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July 30, 2008

State of California  
Department of Transportation  
345 Burma Road  
Oakland CA 94607

Attn: Ben Ghafghazi, R. E.

Re: Contract No. 04-0120L4  
Bay Bridge, Oakland Touchdown 1  
Contract Change Order No. 55

Gentlemen:

Enclosed herewith is the original of Contract Change Order No. 55 returned to Caltrans unsigned.

MCM Construction, Inc. cannot agree to accept 50% of the cost as resolution of NOPC #1.

We request that the Contract Change Order be revised to provide for extra work at agreed lump sum to compensate MCM Construction, Inc. for all costs incurred to date in providing material and constructing the straddle bents on the temporary trestle of the bridge to assure that we have mitigated all exposure to any damage to the PG&E high pressure gas line. This work was made necessary due to the inaccurate methods of locating the gas line and to assure project safety.

The remaining costs relating to NOPC #1 should be compensated at extra work at force account for the work of removing and disposing all of the excess material related to the straddle bents on the temporary trestle for the bridge construction.

Your cooperation in this regard is greatly appreciated. Please feel free to contact the undersigned or Greg Allen to discuss this matter further.

Very truly yours,

**MCM CONSTRUCTION, INC.**

EDMUNDO A. PUCHI  
General Counsel

Enclosure

cc: 307 File 7.0      Jobsite      R. McCall      HDM      JAC  
307 File 16.55      307 File 14.1

**CONTRACT CHANGE ORDER**

Change Requested by: Engineer

CCO 55	Suppl. No. 0	Contract No. 04 - 0120L4	Road ALA-80-1.6/2.7	FED. AID LOC.: NO FED AID
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1. M C M CONSTRUCTION INC

You are directed to make the following changes from the plans and specifications or do the following described work not included in the plans and specifications for this contract. **NOTE: This change order is not effective until approved by the Engineer.**

Description of work to be done, estimate of quantities and prices to be paid. (Segregate between additional work at contract price, agreed price and force account.) Unless otherwise stated, rates for rental of equipment cover only such time as equipment is actually used and no allowance will be made for idle time. This last percentage shown is the net accumulated increase or decrease from the original quantity in the Engineer's Estimate.

**Extra Work at Force Account:**

Compensate the Contractor for 50% of the cost for constructing and removing straddle bents on temporary trestle to bridge the 250 mm PG&E high pressure gas line shown on Sheet U-2 of the contract plans. This CCO resolves all issues related to NOPC #1 dated November 30, 2007.

Estimated cost of Extra Work at Force Account .....\$60,000.00

Estimated Cost: Increase  Decrease  \$60,000.00

By reason of this order the time of completion will be adjusted as follows: 0 days

Submitted by:		
Signature	Resident Engineer	Date
	BEN GHAFGHAZI	5/30/08
Approval Recommended by:		
Signature	Construction Engineer	Date
	Ben Ghafghazi	5/30/08
Engineer Approval by:		
Signature	Construction Manager	Date
	Amer Bata	

We the undersigned contractor, have given careful consideration to the change proposed and agree, if this proposal is approved, that we will provide all equipment, furnish the materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

**NOTE: If you, the contractor, do not sign acceptance of this order, your 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.**

Contractor Acceptance by:		
Signature	(Print name and title)	Date

**NOTICE OF POTENTIAL CLAIM**

CEM-6201 (REV 3/2001)

FOR STATE USE ONLY	
Received by (For resident engineer)	DATE

TO Mr. Ben Ghafghazi (resident engineer)	CONTRACT NUMBER 04-0120L4	DATE 11/30/07
This is a Notice of Potential Claim for additional compensation under the provisions of Section 9-1.04 of the <i>Standard Specifications</i> . 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

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

Please reference the following letters: MCM-LTR-000221, 227, 229, and 241; all related to the PG&E High Pressure Gas Line issue. As you are aware, PG&E would not locate their line as requested by MCM. The only mention of clearance in any of the contract document are related to the duck bank where a 610mm clearance is required. No mention of any additional setback from the pipe is made. Upon investigation and requests for additional information from PG&E as to the exact location of the pipe, MCM received an as-built drawing that was clarified to only be accurate within 2% of the vertical dimension. Due to the inability of PG&E to verify the exact as-built location of the pipe and an increased horizontal clearance was imposed, redesign of the approved trestle plan was necessary to include straddle bents. These straddle bents required a significant amount of material, time and labor.

The reasons for which I believe additional compensation may be due are:

A significant amount of time, materials, labor and exploratory diving operations were necessary to resolve this issue. These costs could have been avoided had the contract drawings reflected accurate information regarding the High Pressure Gas Line.

The nature of the costs involved and the amount of the potential claim are described as follows:  
(If accurate cost figures are not available, provide an estimate, or describe the types of expenses involved.)

Materials, Labor, Time and costs related to investigation and redesign are estimated at \$200,000.

The undersigned originator (Contractor or Subcontractor as appropriate) certifies that the above statements 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 be restated as a claim in response to the states proposed final estimate in accordance with Section 9-1.07B of the *Standard Specifications*.

\_\_\_\_\_  
SUBCONTRACTOR or CONTRACTOR  
(Circle one)

\_\_\_\_\_  
(Authorized Representative)

**For subcontractor notice of potential claim**

*This notice of potential claim is acknowledged and forwarded by*

\_\_\_\_\_  
PRIME CONTRACTOR  
(Authorized Representative)