

Southern Nevada Sub-Contractors' **BID DEPOSITORY**

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SUMMARY OF BIDDING PROCEDURES

An introduction to the purpose and operation of the Bid Depository

The following questions and answers will explain the means and methods for bidding a Project through the Southern Nevada Sub-Contractors' Bid Depository, Inc. ("Bid Depository"). This summary should not be construed as the Bid Depository's complete Rules and Regulations. A full copy of the Bid Depository Rules and Regulations will be made available upon request.

HOW TO LEARN ABOUT BID DEPOSITORY PROJECTS.

Each week, the Bid Depository Administrator will determine which Projects the Bid Depository will handle. The Administrator will then make available to certain individuals, persons, corporations or entities who have an interest in or who are interested in registering with the Bid Depository to bid on a particular Project, a newsletter listing such Projects.

HOW TO REGISTER FOR BID DEPOSITORY PROJECTS.

1. Upon review of the Bid Depository Newsletter and prior to the closing time set by the Administrator for the submission of Subcontractor bids for a particular Project ("Subcontractor Bid Closing Time"), any Subcontractors and/or Prime Contractors who are interested in submitting or receiving bids for a particular Bid Depository Project may register for the same by notifying the Bid Depository.

THE BID FORM TO BE USED FOR BID DEPOSITORY PROJECTS.

1. The Administrator will customize and prepare a bid form to be used by Subcontractors of a particular trade or craft for each Project ("Bid Form"). Information that the Administrator may include in the Bid Form may be obtained from the plans and specifications, the Project Owner, or its representatives and agents, and from participating users of the Bid Depository.

2. No less than 72 hours prior to the Subcontractor Bid Closing Time, the Administrator will make available to registered Prime Contractors and Subcontractors for their review, a customized and proposed Bid Form to be used by Subcontractors of a particular trade or craft to bid the Project.

3. The Administrator shall receive any comments or requested changes to the Bid Form no less than 24 hours prior to the Subcontractor Bid Closing Time. The Bid Depository will only incorporate into the Bid Form, those comments and/or requested changes that a majority of the registered and affected Subcontractors of a particular trade or craft have approved. Unless unilaterally modified by the Bid Depository, the Bid Depository will make available, prior to the Subcontractor Bid Closing Time, a copy of the final Bid Form ("Final Bid Form") to each registered Subcontractor of a particular trade or craft and all registered Prime Contractors, for their use in bidding the Project.

ADDITIONAL INFORMATION TO BE PROVIDED BY THE BID DEPOSITORY.

Prior to the Subcontractor Bid Closing Time for a particular Project, the Bid Depository will: (i) provide registered Prime Contractors with a list of those Prime Contractors and Subcontractors who have registered to submit and receive bids for the Project; and (ii) endeavor to relay to registered Subcontractors and Prime Contractors any newly learned information that is pertinent to the Project.

HOW TO SUBMIT A BID FOR A PROJECT.

Registered Subcontractors who desire to bid a particular Project:

1. May submit a bid: (i) to one, a selected number of or all registered Prime Contractors bidding a particular Project; (ii) that contains the same bid amount or different bid amounts to a selected number of or all registered Prime Contractors bidding a particular Project— in other words, a registered Subcontractor can submit a bid to any or all registered Prime Contractors and in the amount he desires; or (iii) which speciallly requests the Bid Depository to not release his bid to one or more Prime Contractors if the Subcontractor is the only bidding Subcontractor for a particular trade or craft.

2. May not submit bids to registered Prime Contractors inside the Bid Depository and to registered and unregistered Prime Contractors outside the Bid Depository. Subcontractors may only bid inside the Bid Depository or outside, but may not bid both ways.

