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File 602.001

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VIA ELECTRONIC MAIL ONLY

Mr. Jim Ryan  
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VIA ELECTRONIC MAIL ONLY

Mr. David G. Ackerman  
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Re: Associated General Contractors Of America

Dear Jim and Dave:

As discussed over the last week, the Fifth Appellate District's June 1, 2015 decision in *Davis v. Fresno Unified School District* (F068477) has left the Education Code section 17406 project delivery industry in flux and without a clear path forward.

In order to mitigate losses, we are working with several clients, industry organizations, school district lawyers and lobbyists to: (1) encourage the Fresno Unified School District to take further action in the *Davis* case including seeking rehearing, decertification and Supreme Court review; (2) propose legislation amending Education Code section 17406 overruling the *Davis* case; (3) propose legislation adding a clear exception to the Government Code section 1090 (if it applies at all); and (4) propose amendments to lease-leaseback documents in client backlog to reduce the risks created by the *Davis* case.

As to the second and third items, enclosed are the proposed amendments to Education Code section 17406 and Government Code section 1091.5. The amendments address the *Davis* case as well as the prequalification issue the 17406 spot bill was placed to correct. All changes to the existing code sections are tracked. We have clients with well over a half billion dollars of current backlog, and another billion in completed projects, at risk based on the *Davis* case. Consequently, we need a devoted industry effort to press these legislative changes. Please contact us after review to discuss the next steps.

Very truly yours,



P. Randolph Finch Jr.,  
Partner

Enclosures

PRF:nlh/38D1350

cc: Atkinson, Andelson, Loya, Ruud & Romo – Cerritos  
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