

June 22, 2009

ADDENDUM No. 1

To

REQUEST FOR PROPOSALS

For

LEGAL SERVICES

For the

SCHOOL CONSTRUCTION PROGRAM

ISSUED JUNE 3, 2009

By

THE NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

PLEASE TAKE NOTICE:

PROPOSALS ARE DUE on Thursday, July 2, 2009 by 5 PM, at the Main Office of the New Jersey Schools Development Authority located at 1 West State Street, Trenton, New Jersey 08625, and must be delivered in the manner set forth in the RFP.

This **ADDENDUM No. 1** includes questions submitted by 5 PM on Thursday, June 18, 2009, and answers thereto, RFP clarifications, and a list of firms that submitted Mandatory Notices of Intent to Participate by 5 PM on Thursday, June 18, 2009. Terms in this Addendum shall have the same meaning as provided in Section 1 of the Agreement, except as otherwise provided herein.

A. FIRMS THAT INTEND TO PROPOSE

Please refer to Attachment A.

B. QUESTIONS & NJSDA ANSWERS

B.1 Question: With respect to the real estate contract to be awarded, the RFP provides that the term will run for two years. If a firm has an existing award for these real estate services that is nearly one year into a two year term, will the existing award be extended for an additional year to run commensurate with the term of this new contract? Is there a difference between the existing engagement and the scope of services sought under the new contract?

Answer: There is essentially no difference between the existing engagement and the scope of services sought under the new contract. Due to the mandated stimulus efforts, NJSDA must secure additional capacity in this area. As a result, firms who have been awarded a contract and are currently engaged to provide real estate services are not eligible to participate in this procurement as Real Estate Counsel.

B.2 Question: With respect to the Design-Build project engagements, please explain in greater detail the anticipated scope of these engagements so that firms may provide the appropriate case studies and experiential information. For instance, will this engagement include the initial procurement of these services and the drafting of specification and contractual terms for a Design-Build project? Will the engagement extend to litigation arising out of the Design-Build project assignment? Does this award include advising the NJSDA from the outset on the selection of a particular construction delivery method for a project?

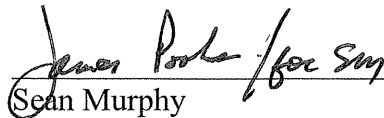
Answer: NJSDA anticipates that firms will be asked to provide litigation, transactional, advisory and consulting services with respect to its Design-Build projects. Requested services may include drafting exercises, advisory and consultative services with respect to current documents in use, formal representation and other related services as the circumstances may arise.

C. RFP CLARIFICATIONS

C.1 Please refer to Attachment B, Litigation Management Guidelines.

Please, there shall be absolutely no contact between our staff and you.

Issued by:


Sean Murphy

Manager

Procurement & Contract Services

Issued: June 22, 2009

ATTACHMENT A

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ATTACHMENT B

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY LITIGATION MANAGEMENT GUIDELINES

NJSDA expects to work with your firm to achieve the best result for the NJSDA. Legal services should be completed in an efficient and economical manner consistent with your ethical obligations and in conformity with the guidelines hereinafter set forth.

ATTORNEY/ STAFFING ASSIGNMENTS

Your firm should designate an engagement partner to coordinate the assignment of matters with respect to which your firm will represent NJSDA. One lead attorney should be assigned to each matter. Specific duties of the Lead Attorney with respect to an assigned matter shall include, but not be limited to: attendance at meetings, hearings, real estate closings, substantive court appearances, settlement negotiations, depositions, and participation in conference calls. NJSDA will pay for only one attorney in attendance. Any changes to the case staffing must also be discussed with the Office of Chief Counsel at the NJSDA prior to the firm undertaking those changes.

NJSDA recognizes the value of paralegal services when used appropriately to perform work in a file. Where practical, a paralegal should be assigned to work with the Lead Attorney on an NJSDA matter. Tasks generally accepted as approved paralegal tasks will be paid at paralegal rates. These tasks include, but are not limited to:

- (1) In connection with litigation matters: preparation of Subpoenas, preparation of routine discovery and pleadings, summaries of deposition transcripts, routine correspondence and contact with the Office of Chief Counsel at the NJSDA ; and
- (2) In connection with real estate matters: correspondence and communications pertaining to clearing title issues; preparation of closing documents, preparation of HUD-1 settlement sheets, preparation of closing binders, post closing follow up pertaining to release of escrowed funds.