3. Shall deliver their completed Final Bid Form(s) to the Bid Depository by hand-delivery, facsimile or on-line transmission prior to the Subcontractor Bid Closing Time.¹ Bid Forms received by the Bid Depository after the Subcontractor Bid Closing Time will not be distributed to any Prime Contractors.

a. If hand delivered, the Subcontractor shall place the Final Bid Form in a yellow Administrator envelope. If the Subcontractor bids the same amount to one or more registered Prime Contractors, the Subcontractor need only place and seal a copy of one of the Final Bid Forms (which contains the same bid amount) in a single yellow Administrator envelope. If the Subcontractor bids different amounts to two or more Prime Contractors, the Subcontractor shall place and seal a copy of each differing bid in a separate yellow Administrator envelope. Each yellow envelope shall clearly identify the names of the Prime Contractors to whom a particular bid amount was submitted and shall be time-stamped and placed in the Administrator's box prior to the Subcontractor Bid Closing Time.

b. For information on submitting a bid via facsimile, see the Bid Depository's Rules and Regulations. For information on submitting a bid via on-line transmission, please contact the Bid Depository office.

c. NO PHONE BIDS WILL BE ACCEPTED.

4. May withdraw bids deposited with the Bid Depository, provided: (i) the Subcontractor withdraws all bids of the same amount; and (ii) the bids are withdrawn more than one hour before the Subcontractor Bid Closing Time.³ **HOWEVER, A BID CAN ONLY BE WITHDRAWN— IT**

¹ The "Final Bid Form" to be used by registered Users to bid a Project shall be the Bid Depository's most recent Bid Form. The Final Bid Form will not be titled "Final Bid Form." It shall be the responsibility of each registered User to confirm with the Bid Depository the Final Bid Form to be used to bid a Project.

³ To withdraw a bid, a Subcontractor must: (i) give the Bid Depository notice of the withdrawal by telephone and facsimile; and (ii) advise each Prime Contractor affected by the withdrawn bid. The Bid Depository

CANNOT BE ALTERED, CHANGED OR AMENDED IN ANY WAY, INCLUDING, BUT NOT LIMITED TO, MODIFYING, AMENDING, LIMITING, EXCLUDING OR CLARIFYING THE SCOPE OF WORK IDENTIFIED IN THE FINAL BID FORM.

THE PRIME CONTRACTORS ROLE IN PROJECT BIDDING.

1. After the Subcontractor Bid Closing Time, Subcontractor bids will be processed by the Bid Depository and a “Prime Contractor’s Agreement” will be completed for distribution to registered Prime Contractors (the Prime Contractor’s Agreement will list those Subcontractor bids deposited for each individual Prime Contractor).⁴

2. Registered Prime Contractors who desire to receive bids through the Bid Depository (for a particular trade or craft): (i) shall register with the Bid Depository prior to the Subcontractor Bid Closing Time, all direct or outside bids they may receive from Subcontractors whose trades or crafts are being handled by the Bid Depository (“Outside Bids”);⁵ (ii) shall have an authorized representative sign the Prime Contractor’s Agreement and receive the Subcontractor bids; and (iii) can reject any particular Subcontractor bid by refusing it prior to review. The Bid Depository will then notify the Subcontractor that their bid was refused by this Prime Contractor.

HOW TO LEARN THE OUTCOME OF A BID.

1. After the Owner opens the Prime Contractors’ bids, the Bid Depository will verify the apparent low Prime Contractor with the Owner.

2. After the Prime Contractors bid opening, and at the discretion of the Administrator, the Bid Depository will release a recap listing the Subcontractor bidders and the actual dollar amounts bid to the apparent low Prime Contractor. This recap is made available to those registered Subcontractors who submitted bids to the apparent low Prime Contractor and to the apparent low

will attempt to confirm the withdrawal of the Subcontractor’s bid by telephone to each of the registered Prime Contractors who are affected by the withdrawn bid. The consequence of failure to contact any given Prime Contractor shall be the responsibility of the Subcontractor. Withdrawn bids remain a permanent part of the Bid Depository’s Project file. Once a Subcontractor withdraws a bid of a particular amount, any attempt to rebid the same Project to the affected Prime Contractors, may be seen as a violation of the Bid Depository’s Rules and Regulations.

