student residence hall and multiple parking garages.

Description of Services Provided: McGladrey audited the costs and fees for two major construction projects totaling \$80 million. We assisted UCF in its analysis and negotiation of multiple contractor/vendor proposals, including cost reimbursable plus fee with GMP and lump sum terms. We provided recommendations to contract language and negotiation processes to assist UCF in cost savings, cost avoidance and cost recovery efforts. We worked with UCF to modify its Construction Management Policies and Procedures Manual and Vendor Handbook. McGladrey's efforts resulted in significant cost savings, cost avoidance and cost recovery.

The City of Chicago, Departments of Law, Transportation, Audit, Finance and Comptroller.

Project Name: City of Chicago, Master Services Agreement

Location: Various locations within the City of Chicago

Owner: The City of Chicago (Public Agency)

Construction Cost: Multiple projects totaling approximately \$500,000,000

Size in square feet: Multiple transportation construction projects

Project Cost: Multiple projects totaling approximately \$500,000,000

Project Description: McGladrey has performed many projects for the City of Chicago including the review and reconciliation of approximately 350 transportation construction projects, the design and implementation of a SharePoint Project management tool, several financial and forensic investigations related to the propriety of costs and billings by City contractors, business process and internal control review and improvement, review of various construction programs, projects and contracts, review of various supply and management agreements and other construction advisory service projects.

Services provided: Services provided by McGladrey include forensic accounting and investigations, construction cost review, construction program and project advisory services, dispute related financial advisory services, construction claims analysis, fraud and investigation, construction procurement and project management process improvement and the design and implementation of construction controls and tools.

Rush University Medical Center

Project Name: Medical Center Transformation Project

Location: Chicago, Illinois

Owner: Rush University Medical Center

Construction Cost: \$610 million in construction cost, approximately \$1 billion in total development cost.

Size in Gross Square Feet: 670,000 square feet

Description of Services Provided: McGladrey conducted a series of construction contract audits for contract compliance of multiple prime contractors, including time and material, and unit rate components of change order pricing for lump sum contracts. McGladrey performed work of Phase I and Phase II of the project. Phase I construction included excavation, foundation, steel and glass (envelope) work. Phase II construction included mechanical systems and the interior fit out.

Project Description: The project included a 14-story patient bed tower, central energy plant, parking garage, underground loading dock and extensive remodeling and renovations to existing facilities. The scope of the audit included the following contracts: structural steel, concrete, exterior glazing, podium and tower general trades, HVAC, electrical and plumbing. The audit included 12 prime contracts, 150 change orders and \$260 million in total contract value.

Illinois Blue Cross Blue Shield Headquarters

Project Name: Illinois Blue Cross Blue Shield Headquarters Building

Location: Chicago Illinois

Owner: Illinois Blue Cross Blue Shield

Construction Cost: \$200,000,000

Size in Square Feet: 1,430,000 SF (33-story high-rise – Phase I)

Project Description: New construction of a high-rise class A office building. McGladrey reviewed project costs throughout the project duration on behalf of the owner with a special emphasis on the contractor's indirect costs and site wrap-up insurance program.

Services provided: McGladrey's reviewed approximately \$200 in construction costs incurred on the project over the duration of construction. McGladrey's review included significant focus on both, the contractors indirect costs, and insurance costs on contractors wrap up insurance program.

Argo Boiler

Project Name: Argo Boiler

Location: Illinois

Owner: Argo

Construction Cost: \$120,000,000

Size in square feet: 60,000 SF

Project Description: Replacement of an industrial coal-fired power plant and process steam facility. McGladrey reviewed project costs to-date and evaluated project management procedures and controls. Financial snapshot report and management critique was presented.

Services Provided: McGladrey's services included a review of the processes procedures and controls in place to monitor and oversee construction costs arising from the project.

Fort Mojave Indian Tribe

Project Name: Event Center and Casino

Location: Needles, Ca.

Owner: Fort Mojave Indian Tribe

Construction Cost: \$40,000,000

Size in square feet: 100,000 SF

Project Description: Indoor rodeo and event center and casino facility developed by the local Municipality that experienced significant cost overruns and project delays. McGladrey reviewed and

reconciled project costs to-date and forecast costs to go, analyzed improper billings and investigated allegations of fraud by various parties to the project.

Additional examples of experience provided upon request

References

References will be provided upon request.

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

Authorized Signature:



(Signature of person identified in Section 2)

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

Firm is registered in Minnesota as a:

() Corporation () LLP () Other _____

MN Tax ID No. 5463090 FED Tax ID No. 42-0714325

MN Vendor No. 0000823329 (required for contract)

Larry W. Schaedel
 (Typed Name)

Date: November 5, 2013

Partner,
 National Lead, Contract Compliance Services,
 Midwest Regional Lead, Construction Cost Review Services
 (Typed Title)

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)
12/12/2013

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 Marsh USA Inc. 2405 Grand Boulevard, #900 Kansas City, MO 64108	CONTACT NAME: PHONE (A/C, No, Ext):		FAX (A/C, No):
	E-MAIL ADDRESS:		
824056--GAWU-13-14 120913 150 MWilla	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED McGladrey LLP One South Wacker Drive, Suite 800 Chicago, IL 60606	INSURER A: Sentry Insurance A Mutual Co		24988
	INSURER B: Federal Insurance Company		20281
	INSURER C: Sentry Casualty Company		28460
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** CHI-004812364-02 **REVISION NUMBER:** 5

