

July 14, 1998

**AMENDMENT NUMBER TWO TO REQUEST FOR PROPOSAL TRARFP/BC
DATED JUNE 17, 1998 IS AMENDED AS FOLLOWS:**

1. Reference Chapter III, page 20, Section E.2., "Qualification Material, Financial Statements," should read:

The bidder shall provide a copy of its company's audited financial statements for the last three (3) years, including the auditor's unqualified opinion, a balance sheet, profit and loss statement, [and] statement of cash flows, and footnotes. If audited financial statements are not available, the bidder shall provide an unaudited copy of its company's financial statements for the last three (3) years, including a balance sheet, profit and loss statement, statement of cash flows, and footnotes; the bidder also shall provide an explanation as to why audited financial statements are not available.

If the bidder's company is a subsidiary of a larger organization, financial data reflecting only the subsidiary organization's financial position are to be submitted; however, the University reserves the right to request the financial statements of the parent organization. These statements shall be prepared by a licensed Certified Public Accountant in accordance with the auditing standards for accounting and review services of the American Institute of Certified Public Accountants. All statements shall adhere to Generally Accepted Accounting Principles.

2. Reference Chapter III, page 41, Section Q, a new final paragraph should be added that reads:

If the successful bidder submitted unaudited financial statements as part of its proposal, the University is likely to require the bidder to obtain a performance bond in an amount equal to the projected annualized cost of the services under the Agreement. In addition, the University is likely to require that future financial statements be audited. If the successful bidder submitted audited financial statements, the University may require the bidder to obtain a performance bond. If the University has any concerns about the bidder's financial position, the amount of the performance bond would be determined by the University based on the University's analysis of the bidder's financial position.

3. Reference APPENDIX 5, Page 13, Article 19. E. should read:

E. Contractor shall insure its activities in connection with the work under this Agreement. The insurance coverage shall be with an insurance carrier or carriers that have a best rating or equivalent rating of A-, VIII. Premiums on all insurance policies shall be paid by Contractor and shall be deemed included in Contractor's obligations under this Agreement at no additional charge. Contractors shall obtain, keep in force, and maintain insurance as follows:

1. Comprehensive or Commercial Form General Liability Insurance (contractual liability included) with limits as follows:

<i>Each Occurrence</i>	<i>\$2,000,000</i>
<i>Products/Completed Operations Aggregate</i>	<i>\$5,000,000</i>
<i>Personal and Advertising Injury</i>	<i>\$5,000,000</i>
<i>General Aggregate (Not applicable to the Comprehensive Form)</i>	<i>\$5,000,000</i>

If the above insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the effective date of this Agreement.

2. Business Automobile Liability insurance for owned, scheduled, non-owned, or hired automobiles with a combined single limit not less than \$1 million dollars (\$1,000,000) per occurrence.

3. Errors and Omissions Insurance with a limit of \$2 million dollars (\$2,000,000) per occurrence.

4. Workers' Compensation as required by California State law.

5. Such other insurance in such amounts which from time to time may be reasonably required by the mutual consent of University and Contractor against other insurable risks relating to performance.

The coverage required herein shall not in any way limit the liability of Contractor.

4. Reference APPENDIX 5, Page 13a, Article 19. F. should read:

F. Contractor shall furnish University with certificates of insurance evidencing compliance with all requirements prior to commencing work under this Agreement. Such certificates shall:

- 1. Provide for thirty (30) -days' advance written notice to University of any modification, change, or cancellation of any of the above insurance coverage.***
- 2. Indicate that The Regents of the University of California has been endorsed as an additional insured under the coverage referred to under E.1., E.2., and E.3.***
- 3. Include a provision that the coverage will be primary and will not participate with nor be excess over any valid and collectible insurance or program of self-insurance carried or maintained by University.***

It should be further understood that the provisions under 2. and 3. above shall only apply to the negligent act or omissions of Contractor, its officers, employees, agents, subcontractors, or anyone directly or indirectly employed by them, or any person or persons under Contractor's direction and control.

5. Reference APPENDIX 5, Page 13a, former Article 19. F. is now Article 19.G.