⁴ By way of the Prime Contractor’s Agreement, the Prime Contractor acknowledges and agrees that all Outside Bids (those not bidding through the Bid Depository) have been registered per the Bid Depository Rules and Regulations. Unless the Prime Contractor indicates otherwise in the Prime Contractor’s Agreement, the Prime Contractor also agrees that after the Subcontractor Bid Closing Time, it will not accept additional bids: (i) in the areas of the trades or crafts registered with the Bid Depository for a particular Project; or (ii) with respect to the scope of work identified in the Final Bid Form for a particular trade or craft. If the Prime Contractor indicates in the Prime Contractor’s Agreement that he intends to accept additional bids: (i) in the areas of the trades or crafts registered with the Bid Depository for a particular Project; or (ii) with respect to the scope of work identified in the Final Bid Form for a particular trade or craft; then the Prime Contractor acknowledges and agrees that the Bid Depository will notify registered Subcontractors who have submitted a bid to the Prime Contractor of the Prime Contractor’s intent, and any such Subcontractors shall be entitled to instruct the Bid Depository to withhold their respective bids from the Prime Contractor.

⁵ To register an Outside Bid, a Prime Contractor must deposit a copy of the Outside Bid in a sealed envelope addressed to the Administrator of the Bid Depository, and the envelope must be time stamped prior to the Subcontractor Bid Closing Time. All Outside Bids must include and be based on the entire scope of work defined in the Final Bid Form.

Prime Contractor, ONLY.

3. At the Prime Contractors bid opening, if a project is over budget by more than ten percent (10%), have a Prime Contractor protest, or other conflicts that appear to cause the project not to be awarded to the apparent low Prime Contractor, the Administrator will make the determination if a recap should be released or wait until officially awarded.

THE FEE THE BID DEPOSITORY CHARGES FOR ITS SERVICES.

1. The fees currently charged by the Bid Depository are one and one half percent (1 ½%) of the Total Base Bid amount: (i) with a minimum of \$800.00 and a maximum of \$4,000.00 for a combination of HVAC/Sheet Metal and Plumbing bids (i.e. “Complete Mechanical bids”); and (ii) with a minimum of \$400.00 and a maximum of \$2,000.00 with respect to other trades’ and crafts’ bids.⁶

2. The fees shall be due and payable following the Subcontractor’s receipt of its first draw. The Bid Depository will prepare and send invoices on a monthly basis. If an outside Subcontractor’s bid is the low and successful bid for a particular trade or craft, then the PRIME CONTRACTOR will be responsible to timely pay the Bid Depository fee for that trade or craft.

BID DEPOSITORY LIABILITY.

Users of the Bid Depository acknowledge and agree that:

1. THE BID DEPOSITORY SHALL NOT BE RESPONSIBLE OR LIABLE FOR THE ACTIONS OF ANY USER OF THE BID DEPOSITORY.

2. THE BID DEPOSITORY ASSUMES NO RESPONSIBILITY FOR, NOR MAKES ANY REPRESENTATION WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF A PARTICULAR BID FORM, OR THE COMPLETENESS OR ACCURACY OF ANY INFORMATION PROVIDED TO USERS OF THE BID DEPOSITORY. BID FORMS ARE PROVIDED ONLY AS AN ACCOMMODATION. BY SUBMITTING AND RECEIVING BIDS, EACH USER OF THE BID DEPOSITORY ACKNOWLEDGES THEIR INDEPENDENT REVIEW AND ANALYSIS OF ALL BID DOCUMENTS FOR A GIVEN PROJECT.

3. NO OFFICER, MEMBER, EMPLOYEE OR AGENT OF THE BID DEPOSITORY OR ANY SUBCONTRACTORS OR CONTRACTORS’ ASSOCIATION WHOSE MEMBERS USE THE BID DEPOSITORY, WILL BE PERSONALLY LIABLE FOR ANY ACTION WHATSOEVER IN THE OPERATION OF THE BID DEPOSITORY, AND EACH PERSON OR FIRM WHO IS A USER OF THE BID DEPOSITORY OR WHO UTILIZES THE BID DEPOSITORY EXPRESSLY AGREES THAT HE/SHE OR IT WILL NOT BRING OR ATTEMPT TO BRING AND EXPRESSLY WAIVES AND RELEASES ANY ACTION AGAINST SUCH OFFICER, MEMBER, EMPLOYEE, AGENT OR ORGANIZATION, AS A RESULT OF PARTICIPATION IN OR OPERATION OF THE BID DEPOSITORY.

⁶ The Bid Depository reserves the right to increase the fees that it charges.