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October 3, 2017

Kolvira Chheng
Asst. Superintendent of Business Services
Alum Rock Union Elementary School District
2930 Gay Avenue
San Jose, CA 95127

Re: Response to District's Letter dated September 29, 2017

Dear Mr. Chheng:

I am in receipt of your letter of September 29, 2017, which refers to my prior letter of September 21, 2017 and makes certain assertions that I respectfully disagree with and which require a response.

Contrary to your assertion, as we discussed on September 14, 2017, Del Terra does have a document management program that it utilizes in connection with the services it provides to the District. That document management program, which is housed at Del Terra's main office, maintains electronic files of the majority of the documents (oversize documents being excluded) that are generated in connection with the District's Measures J and I bond programs, including, but not limited to project records and deliverables provided by Del Terra to the District. That system is used on a daily basis by the Del Terra employees that provide services to the District. As such, Del Terra has complied with its obligations under the Bond Program contract.

Your letter suggests that Del Terra should have created a document management system at the District. Section 2.4 of the Program Management Agreement does not require that Del Terra purchase a document management system for the District. Instead, it provides that if such a system is to be acquired, Del Terra must first obtain the permission of the District. In 2013, Del Terra specifically asked the then-District Superintendent Stephen Fiss whether Del Terra should acquire such a system for the District and was told that the District did not want to spend its limited Bond funds on such a system.

As indicated in my September 21, 2017 letter, Del Terra is gathering the documents requested by the District which are maintained in its document management system. It should be pointed out that the District's request for documents came during the peak construction period when Del Terra's principal efforts were focused on completing the District's summer projects. Del Terra is very proud of the fact that each of the District's summer construction projects were successful and in some cases were brought in below budget and ahead of schedule. In addition to closing out those projects, for the past two weeks, Del Terra has worked weekends and overtime to gather responsive files. In addition to what has already been provided to the District, Del Terra will be

providing additional sets of documents this week. However, since the District's 2017 projects are just wrapping up, we will provide documents relating to those projects after October 6, 2017.

With respect Del Terra's reservation of its rights for duplicating its production of files to the District, your letter states that such a production does not fall within the contract definition of "Additional Services". However, your letter does not take into consideration that many of these very same files have been previously provided to the District. Indeed, as I pointed out in my September 21, 2017 letter, while the District claims that it cannot find documents previously provided to the District by Del Terra, members of District staff have confirmed that they have received documents relating to the Program. Additionally, Del Terra has located numerous transmittal documents associated with various packages of Program documents that have been signed by District staff including Superintendent Bauer, acknowledging receipt. Del Terra's position relating to the production of duplicate set of files constituting Additional Services is based on the fact that it has previously provided many of those same files to the District.

With respect to your request for Del Terra's billings relating to the Fischer Middle School, George Middle School, Dorsa HVAC and LUCHA HVAC projects. Del Terra is compiling those files and will provide them to the District next week.

For the record, Del Terra has been working with you to develop a process for providing documents in a way that is most helpful to the District. As pointed out in my September 21, 2017 letter, originally it was discussed agreed that the District would first determine what documents it was missing and advise which documents needed to be provided. The District revised that request in its September 14, 2017 letter and since the receipt of that letter, Del Terra has been working weekend and overtime to gather its entire Alum Rock files.

Should you wish to discuss any of the matters discussed herein, please do not hesitate to contact me.

Sincerely



Luis D. Rojas
President and CEO