

**NOPC / Change Order Evaluation Summary
And Force Account Analysis**

**Date of evaluation: ~~November 4, 2005~~
Final Update: June 22, 2006**

CCO: (part of) CCO 200

NOPC: 7

**Title: Request for Additional Compensation due to changes to the 55 MPa Segment
Concrete (also known as Pacific Cement Modulus of Elasticity)**

Summary of Changes

A more detailed recap of the history, through November 4, 2005, can be found on the attached sheet (**See attachment 1**). This lists several documents that are already in the contract files.

Information after November 4, 2005 is (almost) entirely negotiation information and references are included directly in this summary.

Contractor KFM awarded a Material Contract to furnish concrete for precasting segments in Stockton to Pacific Cement (“Pacific”). Most of the 452 precast segments (the exception is the 14 “hinge” segments) require 55 MPa concrete strength at 56 days (plan sheet 437R2, General Note #2). The concrete specification (Section 10-1.27 of the Special Provisions) specifies that the concrete shall be designed to achieve (among other properties) the additional property for modulus of elasticity (“MOE”) of 35,600 MPa at 28 days.

KFM passed along Pacific’s request for a change order to the State (KFM letter 651, dated January 23, 2004). Pacific asserted that it had to provide additional cement (9.8 sacks per cubic yard vs. 8.5 sacks per cy) and use a more expensive type of cement (Pronto type II vs. standard type II) in order to meet the MOE requirement. Pacific asserted that this was a “Change” because there is a reference to the CT Bridge Design Standard (“BDS”) in contract documents. The BDS includes a design formula that relates an assumed MOE to the strength of the concrete. Pacific asserted that it had not been able to achieve the MOE required by the contract specifications, even after achieving a strength that should have met the MOE requirement (by using the BDS formula).

CT denied this request (STL 3500 dated 1-30-04). The Contractor protested this action, filing NOPC 7 (KFM LET-739 dated March 23, 2004). The dispute was heard by the Dispute Resolution Board on June 30, 2005, with a follow-up meeting held 8-25-05. The DRB recommendations were issued on 27 September 2005; they included a recommendation that CT compensate the Contractor for additional cement and additional costs for the type of cement used. (**See attachment 1a**).

KFM / Pacific requested that the Board add into the DRB recommendation dollar amounts to include testing, consultant fees, claim preparation and other related work. (**See attachment 1b**).

The DRB Response to Request for Clarification dated 10-29-2005 defines what items the Board recommends to be included in payment, which include testing and consultation for the design of the concrete mix, but not for claim preparation and presentation costs (**See attachment 1c**).

CT delayed deciding if it would or would not follow the DRB recommendations, while entering negotiations with KFM. Ultimately, CT determined to make a settlement with the Contractor, and this settlement will be part of CCO 200.

CT Force Account Evaluation of Cost

Earlier Version CT prepared a force account estimate evaluation after the DRB ruling, using currently available information to determine the total amount that the DRB ruling would result in.

For the Detailed Cost Estimate, see **Attachment 2a – Initial CT Force Account Cost Estimate (Superseded)**.

That total estimate totals \$1,293,746. The actual portion that CT is liable for should subtract out the amount that is prior to the Contractor's submittal of NOPC#7 on March 23, 2004. A further evaluation for the amount of concrete poured should be done before determining the "split", but the March 26, 2004 SFOBB Weekly Bulletin indicated that 26% of the number of segments had been cast by that date. The segments which had been cast included a high percentage of the smaller segments (those at the eastern end are shallower and smaller segments, and were cast early in the sequence), so an estimate of the portion of work done prior to that date would be about 20% of the total casting concrete. This leaves CT liable for about 80% of the cement portions of costs (but still all of the consulting and testing portions), or about \$1,060,000.

Changes in Estimate after the earlier version

The 80% CT / 20% KFM split was agreed upon.

KFM estimate dated 12/6/05 (see below) included actual invoiced material costs for the cement, flyash, aggregates and sand totalling \$683,770 (see CT file 046411). This amount was agreed upon by CT and used in further CT calculations.

