



# County of Santa Clara

Facilities and Fleet Department  
Capital Programs Division

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DC#15899

September 17, 2015

Turner Construction Company  
950 S. Bascom Avenue,  
Suite 3010, 3<sup>rd</sup> Floor  
San Jose, CA 95128

Attention: John de Ruiter  
Vice President

**Subject: Notice of Termination of Turner's Right to Proceed with the Work**

Dear John,

Turner is in default of our Contract and has done nothing in response. Turner has provided the County with no assurances it will cure its material breaches as stated in the County's Notices of Default issued for the Bed Building and the North Utility Loop ("NUL"). Turner has simply offered a single paragraph denial of the County's Notices.

On the Bed Building, Turner has not increased the number of workers at the project despite the availability of enough work to more than double the crew sizes. It has offered no plans to increase production and finish the job faster. Based on Turner's lack of response and lack of action while in default, the County has reasonably concluded that Turner plans no changes, and that Turner will continue to stall and understaff the Bed Building project and complete the project years behind schedule.

On the NUL, Turner has not reasonably responded on the record to the County's repeated requests for information about the NUL design, the safety of that design, and the steps Turner has taken to address the shocking steam vault explosion on September 3, 2014. The County has been seeking answers to many questions for over a year and Turner has not provided them. Turner has not responded to the County's Notices of Default on the NUL. The County has reasonably concluded that Turner again plans no changes and that Turner will continue to ignore the County's requests for information to ensure that worker and hospital safety is not at risk.

As a result of Turner's failure to respond to the County's Notices of Default, which are incorporated into this letter, the County is left with no choice. Effective September 16, 2015, the County is terminating Turner's right to proceed with the Work under the Contract. This termination is made under General Conditions, Article 2.03.B.2 of our Contract.

**Board of Supervisors:** Mike Wasserman, Dave Cortese, Ken Yeager, Joe Simitian, Cindy Chavez  
**County Executive:** Jeffrey V. Smith

## Notice of Termination of Turner's Right to Proceed with the Work

In accordance with Article 2.03.C of the Contract, the County may now exercise the following rights:

- Take possession of the Project Site or designated portion of the site and all or any of the DBC's materials, equipment, tools, appliances, and construction equipment and machinery owned by the DBC as may be on the site and necessary for the performance of the Work or designated portion of the Work;
- Accept assignment of any and/or all Subcontractor, Supplier, and/or rental agreements; and/or
- Complete the Work or designated portion of the Work by whatever reasonable method(s) County may deem expedient and appropriate.

Although the County has terminated Turner's right to proceed with the Work, it has not and will not terminate our Contract. The County has not yet determined whether to take assignment of subcontracts, supplier or rental agreements. However, in the event the County elects to do so, Turner is directed to comply with Article 2.07 of the Contract.

The County also reminds Turner of its obligation to maintain all project records (including its financial records) and must make all records available to the County for audit upon 24 hours' notice pursuant to Article 2.08 of the Contract.

Finally, we remind you of the obligations of Turner's subcontractors under our Article 2.10 of our Contract.

The County will provide Turner with further guidance on these issues.

Sincerely



Ken Rado  
Owner's Authorized Representative

Attachments: none