



All Vendors and Subcontractors

RE: Bidding on the Provo WATRR Center Package 2

We understand that bidding a long-term project while facing the uncertainty of pricing escalations and supply shortages is not an easy task. In an effort support and protect our Vendors and Subcontractors and to encourage as many competitive bids as possible, we have negotiated a potential path forward.

Bidders will not be required to participate in this program, but may elect to do so, to minimize risk associated with volatile material prices. All successful bidders that wish to participate in this program will be able to make a one-time price adjustment during the project. To participate, Vendors and Subcontractors must submit a summary of "as bid" materials, including quantities and costs to support their bids and set a pricing benchmark. The benchmark must be set prior to entering into any purchase order or subcontract with Alder.

At the time of actual material procurement, Vendors and Subcontractors shall submit actual material pricing to compare against the benchmark. Updated bids or invoices will need to be provided to Alder for justification for the material escalation. Upon verification, a contractual adjustment for materials will be granted. Please note, pricing for materials may be adjusted up or down depending on the market conditions. No adjustment for changes in quantities will be granted unless an approved change condition is approved by Alder and the Owner. This pricing adjustment will be allowed once during the length of the contract and is good for only the price of the materials incorporated into the project, not labor.

We will also work with all Vendors and Subcontractors to purchase materials as early as possible after submittal approval and store the materials until incorporated into the project. Payment for stored materials up to 90% of their value will be permitted.

Sincerely,

Alder Construction Project Management Staff