

24-Jan-2013

ABF-CAL-LTR-001836

Mr. William S. Casey
Resident Engineer
California Department of Transportation
333 Burma Road
Oakland, CA 94607

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

**SUBJECT: RESPONSE TO CALTRANS RECENT QUESTIONS RECEIVED JANUARY 2, 2013
NOTICE OF POTENTIAL CLAIM (NOPC) NO. 6**

**REFERENCE: OREGON IRON WORKS, INC. LETTER SL-2244-00070,
DATED JANUARY 21, 2013**

Gentlemen:

American Bridge / Fluor Enterprises, Inc., A Joint Venture (ABFJV) is in receipt of its Hinge K Supplier, Oregon Iron Works, Inc.'s (OIW) Transmittal No. TL-2244-00826, dated January 21, 2013 regarding Notice of Potential Claim No. 6. This transmittal covers OIW Letter No. SL-2244-00070, dated January 21, 2013 (attached). Therein, OIW provides its Response to Caltrans Recent Questions Received 1-2-13. The Department is requested to review this correspondence and respond accordingly.

If you have any questions, please contact our office.

Sincerely,


AMERICAN BRIDGE/FLUOR ENTERPRISES, INC. A JOINT VENTURE

Brian A. Petersen
Project Director

Encl: OIW Transmittal No. TL-2244-00826 (10 pages)

File: 02.01
01.07.06



OREGON IRON WORKS, INC.

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

Transmittal

To: **American Bridge/Fluor , J.V.**
375 Burma Rd.
Oakland, CA 94607

No.: TL -2244-00826
Date: 1/21/2013
Via: Email, 2 Day

Attn: **Brandon Yee**

Project Name: Hinge K Pipe Beams
Job # / Contract #: 2244 / 04-0120F4

Attached are: SL-070 - Response to Caltrans Recent Questions

BLUE PRINT	STATUS	DESCRIPTION	REMARKS
1	INFO	<p align="center">SUBMITTED FOR YOUR YOUR USE:</p> <p>SL-070 - Response to Caltrans Recent Questions Received 1.2.13 Notice of potential Claim No. 6</p>	

[] Please return one print with your approval or comments noted thereon.
Please acknowledge receipt by signing and returning one (1) copy of this transmittal.

By: _____ Date: _____

OREGON IRON WORKS, INC

Patrick F. Leonard
Patrick F. Leonard / Vice President



OREGON IRON WORKS, INC.

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

January 21, 2013

American Bridge/Fluor , J.V.
375 Burma Rd.
Oakland, CA 94607

Reply to: SL-2244-00070

Attention: Brandon Yee

Contract: Hinge K Pipe Beams
Caltrans Contract No. 04-0120F4

Subject: Response to Caltrans Recent Questions Received 1-2-13
Notice of Potential Claim No. 6

Dear Mr. Yee:

As requested by the California Department of Transportation (Caltrans) email dated January 2, 2013, (ref. Mr. Bill Casey's email), Oregon Iron Works Inc. (OIW) submits, herewith, our corresponding responses to his questions.

1. With regard to Item 2 Supervision - I need the following information:
Substantiate the hourly rate of \$65.

- **Direct hourly cost**
- **Fringe Benefits**
- **Overhead Component**

In order to substantiate the \$65 per hour composite rate used in the claim submittal, OIW's Chief Financial Officer, Mr. Robert Wise, ran a report of all salaried labor charged to the job broken down by base wage, taxes and fringe benefits, and overhead. For each of these items, he then divided the total cost by the number of paid salaried hours recorded for the job, which now total 5,492 (5,378.13 reported within the claim document), to arrive at a composite rate per hour. The calculations are shown as follows:

<u>Type</u>	<u>Total Cost</u>	<u>Hourly</u>
Direct Hourly Cost	\$210,799.13	38.38
Fringe Benefits	\$ 21,079.94	3.84
Overhead	\$125,967.00	22.94
Totals	\$357,846.07	65.16

This is, of course, slightly above the composite rate used within the body the claim but serves to confirm that the amount is reasonable.

Provide additional breakdown of \$133,920 budgeted cost, Average hourly rate, Total number of hours anticipated.

The \$133,920 budget cost for Project Management is based on the original estimate of 2232 man-hours @ \$60.00 (see enclosed copy of the previously forwarded Escrowed Documents)

Provide breakdown of 5,378 actual hours incurred, hours associated exclusively with State caused delay Hours associated with the work.

