



Kiewit - Turner

a Joint Venture

December 9, 2014

The Honorable Robert A. McDonald
Secretary of Veterans Affairs
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Mr. Sloan D. Gibson
Deputy Secretary of Veterans Affairs
Office of Public and Intergovernmental Affairs
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary McDonald and Deputy Secretary Gibson:

I have communicated with Peter Davoren and we are in agreement on the content of this letter. In light of the recent Civilian Board of Contract Appeals (CBCA) decision that the U.S. Department of Veterans Affairs (VA) is in material breach of its contract on the Denver VA Medical Replacement project, Kiewit-Turner must cease all work on the project. We will take all reasonable actions necessary to preserve and protect work currently in place and the materials on-site as we begin a safe and orderly demobilization from the project. We have communicated this to the VA project leadership in the attached letter and have requested a meeting with them to discuss the development of a transfer plan.

From the very beginning of this important project, Kiewit-Turner went to extraordinary efforts to try to work with the VA, spending \$100 million out of pocket to keep the project moving forward for Colorado-area Veterans. In August, we communicated the below terms in hopes that the VA would work in partnership with us to ensure that the project would continue without disruption.

1. Kiewit-Turner must be immediately paid all past costs,
2. The Corps of Engineers needs to assume responsibility from the VA for management of the project, and
3. We agree on a delivery model based on Federal Acquisition Regulation (FAR) cost reimbursable principles.

The CBCA decision confirms that the contract is broken, both legally and practically. The VA now must quickly and carefully scrutinize all aspects of this project, make appropriate design and management adjustments, and re-procure as soon as possible to minimize further delays for Colorado-area Veterans and cost increases for taxpayers. Please count on Kiewit-Turner's cooperation on this important effort.

Sincerely,

Scott Cassels
Executive Vice President
Kiewit Corporation