

California Department of Transportation

Department's Position Paper for the Dispute Review Board

Regarding

Notice of Potential Claim #6 TBS Welder Trainees

CONTRACT NUMBER: 04-0120E4
San Francisco-Oakland Bay Bridge East Span- E2 & T1 Foundations

STANDARD SPECIFICATIONS: JULY 1999
STANDARD PLANS: JULY 1999

CONTRACTOR:	Kiewit/FCI/Manson, A Joint Venture
CONSTRUCTION MANAGER:	Rick Morrow
RESIDENT ENGINEER:	Pedro J. Sanchez
DATE OF REPORT:	October 12, 2006
DRB HEARING DATE:	March 30, 2007

SFOBB E2/T1 Foundation Contract
04-0120E4

DRB POSITION PAPER
Notice of Potential Claim No. 6

TBS' WELDER TRAINEE ISSUE
(ADDITIONAL COMPENSATION FOR IMPACTS TO
TRANSBAY STEEL FOR NOT USING TRAINEES
AS PRODUCTION WELDERS)

Claim and Cost

Kiewit-FCI-Manson (KFM) requests extra compensation on behalf of its supplier Trans Bay Steel (TBS) for alleged impacts and delays associated with a disagreement between the Department and TBS regarding whether or not the contract Special Provisions or the AWS D1.1: 2002 Welding Code allows the use of trainees in production welding.

Claimed Amount \$ 1,809,981

Description of Dispute

The Department and the Contractor disagree in the timeliness of the submitted notices of potential claim No. 6.

The Contractor submitted NOPC No. 6- TBS' Welder Trainee Issue, on June 20, 2007. The Department understands that TBS claims that complying with METS' position that the contract Special Provisions and the AWS D1.1:2002 Code do not allow the use of helpers/trainees to perform production welding, impacted their work.

METS issued the first NCR regarding the use of unqualified welders in production work on December 2, 2005. According to Section 9-1.04 "Notice of Potential Claim" of the Special Provisions "For disputes arising under and by virtue of the contract, including an act or failure to act by the Engineer, the Contractor shall provide a signed written initial notice of potential claim to the Engineer within 5 days from the date the dispute first arose." The Contractor did not submit a notice of potential claim after disagreeing with this NCRs nor he did with the following NCRs issued thereafter.

Production work at TBS' shop was completed on December 18, 2006. According to Section 9-1.04 "Notice of Potential Claim" of the Special Provisions "Within 30 days of the completion of work related to the potential claim, the Contractor shall provide the full and final documentation of potential claim to the Engineer..."

Neither the initial nor the final notices of potential claim were submitted within the timelines established in to Section 9-1.04 "Notice of Potential Claim" of the Special Provisions, and therefore, are outside the Contract.

In Accordance with Section 9-1.04 "Notice of Potential Claim" of the amended Standard Specifications, failure of the Contractor to conform to specified dispute procedures shall

constitute a failure to pursue diligently and exhaust the administrative procedures in the contract and is deemed as the Contractor's waiver of the potential claim and a waiver of the right to a corresponding claim for the disputed work in the administrative claim process in conformance with Section 9-1.07B "Final Payment of Claims", and shall operate as a bar to arbitration pursuant to Section 10240.2 of the California Public Contract Code.

The Contractor disagrees with the Department's findings and states that "the Department was actively involved in this issue from the outset and has not been prejudiced by the timing of the NOPC"

The Department has not received the required information necessary to support the claimed values, and therefore, has not evaluated the quantum of the claim value.

Background

The Contractor is required to fabricate and install thirteen (13), 2.5 diameter steel piles 33 meters long for the tower foundation T1 and sixteen (16), 2.5 diameter steel 107 long for the pier E2 foundation. The steel piles for the E2 foundation have thickness varying from 45mm to 85mm. The steel piles for the T1 foundation have a thickness of 95mm. Compensation for this work is provided by Bid items 14(S) "Furnish 2.5 m Cast-in-Steel Shell Concrete Pile" (\$ 9,825,200) and 16 (S) "2.5 m Permanent Steel Casing" (\$4,455,882). The Contractor subcontracted the fabrication of the steel piles to Trans Bay Steel, Corp. located in Napa, California. The piles are fabricated by connecting 3 meter high can sections with longitudinal and girth welds to the required length.

During the steel pile fabrication process after the project restart, TBS started using helpers / trainees to perform production welding. The Department's Quality Assurance representatives (METS) started issuing Non-Conformance Reports (NCRs) upon discovering that TBS was using trainees for production welding. The Department issued the NCRs since in its opinion the fabricator's training program violates the contract requirements because the individual operating the welding equipment is not qualified. AWS D1.1-2002 Code defines a welding operator as "one who operates adaptive control, automatic, mechanized, or robotic welding equipment" (Appendices A.12 and A.23). This scenario presents various issues : 1) lack of response time; 2) unfamiliarity with welding controls; and 3) assumption of constant supervision. Additionally, the term "trainee" as used by the contractor can mean anything: from someone with no experience at all to an employee with several months of experience.

TBS disagreed with the Department's issuance of NCRs for unqualified welders . TBS' opinion is that they have always used trainees with a qualified and approved Submerged Arc Operator to perform welding on Caltrans projects, in conformance ith their material contracts, Caltrans Special Provisions, and the the AWS Code.

TBS continued to use trainees for production welding and Department continued to issue NCRs through March 21, 2006.

In an effort to keep production moving forward at TBS and reach a reasonable resolution of this disagreement, the Department started discussions with the Contractor to initiate Contract Change Order (CCO) No. 39 which allowed TBS to use trainees for production welding provided that:

1. TBS revised its welding quality control plan to describe the TBS welder trainee program
2. Additional NDT be performed (at the Department's expense) to satisfy the Department that welds performed by the trainees were of comparable quality to those performed by qualified welders.

Negotiations between the Department and TBS over the wording of CCO No. 39 were not successfully concluded due to a disagreement over the time frame to be covered in CCO No. 39.

On November 1, 2006 TBS refused to sign CCO No. 39 because it did not guarantee that TBS would be allowed to use trainees on all future Caltrans jobs.

TBS chose to stop using trainees to perform production welding, rather than continue to use trainees and perform additional NDT (paid for by the Department). According to TBS this decision resulted in damages for: additional training, additional work to clear NCRs and schedule impacts, delayed use of personnel, extra inspection, and interruption of work flow. TBS believes that although it failed to file an NOPC under the contract, it is entitled to additional compensation for this decision.

TBS finished production work without any mention of an NOPC.

The Department repeatedly reminded the Contractor of the requirements of Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications, pertaining to timely notice of disputes arising under the contract.

As TBS did not file an NOPC under the contract the Department considered that all issues at TBS were closed. The Department stated its position in the Department's Letter No. 2955 and again reminded the Contractor of the requirements of Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications, pertaining to timely notice of disputes arising under the contract.

Seven months after all work at TBS was completed, TBS filed what it considers an NOPC.

Description of Events in Chronological Order

December 6, 2005 . The Department issued a Non-conformance Report (NCR) at TBS when QA observed Mr. Raul Peregrina, TBS apprentice, using the submerged arc welding (SAW) process to perform the welding of one complete cover pass on workpiece No. Q-8 at the weld station in White Bay. Mr. Peregrina was not qualified to perform welding using the SAW process. Mr. Dan Peterson, the qualified welding operator who was assigned to White Bay during the shift, was not in the weld bay at any time during the weld performed by Mr. Peregrina.

December 6, 2005 to March 21, 2006. TBS continued using trainees to perform production welding. The Department continued to issue NCRs to document these non-conformance events. The Department issued a total of six (6) NCRs to document these non-conformances. To clear these six (6) NCRs, TBS performed additional ultrasonic testing (UT) on 11 long seam (LS).

June 5, 2006. The Department forwarded a draft copy of CCO No. 39 to TBS,.

September 29, 2006. TBS returns CCO No. 39 unsigned in KFM-TRN-000384R00.

October 24, 2006. The Department sent Letter No. 2147, making one final offer to issue CCO No. 39. The Department also reminded the Contractor of the requirement of Section 9-1.04, "Notice of Potential Claim", of the Standard Specifications, pertaining to timely notice of disputes arising under the contract.

November 1, 2006. The Contractor informed the Department that TBS will not sign CCO No. 39.

December 14, 2006. Production work finished at TBS.

January 2, 2007. During the Weekly Owners Meeting, the Department notified KFM that CCO No. 39 will not be issued.

March 12, 2007. In Letter No. 2955, the Department reminded the Contractor that no contract item work was performed at the TBS facility subsequent to December 18, 2006. In addition, the Department again reminded the Contractor of the requirements of Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications, pertaining to timely notice of disputes arising under the contract.

June 20, 2007. TBS filed what it considers an initial NOPC alleging impacts from December 2005 through the end of production.

The Department's Understanding of the Contractor's Position

The Contractor's position is that:

- "KFM and TBS have fully complied with the contract in their attempts to negotiate a settlement with respect to the welder trainee issue. Furthermore, the Department was actively involved in this issue from the outset and has not been prejudiced by the timing of the NOPC."
- "Trans Bay Steel has always used Trainees with a qualified and approved Submerged Arc Operator to perform welding on Caltrans projects,..."
- "... on December 6, 2005 the State's subcontractor employed with METS took a new position alleging that this practice was not in conformance with the special provisions and AWS D1.1: 2002. Trans Bay disagrees with METS's new position."

- “Complying with the METS’s position that the use of trainees to perform production welding was not in accordance with AWS D1.1:2002 caused a change in character to the work performed by TBS and caused additional work to be performed by TBS which are compensable in accordance with Standard Specification 4-1.03C and 4-1.03D.”
- The Department’s position that the use of trainees to perform production welding was not in accordance with AWS D1.1: 2002 resulted in damages and delays to TBS.
- TBS was 119 days late in delivering the final Pier T1 Pile Casing. The entire 119 days multiplied by 79 % of the total daily cost of operating Trans Bay can be attributed to the Department’s issuing six (6) NCRs.
- TBS was obligated to spend \$ 62,000 to upgrade equipment, and \$ 513,000 dollars in stand by labor, in addition to other costs being claimed in order to mitigate these six (6) NCRs.

Department’s Position

TBS’ NOPC is extremely tardy. This NOPC was not submitted within the time frame stipulated in Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications, and is therefore, outside the scope of the Contract.

The extreme tardiness of TBS’ NOPC did not give the Department the opportunity to investigate and track the amounts that TBS is alleging, or if possible, to have mitigated some of the alleged effects of these impacts.

When production work ended at TBS the Department informed TBS that there was no longer any reason to issue CCO No. 39 for additional NDT that would not be performed. The Department reminded the Contractor of the requirements of Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications, pertaining to timely notice of disputes arising under the contract.

The Department continued reminding the Contractor, both verbally during owner’s meetings and in writing, culminating in the Department’s Letter No. 2955, that all production work at TBS was complete and that if TBS believed there were outstanding issues that they were required by the contract to file a NOPC in a timely manner.

As TBS did not file an NOPC within the requirements of Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications the Department considered this matter closed and informed TBS that it considered all issues at TBS to be closed. TBS has not complied with the Contract and therefore the Department cannot consider this latest claim by TBS an NOPC per Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications.

Regarding the quantum of this NOPC, TBS' claim contains three (3) parts:

1. Welder Training
2. Clear Welder Trainee Related NCRs
3. Extended Training and Estimated Schedule Impacts

Implicit in the three (3) portions of this NOPC are the following claims by TBS:

1. The Department's issuance of six NCRs related to trainees performing production welding resulted in some redundancy in TBS' labor resources resulting in trainee's stand by time and required TBS to upgrade its equipment.
2. TBS' QC performed 176 hours of additional UT in order to clear six NCR's related to the use of trainees to perform production welding.
3. Any and all delays, redundancy in labor, additional equipment etc. that may or may not have occurred at TBS between the date TBS predicted it could complete the piling work in August 2006, and the actual date that TBS completed the piling work, December 2006, is a delay attributable to the six NCRs related to trainees performing production welding, and should be billed at a burdened rate of 75 \$/hr and an extended daily overhead rate of 9,299 \$/day.

Regarding claims one (1) through two (2) listed above, the Department is unable to confirm any of the costs being submitted due to the extreme tardiness of the filing of this NOPC. If TBS' claims that these six (6) NCRs produced some redundancy in TBS' labor resources and required TBS to upgrade its equipment is accurate, then the Department was not given the opportunity to mitigate any of these costs due to the extreme tardiness of the filing of this NOPC.

Regarding claim number three (4) listed above, a detailed analysis of documents submitted by TBS show that:

TBS has already been compensated for the entire extended daily overhead for the period being claimed under Skyway CCO No. 200, which settled NOPC No. 11. TBS' burdened rate of 75 \$/hr includes extended daily overhead, for which TBS has already been compensated.

Summary of the Departments Position:

- AWS D1.1:2002 does not allow trainees to perform production welding.
- In order to facilitate TBS' continued use of trainees the Department was willing to issue CCO No. 39.
- TBS was unwilling to sign CCO No. 39 because it did not guarantee TBS special concessions on all future Caltrans contracts.
- When work ended at TBS CCO No. 39 became a moot point.
- The Department continually reminded TBS of its contractual obligation to file any NOPC's in a timely manner.
- TBS did not adhere to the contract when it filed its NOPC.
- Filing a NOPC over 7 months too late did not give the Department the opportunity to investigate and track the amounts that TBS is alleging, or if possible, to have mitigated some of the alleged effects of these impacts.
- TBS has already been compensated for the entire overhead costs for the period being claimed. Therefore, any claims by TBS based upon a delay cost of 9,299 \$/day are invalid, and any claims based upon a burdened rate of 75 \$/hr are excessive.

Conclusion

The Contractor did not file the NOPC for impacts allegedly happening between January to December of 2006 within the time frame established in Section 9-1.04 "Notice of Potential Claim" of the Special Provisions. The Contractor filed the Initial NOPC on June 20, 2007, six months after the work related to the potential claim was complete. The Contractor filed the Final NOPC on July 13, 2007 without the supporting information required in item C. of Section 9-1.04 "Notice of Potential Claim" of the Special Provisions. Therefore, the filing of this NOPC is outside the scope of the contract.

