



HENSEL PHELPS

Plan. Build. Manage.

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August 20, 2016

Mr. Ucey R. Vine
UCI Design & Construction Services
101 Academy, Suite 200
Irvine, CA 92697-2450

Subject: Design Manager Cost – Change Estimate 22
University of California, Irvine, Mesa Court Expansion

Dear Ucey,

During the Change Estimates meeting last week when we reviewed CE 22 for Furniture Planning, you questioned the inclusion of HP Design Manager as a justifiable cost of work. You referenced the General Conditions of the Contract, paragraph 7.3.3 as precluding the inclusion of supervision as a cost of the work.

While we understand that the rationale for not including Superintendents and similar in the cost of the work is that their expense has already been covered for the full duration of the project in the original bid, and that minor additions of work scope will not change the amount of project supervision required. Design, however, is a different matter; the design tasks do not extend for the entire duration of the project and the inclusion of a Design Manager in our original bid was for a fixed duration. Adding additional design scope, as the furniture planning clearly is, will require Hensel Phelps to extend the duration that the Design Manager is on the project, creating an additional cost burden that should be compensable under the change. The allowable 5% fee on design changes per paragraph 7.3.4.4 does not provide for a reasonable markup for the impact of the change if more than half of the fee is eaten up for the cost of the Design Manager's involvement.

Hensel Phelps respectfully requests that UCI consider the above and agree that the costs included in Change Estimate 22 for HP Design Manager are a reasonable cost of work attributable to the change.

Should there be any questions regarding the above, please contact the undersigned.

Sincerely,

Ralph Hamilton
Project Manager