Testing and consultation for the design of the mix: KFM (and Pacific) presented costs for these items, but did not show that any particular charges were related an increased cost due to meeting the MOE requirements. CT did not accept any of the consulting or testing as a legitimate CCO charge. (For copies of these requests from KFM including discussions between CT and KFM, see CT Files # 051997, 052332, 052644, 052741).

KFM also requested payment for the use of an extra cement silo, but did not show that this cost was related to meeting the MOE requirements. CT did not accept any silo rental as a legitimate CCO charge.

The final CT force account evaluation was presented to KFM in a meeting 5/2/06 (CT file # 052332). A copy of the summary sheet from that is included here, see **Attachment 2b – Final CT Cost estimate**

The CT estimated amount totals \$718,149

A settlement agreement was reached for a lump sum payment of \$718,149.00.

Schedule Issues

See Attachment 3 –no activities in the schedule are impacted.

Quantity takeoff information

see attachment 4 for calculations. KFM also did a summary takeoff that was very close to the CT takeoff, the quantities are included in the KFM estimate of 12/6/2005 (CT file 046411, see details below, a copy is included in Attachment 6).

Additional quotes and cost backup information

These items are included as Attachment 5.

KFM estimate information

KFM gave an original estimate of \$40.37 per cubic meter (KFM-LET-000651 dated January 23, 2004). This was apparently based on Pacific's NOPC (attached to KFM-LET-000739 dated March 23, 2004) + 10% KFM markup (**see attachment 6**).

Since the final pay quantity for Bid Item No. 47 "Furnish Precast Concrete Segment" is 85,000 cubic meters, it is presumed that the contractor was seeking approximately \$3.5 million in additional compensation.

KFM estimate After the DRB Ruling:

KFM estimate was presented to CT in an email 12/6/2005 (John Hassard, KFM, to Bill Casey, CT) totalling \$937,860 (see CT file 046411). No time change request was indicated (nor is any time impact represented in any of the NOPC presentation).

After discussions, CT and KFM came to an agreed settled amount of \$\$718,149.

Cost of Money Impact

There was a possibility that interest payments would be due, since a significant part of the occurrence of these costs is in the past (costs occur from March 2004 through estimated June 2006). CT and KFM agreed that any interest cost would be part of the CCO 127 / 154 / 200 settlement. No interest calculation is included in this estimate.