GENERAL BUDGET MANAGEMENT GUIDELINES

- NJSDA will not pay attorney rates for tasks generally recognized as paralegal tasks. NJSDA will not pay for either attorney or paralegal time spent on services which are clerical in nature, such as scheduling conferences, file organization or Bates stamping, or where there is no significant value added to the case.

- NJSDA will not maintain a retainer balance.
- Travel time will be billed at ½ the hourly rate. Allowable travel expenses are (1) tolls; (2) mileage; and (3) parking. Mileage will be paid at the rate in effect for NJSDA employees as of the date of the travel. Parking and tolls will be reimbursed only upon submission of original paid receipts.
- NJSDA will not pay for interoffice conferences.
- Since assignments are made to firms which have been selected for their expertise in particular areas of law, NJSDA will not pay for research which is routine in nature. Legal research in excess of 2 hours should not be embarked upon without prior authorization from Office of Chief Counsel of the NJSDA. NJSDA will not pay for redundant research.
- NJSDA will not pay for time or expenses related to correcting inefficiencies or poor performance. Appropriate adjustments will be made to invoices submitted containing line items for such work.
- Email is the preferred method of exchanging information. The NJSDA will not pay for other methods of delivery when email is available and sufficient.
- The necessity for express charges, messenger services or comparable should be discussed with NJSDA's Office of Chief Counsel and approved prior to incurring the charges except in emergency situations.
- Standardized NJSDA forms and standardized letters of transmittal shall be utilized whenever appropriate to minimize amounts billed for routine correspondence.

Specific Budget Guidelines:

Budgets are necessary in every matter assigned as a means of documenting legal expenses that are likely to be incurred with reasonable accuracy. Budgets should be submitted as soon as possible after the acceptance of an assignment as follows:

For litigation matters: Each budget/budget update should address:

- Legal tasks that counsel will initiate;
- Legal tasks that opponents are anticipated to initiate;
- Legal tasks that the court or others are anticipated to initiate;
- Legal tasks relating to case management, reporting and communications;
- Anticipated expenses, itemized based on typical fees based on prior experience; and,

- Totalized projection of legal fees and expenses based on anticipated tasks and calculated on an estimate of hours per task at the contract rate.

For Real Estate /non-litigation matters each budget/budget update should address:

- Tasks to be performed;
- Documents to be drafted; and
- Totalized projection of legal fees and expenses based on anticipated tasks and estimated hours per assigned staff at the contract rate.

NOTE: Substantial variances from the budget (whether because of new tasks or additional time needed on previously identified tasks) should be discussed before services are rendered.

Overhead and Non-billable items:

NJSDA considers the following items to be overhead costs, included in the law firm's hourly rate, or otherwise non-billable:

- Charges for computerized legal research services such as Westlaw or Lexis;
- Charges for opening or closing files;
- Charges for preparation of required budget submission for anticipated legal services or for the preparation or collection of bills or invoices and/or charges for resolving invoice related issues;
- Word processing, clerical or secretarial charges;
- Storage charges for open or closed files, and for standard office supplies or equipment.
- Local telephone charges, facsimile charges of any kind, postage (other than certified mail fees or overnight delivery charges); transmission of email;
- Photocopy/printing charges for printing email transmissions received; and,
- Profit or mark-up on any expenses.

CASE MANAGEMENT COMMUNICATION GUIDELINES

The firm should search for conflicts or potential conflicts immediately after being contacted to represent the NJSDA in a matter. Any conflict or potential conflict must be discussed with an attorney from NJSDA's Office of Chief Counsel before accepting an engagement or as soon as the conflict or potential conflict is identified.

The firm should have, within 14 days after accepting an assignment, a detailed planning conversation with appropriate NJSDA personnel wherein the critical issues that must be resolved and overall case management issues are discussed. A preliminary budget should be submitted to NJSDA within 5 days after the planning discussion takes place. Status updates should be made every 30 days thereafter.

The firm will need to obtain authorization for the following: commencement of litigation, filing

of responsive pleadings, filing of all motions and discovery, retention of third parties such as experts or investigators and scheduling of depositions.