We have previously provided a detailed list of these hours by employee and also by date. For your convenience, we have included another copy, herewith. Please note that since it was virtually impossible to separate hours by State caused delays from Base Contract work, we have used a 'total cost' approach in valuing this portion of the claim. While we still believe this approach is fair and reasonable, we do recognize a small portion of this may be subject to negotiation and are amenable to a minor adjustment.

2. With regard to Item 4, SG&A Costs

Has this cost already been included in the FAR OH applied to the Labor and Supervision? If not how does OIW determine the 6.30% rate?

SG&A expense is separate and distinct from overhead expense and, therefore, is not included in the overhead rates applied elsewhere in the body of the claim. The rate is a composite of overhead rates calculated based on actual costs incurred during the period of performance. Actual overhead rates (as previously submitted) are as follows:

Year ended December 31, 2009	9.49%
Year ended December 31, 2008	5.30%
Year ended December 31, 2007	4.87%
Year ended December 31, 2006	5.46%

OIW believes we have addressed all items requested/discussed between the parties and believe that a prompt and fair settlement can now be achieved. Please contact us to arrange this settlement discussion.

Sincerely,
Oregon Iron Works, Inc.



Patrick F. Leonard, PE
Vice President

Pat Leonard

From: Bill Casey <bill.casey@dot.ca.gov>
Sent: Wednesday, January 02, 2013 2:14 PM
To: Pat Leonard
Cc: bpetersen@abfjv.com; Bob Wise; pwaart@abfjv.com
Subject: RE: FW: OIW claim

Pat,

In reviewing the information OIW has previously provided I have the following questions I need your help with:

1. With regard to Item 2 Supervision - I need the following information:.

Substantiate the hourly rate of \$65:
Direct hourly cost
Fringe benefits
Overhead component
Provide additional breakdown of \$133,920 budgeted cost
Average hourly rate
Total number of hours anticipated
Provide breakdown of 5,378 actual hours incurred
Hours associated exclusively with State caused delay
Hours associated with the work

2. With regard to Item 4 SG&A Costs

Has this cost already been included in the FAR OH applied to the Labor and Supervision? If not how does OIW determine the t

Thanks, Bill

#2300

Attn: Duty Senior at District 4 Office
111 Grand Avenue
Oakland, CA 94612
(510) 286-5209

COPY

BID DOCUMENTATION FOR ESCROW

CONSTRUCT SELF-ANCHORED
SUSPENSION BRIDGE WITH CABLE TOWER
UPON EXISTING PIERS AND FOOTING OF
STATE HWY. IN SAN FRANCISCO EAST OF
THE YERBA BUENA TUNNEL

CALTRANS CONTRACT #04-0120F4
(ADDENDA 1 THRU 7)

From:
OREGON IRON WORKS, INC.
9700 SE Lawnfield Road
Clackamas, OR 97015
(503) 653-6300

COPY

Dated: March 27, 2006

DEPARTMENT OF TRANSPORTATION

111 GRAND AVENUE
P. O. BOX 23660
OAKLAND, CA 94623-0660
PHONE (510) 286-5209
FAX (510) 622-1805
TTY (800) 735-2929



*Flex your power!
Be energy efficient!*

April 27, 2006

Oregon Iron Works
9700 SE Lawnfield Road
Clackamas, OR 97015

OREGON 116

MAY 05

RECEIVED

Sir/Madam:

This letter is to acknowledge receipt of your bid documentation for Contract 04-0120F4, 04-SF-80-8.2/8.7, "Self Anchored Suspension." In accordance with Section 2-1.08 of contract Special Provisions, the documents have been deposited at Ikon Office Solutions, located at 1900 Webster Street, Suite B, Oakland, CA 94612, safe deposit box no. 113. The bid documentation will be held in escrow until completion of the contract.

If you have any questions, please call me at (510) 286-5209.

Sincerely,

BIJAN SARTIPI
District Director

By 

BILL ZANETICH
Duty Senior, Construction Office
California Department of Transportation

OREGON IRON WORKS, INC.
 AMERICAN BRIDGE/FLUOR , J.V
 HINGE K PIPE BEAMS
 EXHIBIT B: SALARIED LABOR COSTS

Total Paid Hours - Salaried Employees (below)		5,378
Composite Rate	\$	65.00
TOTAL SALARIED LABOR	\$	349,578
LESS: BUDGETED COST	\$	133,920
IMPACT	\$	215,658

SBE
 BSCRW
 Doc.