In light of the above, the Department request that the Board find the filing of the NOPC to be in violation of the contract requirements for such filing and recommend that it be denied for lack of timely notice.

Supporting Exhibits

Transbay Steel NOPC Documentation

1. Initial Notice of Potential Claim #06-062007 - TBS' Welder Trainee Issue
2. Supplemental Notice of Potential Claim #06-062007 -- TBS Welder Trainees
3. Final Notice of Potential Claim #06-062007 -- TBS Welder Trainees

NOPCs Issued at TBS for Unqualified (Trainees) Performing Production Welding

4. NCR # 29 12/06/2005 Unqualified Welders Performing Production Welding
5. NCR # 41 01/31/2006 Unqualified Welders Performing Production Welding
6. NCR # 44 02/02/2006 Unqualified Welders Performing Production Welding
7. NCR # 47 02/17/2006 Unqualified Welders Performing Production Welding
8. NCR # 57 02/24/2006 Unqualified Welders Performing Production Welding
9. NCR # 79 04/18/2006 Unqualified Welders Performing Production Welding

State Letters

10. Department's Letter No. 2147 -- Response to KFM Transmittal No. 384, Revision No. 00 (Contract Change Order No. 0039 (returned with comments and changes))
11. Department's Letter No. 2955 -- Response to KFM Letter No. 214 (CCO #39 - Welder Trainee Plan)
12. Department's Letter No. 3235 -- Response to Transmittal No. 566, Revision No. 00 (Initial Notice of Potential Claim #06-062007 - TBS' Welder Trainee Issue)
13. Department's Letter No. 3300 -- Acknowledgement of Receipt of KFM Transmittals No. 568, Revision No. 00 (Supplemental Notice of Potential Claim #06-062007 -- TBS Welder Trainees) and No. 469, Revision No. 00 (NOPC #06-062007 Referral to DRB)
14. Department's Letter No. 3303 -- Acknowledgement of Receipt of KFM Transmittal No. 569, Revision No. 00 (NOPC
15. Department's Letter No. 3447 -- Response to Transmittal No. 572, Revision No. 00 (Final Notice of Potential Claim #06-

Applicable Specifications

16. Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications
17. Section 9-1.07B "Final Payment of Claims" of the amended Standard Specifications



P.O. BOX 23223 Oakland, CA 94623
 Phone (510) 419-0120 / Fax (510) 832-1456

LETTER OF TRANSMITTAL
SAS Foundations E2/T1 Project

Run Date 20-Jun-07
 Time 1:51 PM

Dated: 20-Jun-2007

TRANSMITTAL No: KFM-TRN-000566

Rev: 00

To: **Pedro Sanchez**
 Caltrans - SAS E2/T1 Foundation Project
 333 Burma Road
 Oakland CA 94607
 Phone: 510-286-0538 Fax:

Co/Job # 364-4347
 Contract # 04-0120E4
 Sub/Supplier:
 Sub/Supplier No:

Subject: Initial Notice of Potential Claim #06-062007 - TBS' Welder Trainee Issue

Special Provis. (SP) REF:
 Standard Spec. (SS) REF: 9-1.04

RESUBMITTAL/SUPPLEMENTAL REF:

We are sending the following attached items: Attached

Via Fax

- | | | |
|--|--|---|
| <input type="checkbox"/> Contract Plans/Specs | <input type="checkbox"/> Certs of Compl./Samples | <input type="checkbox"/> Working Drawings |
| <input type="checkbox"/> Drawings/Calculations | <input type="checkbox"/> Schedule | <input type="checkbox"/> WQCP and/or Addenda |
| <input type="checkbox"/> Change Order | <input type="checkbox"/> Progress Estimate Request | <input type="checkbox"/> Weekly Welding Reports |
| <input type="checkbox"/> Copy of Letter | <input type="checkbox"/> Payroll Information | <input type="checkbox"/> CWR Procedure |

Item	Date	Copies	Description	Pages
01	20-Jun-2007	0	Initial Notice of Potential Claim #6	

These are transmitted as checked below:

- | | | |
|--|--|--|
| <input type="checkbox"/> For Approval | <input type="checkbox"/> For Review/Comment | <input type="checkbox"/> Return For Correction |
| <input checked="" type="checkbox"/> For Your Use | <input checked="" type="checkbox"/> As Requested | <input type="checkbox"/> For Information |

Remarks:

Please find attached KFM's Initial Notice of Potential Claim #6 sent on behalf of our Material Supplier, Trans Bay Steel.

KFM will submit the supplemental Notice of Potential Claim as required by Contract Specification 9-1.04.

CC:

Submitted By: Meda Schultz
 (KFM Staff Member - Originator of Transmittal)

Checked & Sent By: [Signature]
 Contract Admin/DCS Staff

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
INITIAL NOTICE OF POTENTIAL CLAIM
CEM-8201A (NEW 8/2002)



TO	CONTRACT NUMBER	DATE	IDENTIFICATION NUMBER
Pedro J. Sanchez	04-0120E4	6/19/07	06-062007

This is an Initial Notice of Potential Claim for additional compensation submitted as required under the provisions of Section 9-1.04, "Notice of Potential Claim," of the Standard Specifications. The act of the engineer, or his/her failure to act, or the event, thing, occurrence, or other cause giving rise to the potential claim occurred on:

DATE: 6/15/07

The particular nature and circumstances of this potential claim are described as follows:

SEE ATTACHED NO. 1025

(attach additional sheets as needed)

The undersigned originator (Contractor or Subcontractor as appropriate) certifies that the above statements and attached documents are made in full cognizance of the California False Claims Act, Government Code sections 12650-12685. The undersigned further understands and agrees that this potential claim to be further considered, unless resolved, must fully conform to the requirements in Section 9-1.04 of the Standard Specifications and must be restated as a claim in the Contractor's written statement of claims in conformance with Section 9-1.07B of the Standard Specifications.

Trans Bay Steel Corp.
SUBCONTRACTOR or CONTRACTOR
(Circle One)

(Authorized Representative)

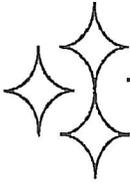
For a subcontractor potential claim

This notice of potential claim is acknowledged, certified and forwarded by

Kiewit-FCI-Manson, JV
PRIME CONTRACTOR

(Authorized Representative)

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3890 or write Records and Forms Management, 1120 N Street, MS-69, Sacramento, CA 95814.



TRANS BAY STEEL, CORP.

1025 KAISER ROAD, NAPA, CA 94558
TELEPHONE: (707)259-0777 FAX: (707)259-1072

6/19/07

State of California
Department of Transportation

RE: CONTRACT NUMBER: 04-0120E4 E2/T1 SAS Foundations
INITIAL NOTICE OF POTENTIAL CLAIM
Form No. CEM-6201A

“Attachment No. 1025”

Trans Bay Steel has always used a Helper/Trainee with a qualified and approved Submerged Arc Operator to perform welding on Caltrans Projects, i.e., San Mateo Bridge (1999), Carquinez Bridge (2000), Benicia Bridge (2001), Richmond San Rafael Bridge (2002), San Francisco Oakland Bay Bridge (2003), in conformance with our material contracts, Caltrans Special Provisions and the AWS code governing the work in our shop.

During production on the E2/T1 project, commencing on December 06, 2005, the State's subcontractor employed with METS determined that this practice was not in conformance with the special provisions and AWS D1.1-2002. Trans Bay disagrees with METS new position.

METS new position in 2005 created the following impacts: Stopped production by not accepting work which had a Helper/Trainee involved, Loss of production and efficiency, Trainee/Operator standby time, Change in traditional training techniques as allowed in past projects, Additional 100% inspections on components, Delays in delivery Schedules, work stoppages, Additional overtime for production and inspection to mitigate delays and administrative clearing documents.

The State's refusal to issue or negotiate the requested change order associated with the above described is evidenced in numerous written correspondences and meeting minutes dating to late 2005 and continuing to the present. This refusal to issue an agreeable change order led to a June 15, 2007 meeting to discuss the key issues involved. It was at this meeting that an impasse was reached and as such has resulted in the filing of this Initial Notice of Potential Claim.



P.O. BOX 23223 Oakland, CA 94623
 Phone (510) 419-0120 / Fax (510) 832-1456

LETTER OF TRANSMITTAL
SAS Foundations E2/T1 Project

Run Date 03-Jul-07
 Time 11:19 AM

Dated: **7/3/2007**
 To: **Pedro Sanchez**
 Caltrans - SAS E2/T1 Foundation Project
 333 Burma Road
 Oakland CA 94607
 Phone: 510-286-0538 Fax:

TRANSMITTAL No: KFM-TRN-000568 Rev: 00
 Co/Job # 364-4347
 Contract # 04-0120E4
 Sub/Supplier:
 Sub/Supplier No:

Subject: Supplemental Notice of Potential Claim #06-062007 – TBS Welder Trainees

Special Provis. (SP) REF:
 Standard Spec. (SS) REF:

- We are sending the following attached items: Attached
- Contract Plans/Specs
 - Drawings/Calculations
 - Change Order
 - Copy of Letter
 - Certs of Compl./Samples
 - Schedule
 - Progress Estimate Request
 - Payroll Information

- RESUBMITTAL/SUPPLEMENTAL REF:
- Via Fax
 - Working Drawings
 - WQCP and/or Addenda
 - Weekly Welding Reports
 - CWR Procedure

Item	Date	Copies	Description	Pages
01	29-Jun-2007	1	Supplemental Notice of Potential Claim #06-062007	

These are transmitted as checked below:

- For Approval
- For Your Use
- For Review/Comment
- As Requested
- Return For Correction
- For Information

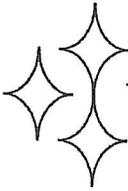
Remarks:

Please find attached Supplemental Notice of Potential Claim #06-062007 sent on behalf of our supplier Trans Bay Steel.

CC:

Submitted By: George Atkinson *gna*
 (KFM Staff Member – Originator of Transmittal)

Checked & Sent By: [Signature]
 Contract Admin/DCS Staff



TRANS BAY STEEL, CORP.

1025 KAISER ROAD, NAPA, CA 94558
TELEPHONE: (707)259-0777 FAX: (707)259-1072

June 29, 2007

State of California
Department of Transportation

RE: Contract Number 04-0120E4 E2/T1 SAS Foundations
Initial Notice of Potential Claim 06-062007, dated 6/19/07
Supplemental Notice of Potential Claim
Form No. CEM-6201B

Supplemental Notice of Potential Claim "Attachment No. 1026"

Trans Bay Steel submitted the "Initial Notice of Potential" ID 06-062007 on 6/19/07. This Supplemental is issued to provide additional information as required by Special Provisions Section 9-1.04.

Trans Bay Steel has always used Trainees with a qualified and approved Submerged Arc Operator to perform welding on Caltrans Projects, i.e., San Mateo Bridge (1999), Carquinez Bridge (2000), Benicia Bridge (2001), Richmond San Rafael Bridge (2002), San Francisco Oakland Bay Bridge (2003), in conformance with our material contracts, Caltrans Special Provisions and the AWS Code governing the work in our shop.

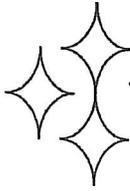
During production on the E2/T1 project, commencing on December 06, 2005, the State's subcontractor employed with METS took a new position alleging that this practice was not in conformance with the special provisions and AWS D1.1-2002. Trans Bay disagrees with METS' new position. Section 8, Section 10 of the special provisions and AWS D1.1-2002 governing this work is silent and does not restrict the use of Trainees.

Commencing December 2005, the formerly accepted practice of using trainees in production work on the E2/T1 piles became a consistent topic at the weekly production meeting between KFM, Caltrans and Trans Bay. Discussions with Caltrans led to an agreement that it would not be necessary to issue an NOPC or have this matter referred to DRB if a change order, CCO39 was issued with mutually agreeable terms and conditions to address the welder training issues and the resulting impacts to Trans Bay Steel.

In October 2006, negotiations on CCO 39 were not successfully concluded due to the lack of acknowledgement concerning the time periods affected by these changes. After Trans Bay notified the State, they were silent on this issue until their letter of January 2007 notified us that they were not going to negotiate CCO 39 due to the production being completed.

The above change in Cal-trans / METS policy resulted in damages to Trans Bay Steel and delayed pile deliveries. Trans Bay's estimated damages are as follows:

1. Additional training required to comply with new Cal-trans trainee policy.
Increased training (est.): \$513,000 (standby time: 6840 hr's @ \$75 per hr)
2. Additional work to clear invalid NCR's related to welder trainees.
Est. amount to clear NCR's: \$27,600.
3. Schedule impact and delay damages, including, but not limited to:
Loss of efficiencies.
Delayed Utilization of personnel.
Extra inspection.
Interruption of work flow.



TRANS BAY STEEL, CORP.

1025 KAISER ROAD, NAPA, CA 94558

TELEPHONE: (707)259-0777 FAX: (707)259-1072

Scheduled delivery of last T1 pile: 22 Aug 06 (Jan 06 schedule)

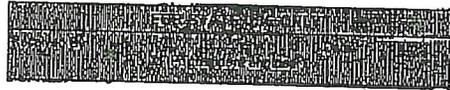
"Actual" delivery of last T1 pile: 18 Dec 06 (17 week / 119 calendar day delay)

Delay Damages (est.): \$3,498,600 (119 days @ \$29,400 per day)

\$100,800 (additional overtime for UT)

Total Trans Bay Steel Estimated Damages: \$4,140,000

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
SUPPLEMENTAL NOTICE OF POTENTIAL CLAIM
CEM 42018 (NEW 0/2002)



TO PEDRO J. SANCHEZ <small>(Contract Engineer)</small>	CONTRACT NUMBER 04-0120E4	DATE 6/29/07	IDENTIFICATION NUMBER 06-062007
---	-------------------------------------	------------------------	---

This is a Supplemental Notice of Potential Claim for additional compensation submitted as required under the provisions of Section 9-1.04, "Notice of Potential Claim," of the Standard Specifications. The act of the engineer, or his/her failure to act, or the event, thing, occurrence, or other cause giving rise to the potential claim occurred on:

DATE: **6/15/07**

The particular nature and circumstances of this potential claim are described in detail as follows:

SEE ATTACHED NO. 1026

(attach additional sheets as needed)

The basis of this potential claim including all relevant contract provisions are listed as follows:

SEE ATTACHED NO. 1026

(attach additional sheets as needed)

The estimated dollar cost of the potential claim including a description of how the estimate was derived and an itemized breakdown of individual costs are attached hereto.