Attachment 1

A listing of documents involved in the History of NOPC # 7

These documents are already in contract files and not repeated here

NOPC 7

Pacific Cement - Modulus of Elasticity

Current Status and Action Items

Date	Source	Reference Number	Comment	BIC
29-Oct-05	DRB	PMIV 045135	DRB Response to questions	
14-Oct-05	CT	TRN-5.23.2-000019	CT Clarification Questions to Board on Ruling	
14-Oct-05	KFM	TRN-002749 PMIV 044544	KFM / Pacific Clarification Questions to Board on Ruling	
27-Sep-05	DRB	PMIV 044041	DRB Ruling	CT and KFM to submit questions
25-Aug-05	CT		2nd DRB meeting	Waiting DRB determination-9-20-05
24-Aug-05	KFM	TRN-002584 PMIV 042481	KFM / Pacific Cement Presentation Rebuttal Handout	
10-Aug-05	KFM	TRN-002519 PMIV 041688	KFM / Pacific Supplemental position paper	
12-Jul-05	KFM	TRN-002404 PMIV 040772	KFM / Pacific Cement Documents requested by DRB:	
30-Jun-05	CT		DRB meeting held on 6/30/05	Pending DRB determination
29-Jun-05	CT	TRN-5.23.2-000786	CT advance copies of presentation handout to KFM & DRB	DRB meeting on 6/30/05-BC
29-Jun-05	KFM	TRN-002359 PMIV 040296	KFM / Pacific Cement Presentation Handout	
17-Jun-05	CT	TRN-5.23.2-000013	CT Position paper delivered to KFM & DRB	DRB meeting on 6/30/05-BC
17-Jun-05	KFM	TRN-002343 PMIV 040297	KFM position paper	
28-Jun-05	KFM	TRN-002363 PMIV 040353	KFM Position paper errata correction	
17-May-05	CT		DRB Scheduled for 6/30/05	Position Papers to KFM/DRB 6/17/05
17-Dec-04	DRB			DRB to reschedule it on June 30/05-BC
10-Dec-04	CT			DRB to reschedule it on 12/19/04
08-Nov-04	CT		DRB meeting is postponed	BC to finalize Position Paper 11-19-04
23-Aug-04	CT	NOPC Mlg DRB-LTR-000011	DRB hearing set for 11/18/04	BC to prepare Position Paper 11/4/04
23-Jun-04	KFM		KFM refers NOPC#7 to DRB	
22-Jun-04	KFM	LET 842	KFM object to Ct's denial of NOPC #7. KFM will refer the matter to DRB.	
09-Jun-04	CT	STL 4721	Ct reject without merit NOPC #7 .	
09-Apr-04	CT	STL 4159	Ct requests a meeting to fully understand NOPC issue.	
23-Mar-04	KFM	LET 739	KFM submits NOPC #7 on MOE issue.	
30-Jan-04	CT	STL 3500	Response to KFM LET 651. Ct asks KFM to withdraw the issue	
23-Jan-04	KFM	LET 651	KFM requests State to issue a CCO.	
28-Oct-02	CT	STL 632	MOE Testing Requirements (CT 612, KFM 115, and 126) Response to KFM RFI 332, Concrete MOE Requirements". Ct acknowledge that MOE will not be used as a basis for field acceptance testing per Section 10-1.27 of Special Provisions.	
23-Oct-02	KFM	LET 126	KFM acknowledge both parties verbally agreeing in the meeting that MOE is a mix design requirement and not a field acceptance requirement.	
22-Oct-03	CT/ KFM	Meeting	Meeting with CT, TYLIN, KFM, Pacific Cement , and CRM to resolve MOE issue.	
18-Oct-02	KFM	RFI 332	Concrete MOE Requirements	
18-Oct-02	CT	STL 612	Response to KFM LET 115	
11-Oct-02	KFM	LET 115	MOE acceptance testing.	

Attachment 1a

Copy of exerpt from files for specific information used in estimate

For complete document reference, see project files PMIV # 044041

This is from page 11 of DRB Recommendation dated 9-27-2005

This defines what the DRB majority recommends the Contractor be compensated.

DRB RECOMMENDATION

The DRB Majority recommends that the Contractor be compensated, under Section 4-1.03 CHANGES, of the Standard Specifications, for the additional cementitious material (9.8 v 8.5 sacks), as well as the additional costs of "Pronto" Type II cement over "regular" Type II cement, necessary to meet the specified Modulus of Elasticity requirement of 35,600MPa at 28 days in segment concrete, supplied at its Stockton precast facility, by Pacific Cement.

The DRB Majority believes the Department was not prejudiced by the Contractor's untimely notice. However, KFM's failure to forward Pacific's notice letter of February 3, 2003, onto the State, delayed and potentially jeopardized the timely resolution of Pacific's claim, thus contributing to Pacific's apparent default of its contract with KFM. Consequently, the Board Majority recommends that the additional costs incurred by Pacific prior to the Contractor's submittal of NOPC#7 on March 23, 2004, remain a matter to be resolved between KFM and Pacific Cement.

Respectfully submitted,

Warren M. Bullock
DRB Member

Richard A. Lewis
DRB Member

Dated:

Attachment 1b

Copy of excerpt from files for specific information used in estimate

For complete document reference, see project files PMIV # 044544

KFM-TRN-002744 dated 14 October 2005
also labelled KFM-DRB-LRT-000023

This is 4th page of the document

Pacific's request to add into the DRB recommendation dollar amounts to include testing, consultant fees, claim preparation and other related work.

Attachment 1c

Copy of excerpt from files for specific information used in estimate

For complete document reference, see project files PMIV # 045135

This is the DRB Response to Request for Clarification dated 10-29-2005

This defines what items the Board recommends to be included in payment.

