

DEPARTMENT OF TRANSPORTATION - District 4 Toll Bridge Program

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June 05, 2009

Contract No. 04-0120F4
04-SF-80-13.2 / 13.9
Self-Anchored Suspension Bridge
Letter No. 05.03.08-000018

Michael Flowers
Project Executive
American Bridge/Fluor, A JV
375 Burma Road
Oakland, CA 94607

Dear Michael Flowers,

CCO 77 payment and follow-up to State Letter No. 5.03.08-000017

We have not yet received a response to State Letter No. 5.03.08-000017, dated May 13, 2009. In the meantime, we received two payment requests for March and April 2009 on May 26, 2009. The March 2009 payment package is a re-submittal of a previously approved package that was partially paid, due to the lack of substantiation for Category 1B (ZPMC inspectors) and Category 2 (ABF inspectors). The primary issue was that green tag summaries were the only backup provided and showed many people green tagging 1 to 2 days of the month, which was not enough to justify payment for a full month.

The Department has several comments on these new payment requests which need to be addressed:

1. The Department paid \$407,698 for the March invoice as part of the May estimate. The resubmittal of the March invoice should reflect such payment.
2. The March 2009 re-submittal does not match the previous March submittal. For example, Category 1B decreased from 22 to 15 manmonths, while Category 2 increased from 32 to 36 manmonths. In Category 1A, it appears that Wendy Tai replaced Cincella Wang and 5 additional staff were listed.
3. The number of ZPMC inspectors (Category 1B) being billed is now fixed at 15 in both March and April. The number of ABFJV green tag inspectors being billed is more than double the number of ZPMC inspectors being billed, even though there is a 1:1 ratio for signing the green tag/QA Approval Request Form.
4. There are numerous ABFJV inspectors being charged to this CCO whom have yet to sign a green tag. As stated previously in LTR 5.03.08-000017, CCO 77 is to pay for additional work related to green tagging, not for regular inspection. In April, out of the 38 inspectors being billed on Category 2, only 22 actually signed off on a green tag. This is compared to 32 ZPMC inspectors who signed off on a green tag, for which we are being billed 15. In addition, there was even one person submitted whose timesheets state "welding inspection for temporary towers". Temporary towers are outside the scope of green tagging.

5. For Category 3, the number of ABFJV inspectors being billed under this category but performing Category 2 work seems to increase every month. The Department is unsure why ABFJV is billing for 38 green tag inspectors in Category 2 and additional green tag inspectors in Category 3, especially if 16 inspectors in Category 2 are not even signing green tags.
6. Per your summaries, the number of green tags signed by ZPMC inspectors does not match the number of green tags signed by ABFJV inspectors. In March, ZPMC signed 611 green tags while ABFJV signed 949 green tags. In April, ZPMC signed 759 green tags while ABFJV signed 1172 green tags. It appears that ABFJV is counting "in-process" yellow tags as green tags.
7. Summary spreadsheets do not match the actual backup. For example, in March 2009, the "CCO-077 Daily Timesheet" shows that Zhao Chensun worked 21 days while Zhou Jie worked 1 day. The invoice backup instead show Zhao Jie working 21 days and no record of Zhao Chensun. In April 2009, the "CCO-077 Daily Timesheet-ZPMC" shows that Fu Yuhong green tagged for 2 days, The "Green Tag Details" show he green tagged for 9 days.
8. Each package contains a stack of "QA Approval Request Forms" representing the green tags, none of which are complete. The bottom section "Documentation Review" should be signed off by the ABFJV QA Manager prior to the actual green Accept tag being applied, as per CCO 77. Previous discussions indicate that we agreed the documentation could have a reasonable lag time behind the actual tagging, such as 10 days. To date, we have yet to receive any signed QA Approval Request Forms. Item 4 "Documentation Verification" of CCO 77 is therefore incomplete.

Based upon the comments above, the Department finds it difficult to justify paying the amounts requested. Until such time that ABFJV can provide adequate explanation, the Department proposes to pay: 10 manmonths for Category 1A (consistent with previous submittals), 15 manmonths each for Category 1B and Category 2, and 0 manmonths for Category 3, for a monthly total of \$275,000. This would start with the April 2009 payment. As we have already paid \$407,698 on the March invoice, we will await your explanation prior to making additional payment or a deduction.

Please contact Jason Tom if you would like to discuss further or have any questions.

Sincerely,

GARY PURSELL
Resident Engineer

cc: R. Morrow, P. Siegenthaler
File: 05.03.08, 49.77