SEE ATTACHED NO. 1026

(attach sheets as required)

A time impact analysis of the disputed disruption has been performed and is attached hereto. The affect on the scheduled project completion date is as follows:

SEE ATTACHED NO. 1026

(attach time impact analysis as required)

The undersigned originator (Contractor or Subcontractor as appropriate) certifies that the above statements and attached documents are made in full cognizance of the California False Claims Act, Government Code sections 12850-12865. The undersigned further understands and agrees that this potential claim to be further considered, unless resolved, must fully conform to the requirements in Section 9-1.04 of the Standard Specifications and must be restated as a claim in the Contractors written statement of claims in conformance with Section 9-1.07B of the Standard Specifications.

TRANS BAY STEEL CORP.

SUBCONTRACTOR or CONTRACTOR
(Circle One)

(Authorized Representative)

For a subcontractor potential claim

This notice of potential claim is acknowledged, certified and forwarded by

KIEWIT/FCI/MANSON JV

PRIME CONTRACTOR

(Authorized Representative)

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 664-6410 or TDD (916) 664-6680 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.





P.O. BOX 23223 Oakland, CA 94623
 Phone (510) 419-0120 / Fax (510) 832-1456

LETTER OF TRANSMITTAL
SAS Foundations E2/T1 Project

Run Date 13-Jul-07
 Time 3:50 PM

Dated: 7/13/07
 To: Pedro Sanchez
 Caltrans - SAS E2/T1 Foundation Project
 333 Burma Road
 Oakland CA 94607
 Phone: 510-286-0538 Fax:

TRANSMITTAL No: KFM-TRN-000572 Rev: 00
 Co/Job # 364-4347
 Contract # 04-0120E4
 Sub/Supplier:
 Sub/Supplier No:

Subject: Final Notice of Potential Claim #06-062007 -- TBS Welder Trainees

Special Provis. (SP) REF:
 Standard Spec. (SS) REF:

RESUBMITTAL/SUPPLEMENTAL REF:

We are sending the following attached items: Attached Via Fax

- | | | |
|--|--|---|
| <input type="checkbox"/> Contract Plans/Specs | <input type="checkbox"/> Certs of Compl./Samples | <input type="checkbox"/> Working Drawings |
| <input type="checkbox"/> Drawings/Calculations | <input type="checkbox"/> Schedule | <input type="checkbox"/> WQCP and/or Addenda |
| <input type="checkbox"/> Change Order | <input type="checkbox"/> Progress Estimate Request | <input type="checkbox"/> Weekly Welding Reports |
| <input type="checkbox"/> Copy of Letter | <input type="checkbox"/> Payroll Information | <input type="checkbox"/> CWR Procedure |

Item	Date	Copies	Description	Pages
01	13-Jul-2007	1	TBS Final Notice of Potential Claim #06-062007	

These are transmitted as checked below:

- | | | |
|--|---|--|
| <input type="checkbox"/> For Approval | <input type="checkbox"/> For Review/Comment | <input type="checkbox"/> Return For Correction |
| <input checked="" type="checkbox"/> For Your Use | <input type="checkbox"/> As Requested | <input type="checkbox"/> For Information |

Remarks:

CC:

Submitted By: George Atkinson *GA*
 (KFM Staff Member - Originator of Transmittal)

Checked & Sent By: *Cyromas*
 Contract Admin/DCS Staff

STATE OF CALIFORNIA: DEPARTMENT OF TRANSPORTATION
FULL AND FINAL DOCUMENTATION OF
POTENTIAL CLAIM
CEM-6201C (NEW 9/2002)

FOR STATE USE ONLY
Received By: _____
(For recipient engineer)

TO	Pedro J. Sanchez <i>(resident engineer)</i>	CONTRACT NUMBER	04-0120E4	DATE	7/13/07	IDENTIFICATION NUMBER	06-062007
----	--	-----------------	-----------	------	---------	-----------------------	-----------

This is the Full and Final Documentation of Potential Claim for additional compensation submitted as required under the provisions of Section 9-1.04, "Notice of Potential Claim," of the Standard Specifications. The act of the engineer, or his/her failure to act, or the event, thing, occurrence, or other cause giving rise to the potential claim occurred on:

DATE: 6/15/07

The complete and factual narration of events which fully describe the nature and circumstances that caused the dispute or disagreement and potential claim are attached hereto.

Attached (attach sheets as required for full and final documentation)

The basis of this claim including all relevant contract provisions and a statement of the reasons these provisions support and provide basis for entitlement of the potential claim are attached hereto.

Attached (attach sheets as required for full and final documentation)

The identification and copies of any documents and substance of any oral communication that support the potential claim are attached hereto.

Attached (attach sheets as required for full and final documentation)

The exact dollar amount requested and an itemized breakdown of individual costs segregated by labor, materials, equipment and other are attached hereto.

Attached (attach sheets as required for full and final documentation)

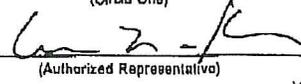
The exact amount of any time adjustment requested including justification thereof and time impact analysis are attached hereto.

Attached (attach sheets as required for full and final documentation)

The undersigned originator (Contractor or Subcontractor as appropriate) certifies that the above statements and attached documentation are made in full cognizance of the California False Claims Act, Government Code sections 12650-12655. The undersigned further understands and agrees that this potential claim to be further considered, unless resolved, must fully conform to the requirements in Section 9-1.04 of the Standard Specifications and must be restated as a claim in the Contractor's written statement of claims in conformance with Section 9-1.07B of the Standard Specifications.

Trans Bay Steel Corporation

SUBCONTRACTOR or CONTRACTOR
(Circle One)


(Authorized Representative)

For a subcontractor potential claim

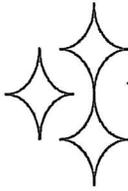
This notice of potential claim is acknowledged, certified and forwarded by

Kiewit-FCI-Manson, JV

PRIME CONTRACTOR


(Authorized Representative)

ADA Notice: For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-5410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-59, Sacramento, CA 95814.



TRANS BAY STEEL, CORP.

1025 KAISER ROAD, NAPA, CA 94558
TELEPHONE: (707)259-0777 FAX: (707)259-1072

July 13, 2007

State of California
Department of Transportation

RE: Contract Number 04-0120E4 E2/T1 SAS Foundations
Notice of Potential Claim 06-062007

Full And Final Notice of Potential Claim "Attachment No. 1027"

Trans Bay Steel submitted the "Initial Notice of Potential" ID 06-062007 on 6/19/07 and the Supplemental Notice on 6/30/07. This Full and Final is issued to provide additional information as required by Special Provisions Section 9-1.04.

Trans Bay Steel has always used Trainees with a qualified and approved Submerged Arc Operator to perform welding on Caltrans Projects, i.e., San Mateo Bridge (1999), Carquinez Bridge (2000), Benicia Bridge (2001), Richmond San Rafael Bridge (2002), San Francisco Oakland Bay Bridge (2003), in conformance with our material contracts, Caltrans Special Provisions and the AWS Code governing the work in our shop.

During production on the E2/T1 project, commencing on December 06, 2005, the State's subcontractor employed with METS took a new position alleging that this practice was not in conformance with the special provisions and AWS D1.1-2002. Trans Bay disagrees with METS new position. Section 8-3.01, Section 10-1.24 of the special provisions and AWS D1.1-2002 governing this work are silent and do not restrict the use of Trainees. Complying with METS's new position caused a change in character to the work performed by TBS and caused additional work to be performed by TBS which are compensable in accordance with Standard Specification 4-1.03C and 4-1.03D.

Commencing December 2005, the formerly accepted practice of using trainees in production work on the E2/T1 piles became a consistent topic at the weekly production meeting between KFM, Caltrans and Trans Bay. Discussions with Caltrans led to an agreement that it would not be necessary to issue an NOPC or have this matter referred to DRB if a change order, CCO39 was issued with mutually agreeable terms and conditions to address the welder training issues and the resulting impacts to Trans Bay Steel.

In October 2006, negotiations on CCO 39 were not successfully concluded due to the lack of acknowledgement concerning the time periods affected by these changes. After Trans Bay notified the State, they were silent on this issue until their letter of January 2007 notified us that they were not going to negotiate CCO 39 due to the production being completed.

The above change in Cal-trans / METS policy resulted in damages to Trans Bay Steel and delayed pile deliveries. Please see attached estimated damages.

**TRANS BAY STEEL
E2 / T1 PILE FABRICATION
CAL-TRANS 04-0120E4**

DATE: 7/13/2007

NOPC 6: WELDER TRAINEE POLICY CHANGE

~~CAL-TRANS / METS REQUIRED TRANS BAY STEEL TO TRAIN NEW SUBMERGED ARC WELDERS "OFF-LINE" FROM MAIN PRODUCTION FLOW, IN-LIEU OF USING TRANS BAY'S ESTABLISHED "ON THE JOB" TRAINING POLICIES AND PROCEDURES. THIS CHANGE IN POLICY RESULTED IN DAMAGES TO TRANS BAY STEEL & DELAYED PILE DELIVERY. THE ESTIMATED DAMAGES AND DELAYS ARE DETAILED BELOW.~~

PART 1: WELDER TRAINING

TRAINEE "STANDBY" TIME (SEE NOTES 1 & 2 AND "STANDBY" CHART)

TRAINEE "STAND BY" TIME DUE TO MORE TRAINEE'S THAN TRAINING STATIONS AVAILABLE. (4) WELDERS IN TRAINING PER DAY.

(4) TRAINING STATIONS AVAILABLE: 2 DAY SHIFT & 2 SWING SHIFT

75 DAYS @ 9 TRAINEES PER DAY (30 JAN - 14 MAY 06: 15 WEEKS)	5	ON STANDBY PER DAY	
	HR'S	RATE	
(5) PER DAY = 40 HR / DAY X 75 DAYS =	3000	\$75	\$225,000
60 DAYS @ 12 TRAINEE'S PER DAY (15 MAY - 6 AUG 06: 12 WK'S)	8	ON STANDBY PER DAY	
	HR'S	RATE	
(8) PER DAY = 64 HR / DAY X 60 DAYS =	3840	\$75	\$288,000

PART 1 TRAINING "STANDBY": ESTIMATED DAMAGES = \$513,000

PART 2: CLEAR WELDER TRAINEE RELATED NCR'S

A. CLEAR NCR'S ISSUED BY METS (SEE NOTE 3)
NCR 8, 9, 10, 18, 19, 20 / COVERING (11) LS WELDS & (1) GS WELD.

1. ADDITIONAL LS UT (100% VS 25%) 11 LONG SEAMS @ 16 HR EACH =	HR'S	RATE	
	176	\$75	\$13,200
2. QC ADMINISTRATIVE TIME 12 WELD SEAMS / 6 NCR'S =	192	\$75	\$14,400

PART 2 NCR: ESTIMATED DAMAGES = \$27,600

PART 3: EXTENDED TRAINING AND ESTIMATED SCHEDULE IMPACT

A. EXTENDED TRAINING TIME (ESTIMATED)

1. AFTER THE RESTART OF E2 / T1 PILE JOB, TRANS BAY HIRED ADDITIONAL WELDER TRAINEE'S IN AN EFFORT TO INCREASE MANNING LEVELS AND AND HAVE ALL WELDING STATIONS FULLY MANNED ON ALL (3) SHIFTS, (SEE ATTACHED DAILY MANNING REQUIREMENTS CHART)

2. THE TRAINING METHOD THAT HAD TO BE USED TO SATISFY THE NEW CAL-TRANS TRAINEE POLICY RESULTED IN A (27) WEEK TRAINING PERIOD. TRAINEE'S HAD TO BE TRAINED AT WELDING STATIONS DEDICATED TO TRAINING, OFF OF THE NORMAL PRODUCTION LINE. 4 TRAINING STATIONS (2 DAY / 2 SWING). 21 TRAINEE'S / 4 "OFF-LINE" STATIONS / 27 WEEKS (30 JAN - 6 AUG 06)

MEN TRAINED PER WEEK = .78 (21 TRAINEE'S / 27 WEEKS)

TRAINED PER STATION / PER WK = .195 (.78 TRAINED PER WK / 4 STATIONS)

3. TRANS BAY'S PREVIOUSLY USED METHOD TRAINED WELDERS ON THE NORMAL PRODUCTION LINE WELD STATIONS. USING THIS METHOD TRANS BAY WOULD HAVE USED 12 STATIONS (6 DAY / 6 SWING) TO TRAIN WELDERS. 21 TRAINEE'S / 12 "ON-LINE" STATIONS

MEN TRAINED PER WEEK (TRANS BAY METHOD) = 2.34

(12 STATIONS X .195 PER WEEK / PER STATION)

TRANS BAY TRAINING TIME = 8.97 WEEKS (21 TRAINEE'S / 2.34 PER WEEK)

4. "EXTENDED" TRAINING TIME USING NEW CAL-TRANS POLICY = 18 WEEKS (27 WEEKS "ACTUAL" MINUS 9 WEEKS "ESTIMATED")

GOAL OF HAVING ALL WELDING STATIONS FULLY MANNED WAS DELAYED BY 18 WEEKS AS A RESULT OF NEW TRAINING POLICY.