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			90-18524-04	11/30/2013	11/30/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC
A	AUTOMOBILE LIABILITY			90-18524-05 (AOS)	11/30/2013	11/30/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS			90-18524-06 (MA)	11/30/2013	11/30/2014	BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB CLAIMS-MADE DED RETENTION \$			9364-18-93	11/30/2013	11/30/2014	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			90-18524-01 (AOS)	11/30/2013	11/30/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS OTH-ER
C	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	90-18524-02 (WI)	11/30/2013	11/30/2014	E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: SWIFT Contract No: T#1402A/71819
KARR

Certificate Holder is named as Additional Insured (except Workers Compensation) if required to be so by written contract.

CERTIFICATE HOLDER CANCELLATION

The State of Minnesota Department of Administration - Real Estate & Construction Services 309 Administration Building 50 Sherburne Avenue St. Paul, MN 55155	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 of Marsh USA Inc. Keith A. Stiles



CERTIFICATE OF LIABILITY INSURANCE

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

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 Aon Insurance Services 200 East Randolph Street, 4 th Floor Chicago, IL 60601	CONTACT NAME: PHONE (A/C No. Ext): E-MAIL ADDRESS:		FAX (A/C No):	
	INSURER(S) AFFORDING COVERAGE			NAIC #
INSURED McGladrey LLP One South Wacker Drive, Suite 800 Chicago, IL. 60606	INSURER A: North American Capacity Insurance Company			
	INSURER B:			
	INSURER C:			
	INSURER D:			
	INSURER E:			
	INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** **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
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y / <input type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Misc. Professional Liability Insurance			ZZL0000117-00	01/04/13	01/04/14	\$2,000,000 Per Claim and in the Annual Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

SWIFT Contract No: T#1402A/71819
 UHCA

CERTIFICATE HOLDER**CANCELLATION**

The State of Minnesota of Administration
 Real Estate & Construction Services
 309 Administration Building - 50 Sherburne Avenue
 St. Paul, MN 55155

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

Mark S. Sengler

State Of Minnesota – Affirmative Action Certification

Exhibit E

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: McGladrey LLP Date November 5, 2013
 Authorized Signature: Larry W Schaedel Telephone number: (312) 634-4729
 Printed Name: LARRY W SCHAEDEL Title: PARTNER

For assistance with this form, contact:

Minnesota Department of Human Rights, Compliance Services Section

Mail: 190 East 5th 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@therightspplace.net



Minnesota Department of
HUMAN RIGHTS

June 01, 2012

MCGLADREY LLP
ATTN: John Yeager
3600 AMERICAN BLVD W 3RD FL
BLOOMINGTON, MN 55431

Your organization's affirmative action plan has been approved by the Minnesota Department of Human Rights. The department's review of your equal employment opportunity policies and practices indicates compliance with Minnesota Statutes, Sec. 363A.36.

The Certificate of Compliance is enclosed. This certification is subject to revocation or suspension prior to its expiration if the department issues a finding of noncompliance or if your organization fails to make a good faith effort to implement its affirmative action plan.

Also enclosed is an Annual Report form to be completed and submitted annually during the certification period whether a state contract has been awarded to you or not. **You must submit reports as required and promptly notify us of any address or status changes.**

If you have any questions, please contact Contract Compliance, 651-539-1095 or compliance.mdhr@state.mn.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin M. Lindsey".

Kevin M. Lindsey, Commissioner
Minnesota Department of Human Rights

Enclosures: Certificate of Compliance
Annual Report Forms
Posters (2)

AN EQUAL OPPORTUNITY EMPLOYER



Minnesota Department of
HUMAN RIGHTS

CERTIFICATE OF COMPLIANCE

MCGLADREY LLP is hereby certified as a contractor by the Minnesota Department of Human Rights. This certificate is valid from 5/17/2012 to 5/17/2014.

This certification is subject to revocation or suspension prior to its expiration if the department issues a finding of noncompliance or if your organization fails to make a good faith effort to implement its affirmative action plan.

Minnesota Department of Human Rights

FOR THE DEPARTMENT BY:

Kevin M. Lindsey, Commissioner

AN EQUAL OPPORTUNITY EMPLOYER

Freeman Building • 625 Robert Street North • Saint Paul, Minnesota 55155
Tel 651.539.1100 • TTY 651.296.1283 • Toll Free 1.800.657.3704 • Fax 651.296.9042 • www.humanrights.state.mn.us

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.

McGladrey LLP
Organization Name

Larry W. Schaedel, Partner
Name and Title of Official Signing for Organization

By: Larry W. Schaedel
Signature of Official

November 5, 2013
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 _____ 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: Mc Gladrey, LLP
Print authorized representative name: Larry W. Schaedel Title: Partner
Authorized signature: [Signature] Date (mm/dd/yyyy): November 5, 2013

Notary Public

Subscribed and sworn to before me this:
5th day of November, 2013

[Signature]
Notary Public signature

September 23, 2016
Commission expires (mm/dd/yyyy)

