

03-Jan-2008

ABF-CAL-LTR-000401

Mr. Gary Pursell
Resident Engineer
California Department of Transportation
333 Burma Road,
Oakland, CA 94607, USA

PROJECT: San Francisco Oakland Bay SAS Bridge Superstructure
Caltrans Contract No. 04-0120F4
ABF Job No. 660110

SUBJECT: Potential Claim Number 006
Submission of Initial Notice of Potential Claim for Submittal ABF-SUB-000006
Alternative Fabrication Method, Material and Design for Pipe Beam at Hinge K

Gentlemen:

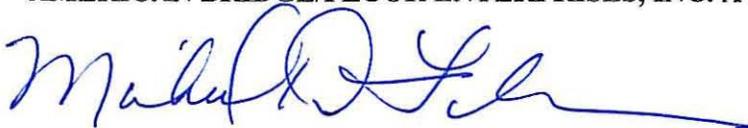
Pursuant to the Agreement, including Standard Specifications, Article 9-1.04, Notice of Potential Claim, American Bridge / Fluor, JV hereby submits the enclosed certified Form CEM 6201A, Initial Notice of Potential Claim, identified by the above number.

This Initial Notice of Potential Claim will be followed-up with a Supplemental Notice of Potential Claim.

We look forward to receiving your prompt acknowledgement of the above identified Initial Potential Claim. If you have any questions, please contact our office.

Sincerely,

AMERICAN BRIDGE/FLUOR ENTERPRISES, INC. A JOINT VENTURE



Michael Flowers
Project Director
MF/SC/rt

Encl: OIW Letter SL-2244-034
Form CEM-6201A

cc: Oregon Iron Works, Inc.

File: 02.01



OREGON IRON WORKS, INC.

9700 S.E. LAWNFIELD ROAD • CLACKAMAS, OREGON 97015
TELEPHONE (503) 653-6300 • FAX (503) 653-5870

December 26, 2007

AMERICAN BRIDGE/FLUOR , J.V.
375 Burma Rd
Oakland, CA 94607

Reply to: SL-2244-034

Attention: Bob Kick

Reference: HINGE K PIPE BEAMS

Subject: Notice of Potential Claim

Dear Mr. Kick:

On February 13, 2007, Oregon Iron Works, Inc. (OIW) submitted RFI 000010R00, regarding the "Alternative material and design for Pipe Beam Fuse" as allowed under the Special Provisions for the fabrication of the pipe beam fuse members on page 314, subtitle "Hinge K Pipe Beam" where it states, "*Pipe beam tubulars shall be forgings. The contractor may fabricate the pipe beam tubulars using a different fabrication method (other than forging) subject to review and approval of the Engineer.*"

The following is a chronology of events leading up to the current situation of still no final determination on the part of CalTrans.

- Subsequently, OIW sent Serial Letter 2244-011 on May 2, 2007 highlighting that this was one of the four outstanding RFI responses that were past due and that it was imperative that OIW receive a response in a timely fashion in order to avoid schedule and impact delays.
- On May 24, 2007, OIW received a copy of Letter No. 05.03.01-000265 written from CalTrans to American Bridge/Flour Enterprises, a JV (AB/F) with a list of additional information required to complete the review and issue an approval status.
- On July 2nd, 2007 representatives including Terry Aarnio and I from OIW met with you and other representatives of AB/F and CalTrans to discuss these issues.
- On September 28, 2007, in Letter No. 05.03.01-00643 written from CalTrans to AB/F reference was made to the fabrication of a "useable mock up" as well as reference to issues CalTrans perceived were still unresolved from Letter No. 05.03.01-000265 that OIW believes had all been discussed previously.
- On November 9, 2007 in Serial Letter 2244-027, I replied specifically to the issues outlined in Letter No. 05.03.01-00643.

- On December 4, 2007 OIW received a copy of Letter No. 05.03.01-000913 written from CalTrans to AB/F in which CalTrans indicated that, while acknowledging that the issue had been responded to, RFCO to request a change to the contract documents should be submitted. It stated that approval for the use of the ESW stainless steel overlay welding process was contingent on the successful completion of a mock-up as well as additional comments.
- On December 7, 2007 in Serial Letter 2244-00097, OIW specifically addressed the issues raised in Letter No. 05.03.01-000913.

We are now ten months removed from OIW's submittal of an alternate material and design for pipe beam fuses as allowed in the contract. In addition to the correspondence listed above, OIW, AB/F, and CalTrans have engaged in several conference calls, meetings, and phone conversations regarding the matter. We believe that AB/F and their customer, CalTrans, has had more than enough time and information to approve this process and allow OIW to proceed with fabrication. OIW has been significantly impacted by the delay in our ability to proceed due to this delay. We are now past the date where the product was originally anticipated to be completed and no fabrication has taken place in our shop. Our costs for labor, overhead, project management, and general and administrative expenses have all increased significantly as a result.

This letter serves as notice of potential claim. OIW recognizes that we are responsible for some delay in the initial submittal of our alternative for the hinge K pipe beam fuse. **However, following our submittal on February 13, 2007, we believe that 40 days is a reasonable period (similar to CalTrans established duration for shop drawing approval) for review and approval by the Engineer.** Therefore, we are submitting a claim of \$523,800, or \$1,940 per day for every day we have been delayed, for the impact we have experienced to date. For every day going forward that approval is delayed, OIW is impacted by an additional \$1,940 per day and will invoice AB/F accordingly.

Sincerely,

OREGON IRON WORKS, INC.



Bill Pender
Project Manager

Attachment(s): "Initial Notice of Potential Claim" on form CEM-6201A required by Special Provisions section 9-1.04 of the contract.

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

TO Gary Pursell (resident engineer)	CONTRACT NUMBER 04-0120F4	DATE 12/26/07	IDENTIFICATION NUMBER CCN 2244-0000 006
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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:

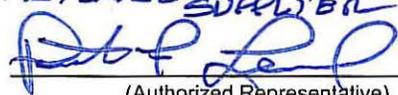
DATE: 3/25/2007

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

February 13, 2007 Oregon Iron Works submitted RFI 000010R00, regarding the " Alternative as allowed for under Special Provisions section 10-1.59 page 314, subtitle " Hinge K Pipe Beam" to date this submission remains unresolved and as such OIW now exercises our right as specified in section 9-1.04 of the Special Provisions to file this Notice of Potential Claim for delay and disruption to the manufacturing of the Hinge K Pipe Beam.

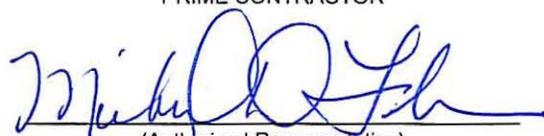
(attach additional sheets as needed)

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 12650-12655. 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 Contractors written statement of claims in conformance with Section 9-1.07B of the Standard Specifications.

OREGON IRON WORKS, INC.
 SUBCONTRACTOR or CONTRACTOR
 (Circle One)
MATERIAL SUPPLIER

 (Authorized Representative)

For a subcontractor potential claim

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

ABFSV
 PRIME CONTRACTOR

 (Authorized Representative)