B. SCHEDULE IMPACT & DELAYS (ESTIMATED)

1. IMPACTS TO SCHEDULE RESULTING FROM EXTENDED TRAINING PERIOD.

A. (18) WEEKS WITHOUT ALL WELD STATIONS FULLY MANNED ON ALL (3) SHIFTS.

WELDERS OFF OF WELD STATIONS: 21 PER DAY

PLANNED WELDERS PER SHIFT: 14

PRODUCTION LOSS PER DAY: 1.5 SHIFTS (21 MEN / 14 PER SHIFT)

PRODUCTION LOSS FOR 18 WEEK EXTENSION:

1.5 SHIFTS X 126 DAYS (18 WK X 7 DAYS) = 189 SHIFTS

189 SHIFTS / 3 SHIFTS PER DAY = 63 DAYS

ESTIMATED DELAY DUE TO EXTENDED TRAINING = 9 WEEKS (63 DAYS / 7)

2. IMPACTS TO SCHEDULE RESULTING FROM "TRAINING ONLY" WELD STATIONS AND "INSTRUCTOR ONLY" WELDERS.

A. (4) "TRAINING ONLY" STATIONS LOST TO PRODUCTION FOR (27) WEEK TRAINING PERIOD.(2 STATIONS DAY SHIFT / 2 SWING)

PERCENT OF TOTAL STATIONS LOST: 25% (2 LOST / 8 STATIONS) (8 STATIONS / ARCING & WELD BEAD STATIONS EXCLUDED)

ESTIMATED DELAY DUE TO "TRAINING ONLY" STATIONS = 6.75 WEEKS (25% OF 27 WEEKS)

B. (4) "INSTRUCTOR" WELDERS LOST TO PRODUCTION FOR (27) WEEK TRAINING PERIOD.

PERCENT OF "INSTRUCTOR" WELDERS LOST: 9.76% (4 LOST / 41 TOTAL)

ESTIMATED DELAY DUE TO "INSTRUCTOR ONLY" WELDERS = 2.63 WEEKS (9.76% OF 27 WEEKS)

TOTAL ESTIMATED SCHEDULE DELAYS	WEEKS
DELAY FOR EXTENDED TRAINING PERIOD =	9
DELAY "TRAINING ONLY" STATIONS =	6.75
DELAY "INSTRUCTOR ONLY" WELDERS =	2.63
ESTIMATED TOTAL DELAY =	18.38 WEEKS

3. "ACTUAL" E2 / T1 PILE SCHEDULE DELAY SHOWN BELOW:

DELAY = 119 CALENDAR DAYS (17 WEEKS)

JAN 06 "SCHEDULE" = LAST T1 PILE @ 22 AUG 06

"ACTUAL" DELIVERY = LAST T1 PILE @ 18 DEC 06

NOTE: TRANS BAY WAS ABLE TO COMPLETE E2 / T1 DELIVERIES SLIGHTLY BETTER THAN THE "ESTIMATED" DELAY OF 18.38 WK'S

TRANS BAY EXTENDED OVERHEAD PER DAY =	\$9,299	(SEE NOTE 4)	
NOPC 6 RELATED DELAY =	119	DAYS	
ESTIMATED DELAY DAMAGES =	\$1,106,581		\$1,106,581

C. ADDITIONAL OVERTIME FOR UT INSPECTION TO SUPPORT SCHEDULE

1. SOUNDWELD UT INSPECTORS WORKING 7-DAY WEEK

(2) UT INSPECTORS PER OT DAY =	16	HR'S PER DAY	
NUMBER OF OT DAYS =	60	2 DAYS PER WEEK	
(30 JAN - 27 AUG 06 / 30 WKS)			
TOTAL OT HOURS =	960		
OT HOURLY RATE =	\$105		
RT OVERTIME: ESTIMATED DAMAGES =	\$100,800		\$100,800

D. EQUIPMENT UPGRADE TO SUPPORT SCHEDULE

1. WELD STATIONS M4 AND BOOM 4 WERE USED AS "TRAINING ONLY" LONG SEAM STATIONS. THESE WERE ORIGINALLY PLANNED TO BE USED FOR WELDING THE HEAVIER 85MM AND 95MM CANS.

2. WITH ABOVE STATIONS OUT OF THE PRODUCTION WELDING LINE, OUR "WHITE BAY" STATION CRANE AND HYDRAULIC HANDLING SYSTEMS HAD TO UPGRADED TO TAKE THE HEAVIER CANS ORIGINALLY SCHEDULED FOR M4 AND BOOM 4 STATIONS

SET UPGRADED CRANE IN-PLACE =	\$2,000	RENTAL CRANE	
LABOR TO COMPLETE CRANE =	\$48,000	640 HR @ \$75 HR	
UPGRADE HYDRAULIC SYTEMS =	\$12,000	160 HR @ \$75 HR	
"WHITE BAY" UPGRADE =	\$62,000		\$62,000

PART 3 SCHEDULE IMPACT: ESTIMATED DAMAGES = \$1,269,381

NOPC 6 TOTAL ESTIMATED DAMAGES = \$1,809,981

NOTES:

1. METS WOULD NOT ALLOW OUR TRAINEE'S TO BE PUT INTO THE NORMAL PRODUCTION FLOW. AS A RESULT, THE TRAINEE'S HAD TO BE ROTATED THROUGH THE WELD STATIONS BEING USED FOR TESTING. THIS METHOD RESULTED IN A PORTION OF THE TRAINEE'S BEING ON "STAND BY" WAITING FOR AN OPEN TRAINING STATION.
2. TRAINING TIMES AND DAMAGES BASED ON (21) WELDER TRAINEE'S THAT WERE HIRED BY TRANS BAY STEEL SINCE JAN 06.
3. CAL-TRANS / METS HAS ISSUED (6) NCR'S RELATED TO THE USE OF WELDER TRAINEE'S AT TRANS BAY STEEL.
4. TRANS BAY DAILY "EXTENDED" OVERHEAD IS BASED ON THE PERCENTAGE OF TOTAL OVERHEAD CHARGEABLE TO THE E2 / T1 PROJECT.

TOTAL DAILY "OVERHEAD" = \$11,771 (DOES NOT INCLUDE DIRECT LABOR)
 E2 / T1 PORTION = \$9,299 (79% OF TOTAL)

E2 / T1 WELDER TRAINEE STANDBY
30 JAN 06 - 6 AUG 06

7/13/07

WK NO.	TRAINEE WORK WEEK	WELDER TRAINEE'S PER DAY	TRAINEE HR / WK (5 DAY WK)	TRAINEE'S STATIONS PER DAY	"ACTUAL" TRAINING HR / WK	TRAINEE "STANDBY" HR'S PER WEEK
1	30 JAN - 5 FEB 06	9	360	4	160	200
2	6 FEB - 12 FEB 06	9	360	4	160	200
3	13 FEB - 19 FEB 06	9	360	4	160	200
4	20 FEB - 26 FEB 06	9	360	4	160	200
5	27 FEB - 5 MAR 06	9	360	4	160	200
6	6 MAR - 12 MAR 06	9	360	4	160	200
7	13 MAR - 19 MAR 06	9	360	4	160	200
8	20 MAR - 26 MAR 06	9	360	4	160	200
9	27 MAR - 2 APR 06	9	360	4	160	200
10	3 APR - 9 APR 06	9	360	4	160	200
11	10 APR - 16 APR 06	9	360	4	160	200
12	17 APR - 23 APR 06	9	360	4	160	200
13	24 APR - 30 APR 06	9	360	4	160	200
14	1 MAY - 7 MAY 06	9	360	4	160	200
15	8 MAY - 14 MAY 06	9	360	4	160	200
			5400		2400	3000
1	15 MAY - 21 MAY 06	12	480	4	160	320
2	22 MAY - 28 MAY 06	12	480	4	160	320
3	29 MAY - 4 JUN 06	12	480	4	160	320
4	5 JUN - 11 JUN 06	12	480	4	160	320
5	12 JUN - 18 JUN 06	12	480	4	160	320
6	19 JUN - 25 JUN 06	12	480	4	160	320
7	26 JUN - 2 JUL 06	12	480	4	160	320
8	3 JUL - 9 JUL 06	12	480	4	160	320
9	10 JUL - 16 JUL 06	12	480	4	160	320
10	17 JUL - 23 JUL 06	12	480	4	160	320
11	24 JUL - 30 JUL 06	12	480	4	160	320
12	31 JUL - 6 AUG 06	12	480	4	160	320
			5760	(NOTE 1)	1920	3840 (NOTE 2)
TIME FRAME		STAND-BY HOURS	RATE / HR	TOTAL \$		
30 JAN - 14 MAY 06		3000	\$75.00	\$225,000		
15 MAY - 6 AUG 06		3840	\$75.00	\$288,000		
		TOTAL "STANDBY" =		\$513,000		
NOTES		1. ONLY (4) WELDER TRAINING STATIONS AVAILABLE PER DAY, (2 DAY SHIFT & 2 SWING SHIFT). 32 HR'S PER DAY / 160 PER WK. 2. "STAND BY" HR'S EQUALS (TOTAL OF TRAINEE HR'S PER DAY X 5 DAYS) MINUS ("ACTUAL" TRAINING HR'S PER WEEK).				

**04-0120E4BAY BRIDGE
E-2 / T-1 PILE
DAILY MANNING REQUIREMENTS**

7/13/07

WORK STATION	"PRE-TERMINATION"			"POST-TERMINATION"		
	ORIG. MANNING PLAN			INCREASED MANNING PLAN		
	DAYS	SWING	GRAVE	DAYS	SWING	GRAVE
BURNING	1	1		1	1	
PLATE ROLL (DAVI)	1	0		1	0	
PLT ROLL (BERTCH)	2	0		2	0	
PILE GS FITTING	2	1		2	1	
GRINDERS	2	1		2	1	1
WELDING STATIONS						
1. "WHITE BAY": LS ID	1	1	1	1	1	1
2. "WHITE BAY": LS OD ARC	1			1	1	1
3. "WHITE BAY": LS OD	1	1		1	1	1
4. "NEW" M4 LS STATION (TRAINING STA) (ADDED AFTER RESTART)				1	1	1
5. BOOM 4 LS ID & OD (TRAINING STA)				1	1	1
6. GIRTH SEAMS BOOM 1	1	1	1	1	1	1
7. GIRTH SEAMS BOOM 2	1	1		1	1	1
8. GIRTH SEAM ID'S: BAY 2	1	1		1	1	1
9. GIRTH SEAM OD ARC: BAY 2	1			1	1	1
10. GIRTH SEAM OD'S: BAY 2	1	1		1	1	1
11. BEAD WELDS: ID	1	1		1	1	1
12. BEAD WELDS: OD	1	1		1	1	1
13. ADDITIONAL "QUALIFIED" WELDERS TO ASSIST AT ALL STATIONS.				2	2	1
CRANE PRE-FAB	1	1		1	1	
CRANE BAY 1	0.5	0.5		0.5	0.5	0.5
CRANE BAY 2	0.5	0.5		0.5	0.5	0.5
RIGGING WHITE BAY	0.25	0.25		0.25	0.25	0
RIGGING PRE-FAB	0.25	0.25		0.25	0.25	0
RIGGING BAY 1	0.25	0.25		0.25	0.25	0
RIGGING BAY 2	0.25	0.25		0.25	0.25	0
TOTALS	21	14	2	25	20	15
		REQ'D			REQ'D	
	FITTERS	3		FITTERS	3	
	WELDERS	20		WELDERS	41	
	BURNERS	2		BURNERS	2	
	ROLLERS	3		ROLLERS	3	
	GRINDERS	3		GRINDERS	4	
	CRANE	4		CRANE	5	
	RIGGERS	2		RIGGERS	2	
	TOTAL =	37		TOTAL =	60	
NOTES:						
TRANS BAY HIRED ADDITIONAL WELDER TRAINEE'S AFTER E2 / T1 PILES WERE RESTARTED IN JAN 06. THE GOAL / PLAN WAS TO INCREASE MANNING LEVELS ON E2 / T1 IN AN EFFORT TO IMPROVE SCHEDULE.						

E2 / T1 MANNING LEVELS

7/13/07

1 JAN 06 - 17 DEC 06

WK NO.	WORK WEEK	TOTAL TRANS BAY AVERAGE MEN / DAY	(AVERAGE) MEN / DAY PIPE BEAM	TOTAL MEN / DAY E2 / T1	E2 / T1 TRAINEE'S PER DAY	E2 / T1 NON-TRAINEE PRODUCTION PER DAY
1	2 JAN - 8 JAN 06	40	13	27	0	27
2	9 JAN - 15 JAN 06	40	13	27	0	27
3	16 JAN - 22 JAN 06	44	13	31	0	31
4	23 JAN - 29 JAN 06	43	13	30	0	30
5	30 JAN - 5 FEB 06	58	13	45	9	36
6	6 FEB - 12 FEB 06	59	13	46	9	37
7	13 FEB - 19 FEB 06	59	13	46	9	37
8	20 FEB - 26 FEB 06	61	13	48	9	39
9	27 FEB - 5 MAR 06	61	13	48	9	39
10	6 MAR - 12 MAR 06	63	13	50	9	41
11	13 MAR - 19 MAR 06	63	13	50	9	41
12	20 MAR - 26 MAR 06	64	13	51	9	42
13	27 MAR - 2 APR 06	63	13	50	9	41
14	3 APR - 9 APR 06	62	13	49	9	40
15	10 APR - 16 APR 06	63	13	50	9	41
16	17 APR - 23 APR 06	60	13	47	9	38
17	24 APR - 30 APR 06	63	13	50	9	41
18	1 MAY - 7 MAY 06	63	13	50	9	41
19	8 MAY - 14 MAY 06	62	13	49	9	40
20	15 MAY - 21 MAY 06	60	13	47	12	35
21	22 MAY - 28 MAY 06	62	13	49	12	37
22	29 MAY - 4 JUN 06	71	13	58	12	46
23	5 JUN - 11 JUN 06	70	13	57	12	45
24	12 JUN - 18 JUN 06	69	13	56	12	44
25	19 JUN - 25 JUN 06	71	13	58	12	46
26	26 JUN - 2 JUL 06	73	13	60	12	48
27	3 JUL - 9 JUL 06	72	13	59	12	47
28	10 JUL - 16 JUL 06	71	13	58	12	46
29	17 JUL - 23 JUL 06	71	13	58	12	46
30	24 JUL - 30 JUL 06	69	13	56	12	44
31	31 JUL - 6 AUG 06	67	13	54	12	42
32	7 AUG - 13 AUG 06	67	13	54	0	54
33	14 AUG - 20 AUG 06	69	13	56	0	56
34	21 AUG - 27 AUG 06	69	13	56	0	56
35	28 AUG - 3 SEP 06	69	14	55	0	55
36	4 SEP - 10 SEP 06	69	14	55	0	55
37	11 SEP - 17 SEP 06	67	14	53	0	53
38	18 SEP - 24 SEP 06	64	14	50	0	50
39	25 SEP - 1 OCT 06	67	14	53	0	53
40	2 OCT - 8 OCT 06	67	14	53	0	53
41	9 OCT - 15 OCT 06	67	14	53	0	53
42	16 OCT - 22 OCT 06	66	14	52	0	52
43	23 OCT - 29 OCT 06	65	14	51	0	51
44	30 OCT - 5 NOV 06	65	14	51	0	51
45	6 NOV - 12 NOV 06	64	14	50	0	50
46	13 NOV - 19 NOV 06	64	14	50	0	50
47	20 NOV - 26 NOV 06	63	14	49	0	49
48	27 NOV - 3 DEC 06	61	14	47	0	47
49	4 DEC - 10 DEC 06	61	14	47	0	47
50	11 DEC - 17 DEC 06	54	44	10	0	10

