

DEPARTMENT OF TRANSPORTATION - District 4 Toll Bridge Program

345 Burma Rd.
Oakland, CA 94607
(510) 286-0352, (510) 622-5165 fax



MCM CONSTRUCTION, INC.
6413 32ND STREET
NORTH HIGHLANDS, CA 95660

April 04, 2008

Contract No. 04-0120L4
04-Ala-80-1.6/2.7
Oakland Touchdown
SFOBB-ESSSP

Attn: Mr. Greg Allen
Project Manager

Letter No. 05.03.01-000626

Subject: Notice of Potential Claim # 3

Dear Mr. Allen,

This is in response to MCM-LTR-000335, Notice of Potential Claim # 3. At our meeting on January 30, 2008 to determine the amount of Materials on Hand (MOH) to be added to January Progress Pay Estimate # 6, there was no agreement that the Department would pay the amount MCM had proposed.

MCM requested payment under Item # 90, Furnish 1.8 M Cast-In-Steel Shell concrete Piling. We did not agree with this portion of the request because the piles were not at the site. In order to expedite payment however, we paid for the pipes as MOH until the pipes could be inspected and tagged by the Office of Materials Engineering and Testing Services (METS). Supplement estimate # 7 was run and was approved for payment on February 6, 2008. A copy of the Progress Payment Voucher was sent to MCM on February 7, 2008.

Once the pipes were inspected and tagged by the METS, a second supplemental estimate was run under supplemental estimate # 8 and was approved for payment on February 15, 2008. A copy of the Progress Payment Voucher was sent to MCM on the same day.

The supplemental estimate # 8 was sent to Caltrans Accounting for payment on Monday, February 17, 2008. Since the accounting procedures would allow for only one estimate to be processed each week, authorizing payment for supplemental estimate # 8 would have delayed the processing of the February Monthly Progress Pay Estimate (estimate # 9) by at least one week. In order not to delay the February progress payment, which was a larger sum, it was decided to combine the supplemental estimate # 8 and progress pay estimate # 9 into one estimate and pay the two under Progress Payment No. 8. State Letter No. 542 informed MCM of this change.

Your request for Materials on Hand payment for January 2008 estimate came in two weeks after its cutoff date of January 15, 2008. In the spirit of partnering, we processed your request as quickly as the system would allow. While we understand your point of view in this situation, we find no merit in Notice of Potential Claim # 3.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Ghafghazi".

Ben Ghafghazi
Resident Engineer

State Letter #:05.03.01-bghafghazi-000005
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