STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
RESIDENT ENGINEER'S DAILY REPORT
FORM HC-10

REPORT NO. 325-331
DATE: 2/06/05-2/12/05
RECEIVED W T F S

04-0120E4 (E2/T1 Foundations)

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04-SF-80-13.4, 13.8
ACBRIM-080-1(094)N

#325 Feb 6, 2005 Sun.

#326 Feb 7, 2005 Mon.

Worked on other projects.

#327 Feb 8, 2005 Tue.

Owners' meeting 8:30 a.m. The following items were discussed:

Casing – Moving to Mare Island with M72.
Oscar's Yard – KFM needs to move out by 2/28/05.
TRO – Payment may be included for February.
CCO #22 – Meet 2 p.m. Thursday to discuss.
Audit – Meeting scheduled for 1 p.m. with auditor.
DB Haakon – Idle. May use for moving casings and cleaning up Oscar's Yard.
Partnering – Scheduled for 11 p.m. Thursday.
Personnel – KFM says they are keeping their drilling superintendent, Piet Hokeman, on payroll until he can be reassigned. Currently he is not working due to the termination.

See agenda for more detail.

Meeting with auditor at 10 a.m. Auditor for project is Doug Rapp of Naviagant. Audit is estimated to take 4 months. Mobilization/demobilization should be covered partially on 04-012024. CCO for steel storage cost should be kept separate from termination. See attached for attendees and meeting notes.

Meeting with KFM and auditor at 1 p.m. KFM had questions regarding level of detail. Doug Rapp said that timecards, invoices, cancelled checks, etc. will be checked as necessary to verify costs. KFM will submit costs in phases, as they become available. They estimate this to take place over a 3 month period. KFM also stated that the steel suppliers are concerned about the confidentiality of the audit.

#328 Feb 9, 2005 Wed.

Reviewed CCO #22 with Pedro Sanchez, Linda Phoen and Rob Hartley. Question as to whether costs of casing and template should be treated as rental or a one time cost. There is a rental rate for casings. A rate needs to be determined for the template if it is treated as rental equipment. Rob feels that they are probably being treated by KFM as one time costs.

#329 Feb 10, 2005 Thu.

Roberto Borja sent an e-mail to the District staff regarding the project files. He attached a list of the file categories with comments form Bonnie Leedy noting what is missing. A meeting will be scheduled to review the findings.

Owners' meeting 10 a.m. The following items were discussed:

DB Haakon – Not currently set up for drilling. To prep with rigging and tools costs $100,000 to $150,000. As is it may be used for moving casings and hammer. Is on rent to project until October (Haakon owned by Manson). Marine work was not originally scheduled until July.

Steel – Jesse needs information for disposition of steel.

Couplers – Per Regional Steel the couplers are with manufacturer in Ohio. They have 1,650 in their shop. The cost is ~$60/ea. Caltrans to investigate if the couplers may be used on other projects.

Audit – KFM has received information from six subs. Will forward to Caltrans. Need a tracking system for KFM's salaried personnel.

Meeting at 2 p.m. with KFM regarding CCO #22. Mark Vilcheck, Neil Locke, Rob Hartley and myself from Caltrans and Meda Schultz from KFM. Agreed to hours and equipment, including which hours are delay and which hours are full rates, except marine equipment. Per Meda, KFM feels that all marine equipment should be charged at full rates regardless of whether it works or not. She said that this issue was presented to the DRB on the Skyway and the DRB ruled in KFM's favor. She went on to say that Pete Siegenthaler agreed to this ruling. I told her that I would not agree to this since it is contrary to the Standard Specifications and that I will confirm whether the Skyway project has agreed to this. I received rate information background for M61, DB General and GC 33.

#330 Feb 11, 2005 Fri.

I discussed the equipment delay rates with Pedro Sanchez and Rick Morrow. They are both of the opinion that the delay rates apply. Rick suggested that I contact someone at the Skyway project regarding the issue. I contacted Kannu Balan, CCO coordinator for Skyway. He introduced me to Tim McCarthy of his staff who is familiar with this issue. They said that DRB mad a ruling that Caltrans should pay actual cost of idle equipment. As of now Caltrans will not agree to this ruling. To date KFM has not provided Caltrans with an estimate for actual costs of idle equipment. I received a copy of the DRB ruling from Tim.

I calculated a cost of $42,682.72 with delay rates compared to KFM's analysis of $47,638.85 using operated rates.

I received an e-mail from Pedro Sanchez stating that we have been given direction from District Office continue paying TRO.

#331 Feb 12, 2005 Sat.