NOTE 1,2, 3

LAST T-1 PILE SHIPPED 12/18/06

**E2 / T1 MANNING LEVELS
1 JAN 06 - 17 DEC 06**

SCHEDULE DELAY		(13 JAN 06) SCHEDULE	ACTUAL	DELAY
DELIVER LAST T-1 PILE		8/22/2006	12/18/2006	17 WEEKS
MANNING LEVEL BREAKDOWN				
AVERAGE MEN PER DAY E2 / T1 =			49	2 JAN - 10 DEC 06
AVERAGE MEN PER DAY PIPE BEAMS =			13	3 JAN - 10 DEC 06
AVERAGE MEN PER DAY TOTAL =			62	
E2 / T1 % BASED ON MANNING =			79%	
NOTES:				
1. PIPE BEAM HR'S = 17,467 HR'S (2 JAN - 27 AUG 06 / 34 WEEKS)				
HR'S / WEEK = 513.73 (AVERAGE)				
HR'S PER DAY = 102.74 (BASED ON 5 DAY WEEK)				
MEN PER DAY = 12.84 (102.74 HR'S / 8)				
2. PIPE BEAM HR'S = 8,684 HR'S (28 AUG - 10 DEC 06 / 15 WEEKS)				
HR'S / WEEK = 578.93 (AVERAGE)				
HR'S PER DAY = 115.78 (BASED ON 5 DAY WEEK)				
MEN PER DAY = 14.47 (115.78 HR'S / 8)				
3. PIPE BEAM HR'S = 1741 HR'S (11 DEC - 17 DEC 06 / 1 WEEK)				
HR'S / WEEK = 1741 (AVERAGE)				
HR'S PER DAY = 348.2 (BASED ON 5 DAY WEEK)				
MEN PER DAY = 43.52 (348.2 HR'S / 8)				

DEPARTMENT OF TRANSPORTATIONDIVISION OF ENGINEERING SERVICES
MATERIALS ENGINEERING AND TESTING SERVICES

Office of Structural Materials

Quality Assurance and Source Inspection

Bay Area Branch

690 Walnut Ave., St. 150

Vallejo, CA 94592-1133

(707) 649-5453

FAX: (707) 649-5493

Contract #: 04-0120E4Cty SF Rte 80 PM 8.3.File # 20.25 B**QUALITY ASSURANCE - NONCONFORMANCE REPORT**Location: **Trans Bay Steel Fabrication Shop**Date: **12/06/2005**Prime Contractor: **Kiewit, FCI, Manson, (KFM) Joint Venture**

NCR #29

Submitting Contractor: **Trans Bay Steel****Type of problem:**

Welding	<input checked="" type="checkbox"/>	Concrete	<input type="checkbox"/>	Other	<input type="checkbox"/>	
Welding:	<input type="checkbox"/>	Curing:	<input type="checkbox"/>	Procedural:	<input type="checkbox"/>	Bridge No.: # 34-0006
Joint fit-up:	<input type="checkbox"/>	Coating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>	Component: # E2 Permanent Steel Casing Q8
Procedural:	<input checked="" type="checkbox"/>	Procedural:	<input type="checkbox"/>			

Description of Non-Conformance: Production welding was performed on E2 Permanent Steel Casing Q8 by a welding operator using the Submerged Arc Welding (SAW) process for which the individual had not been qualified. The Quality Assurance Inspector, Jim Bowers, observed Trans Bay Steel apprentice, Raul Peregrina, perform the welding of (1) one complete cover pass at approximately 1350 hours to 1405 hours in the Whites Bay weld area. The qualified welding operator, Dan Peterson, who was assigned and had been working at the weld station previously in the shift, was not in the weld bay at any time during the welding.

Applicable reference: AWS D1.1-2002 section 4.1.2 and Special Provisions section 8-3**Who discovered the problem:** OSM Quality Assurance Inspector James Bowers**Name of individual from Contractor notified:** Scott Martell - Trans Bay Steel Quality Control Inspector

William Kroplin – Trans Bay Steel Quality Control Manager

Time and method of notification: 12/06/2005 @ 1415 Hours - verbal notification (S. Martell)

12/06/2005 @1530 Hours – verbal notification (W. Kroplin)

Name of Caltrans Engineer notified: Mark Vilcheck, Structure Representative**Time and method of notification:** 12/08/05 at 0830 via email**QC Inspector's Name:** Scott Martell**Was the QC Inspector aware of problem:** Yes**Contractor's proposal to correct the problem:** None at this time.

Comments: This report is for the purpose of determining general conformance with the contract documents and is not for the purpose of making repair or fit for purpose recommendations. Should you require recommendations concerning repairs or remedial efforts please contact Ryan Smith, (858) 232-6799, which represents the Office of Structural Materials for your project.

Inspected By: James S Bowers

Quality Assurance Inspector

Reviewed By: Albert Carreon

Lead QA Inspector

002650 DEC-85
RECEIVED

DEPARTMENT OF TRANSPORTATION
DIVISION OF ENGINEERING SERVICES
MATERIALS ENGINEERING AND TESTING SERVICES
Office of Structural Materials
Quality Assurance and Source Inspection
Bay Area Branch
690 Walnut Ave., St. 150
Vallejo, CA 94592-1133
(707) 649-5453
FAX: (707) 649-5493



Contract #: 04-0120E4
Cty SF Rte 80 PM 13.4, 13.8.
File # 20 .25 B

QUALITY ASSURANCE - NONCONFORMANCE REPORT

Location: Trans Bay Steel, Napa, CA.
Prime Contractor: Kiewit, FCI, Manson, (KFM) Joint Venture
Submitting Contractor: Trans Bay Steel

Date: 01-31-2006
NCR #041

Type of problem:

Form with checkboxes for Welding, Concrete, Other, Welding, Joint fit-up, Procedural, Curing, Coating, Procedural, Other.

Description of Non-Conformance: In process welding of pile segment interior of long seam complete joint penetration weld s-75. Welding was submerged arc welding per approved welding procedure specification WPS-P-317-B-U3c-S 45-65mm in the 1G position. Welder Dan Peterson observed helpers Jaran Chaopa and Uthit Suwanwiang perform welding.

Applicable reference: AWS D1.1 paragraph 1.4.2 Contractor's Responsibilities. The Contractor Special Provisions section 8 paragraph H. Copies of all certifications for welders for each welding process and position that will be used. Certifications shall list the filler metals used, test position, base metal and thickness, tests performed, and the witnessing authority. The submitted documentation shall be approved by the Engineer prior to any project welding being performed by a welder or welding operator. In addition, D1.1, paragraph 6.4.1 states the Inspector shall allow welding to be performed only by welders, welding operators, and tack welders who are qualified in accordance with the requirements of section 4. Additionally, Section 8-03 requires all welding personnel to be qualified and approved prior to starting work.

Who discovered the problem: Joe Lanz

Name of individual from Contractor notified: <<Name and Position of Individual Notified>>

Time and method of notification: <<Date, Time, and Method (verbal, fax, etc.) Individual was Notified>>

Name of Caltrans Engineer notified: Mark Vilcheck, Structure Representative

Time and method of notification: 02/01/06 at 1740 hours via phone conversation

QC Inspector's Name: John Page

Was the QC Inspector aware of problem: Yes

Contractor's proposal to correct the problem: None at this time.

002951 FEB 1 2006 RECEIVED

Comments: This report is for the purpose of determining general conformance with the contract documents and is not for the purpose of making repair or fit for purpose recommendations. Should you require recommendations concerning repairs or remedial efforts please contact Ryan Smith, (858) 232-6799,, who represents the Office of Structural Materials for your project.

Inspected By: Joe Lanz

Quality Assurance Inspector

Reviewed By: Robert Mertz

Lead QA Inspector

DEPARTMENT OF TRANSPORTATION

DIVISION OF ENGINEERING SERVICES
 MATERIALS ENGINEERING AND TESTING SERVICES
 Office of Structural Materials
 Quality Assurance and Source Inspection

Bay Area Branch

690 Walnut Ave., St. 150
 Vallejo, CA 94592-1133
 (707) 649-5453
 FAX: (707) 649-5493



Contract # : 04-0120E4
 Cty SF Rte 80 PM 13.4, 13.8.
 File # 20 .25 B

QUALITY ASSURANCE - NONCONFORMANCE REPORT

Location: Trans Bay Steel, Napa, CA.

Date: 02-02-2006

Prime Contractor: Kiewit, FCI, Manson, (KFM) Joint Venture

NCR # 44

Submitting Contractor: Trans Bay Steel

Type of problem:

Welding	<input checked="" type="checkbox"/>	Concrete	<input type="checkbox"/>	Other	<input type="checkbox"/>
Welding:	<input checked="" type="checkbox"/>	Curing:	<input type="checkbox"/>	Procedural:	<input type="checkbox"/>
Joint fit-up:	<input type="checkbox"/>	Coating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Procedural:	<input checked="" type="checkbox"/>	Procedural:	<input type="checkbox"/>		

Description of Non-Conformance: 1) Pile segment s-91 to segment r-9 interior diameter of girth seam weld per WPS-P-317-B-U3c-S 45-65mm in the 1G position. Welder Hector Lopez observed helper Udon Saenthamna perform welding and assisted by helper Chinnawat Pnimpol. 2) Pile interior grout beads on segment s-28 per WPS-A-145 12mm grout beads in the flat position. Welder Carlos Perez observed helper Mark Pacheco perform welding. 3) In process welding of pile segment N-7 interior long seam weld per WPS-P-317-B-U3c-S 45-65mm in the 1G position. Welder Leonardo Hidalgo observed helper Saduk Wiriyasanti perform welding assisted by helpers Jaran Chaopa and Uthit Suwanwiang. 4) In process welding of pile segment u-128 exterior diameter long seam weld per WPS-P-317-B-U3c-S 45-65mm in the 1G position. Welder William Rodriguez observed helper Wicharn Chairot welding.

Applicable reference: AWS D1.1 paragraph 1.4.2 Contractor's Responsibilities. The Contractor Special Provisions section 8 paragraph H. Copies of all certifications for welders for each welding process and position that will be used. Certifications shall list the filler metals used, test position, base metal and thickness, tests performed, and the witnessing authority. The submitted documentation shall be approved by the Engineer prior to any project welding being performed by a welder or welding operator. In addition, D1.1, paragraph 6.4.1 states the Inspector shall allow welding to be performed only by welders, welding operators, and tack welders who are qualified in accordance with the requirements of section 4.

Who discovered the problem: Joe Lanz

Name of individual from Contractor notified: Bill Kroplin, TBS Quality Control Manager

Time and method of notification: 02/02/06 at approximately 1400 hours

Name of Caltrans Engineer notified: Mark Vilcheck, Structure Representative

Time and method of notification: 02/03/06 at 1000 hours via phone conversation

QC Inspector's Name: John Page

Was the QC Inspector aware of problem: Yes

Contractor's proposal to correct the problem: None at this time.

Comments: This report is for the purpose of determining general conformance with the contract documents and is not for the purpose of making repair or fit for purpose recommendations. Should you require recommendations concerning repairs or remedial efforts please contact Ryan Smith, (858) 232-6799,, who represents the Office of Structural Materials for your project.

Inspected By: Joe Lanz

Quality Assurance Inspector

Reviewed By: Robert Mertz

Lead QA Inspector

DEPARTMENT OF TRANSPORTATION

DIVISION OF ENGINEERING SERVICES
 MATERIALS ENGINEERING AND TESTING SERVICES
 Office of Structural Materials
 Quality Assurance and Source Inspection
Bay Area Branch
 690 Walnut Ave., St. 150
 Vallejo, CA 94592-1133
 (707) 649-5453
 FAX: (707) 649-5493



Contract # : 04-0120E4
 Cty SF Rte 80 PM 13.4, 13.8.
 File # 20 .25 B

QUALITY ASSURANCE - NONCONFORMANCE REPORT

Location: Trans Bay Steel, Napa, CA.

Date: 02-17-2006

Prime Contractor: Kiewit, FCI, Manson, (KFM) Joint Venture

NCR #047

Submitting Contractor: Trans Bay Steel

Rev. 1, 02-23-06

Type of problem:

Welding	<input checked="" type="checkbox"/>	Concrete	<input type="checkbox"/>	Other	<input type="checkbox"/>
Welding:	<input checked="" type="checkbox"/>	Curing:	<input type="checkbox"/>	Procedural:	<input type="checkbox"/>
Joint fit-up:	<input type="checkbox"/>	Coating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Procedural:	<input checked="" type="checkbox"/>	Procedural:	<input type="checkbox"/>		

Description of Non-Conformance: In process welding of pile segment piece mark n-12 interior of long seam complete joint penetration weld. Welding was submerged arc welding per approved welding procedure specification WPS-P-317-B-U3c-S 45-65mm in the 1G position. Welder-operator Leonardo Hidalgo observed helper Nikhom Promkhan perform welding.

