

KU  
ENDOWMENT  
The University of Kansas



November 8, 2012

David L. Corliss  
City Manager  
City Hall  
6 East 6<sup>th</sup> Street  
Lawrence, KS 66044

Dear David:

This letter seeks to provide additional, procedural detail to my October 2, 2012, letter regarding the potential City – KU Endowment relationship for the proposed construction of the recreation center and related facilities.

KU Endowment envisions that all aspects of the construction of the recreation center set out in Section 1 of the October 2, 2012 letter, (recreation center, tennis courts, trails, infrastructure of roads, utilities, etc.) will be managed by KU Endowment utilizing a construction management type relationship with Bliss Sports. The proposed delivery system will be similar to the construction management procedure that I understand the City is following for the downtown library/parking garage project. KU Endowment, in consultation with Bliss Sports, will select qualified subcontractors – including local subcontractors – to provide bids on certain bid packages for the major elements of the project. For example, separate bid packages may be developed and bid for the utilities infrastructure, recreation center concrete, electrical, recreation center steel or the exterior skin system for the facility. After KU Endowment and Bliss Sports have determined which bid and subcontractor will be selected for each bid package, the bids can be provided to the City for review. The intent of providing the bids to the City is for the process to be as transparent as possible and to provide your office with the market costs of the work being performed by each subcontractor.

The City's total cost is fixed at \$25 million as outlined in the October 2, letter and will not change as a result of the bids being provided for review. It is important to note that the City has always been in the position to hire a third party to review the plans in order to obtain an estimate of the cost of construction. In fact, the City has already published in the "Recreation Center Options" brochure an estimate of \$33.5 million dollars for this project. We hope that the procedure you have gone through to obtain the estimate, as well as the procedure outlined above, will be sufficient for your needs.

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Additionally, we would welcome a City retained construction monitor to provide inspection services on the various aspects of the project at whatever interval the City deems appropriate. The monitoring service should provide additional assurance that the project fully meets the satisfaction of the City.

As we have all noted in our recent discussions, this project is a unique opportunity for both KU and the City. I look forward to our continued discussions on this project to ensure that it can become a reality.

Cordially,

A handwritten signature in black ink, appearing to read "Dale Seufferling", with a long horizontal line extending to the right.

Dale Seufferling  
President

