

ANNEX I

United Nations  Nations Unies

HEADQUARTERS • SIBGE NEW YORK, NY 10017  
TEL.: 1 (212) 963.1234 • FAX: 1 (212) 963.4879

reference:  
PD/CMP/09299/AA

United Nations Headquarters, New York, Capital Master Plan –  
Meeting minutes regarding Skanska's requirements for levelling of  
Trade Contract bids held on 6 November 2009

24 November 2009

Dear Mr. Kolakowski,

We write further to our meeting on Friday, 6 November 2009 regarding levelling procedures for trade contractor appointments.

UNPD would confirm here the agreement between UN and Skanska USA Building, Inc. with regards to processes and information requirement for levelling.

For familiarity, we have set out the matters discussed and agreed actions in the format of our letter dated 27 October 2009 (copy attached). We trust that the actions noted reflect our discussions to date and would ask that these be implemented immediately

If you have any queries or to give any further information, please contact Alvin Alunan at 212-963-4853 or alunan1@un.org.

1. Page 2 of 5, paragraph 4 – The bidders must, at all times, submit their bids in sealed envelopes. Our procurement procedures require that all bids must be submitted in sealed envelopes.  
*Action: Skanska will continue to comply and proposed exceptions will be evaluated on a case-by-case basis.*
2. Page 3 of 5, paragraph 2 – We request that copies of all pertinent bid levelling meeting minutes be submitted with RFAs recommending Trade Contractor award.  
*Action: Skanska will continue to comply and noted that minutes of telephone calls are not taken because they are for information purposes only.*
3. Page 3 of 5, paragraph 4 – Please indicate what Skanska procedures are in place to document all correspondence with Trade Contractors after their bids are submitted.  
*Action: Skanska will clarify their procedures for documenting correspondence with Trade Contractors and submit the related documents to UNPD.*
4. Provide a pre-agreed estimated quantity of items for rate-based bid packages.  
*Action: UNPD and Skanska are in agreement that contractors must work with the agreed quantities, approved by G&T and the UN, prior to BAFO.*

Skanska USA Building, Inc.  
Empire State Building  
350 Fifth Avenue  
32<sup>nd</sup> floor  
New York, NY 10118  
For the attention of: Mr. D. Kolakowski

*etc.*

5. Allow deviations from specification and scope only in exceptional circumstances and with the written approval of the UN project manager. For transparency, all bidders should be made aware of the deviations so that they may be given equal opportunity to re-bid.

*Action: A recommendation of award will not be made for any Trade Contractors who deviate from the specifications without prior approval.*

6. Indicate how the trade contract award value relates to the package budget (as per the signed GMP contract, reconciled budget, or current budget); i.e. whether a residual allowance is required/recommended for later buyout of the full scope. The reason should be clear as to why the full buy-out was not possible at this stage. Include a summary of savings/overrun against the signed GMP contract for the package.

*Action: More detailed budget information will be provided by Skanska upon recommendation of a trade contract award.*

7. BAFOs shall only be solicited after approval from UNPD and the opportunity shall be extended to as many bidders as possible.

*Action: UNPD will meet with Skanska to analyze the bids and approve Skanska's list of recommended trade contractors for BAFOs.*

8. All fields in the bid levelling worksheet must be completed and include relevant explanations.

*Action: Skanska will be more specific when they complete the bid levelling sheets.*

9. Request and record the reasons why bids were not submitted or received from invited contractors.

*Action: At RFA, Skanska will document the reasons why some trade contractors did not submit a bid. In addition, UNPD requested Skanska to provide sufficient reason if there are only a few bidders.*

10. Bidders shall complete all fields in the bid cost sheets. Clarify the intent and meaning if any of these fields are marked, "included", "incl.", "excluded", "elsewhere", etc...

*Action: Skanska will be more specific when they complete the bid levelling sheets.*

11. Bidders shall not be allowed to reduce their unit prices after bids have been opened, unless under BAFO conditions. However, they may be allowed to adjust the quantities as a result of the bid levelling exercise.

*Action: UNPD and Skanska are in agreement that this shall only be allowed during re-bids, BAFOs, and final negotiations with the trade contractors.*

12. The procedure for any re-bids (as a result of the levelling exercise or otherwise) shall follow the same procedures as the original bid process. e.g. sealed envelopes.