Applicable reference: AWS D1.1 paragraph 1.4.2 Contractor's Responsibilities. The Contractor shall be responsible for WPSs, qualification of welding personnel, the Contractor's inspection, and performing work in conformance with the requirements of this code. Contract Special Provisions section 8. Copies of all certifications for welders for each welding process and position that will be used. Certifications shall list the filler metals used, test position, base metal and thickness, tests performed, and the witnessing authority. The submitted documentation shall be approved by the Engineer prior to any project welding being performed by a welder or welding operator. In addition, D1.1, paragraph 6.4.1 states the Inspector shall allow welding to be performed only by welders, welding operators, and tack welders who are qualified in accordance with the requirements of section 4.

Who discovered the problem: Joe Lanz**Name of individual from Contractor notified:** *Bill Kroplin, TBS Quality Control Manager

Time and method of notification: *02/17/06 at approximately 1100 hours. Additionally, per meeting conversations relayed to TBS and KFM on 02/01/06, METS intends to issue an NCR for each occurrence of unqualified welders or welding operators observed by the QA inspectors.

Name of Caltrans Engineer notified: Mark Vilcheck, Structure Representative**Time and method of notification:** 02/17/06 at 1350 hours via a phone conversation**QC Inspector's Name:** Scott Martell**Was the QC Inspector aware of problem:** No**Contractor's proposal to correct the problem:** None at this time.

Comments: This report is for the purpose of determining general conformance with the contract documents and is not for the purpose of making repair or fit for purpose recommendations. Should you require recommendations concerning repairs or remedial efforts please contact Ryan Smith, (858) 232-6799,, who represents the Office of Structural Materials for your project.

Inspected By: Joe Lanz

Quality Assurance Inspector

QUALITY ASSURANCE - NONCONFORMANCE REPORT
(Continued, Page 2 of 2)

Reviewed By: Robert Mertz

Lead QA Inspector

Hardcopy Routing Instructions:

1. Resident Engineer

2. Inspecting Branch Contract File

3. Responsible Branch Contract File (with supporting documentation)

DEPARTMENT OF TRANSPORTATIONDIVISION OF ENGINEERING SERVICES
MATERIALS ENGINEERING AND TESTING SERVICES

Office of Structural Materials

Quality Assurance and Source Inspection

Bay Area Branch

690 Walnut Ave., St. 150

Vallejo, CA 94592-1133

(707) 649-5453

FAX: (707) 649-5493

Contract # : 04-0120E4
Cty SF Rté 80 PM 13.4, 13.8
File # 20 .25 B**QUALITY ASSURANCE - NONCONFORMANCE REPORT****Location:** Trans Bay Steel, Napa, CA.**Date:** 02-24-2006**Prime Contractor:** Kiewit, FCI, Manson, (KFM) Joint Venture**NCR #** 057**Submitting Contractor:** Trans Bay Steel**Type of problem:**

Welding	<input checked="" type="checkbox"/>	Concrete	<input type="checkbox"/>	Other	<input type="checkbox"/>
Welding:	<input checked="" type="checkbox"/>	Curing:	<input type="checkbox"/>	Procedural:	<input type="checkbox"/>
Joint fit-up:	<input type="checkbox"/>	Coating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Procedural:	<input checked="" type="checkbox"/>	Procedural:	<input type="checkbox"/>		

Description of Non-Conformance: In process welding of pile segment interior of long seam complete joint penetration weld p-14 by unapproved welder Brian Peterson. Welding was submerged arc welding (SAW) per approved welding procedure specification WPS-P-317-B-U3c-S 45-65mm in the 1G (flat) position.

Applicable reference: AWS D1.1, 2002, paragraph 1.4.2, Contractor's Responsibilities. The Contractor shall be responsible for WPSs, qualification of welding personnel, the Contractor's inspection, and performing work in conformance with the requirements of this code.

The Special Provisions, Section 8-3.01 paragraph H, Copies of all certifications for welders for each welding process and position that will be used. Certifications shall list the filler metals used, test position, base metal and thickness, tests performed, and the witnessing authority. The submitted documentation shall be approved by the Engineer prior to any project welding being performed by a welder or welding operator.

In addition, D1.1, paragraph 6.4.1 states the Inspector shall allow welding to be performed only by welders, welding operators, and tack welders who are qualified in accordance with the requirements of section 4.

Who discovered the problem: Joe Lanz**Name of individual from Contractor notified:** Bill Kroplin**Time and method of notification:** Verbally on this date in the afternoon.**Name of Caltrans Engineer notified:** Mark Vilcheck, Structure Representative**Time and method of notification:** 03/03/06 at 1600 hours via email**QC Inspector's Name:** Scott Martell**Was the QC Inspector aware of problem:** Yes**Contractor's proposal to correct the problem:** None at this time.

Comments: This report is for the purpose of determining general conformance with the contract documents and is not for the purpose of making repair or fit for purpose recommendations. Should you require recommendations concerning repairs or remedial efforts please contact Ryan Smith, (858) 232-6799,, who represents the Office of Structural Materials for your project.

Inspected By: Joe Lanz

Quality Assurance Inspector

003178 MAR-06
RECEIVED

QUALITY ASSURANCE - NONCONFORMANCE REPORT
(Continued, Page 2 of 2)

Reviewed By: Robert Mertz

Lead QA Inspector

DEPARTMENT OF TRANSPORTATIONDIVISION OF ENGINEERING SERVICES
MATERIALS ENGINEERING AND TESTING SERVICES

Office of Structural Materials

Quality Assurance and Source Inspection

Bay Area Branch

690 Walnut Ave., St. 150

Vallejo, CA 94592-1133

(707) 649-5453

FAX: (707) 649-5493

Contract # : **04-0120E4**
Cty **SF** Rte **80** PM **13.4, 13.8**
File # **20.25 B****QUALITY ASSURANCE - NONCONFORMANCE REPORT**Location: **Trans Bay Steel, Napa, CA.**Date: **04-18-2006 Tuesday**Prime Contractor: **Kiewit, FCI, Manson, (KFM) Joint Venture**NCR # **079**Submitting Contractor: **Trans Bay Steel (TBS)****Type of problem:**

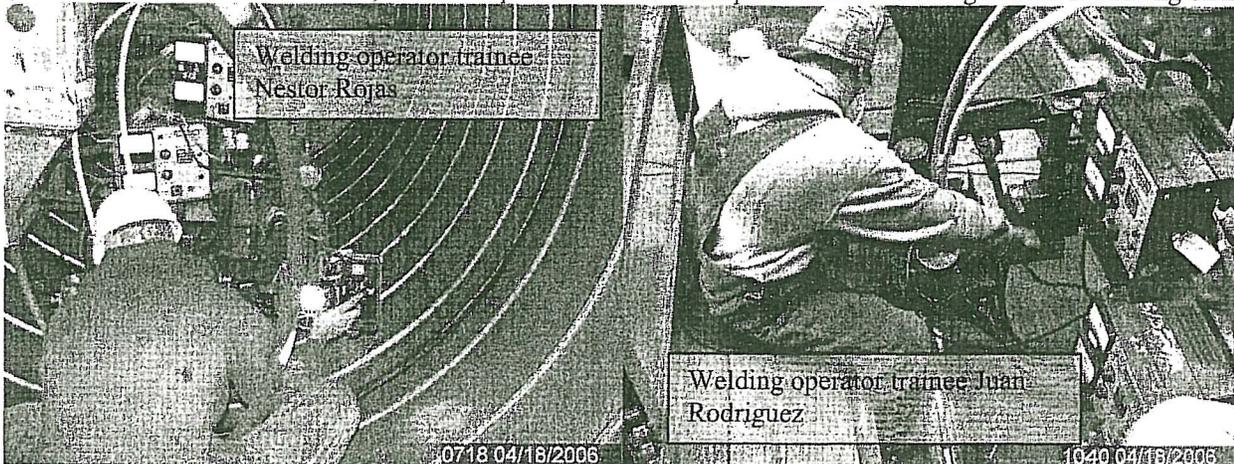
Welding	<input checked="" type="checkbox"/>	Concrete	<input type="checkbox"/>	Other	<input type="checkbox"/>	
Welding:	<input checked="" type="checkbox"/>	Curing:	<input type="checkbox"/>	Procedural:	<input type="checkbox"/>	Bridge No.: 34-0006
Joint fit-up:	<input type="checkbox"/>	Coating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>	Component: CISS Pile
Procedural:	<input checked="" type="checkbox"/>	Procedural:	<input type="checkbox"/>			

Description of Non-Conformance: TBS Quality Control Inspectors allowed in process welding of pile segments by unqualified welding operators.

Pile E2-16, segment s-77 to segment s-69 interior of girth seam complete joint penetration weld number 16 was welded by welding operator trainee, Nestor Rojas. The trainee was being supervised by welding operator Thongkham Promjarden while welding the joint.

Pile E2-15, segment u-119 to segment u-110 exterior of girth seam complete joint penetration weld number 30 was welded by welding operator trainee, Juan Rodriguez. The trainee was being supervised by welding operator Hector Lopez while welding the joint.

The welding was performed with the submerged arc welding process per an approved welding procedure specification (WPS-P-317-B-U3c-S 45-65mm) in the 1G position. Below are photos of the welding trainee's working on E2 piles.



Applicable reference: AWS D1.1-2002 paragraph 1.4.2, Contractor's Responsibilities, and the contract Special Provisions, section 8-03.01, paragraph H, AWS D1.1-2002, paragraph 6.4.1

QUALITY ASSURANCE - NONCONFORMANCE REPORT

(Continued, Page 2 of 2)

Who discovered the problem: Joe Lanz (QA)

Name of individual from Contractor notified: William Kroplin, TBS QCM

Time and method of notification: Verbally on this date at approximately 0940 hours and 1145 hours.

Name of Caltrans Engineer notified: Mark Vilcheck, Structure Representative

Time and method of notification: April 18, 2006 at approximately 1200 hours via verbal notification

QC Inspector's Name: Scott Martell

Was the QC Inspector aware of problem: No

Contractor's proposal to correct the problem: None at this time.

Comments: This report is for the purpose of determining general conformance with the contract documents and is not for the purpose of making repair or fit for purpose recommendations. Should you require recommendations concerning repairs or remedial efforts please contact Ryan Smith, (858) 232-6799,, who represents the Office of Structural Materials for your project.

Inspected By: Joe Lanz

Quality Assurance Inspector

Reviewed By: Robert Mertz

Lead QA Inspector

DEPARTMENT OF TRANSPORTATION - District 4 Toll Bridge Program

333 Burma Rd.
Oakland, CA 94607
(510) 286-0538, (510) 286-0550 fax



Kiewit-FCI-Manson, JV
220 Burma Rd.
Oakland, CA 94607

Attn: Mr. Lee Zink
Project Director

October 24, 2006

Contract No. 04-0120E4
04-SF-80-13.4, 13.8
SAS T1 & E2 Foundations
SFOBB-ESSSP

Letter No. 05.003.01-002147

Subject: Response to KFM Transmittal No. 384, Revision No. 00 (Contract Change Order No. 0039 (returned with comments and changes))

Dear Lee,

The Department has received Kiewit-FCI-Manson (KFM) in Transmittal No. 384, Revision No. 00, dated September 29, 2006, and has reviewed the suggested revisions to the text of Contract Change Order (CCO) No. 39 which were provided by KFM.

The Department notes that CCO No. 39 was written with the involvement of representatives of Trans Bay Steel (TBS), KFM, and the Department in order to achieve an agreeable change prior to its transmittal for signature. There were multiple meetings held with KFM, TBS, and the Department's representatives between late May, 2006, and July, 2006, for this purpose. Based on the conversation on July 21, 2006, between Mr. Bill Kavicky, Mr. Mark Woods, and Mr. Mark Vilcheck, it was understood that language that had been drafted into CCO No. 39 was agreeable to all parties. This agreed-upon language was included in CCO No. 39, transmitted to KFM on July 25, 2006.

Regarding the revisions to CCO No. 39 suggested in KFM's Transmittal No. 384, Revision No. 00, the Department takes no exception to the removal of the word "unavoidable" or to the removal of the phrase "the RT, additional QC inspection" from the last paragraph of the Change Order, as these changes do not effect the meaning or intent of the Change. The other suggested revisions do not provide any additional meaning to the Change and were not included in the revised CCO.

CCO No. 39 has been revised and is attached to this letter for KFM's review and signature. Please return the signed CCO No. 39 to the Department by November 1, 2006. If KFM chooses not to sign, please return the unsigned CCO No. 39 to the Department by November 1, 2006, along with an explanation of why this Change is no longer agreeable.

KFM is reminded of the requirements of Section 9-1.04, "Notice of Potential Claim", of the Standard Specifications, pertaining to timely notice of disputes arising under the contract.

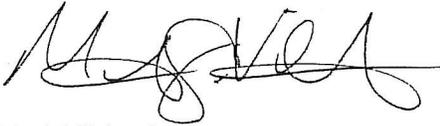
If you have any questions or need additional information, please contact Mark Vilcheck at (510) 286-0526.

05.003.01

OCT 25 2006

Letter No. 05.003.01-002147
Kiewit-FCI-Manson
Page 2 of 2

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Vilcheck', with a stylized flourish at the end.

Mark Vilcheck
Structure Representative

For: Pedro J. Sanchez
Resident Engineer

Attachment: CCO No. 39, 1 sheet, 8 ½ x 11

cc: P. Sanchez
M. Woods
R. Smith

file: 05.003.01, 49.039

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

HC-5(Rev. 5/93)

CONTRACT CHANGE ORDER NO. 39 SUPPL. NO. ---

ROAD 04-SF-80-13.4, 13.8 SHEET 1 OF 1 SHEETS

FEDERAL NO.(S) ACBRIM-080-(094)N CONTRACT NO.: 04-0120E4

To **Kiewit-FCI-Manson, a JV**, Contractor

You are hereby directed to make herein described changes from the plans and specifications or do the following described work not included in the plans and specifications of the contract.

NOTE: This change order is not effective until approved by The Chief Engineer.

Description of work to be done, estimate of quantities, and prices to be paid. Segregated between additional work at contract price and force account. Unless otherwise stated, rates for rental equipment cover only such time as equipment is actually used and no allowance will be made for idle time.

CHANGE REQUESTED BY THE ENGINEER

The last percentage shown is the net accumulated increase or decrease from the original quantity in the Engineer's Estimate.