All interrogatories, request for production of documents, requests for admissions and/or other discovery received from other parties will be sent directly to the Office of Chief Counsel at the NJSDA within 48 hours of receipt of discovery documents.

Additionally, the following items should be sent to the Office of Chief Counsel:

- In connection with eminent domain proceedings:
 - Filed condemnation pleadings: Complaint, Declaration of Taking; Order to Show Cause, Order for Deposit into Court;
 - Recorded documents: Notice of Lis Pendens, Recorded Declaration of Taking;
 - Final Order for Judgment as to Condemnation and Appointing Commissioners;
 - Final Order as to Just Compensation; and
 - Notification of Condemnee's appeal of Commissioners Report.

- In connection with non-eminent domain litigation:
 - The Answer, any Amended Complaints, and any third-party pleadings;
 - copies of substantive pleadings or motions;
 - responses to interrogatories;
 - all settlement overtures, whether written or oral;
 - releases, dismissals or final judgments and all orders of the court; and,
 - all discovery responses that will require certification by claims personnel, with sufficient time to review those responses.

Expert witnesses, including medical witnesses, should not be engaged without prior consultation with the Office of Chief Counsel at the NJSDA.

Whenever you represent the NJSDA in a matter in which your firm is required to give a legal opinion to the NJSDA, that opinion letter must be reviewed and approved by the Office of Chief Counsel at the NJSDA. You should forward a draft of any opinion letter to Chief Counsel of the NJSDA in advance of issuance to permit review of the opinion.

The firm must provide a written pre-trial report to Office of Chief Counsel at the NJSDA. The report should be submitted at the close of discovery, within 10 business days after the case is set for trial, but not more than 120 days to the scheduled trial date, whichever occurs first.

Settlement authority rests solely in the NJSDA. Requests for settlement authority must be made on a timely basis, preferably no less than 30 days prior to settlement discussion. The NJSDA will not tolerate requests for authority on the "eve of trial" or the day before a settlement

conference. Settlement demands shall be communicated to the Office of Chief Counsel at the NJSDA as soon as they are received, with a settlement recommendation to follow as soon as possible. The firm must notify the Office of Chief Counsel at the NJSDA of all settlement conferences, mediations, arbitration hearings, or trial dates as soon as dates are set, and must advise of any subsequent changes. The results of hearings, arbitrations or other substantive court appearances must be communicated to the Office of Chief Counsel at the NJSDA within one business day. During trial, counsel must communicate with the Office of Chief Counsel at least once a day.

NJSDA handles all contact with the media on NJSDA matters. All media inquiries should be referred to the Office of Chief Counsel at the NJSDA.

BILLING GUIDELINES

With respect to specific billing requirements:

- Bills should be submitted monthly;
- For litigation matters, each bill should have a distinct invoice number and should reflect the Docket Number;
- Each bill should include a reference to the relevant NJSDA contract number and project number;
- All charges for services by attorneys and paralegals must be itemized based upon their actual time in one-tenth (.10) hour increments;
- Separate bills should be presented for each NJSDA matter assigned, identifying the business contact person or assigned in-house lawyer as the primary contact person;
- Bills should reflect a description of specific tasks and identify the lawyer or paralegal working on each task;
- Time should be chronologically listed (unless a different format has been specifically requested);
- Bills should set forth both the current invoiced amount and the totalized billed to date amount;
- Fees and disbursements should be subtotaled separately; and
- Prior unpaid balances should not be added to a later invoice.

ELIGIBLE DISBURSEMENTS:

- NJSDA will reimburse for actual long distance charges directly related to the file. The invoice must indicate the date of the telephone call the telephone number and the total cost.
- Travel time should only be billed to the extent the attorney is working on NJSDA matters during travel. Travel should be approved in advance and alternatives to travel should be used when possible.

- Photocopying may be billed at the maximum of 10 cents per page.

CAUSES FOR REJECTION:

- Billing for time spent when a firm transfers a project to another lawyer or paralegal in the firm will be rejected.
- Significant time involved in educating associates or paralegals will be rejected.
- More than one attorney attending meetings, hearings or drafting documents will be rejected without prior authorization from the NJSDA.
- Time spent on bill preparation will be rejected.
- Block billing and overly generalized and vague billing entries.