Richard Duncan, P.E. Resident Engineer

ATTENDEES SIGN-IN SHEET
Contract 04A1282, Task Order No. 14
February 8, 2005 Meeting
SAS Trailer

Name	Firm	Title/Function	Telephone #	Email
Trinh Nguyen	Caltrans	Contract Manager	(510) 622-8720	Trinh_ Nguyen@dot.ca.gov
Pedro J. Sanchez	Caltrans	Resident Engineer	(510) 286-0538	Pedro_Sanchez@dot.ca.gov
Richard Duncan	Caltrans	D-4 construction	(510) 286-0497	Richard_Duncan@dot.ca.gov
Rick Morrow	Caltrans	Task Order Manager	(510) 286-0501	Rick_Morrow@dot.ca.gov
Rob Kobal	Caltrans	HQ construction	(510) 376-8219	Robert_Kobal@dot.ca.gov
Rob Hartley	Caltrans	Scheduler	(510) 286-0535	Rob_Hartley@dot.ca.gov
Peter Siegenthaler	Caltrans	Construction Mgr.SFOBB	(510) 622-5112	Peter_Siegenthaler@dot.ca.gov
Steve Gilbert	Caltrans	Materials QA	(858) 344-3839	Sgilbertlaw@att.net
Bob Finney	Caltrans	DDD Construction	(510) 286-5896	Bob_Finney@dot.ca.gov
Mark Vilcheck	Caltrans	Structures Rep	(510) 286-0526	Mark_Vilcheck@dot.ca.gov
Doug Rapp	Navigant	Project Director	(415) 399-2159	drapp@navigantconsulting.com

Submitted By: T. Nguyen
510-622-8720
11/22/04

KICK-OFF MEETING FOR 04A1282, Task Order No. 14
February 8, 2005
SAS Trailer

MEETING SUMMARY

I. INTRODUCTIONS (10:00 AM)

A. Roles and responsibilities: Doug Rapp-Auditor, Trinh-Contract Manager, Task Order Manager is Rick Morrow not Jon Tapping, Rob Kobal is HQ liaison, see attached sign-in sheet for additional information.

B. Task activities and direction will come from Rick Morrow.

II. DISCUSSION

A. Doug gave brief description of the auditing process. Once package is received from KFM, process would begin to substantiate the termination costs being claimed pursuant to section 8.1.11. In addition to going through the submitted documentation, visits to the various subconsultant offices to review additional backup data, etc. may be required. Four months was estimated for the review period.

B. Rick requested that Navigant need for CT support be identified so that appropriate staff can be made available and others released from the project.

C. Notable characteristics of this termination as identified by attendees:

1. Termination of convenience occurred on January 5, 2005
2. Joint venture
3. Suppliers/fabricators spread out.
4. Equipment use on multiple contracts.
5. CT inability to accept/store the large amount of materials after the termination date.
6. Substantial payments made to Prime due to TRO, materials on hand, etc.
7. Interest payments due per state statute after 60 days

C. Rick identified tentative submittal dates

1. 2/10/05: Prelim summary from Oregon Ironworks
2. 2/21/05: Prelim summary from Transbay Steel
3. 3/3/05: Prelim summary from USI Thompson
4. 3/10/05: Full package from KFM

D. Payout simply put will be actual costs incurred due to termination+ 4%. This 4% covers items such as loss of work and impacts.

E. Doug requested that CT provide a legal resource for this task. Tom V? was identified as a preferred resource since he is aware of the project and has worked on similar situations.

F. Pete asked for suggested direction to the Prime related to the termination documentation required. In order to maintain the objectivity of the audit procedure, Doug recommended that CT suggest to KFM to utilize its internal resources that have gone through the CT audit process. For example, Chris Villa the KFM Project Manager was involved in a previous audit though not of the same magnitude. Some general documents that would be expected to be part of the submittal would be a summary level report identifying what types of termination costs are being claimed with support calculations. The concern will be the subs understanding the required documentation. It will be important that KFM as the prime take the lead on making sure that the subs know what is required.

III. ACTION ITEMS

A. CALTRANS

1. Rob Kobal to consult with Jose Aguirre to obtain a designated legal resource for this project. Timeframe one week to touch bases with Doug Rapp.
2. Steve Gilbert to provide METS report to Doug Rapp as they are available.

B. NAVIGANT

1. Doug Rapp to identify extent of CT support required. Timeframe one week to touch bases with Rick Morrow.

IV. CLOSING REMARKS (11:30 AM)

A. Meeting with KFM after this meeting at 1:00 PM.

B. For items related to scope, cost, schedule, Trinh should be notified.

C. Doug will need CT to identify areas of concern. In general most items will be caught during the audit. Specific areas such as the equipment issues should be called out.

Submitted By: Trinh T. Nguyen, CSU
Prepared On: February 9, 2005
Phone: 510-622-8720