



November 3, 2016

Mr. Mark Dickinson
Hill International
One Penn Square West
30 South 15th Street, Suite 1300
Philadelphia, PA 19102

RE: Project No. DGS 577-36 (ER)
Contract No. DGS 577-36 DBC.1, Third Revision Rebid
New Correctional Facility
State Correctional Institution – Phoenix
Skippack, PA

Subject: General Quality Assurance, Quality Control, and Inspection Concerns

Dear Mr. Dickinson,

In response to your letter of October 10, 2016, Walsh/Heery Joint Venture (WHJV) has provided a quality product and is prepared for the final inspection process. As discussed with Hill prior to the issuance of this letter, WHJV has repeatedly requested specifics on any quality concerns/items on this project. The Owner has repeatedly failed to provide this documentation, but rather issues general and conclusory statements suggesting a widespread quality/compliance issue. In specific response to your letter, WHJV offers the following:

1. WHJV conducts weekly QC/QA meetings on site where items are detailed, noted, and resolved as a standard industry practice. The reference by you to avoidable deficiencies is disturbing considering that the Owner has every opportunity to bring forth any new items at this meeting. Currently, there are forty-three (43) items on the QC/QA meeting minutes, of which, seven (7) are in the Owner's court. This is a very small list considering the size and complexity of this project.
2. DGS requested that WHJV attend a meeting on August 31, 2016 to notify the Design Build Contractor (DBC) that it had hired Urban Engineers to perform field inspections in a collaborative project team effort to facilitate identification of items that the Owner may have at its final inspection of the project. The Owner and WHJV agreed that this would be a beneficial service such that any items identified would be shared with the team and could be reviewed and corrected as needed prior to the final inspections. To date, the Owner has failed to provide any reports or findings from these inspections/field observations even though they have been on-going for nearly two (2) months and WHJV has repeatedly requested any information be shared (as agreed in the initial August 31, 2016 meeting).

3. The referenced letter (dated October 10, 2016) fails again to provide any specific items, and simply states that field reviews by the Owner and Owner agents have discovered deficiencies. Following the October 4, 2016, QC/QA Meeting, Hill indicated that this letter was forthcoming and that the Owner anticipates back-charging WHJV for Urban Engineer's services as it felt that it was performing the QC/QA services that WHJV should be providing. WHJV again requested that the Owner provide specifics so that those items could be addressed. This request again went without response. Also, WHJV did not request a final inspection and noted that the Owner had no rights to attempt to back-charge the DBC.

Additionally, as you clearly mention in the letter dated October 10, 2016, WHJV has responsibility for both Quality Control (QC) and Quality Assurance (QA) on this project as re-defined through Bulletin #01, which shifted the QA responsibility from the Owner to the DBC. Although this is atypical, WHJV has and will continue to fulfill its contractual obligations for these items. Quality Control is by the DBC per the contract through professional testing laboratory/agencies and in-house staff. Quality Assurance testing has been provided per the contract through the DBC's Retained Professional (RP). As WHJV has responsibility for both QC and QA, any additional QA measures that the Owner may take on should be provided in writing to the WHJV so that we are properly notified of this and can treat it as a Change in the Work pursuant to Article 11, as applicable. The Owner is using the QA/QC process as a means of addressing 'wants' or 'wish-list' items that were not included in the contract documents. WHJV's refusal to provide these additional items does not translate into our failure to perform our contractual obligations or responsibilities for QA/QC.

WHJV utilizes BIM360 for tracking QC items and it extended an offer to DGS for Urban Engineers to utilize that system for sharing its findings as discussed at the August 31, 2016 meeting. To date, WHJV has identified and closed over 20,000 items during the course of the project. The Owner has 829 total items and to date, 625 of those are closed. WHJV's has taken the lead on QC/QA and is very diligent about tracking and resolving and correcting any deficiencies.

WHJV has also exceeded many other auxiliary QC/QA contractual obligations including the RP field observations. Throughout the majority of the project, WHJV had the RP on site weekly. Additionally, WHJV has been required to provide additional services to research, develop, submit, and present variances and appeals to Labor and Industry (L&I) due to various code interpretations and other project items or requests. WHJV anticipates that the number of appeals will increase significantly as we continue through the inspection process for this project and as WHJV regards L&I directives as Changes in the Work and/or enhancements not warranted under the Contract, it will resort to Article 11.

The Retained Professionals were on site last month and continued its field observations and began the final checkout of security electronic and detention equipment. They have indicated that they are pleased with the work, have minimal comments/items and that the quality of the project meets and/or exceeds industry standards.



WHJV stands ready to turn over a first-class facility to the Owner and is prepared for a timely and efficient final and closeout inspection process. If you have any questions concerning this issue, please contact me at (484) 973-6443.

Sincerely,
Walsh Heery Joint Venture

A handwritten signature in black ink, appearing to read "Ed Kerber".

Ed Kerber, CCM
Senior Project Manager

Cc: Elizabeth O'Reilly, DGS
Dan Weinzierl, DGS
Ed Olivieri, DGS
Sam Pool, DGS
George Hiltner, DOC
Mike Whelan, WHJV
Kevin Swain, WHJV
Linda Smith, WHJV
Brian McGinty, WHJV
Tom Uram, WHJV