*Action: There will be no deviation from this requirement except with prior written approval from UNPD.*

13. Provide the estimated percentage of the trade contractor's scope that will be sub-contracted.

*Clarification: This item was not discussed during the meeting and the following clarification is provided. UNPD requests this information so that we may get an understanding of the amount of the trade contractor's self performed work versus sub-contracted work.*

14. Provide the names of the proposed sub-contractors.

*Action: Skanska stated that this information is not always available from the Trade Contractors at the time of bid evaluation. Since they have not yet been awarded the contract, the trade contractors have not yet determined who they will use as a sub-contractor, if any.*

15. Please clarify and indicate that the unit rates and the add/alternates exclude CCIP costs.

*Action: Skanska will confirm with the trade contractors, during bid levelling, to assure that CCIP costs were excluded from the unit rates and the add/alternates.*

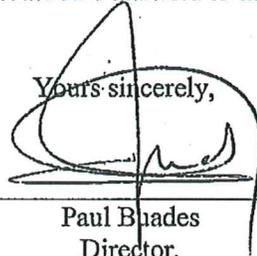
16. Confirm that the unit prices quoted for additional work are equivalent to the unit prices for deleted work.

*Action: Skanska agrees that these costs will be equivalent.*

On a further matter, we observed in bid levelling meetings that some contractors have requested additional site visits. Our intent is to ensure all bidders are given the same opportunities to visit the site and all information gained from these site visits are made available to all bidders. For transparency, UNPD also wishes to ensure that answers to RFI's during the bid process are distributed to all bidders.

*Action: Skanska agrees and will continue to give all bidders the same opportunities to visit the site. They will also continue to distribute RFI answers to all bidders.*

Yours sincerely,



Paul Buades  
Director,  
Procurement Division  
United Nations

CC: Vivian Van de Perre – UN  
John Forster – G&T  
Martin Allum – G&T

# United Nations Nations Unies

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PD/CMP/09263/AA

United Nations Headquarters, New York, Capital Master Plan –  
Skanska requirements for levelling Trade Contract bids

27 October 2009

Dear Mr. Kolakowski,

We received your response to our request for “Skanska requirements for levelling Trade Contractor bids”, dated 8 October 2009, and reviewed “Skanska’s Procurement of Trade Contractors”.

After careful review, we would like to further discuss the following items:

1. Page 2 of 5, paragraph 4 – The bidders must, at all times, submit their bids in sealed envelopes. Our procurement procedures require that all bids must be submitted in sealed envelopes.
2. Page 3 of 5, paragraph 2 – We request that copies of all pertinent bid levelling meeting minutes be submitted with RFAs recommending Trade Contractor award.
3. Page 3 of 5, paragraph 4 – Please indicate what Skanska procedures are in place to document all correspondence with Trade Contractors after their bids are submitted.

In addition, we request that the following information be incorporated in your levelling process and propose that we meet in the near future to further discuss these:

4. Provide a pre-agreed estimated quantity of items for rate-based bid packages.
5. Allow deviations from specification and scope only in exceptional circumstances and with the written approval of the UN project manager. For transparency, all bidders should be made aware of the deviations so that they may be given equal opportunity to re-bid.
6. Indicate how the trade contract award value relates to the package budget (as per the signed GMP contract, reconciled budget, or current budget); i.e. whether a residual allowance is required/recommended for later buyout of the full scope. The reason should be clear as to why the full buy-out was not possible at this stage. Include a summary of savings/overrun against the signed GMP contract for the package.
7. BAFOs shall only be solicited after approval from UNPD and the opportunity shall be extended to as many bidders as possible.
8. All fields in the bid levelling worksheet must be completed and include relevant explanations.
9. Request and record the reasons why bids were not submitted or received from invited contractors.

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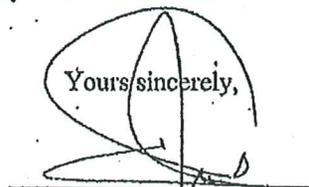
10. Bidders shall complete all fields in the bid cost sheets. Clarify the intent and meaning if any of these fields are marked, "included", "incl.", "excluded", "elsewhere", etc...
11. Bidders shall not be allowed to reduce their unit prices after bids have been opened, unless under BAFO conditions. However, they may be allowed to adjust the quantities as a result of the bid levelling exercise.
12. The procedure for any re-bids (as a result of the levelling exercise or otherwise) shall follow the same procedures as the original bid process. e.g. sealed envelopes.
13. Provide the estimated percentage of the trade contractor's scope that will be sub-contracted.
14. Provide the names of the proposed sub-contractors.
15. Please clarify and indicate that the unit rates and the add/alternates exclude CCIP costs.
16. Confirm that the unit prices quoted for additional work are equivalent to the unit prices for deleted work.

On a further matter, we observed in bid levelling meetings that some contractors have requested additional site visits. Our intent is to ensure all bidders are given the same opportunities to visit the site and all information gained from these site visits are made available to all bidders. For transparency, UNPD also wishes to ensure that answers to RFI's during the bid process are distributed to all bidders.

Following this, UNPD and CMP may request a meeting to consider how best to record the levelling process in the future to ensure that any audit and oversight requirements are met.

Please contact us if you have any queries or require any further information.

Yours sincerely,



Paul Buades  
 Director,  
 Procurement Division  
 United Nations