[see PMW 045135
for complete document]
Dated 10-29-05

DISPUTE REVIEW BOARD

State of California- Department of Transportation

Contract No. 04-012024-East Span Skyway Project

RESPONSE TO REQUEST FOR CLARIFICATION OF RECOMMENDATION FOR NOPC #7

The Majority DRB's response to the Contractor's Request for Clarification, dated October 14, 2005, of its Recommendation for NOPC #7- Modulus of Elasticity (Concrete) is as follows:

Item #1 Scope of Additional Compensation

Clarification Request: Please clarify that the intent of the recommendation is not to limit the scope of the additional compensation to submit related changes only, but to also provide for compensation for other extra work as demonstrated by Pacific to be as a consequence of this issue, including testing, consultant fees, claim preparation and other related work.

At the start of the Hearing on NOPC #7 the Board stated it would not address quantum in its recommendation, but that once entitlement was established and the parties could not agree on quantum this matter could be referred back to the DRB under this dispute. Although the items referred to in this clarification request are quantum-related the Board believes some clarification of its recommendation is in order.

The DRB Majority recommended that "the Contractor be compensated, under Section 4-1.03 CHANGES of the Standard Specifications for the additional cementitious material (9.8 vs. 8.5 sacks) as well as the additional costs of "Pronto" Type II cement over "regular" Type II cement necessary to meet the specified Modulus of Elasticity requirement of 35,600 MPa at 28 days in segment concrete, supplied at its Stockton precast facility, by Pacific Cement." This recommendation does not limit the compensation due the Contractor on Pacific's behalf to these specific cost items. The DRB Majority concurs that Pacific should also be compensated for the cost of other extra work that it demonstrates was necessary in order to provide the higher strength concrete than was otherwise specified (55 MPa) in order to meet the MOE requirements. Such items as additional testing costs and consulting costs related to achieving the required MOE specification are examples of potentially compensable extra work. Generally, however, consultant fees and other costs involved in claim preparation and presentation are not directly recoverable and are compensated for under allowances for overhead and profit.

Item #2 Time Period for Responsibility

Clarification Request: Please clarify that the intent of the recommendation is that the State's financial responsibility for the additional compensation should be based upon Pacific's second change order request, at a minimum, which again put

Attachment 2a

Initial Force Account Analysis Cost Estimate

This estimate is based on the DRB recommendation of 10-29-05

This estimate assumes the complete costs as allowed in the recommendation.

The DRB recommendation also places some of this responsibility on KFM, so not all this estimated amount is due from Caltrans.

A Items Calculated (without a corresponding Contract Unit Price)