The Welding Quality Control Plan (WQCP), shall be amended to allow the inclusion of a welder training plan for Submerged Arc Welding (SAW) on the steel pipe piling including the Radiographic Testing (RT) and additional Quality Control paid for below, as approved by the Engineer. This plan will allow welding teams consisting of one trainee welding operator and an experienced, qualified welding operator to perform production work under the direct supervision of the experienced welding operator.

The approval requirements for all WQCP amendments or addenda as stated in section 8-3.01, "Welding," of the Special Provisions, shall remain unchanged.

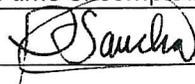
Extra Work at Agreed Unit Price

For the work of additional Quality Control (QC), including Radiographic Testing (RT), as approved by the Engineer, the Contractor shall receive and accept the unit prices listed below.

Additional RT:	24 acceptable RT shots @ \$ 500.00 per shot =	\$12,000.00
Additional QC inspection:	240 hours @ \$75.00 per hour =	\$18,000.00
	Estimate of Extra work =	\$30,000.00

These prices constitute full and complete compensation for furnishing all labor, material, equipment, tools and incidentals including all markups by reason of this change except as provided in the next paragraph.

This change order does not provide compensation for any impacts to the steel pipe piling fabrication process as a result of the work ordered in this Change. In the event the Contractor, in accordance with all applicable contract requirements, submits cost and schedule information supporting such compensation, the Engineer will consider an adjustment of compensation and/or time for these impacts. Upon determination of merit, a supplemental change order shall be issued to compensate the Contractor for these impacts.

Estimated Cost \$30,000.00	
By reason of this order the time of completion will be adjusted as follows: No Adjustment	
Submitted by: <u></u>	Pedro J. Sanchez, Resident Engineer Date <u>10-24-06</u>
Approval Recommended by: _____	Richard Morrow, Construction Manager Date _____
Approved: Chief Engineer by: _____	Richard Morrow, Construction Manager Date _____
We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.	
Accepted, Date _____ Contractor _____	Kiewit-FCI-Manson, a JV
By: _____	Title _____

If the contractor does not sign acceptance of this change order, his attention is directed to the requirements of the specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.

DEPARTMENT OF TRANSPORTATION - District 4 Toll Bridge Program

333 Burma Rd.
Oakland, CA 94607
(510) 286-0538, (510) 286-0550 fax



Kiewit-FCI-Manson, JV
220 Burma Rd.
Oakland, CA 94607

Attn: Mr. Lee Zink
Project Director

March 12, 2007

Contract No. 04-0120E4
04-SF-80-13.4, 13.8
SAS T1 & E2 Foundations
SFOBB-ESSSP

Letter No. 05.003.01-002955

Subject: Response to KFM Letter No. 214 (CCO #39 – Welder Trainee Plan)

Dear Lee,

Fabrication at Trans Bay Steel (TBS) has been carried as an open discussion item in the Agenda for the Weekly Meeting held between Kiewit-FCI-Manson (KFM) and the Department. KFM has indicated that this item is held open with respect to additional costs associated with work performed at TBS dating to December 6, 2005.

The Department notes that fabrication work on permanent steel casings and steel piling at TBS for Piers T1 and E2, respectively, was completed by December 14, 2006, and that the last permanent steel casing for Pier T1 was shipped from the TBS facility on December 18, 2006. No contract item work was performed at the TBS facility subsequent to December 18, 2006.

Attention is directed to the Department's Letter No. 2147 dated October 4, 2006, in which KFM was reminded of the requirements of Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications, pertaining to timely notice of disputes arising under the contract. The Department has not received an Initial Notice of Potential Claim for any dispute related to contract work performed at TBS, which has been completed for a period of 85 days.

The Department notified KFM during the Weekly Meeting on January 2, 2007, that CCO No. 39 would not be issued. Per the conversation between KFM and the Department on March 8, 2007, the Department considers the discussion item pertaining to TBS that appears in the Agenda of the Weekly Meeting to be closed with no further discussion warranted for work performed under the contract at TBS.

If you have any questions or need additional information, please contact Mark Vilcheck at (510) 286-0526.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Vilcheck".

Mark Vilcheck
Structure Representative

For: Pedro J. Sanchez
Resident Engineer

cc: P. Sanchez
M. Woods

file: 05.003.01

MAR 15 2007

DEPARTMENT OF TRANSPORTATION - District 4 Toll Bridge Program

333 Burma Rd.
Oakland, CA 94607
(510) 286-0538, (510) 286-0550 fax



Kiewit-FCI-Manson, JV
220 Burma Rd.
Oakland, CA 94607

Attn: Mr. Dan Proctor

July 17, 2007

Contract No. 04-0120E4
04-SF-80-13.4, 13.8
SAS T1 & E2 Foundations
SFOBB-ESSSP

Letter No. 05.003.01-003300

Subject: Acknowledgement of Receipt of KFM Transmittals No. 568, Revision No. 00 (Supplemental Notice of Potential Claim #06-062007 -- TBS Welder Trainees)

Dear Dan,

The Department has received Kiewit-FCI-Manson (KFM) Transmittal No. 568, Revision No. 00, dated July 3, 2007, which provided the Contractor's supplemental notice of potential claim (NOPC) No. 06 regarding alleged impacts to Trans Bay Steel Corp. (TBS) steel pipe piling production work performed using unqualified trainee welders due to the Department's rejection of this work.

As stated in Letter No. 3235, the Department reminded KFM in Letter Nos. 2147 and 2955 and in numerous weekly meetings, the contractual requirements pertaining to timely notice of disputes arising under the contract. However, the Contractor did not submit the initial notice of potential claim within the time frame allowed in Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications and failed to conform to the specified contractual dispute procedures.

This "Supplemental Notice of Potential Claim #06-062007 -- TBS Welder Trainees", will be filed with no further processing.

If you have any question, please contact this office at (510) 286-0538.

Sincerely,

A handwritten signature in black ink, appearing to read "Pedro J. Sanchez", with a long horizontal flourish extending to the right.

Pedro J. Sanchez
Resident Engineer

cc: R. Morrow
P. Sanchez
M. Woods
M. Vilcheck

file: 05.003.01, 62.001.06

DEPARTMENT OF TRANSPORTATION - District 4 Toll Bridge Program

333 Burma Rd.
Oakland, CA 94607
(510) 286-0538, (510) 286-0550 fax



Kiewit-FCI-Manson, JV
220 Burma Rd.
Oakland, CA 94607

July 17, 2007

Contract No. 04-0120E4
04-SF-80-13.4, 13.8
SAS T1 & E2 Foundations
SFOBB-ESSSP

Attn: Mr. Dan Proctor

Letter No. 05.003.01-003303

Subject: Acknowledgement of Receipt of KFM Transmittal No. 568, Revision No. 00 (NOPC #06-062007 Referral to DRB)

Dear Dan,

The Department has received Kiewit-FCI-Manson (KFM) Transmittal No. 568, dated July 5, 2007, which referred NOPC No. 06 to the Dispute Review Board (DRB).

As stated in Letter No. 3235, the Department reminded KFM in Letter Nos. 2147 and 2955 and in numerous weekly meetings, the contractual requirements pertaining to timely notice of disputes arising under the contract. However, the Contractor did not submit the initial notice of potential claim within the time frame allowed in Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications and failed to conform to the specified contractual dispute procedures.

In accordance to Sections 9-1.04, "Notice of Potential Claim " of the amended Standard Specifications and 5-1.15 "Dispute Review Board" of the Special Provisions, the Department finds no contractual basis for the Contractor's referral to the DRB of this late NOPC No. 06.

If you have any question, please contact this office at (510) 286-0538.

Sincerely,

Pedro J. Sanchez
Resident Engineer

cc: DRB Members: W. Bullock, R. Maasberg, R. Lewis.
R. Morrow
P. Sanchez
M. Woods
M. Vilcheck

file: 05.003.01, 62.001.06

SAS FOUNDATIONS E2/T1 PROJECT	
KIEWIT-FCI-MANSON A JV	
DATE	7/17/07
ROUTED BY	ah
TO:	
INTERNAL KFM COPIES TO:	
EXTERNAL COPIES TO:	

Trans 508
CT letter-3235
CT letter-2147
CT letter-2955

DEPARTMENT OF TRANSPORTATION - District 4 Toll Bridge Program

333 Burma Rd.
Oakland, CA 94607
(510) 286-0538, (510) 286-0550 fax



Kiewit-FCI-Manson, JV
220 Burma Rd.
Oakland, CA 94607

June 27, 2007

Attn: Mr. Dan Proctor

Contract No. 04-0120E4
04-SF-80-13.4, 13.8
SAS T1 & E2 Foundations
SFOBB-ESSSP

Letter No. 05.003.01-003235

Subject: Response to Transmittal No. 566, Revision No. 00 (Initial Notice of Potential Claim #06-062007 - TBS' Welder Trainee Issue)

Dear Dan,

The Department has received Kiewit-FCI-Manson (KFM) Transmittal No. 566, Revision No. 00, dated June 20, 2007, which provided the Contractor's initial notice of potential claim (NOPC) No. 06 regarding alleged impacts to Trans Bay Steel Corp. (TBS) steel pipe piling production work performed using unqualified trainee welders due to the Department's rejection of this work.

Production work at TBS was completed by December 14, 2006. During the Weekly Meeting on January 2, 2007, the Department notified KFM that CCO No. 39 would not be issued. The Department's Letter No. 2147, dated October 24, 2006 transmitted the Department's final offer for CCO No. 39 and referred KFM to the requirements of Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications. The Department's Letter No. 2955, dated March 12, 2007, informed KFM that the Department considered the Weekly Meeting Agenda's issue pertaining TBS to be closed with no further discussion, and again referred KFM to the requirements of Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications, pertaining to timely notice of disputes arising under the contract.

The submitted initial notice of potential claim was not submitted within 5 days from the date the dispute first arose, therefore, it fails to comply with the requirements in Section 9-1.04 of the July 1999 Standard Specifications, which was amended in Section 1 of this project's Special Provisions.

In Accordance with Section 9-1.04 "Notice of Potential Claim" of the amended Standard Specifications, failure of the Contractor to conform to specified dispute procedures shall constitute a failure to pursue diligently and exhaust the administrative procedures in the contract and is deemed as the Contractor's waiver of the potential claim and a waiver of the right to a corresponding claim for the disputed work in the administrative claim process in conformance with Section 9-1.07B "Final Payment of Claims", and shall operate as a bar to arbitration pursuant to Section 10240.2 of the California Public Contract Code.

If you have any question, please contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Sanchez", written over a circular stamp or seal.

Pedro J. Sanchez
Resident Engineer

cc: R. Morrow
P. Sanchez
M. Woods
M. Vilcheck

file: 05.003.01, 62.001.06

DEPARTMENT OF TRANSPORTATION - District 4 Toll Bridge Program

333 Burma Rd.
Oakland, CA 94607
(510) 286-0538, (510) 286-0550 fax



Kiewit-FCI-Manson, JV
220 Burma Rd.
Oakland, CA 94607

September 5, 2007

Attn: Mr. Dan Proctor
Construction Manager

Contract No. 04-0120E4
04-SF-80-13.4, 13.8
SAS T1 & E2 Foundations
SFOBB-ESSSP

Letter No. 05.003.01-003447

Subject: Acknowledgement of receipt of KFM's Transmittal No. 572, Revision No. 00 (Final Notice of Potential Claim #06-062007 -- TBS Welder Trainees)

Dear Dan,

The Department has received Kiewit-FCI-Manson (KFM) Transmittal No. 572, Revision No. 00, dated July 13, 2007, which provided the Contractor's final notice of potential claim (NOPC) No. 06 regarding alleged impacts to Trans Bay Steel Corp. (TBS) steel pipe piling production work performed using unqualified trainee welders due to the Department's issuing of NCRs for unqualified welders performing production work.

As stated in Letter Nos. 3300, and 3235, the Department reminded KFM in Letter Nos. 2147 and 2955 and in numerous weekly meetings, the contractual requirements pertaining to timely notice of disputes arising under the contract. However, the Contractor did not submit the initial notice of potential claim within the time frame allowed in Section 9-1.04, "Notice of Potential Claim," of the amended Standard Specifications and failed to conform to the specified contractual dispute procedures.

The Department understands that this issue has been forwarded to the Disputes Review Board (DRB) in KFM's Transmittal No. 569, Revision No. 00, dated July 3, 2007. This "Final Notice of Potential Claim #06-062007 -- TBS Welder Trainees", will be filed with no further processing.

If you have any question, please contact this office at (510) 286-0538.

Sincerely,

A handwritten signature in black ink, appearing to read "Pedro J. Sanchez", with a long, sweeping flourish extending to the right.

Pedro J. Sanchez
Resident Engineer

cc: R. Morrow
P. Sanchez
M. Woods
M. Vilcheck

file: 05.003.01, 62.001.06

9-1.04 NOTICE OF POTENTIAL CLAIM

- It is the intention of this section that disputes between the parties arising under and by virtue of the contract be brought to the attention of the Engineer at the earliest possible time in order that the matters may be resolved, if possible, or other appropriate action promptly taken.

- Disputes will not be considered unless the Contractor has first complied with specified notice or protest requirements, including Section 4-1.03, "Changes," Section 5-1.116, "Differing Site Conditions," Section 8-1.06, "Time of Completion," Section 8-1.07, "Liquidated Damages," and Section 8-1.10, "Utility and Non-Highway Facilities."

- For disputes arising under and by virtue of the contract, including an act or failure to act by the Engineer, the Contractor shall provide a signed written initial notice of potential claim to the Engineer within 5 days from the date the dispute first arose. The initial notice of potential claim shall provide the nature and circumstances involved in the dispute which shall remain consistent through the dispute. The initial notice of potential claim shall be submitted on Form CEM-6201A furnished by the Department and shall be certified with reference to the California False Claims Act, Government Code Sections 12650-12655. The Contractor shall assign an exclusive identification number for each dispute, determined by chronological sequencing, based on the date of the dispute.