	Paid Hours
Administrative Assistant	
Ammon; Susan A.	320.42
Haines; Brian M.	13.06
Contract Administrator	
Washburn; Warren R.	0.81
Estimator	
Stanton; Francis X.	40.34
EVMS Analyst	
Hartung; Lane Sage	46.15
Velez; Christina J.	52.39
IT Specialist	
McVay; Kurtis	4.91
Crittendon; Isaiah R.	9.89
Manufacturing Manager	
Miller; Daniel J.	26.38
Paint Superintendent	
Coury; Raymond J.	89.23
Production Manager	
Crittendon; Bill	85.60
Programmer	
Rich; Susan K.	12.79
Project Manager	
Dunkin; Bradley D.	9.51
Leonard; Patrick F.	211.75
Bosch; Ronald W.	7.24
Huston; Matthew Todd	3.10
Pender; William J.	2,107.38
Huston; Michael D.	340.85
Kozol; Devlyn S.	13.98
Purchasing	
Vanderzanden; Nolan B.	8.20
Worsley; David E.	35.97
Rodgers; Gary B.	11.00

OREGON IRON WORKS, INC.
 AMERICAN BRIDGE/FLUOR, J.V
 HINGE K PIPE BEAMS
 EXHIBIT B: SALARIED LABOR COSTS

Q.A./Q.C.	
Takeuchi; Jerry D.	4.85
Williams; Steve C.	135.74
Tomovick; Tom	883.50
Russell; Mark A.	31.51
Brown; Ronald K.	73.27
DeMello; Susan A.	347.22
Shipping/Receiving Supervisor	
Tull; Douglas L.	168.91
Welding Engineer	
Roberts; Gregory E.	282.17
<hr/>	
Grand Total	5,378.13

ADD Hours Read Fee:

- DEALING W/ CUSTOMER'S QUESTIONS, NEW REQUIREMENTS
 PROTOTYPES, COORDINATION W/ AMERICAN TANK, QC REVIEWS
 ETC.

- CHANGE ORDER SUBMITTALS (PROPOSAL PREP & NEGOTIATION)

Planned vs Actual Hours

Hinge K Pipe Beam

Caltrans Contract No. 04-0120F4

AB/F Contract No.660110-SA-002

OIW Job 2244

Project Start Date: July 14, 2006

Baseline deliveries: Anchoage Plates November 30, 2007 604
 4 Hinge K assemblies December 31, 2007 535
 4 Spare Fuse Assemblies June 30, 2006 716

Revised deliveries: Anchoage Plates November 30, 2007 504
 4 Hinge K assemblies January 7, 2011 1560
 4 Spare Fuse Assemblies TBD

The information contained on this drawing is confidential (whether in electronic or hard format and copy) contains Proprietary and Confidential Information of Oregon Iron Works, Inc. (OIW), 9700 SE Lawfield Road, Clatskanie, Oregon. The disclosure, release, distribution, or unauthorized use of this information without the express written consent of OIW is expressly prohibited.

Date	Actual Support	Planned Support	Actual shop hours	Planned shop hours
August-06	0	200	0	200
September-06	0	350	0	350
October-06	115	350	0	350
November-06	0	400	0	400
December-06	0	500	6	400
January-07	17.5	600	0	600
February-07	83.5	700	41	1500
March-07	700	800	1900	2000
April-07	76.25	800	16.25	2500
May-07	48.5	700	48.5	2500
June-07	88.5	700	88.5	2500
July-07	39.5	650	31.25	2500
August-07	19	600	19	2300
September-07	11.5	400	11.5	2200
October-07	20	200	20	2100
November-07	127.5	350	144.25	2000
December-07	127.5	220	135.25	2000
January-08	79.5	150	540	2000
February-08	508.5	502	674.5	1800
March-08	120	108	382	1500
April-08	286	80	210.25	1000
May-08	210.5	80	178	350
June-08	124.5	80	178	350
July-08	337.5		707	212
August-08	62.5		154	
September-08	71.5		71.5	
October-08	16.5		383.25	
November-08	273.5		1783.25	
December-08	880.5		2233.5	
January-09	843.5		2541.25	
February-09	658.75		2052	
March-09	642		2433.5	
April-09	538		2151.25	
May-09	569		2602.25	
June-09	761.5		1438.75	
July-09	504.75		852.5	
August-09	278.5		757.25	
September-09	356		1003.5	
October-09	300.5		745.25	
November-09	348.5		1111.25	
December-09	407.5		973.75	
January-10	427.75		1402.5	
February-10	265		947.25	
March-10	111.5		357.5	
April-10	22.5		30.5	
May-10	1		2	
June-10			30.5	
July-10				
August-10				
September-10				
October-10				