- The exclusive identification number for each dispute shall be used on the following corresponding documents:

- A. Initial notice of potential claim.
- B. Supplemental notice of potential claim.
- C. Full and final documentation of potential claim.
- D. Corresponding claim included in the Contractor's written statement of claims.

- The Contractor shall provide the Engineer the opportunity to examine the site of work within 5 days from the date of the initial notice of potential claim. The Contractor shall proceed with the performance of contract work unless otherwise specified or directed by the Engineer.

- Throughout the disputed work, the Contractor shall maintain records that provide a clear distinction between the incurred direct costs of disputed work and that of undisputed work. The Contractor shall allow the Engineer access to the Contractor's project records deemed necessary by the Engineer to evaluate the potential claim within 20 days of the date of the Engineer's written request.

- Within 15 days of submitting the initial notice of potential claim, the Contractor shall provide a signed supplemental notice of potential claim to the Engineer that provides the following information:

- A. The complete nature and circumstances of the dispute which caused the potential claim.
- B. The contract provisions that provide the basis of claim.
- C. The estimated cost of the potential claim, including an itemized breakdown of individual costs and how the estimate was determined.
- D. A time impact analysis of the project schedule that illustrates the effect on the scheduled completion date due to schedule changes or disruptions where a request for adjustment of contract time is made.

- The information provided in items A and B above shall provide the Contractor's complete reasoning for additional compensation or adjustments.

- The supplemental notice of potential claim shall be submitted on Form CEM-6201B furnished by the Department and shall be certified with reference to the California False Claims Act, Government Code Sections 12650-12655. The Engineer will evaluate the information presented in the supplemental notice of potential claim and provide a written response to the Contractor within 20 days of its receipt. If the estimated cost or effect on the scheduled completion date changes, the Contractor shall update information in items C and D above as soon as the change is recognized and submit this information to the Engineer.

- Within 30 days of the completion of work related to the potential claim, the Contractor shall provide the full and final documentation of potential claim to the Engineer that provides the following information:

- A. A detailed factual narration of events fully describing the nature and circumstances that caused the dispute, including, but not limited to, necessary dates, locations, and items of work affected by the dispute.
- B. The specific provisions of the contract that support the potential claim and a statement of the reasons these provisions support and provide a basis for entitlement of the potential claim.
- C. When additional monetary compensation is requested, the exact amount requested calculated in conformance with Section 9-1.03, "Force Account Payment," or Section 8-1.09, "Right of Way Delays," including an itemized breakdown of individual costs. These costs shall be segregated into the following cost categories:

1. Labor – A listing of individuals, classifications, regular hours and overtime hours worked, dates worked, and other pertinent information related to the requested reimbursement of labor costs.
2. Materials – Invoices, purchase orders, location of materials either stored or incorporated into the work, dates materials were transported to the project or incorporated into the work, and other pertinent information related to the requested reimbursement of material costs.
3. Equipment – Listing of detailed description (make, model, and serial number), hours of use, dates of use and equipment rates. Equipment rates shall be at the applicable State rental rate as listed in the Department of Transportation publication entitled "Labor Surcharge and Equipment Rental Rates," in effect when the affected work related to the dispute was performed.
4. Other categories as specified by the Contractor or the Engineer.

A. When an adjustment of contract time is requested the following information shall be provided:

1. The specific dates for which contract time is being requested.
2. The specific reasons for entitlement to a contract time adjustment.
3. The specific provisions of the contract that provide the basis for the requested contract time adjustment.
4. A detailed time impact analysis of the project schedule. The time impact analysis shall show the effect of changes or disruptions on the scheduled completion date to demonstrate entitlement to a contract time adjustment.

B. The identification and copies of the Contractor's documents and the substance of oral communications that support the potential claim.

- The full and final documentation of the potential claim shall be submitted on Form CEM-6201C furnished by the Department and shall be certified with reference to the California False Claims Act, Government Code Sections 12650-12655.

- Pertinent information, references, arguments, and data to support the potential claim shall be included in the full and final documentation of potential claim. Information submitted subsequent to the full and final documentation submittal will not be considered. Information required in the full and final documentation of potential claim, as listed in items A to E above, that is not applicable to the dispute may be exempted as determined by the Engineer. No full and final documentation of potential claim will be considered that does not have the same nature and circumstances, and basis of claim as those specified on the initial and supplemental notices of potential claim.

- The Engineer will evaluate the information presented in the full and final documentation of potential claim and provide a written response to the Contractor within 30 days of its receipt unless otherwise specified. The Engineer's receipt of the full and final documentation of potential claim shall be evidenced by postal receipt or the Engineer's written receipt if delivered by hand. If the full and final documentation of potential claim is submitted by the Contractor after acceptance of the work by the Director, the Engineer need not provide a written response.

- Provisions in this section shall not apply to those claims for overhead costs and administrative disputes that occur after issuance of the proposed final estimate. Administrative disputes are disputes of administrative deductions or retentions, contract item quantities, contract item adjustments, interest payments, protests of contract change orders as provided in Section 4-1.03A, "Procedure and Protest," and protests of the weekly statement of working days as provided in Section 8-1.06, "Time of Completion." Administrative disputes that occur prior to issuance of the proposed final estimate shall follow applicable requirements of this section. Information listed in the supplemental notice and full and final documentation of potential claim that is not applicable to the administrative dispute may be exempted as determined by the Engineer.

- Unless otherwise specified in the special provisions, the Contractor may pursue the administrative claim process pursuant to Section 9-1.07B, "Final Payment and Claims," for any potential claim found by the Engineer to be without merit.

- Failure of the Contractor to conform to specified dispute procedures shall constitute a failure to pursue diligently and exhaust the administrative procedures in the contract, and is deemed as the Contractor's waiver of the potential claim and a waiver of the right to a corresponding claim for the disputed work in the administrative claim process in conformance with Section 9-1.07B, "Final Payment of Claims," and shall operate as a bar to arbitration pursuant to Section 10240.2 of the California Public Contract Code.

Section 9-1.07B, "Final Payment and Claims," of the Standard Specifications is amended to read:

9-1.07B Final Payment and Claims

- After acceptance by the Director, the Engineer will make a proposed final estimate in writing of the total amount payable to the Contractor, including an itemization of the total amount, segregated by contract item quantities, extra work and other bases for payment, and shall also show each deduction made or to be made for prior payments and amounts to be kept or retained under the provisions of the contract. Prior estimates and payments shall be subject to correction in the proposed final estimate. The Contractor shall submit written approval of the proposed final estimate or a written statement of claims arising under or by virtue of the contract so that the Engineer receives the written approval or statement of claims no later than close of business of the thirtieth day after receiving the proposed final estimate. If the thirtieth day falls on a Saturday, Sunday or legal holiday, then receipt of the written approval or statement of claims by the Engineer shall not be later than close of business of the next business day. The Contractor's receipt of the proposed final estimate shall be evidenced by postal receipt. The Engineer's receipt of the Contractor's written approval or statement of claims shall be evidenced by postal receipt or the Engineer's written receipt if delivered by hand.

- On the Contractor's approval, or if the Contractor files no claim within the specified period of 30 days, the Engineer will issue a final estimate in writing in conformance with the proposed final estimate submitted to the Contractor, and within 30 days thereafter the State will pay the entire sum so found to be due. That final estimate and payment thereon shall be conclusive and binding against both parties to the contract on all questions relating to the amount of work done and the compensation payable therefor, except as otherwise provided in Sections 9-1.03C, "Records," and 9-1.09, "Clerical Errors."

- If the Contractor within the specified period of 30 days files claims, the Engineer will issue a semifinal estimate in conformance with the proposed final estimate submitted to the Contractor and within 30 days thereafter the State will pay the sum found to be due. The semifinal estimate and corresponding payment shall be conclusive and binding against both parties to the contract on each question relating to the amount of work done and the compensation payable therefor, except insofar as affected by the claims filed within the time and in the manner required hereunder and except as otherwise provided in Sections 9-1.03C, "Records," and 9-1.09, "Clerical Errors."

- Except for claims for overhead costs and administrative disputes that occur after issuance of the proposed final estimate, the Contractor shall only provide the following two items of information for each claim:

- A. The exclusive identification number that corresponds to the supporting full and final documentation of potential claim.
- B. The final amount of requested additional compensation.

- If the final amount of requested additional compensation is different than the amount of requested compensation included in the full and final documentation of potential claim, the Contractor shall provide in the written statement of claims the reasons for the changed amount, the specific provisions of the contract which support the changed amount, and a statement of the reasons the provisions support and provide a basis for the changed amount. If the Contractor's claim fails to provide an exclusive identification number or if there is a disparity in the provided exclusive identification number, the Engineer will notify the Contractor of the omission or disparity. The Contractor shall have 15 days after receiving notification from the Engineer to correct the omission or disparity. If after the 15 days has elapsed, there is still an omission or disparity of the exclusive identification number assigned to the claim, the Engineer will assign the number. No claim will be considered that has any of the following deficiencies:

- A. The claim does not have the same nature, circumstances, and basis as the corresponding full and final documentation of potential claim.
- B. The claim does not have a corresponding full and final documentation of potential claim.
- C. The claim was not included in the written statement of claims.
- D. The Contractor did not comply with applicable notice or protest requirements of Sections 4-1.03, "Changes," 5-1.116, "Differing Site Condition," 8-1.06, "Time of Completion," 8-1.07, "Liquidated Damages," 8-1.10, "Utility and Non-Highway Facilities," and 9-1.04, "Notice of Potential Claim."

- Administrative disputes that occur after issuance of the proposed final estimate shall be included in the Contractor's written statement of claims in sufficient detail to enable the Engineer to ascertain the basis and amounts of those claims.

- The Contractor shall keep full and complete records of the costs and additional time incurred for work for which a claim for additional compensation is made. The Engineer or designated claim investigators or auditors shall have access to those records and any other records as may be required by the Engineer to determine the facts or contentions involved in the claims. Failure to permit access to those records shall be sufficient cause for denying the claims.

- The written statement of claims submitted by the Contractor shall be accompanied by a notarized certificate containing the following language:

Under the penalty of law for perjury or falsification and with specific reference to the California False Claims Act, Government Code Section 12650 et. seq., the undersigned,

(name) _____ of
(title) _____
(company)

hereby certifies that the claim for the additional compensation and time, if any, made herein for the work on this contract is a true statement of the actual costs incurred and time sought, and is fully documented and supported under the contract between parties.

Dated _____

/s/ _____

Subscribed and sworn before me this _____ day

of _____

(Notary Public)
My Commission
Expires _____

• Failure to submit the notarized certificate will be sufficient cause for denying the claim.
• Claims for overhead type expenses or costs, in addition to being certified as stated above, shall be supported and accompanied by an audit report of an independent Certified Public Accountant. Omission of a supporting audit report of an independent Certified Public Accountant shall result in denial of the claim and shall operate as a bar to arbitration, as to the claim, in conformance with the requirements in Section 10240.2 of the California Public Contract Code. Claims for overhead type expenses or costs shall be subject to audit by the State at its discretion. The costs of performing an audit examination and submitting the report shall be borne by the Contractor. The Certified Public Accountant's audit examination shall be performed in conformance with the requirements of the American Institute of Certified Public Accountants Attestation Standards. The audit examination and report shall depict the Contractor's project and company-wide financial records and shall specify the actual overall average daily rates for both field and home office overhead for the entire duration of the project, and whether the costs have been properly allocated. The rates of field and home office overhead shall exclude unallowable costs as determined in Title 48 of the Federal Acquisition Regulations, Chapter 1, Part 31. The audit examination and report shall determine if the rates of field and home office overhead are:

- A. Allowable in conformance with the requirements in Title 48 of the Federal Acquisition Regulations, Chapter 1, Part 31.
- B. Adequately supported by reliable documentation.
- C. Related solely to the project under examination.

• Costs or expenses incurred by the State in reviewing or auditing claims that are not supported by the Contractor's cost accounting or other records shall be deemed to be damages incurred by the State within the meaning of the California False Claims Act.

• If the Contractor files a timely written statement of claims in response to the proposed final estimate, the District that administers the contract will submit a claim position letter to the Contractor by hand delivery or deposit in the U.S. mail within 135 days of acceptance of the contract. The claim position letter will delineate the District's position on the Contractor's claims. If the Contractor disagrees with the claim position letter, the Contractor shall submit a written notification of its disagreement and a written request to meet with the board of review, to be received by the District not later than 15 days after the Contractor's receipt of the claim position letter. The written notification of disagreement shall set forth the basis for the Contractor's disagreement and be submitted to the office designated in the claim position letter. The Contractor's failure to provide a timely written notification of disagreement or timely written request to meet with the board of

review shall constitute the Contractor's acceptance and agreement with the determinations provided in the claim position letter and with final payment pursuant to the claim position letter.

- If the Contractor files a timely notification of disagreement with the District claim position letter and a timely request to meet with the board of review, then the board of review, designated by the District Director to review claims that remain in dispute, will meet with the Contractor within 45 days after receipt by the District of the notification of disagreement.

- If the District fails to submit a claim position letter to the Contractor within 135 days after the acceptance of the contract and the Contractor has claims that remain in dispute, the Contractor may request a meeting with the board of review designated by the District Director to review claims that remain in dispute. The Contractor's request for a meeting shall identify the claims that remain in dispute. If the Contractor files a request for a meeting, the board of review will meet with the Contractor within 45 days after the District receives the request for the meeting.

- Attendance by the Contractor at the board of review meeting shall be mandatory. The board of review will review those claims and make a written recommendation thereon to the District Director. The final determination of claims, made by the District Director, will be sent to the Contractor by hand delivery or deposit in the U.S. mail. The Engineer will then make and issue the Engineer's final estimate in writing and within 30 days thereafter the State will pay the entire sum, if any, found due thereon. That final estimate shall be conclusive and binding against both parties to the contract on all questions relating to the amount of work done and the compensation payable therefor, except as otherwise provided in Sections 9-1.03C, "Records," and 9-1.09, "Clerical Errors."

- Failure of the Contractor to conform to the specified dispute procedures shall constitute a failure to pursue diligently and exhaust the administrative procedures in the contract and shall operate as a bar to arbitration in conformance with the requirements in Section 10240.2 of the California Public Contract Code.