DESCRIPTION	QUANTITY	UNIT	LABOR UNIT	TOTAL	EQUIPMENT UNIT	TOTAL	MATERIALS UNIT	TOTAL	SUB/OTHER UNIT	TOTAL	TOTAL UNIT	TOTAL	Revenue
1. Estimated Cost (negative = Reduction in cost) associated with proposed changes:													
Materials - Subtotal	1	LS		\$ -		\$ -	\$ 1,032,212	\$ 1,032,212		\$ -	\$ 1,032,212	\$ 1,032,212	\$ 1,245,976.52
Added cementitious material (see attached takeoff of quantities). 9.5 vs 3.5 sacks per cy				\$ -		\$ -	\$ 88,000	\$ 88,000		\$ -	\$ 88,000	\$ 88,000	
Cost of Pronto cement	6,850	ton		\$ -		\$ -	\$ 602,800	\$ 602,800		\$ -	\$ 602,800	\$ 602,800	
Sales tax on Cost of Pronto cement (8.25% in Stockton)	6,850	ton		\$ -		\$ -	\$ 49,731	\$ 49,731		\$ -	\$ 49,731	\$ 49,731	
Cost of freight for Pronto cement (from Hanson Permanente plant, Cupertino, to Stockton Precast Yard)	6,850	ton		\$ -		\$ -	\$ 12,760	\$ 12,760		\$ -	\$ 12,760	\$ 12,760	
Price for material based on: Invoices provided by KieCon for CCO 152 indicated pre-2005 cost for Pronto Type II at \$85 per ton; post Jan 1 2005 = \$91 per ton Use average of these two rates				\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Price for shipping based on: Invoices provided by KieCon for CCO 152 indicated pre-2005 cost for shipping Cupertino to Antioch at \$10.52 per ton; post Jan 1 2005 = \$11.00 per ton Use average of these two rates = \$10.76 + Stockton is farther away from plant than Antioch, add \$2.00 per ton = \$12.76 average				\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Cross check: Phone call to Hanson Permanente, Seth Watkins 11-2-05 Price today (late 2005) is about \$100 per ton for Type II + add \$6 per ton for Pronto				\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Additional cost of "Pronto" Type II cement over "regular" Type II material (see attached takeoff of quantities).	45,000	ton		\$ -		\$ -	\$ 6.00	\$ 270,000.00		\$ -	\$ 270,000.00	\$ 270,000.00	
Sales tax on Cost of Pronto cement (8.25% in Stockton)	45,000	ton		\$ -		\$ -	\$ 0.495	\$ 22,275		\$ -	\$ 22,275	\$ 22,275	
Cost of freight: No difference for Pronto vs the type 2				\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Price basis: Phone call to Hanson Permanente, Seth Watkins 11-2-05 Price today (late 2005) is about add \$6 per ton for Pronto				\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Labor - Subtotal				\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
(Surcharge included in rates shown: [Concrete Construction - Bridge - 22% for Regular time or 19% for Overtime] [Yard work 17% Regular time or 15% OT])-- Based on Caltrans Labor Surcharge & Equip Rental Rates 4-1-05 to 3-31-06	1	LS		\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
No labor added				\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Equipment - Subtotal				\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Direct Supervision / Other - Subtotal (Surcharge included in rates shown (17% for Regular time or 15% for Overtime)-- Based on Caltrans Labor Surcharge & Equip Rental Rates 4-1-05 to 3-31-06, General Construction				\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Design Engineer (consultant) Tests for concrete	10 5	day lea		\$ -		\$ -	\$ -	\$ -	\$ 1,200.00 \$ 5,000.00	\$ 1,200.00 \$ 5,000.00	\$ 12,000.00 \$ 25,000.00	\$ 12,000.00 \$ 25,000.00	
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A Items Calculated (without a corresponding Contract Unit Price)

DESCRIPTION	QUANTITY	UNIT	LABOR UNIT	EQUIPMENT UNIT	MATERIALS UNIT	SUB/OTHER UNIT	TOTAL UNIT	Revenue TOTAL
DIRECT COSTS SUBTOTAL								
Labor Markup	28%	%						\$ 1,032,212.00
Equip/Mat/Other Markup	10%	%						\$ 37,000.00
COSTS SUBTOTAL INC MARKUPS								\$ 1,069,212.00
KEM Markup on material cost items (10%)	10%	%						\$ 106,921.20
								\$ 1,176,133.20
								\$ 40,700.00
								\$ 117,613.32
								\$ 1,293,746.52
A. 1. Estimated Cost (negative = Reduction in cost) associated with proposed changes:								
TOTAL COSTS—ITEMS WITHOUT CONTRACT UNIT PRICES								\$ 44,770.00
								\$ 1,248,976.52

B ADDITIONAL ITEMS CALCULATED USING CONTRACT UNIT PRICES

Item description	Contract Item #	Unit	Contract Unit Price	Change in Quantity	Change in Contract
B Total					
TOTAL ESTIMATED CHANGE (SUM OF A Costs + B Contract Unit Price Costs)					\$ 1,293,746.52

Attachment 2b

Force Account Analysis Cost Estimate

Changes in Estimate after the earlier version

The 80% CT / 20% KFM split was agreed upon.

KFM estimate dated 12/6/05 (see attachment 6) included actual invoiced material costs for the cement, flyash, aggregates and sand totalling \$683,770 (see CT file 046411). This amount was agreed upon by CT and used in further CT calculations.

Testing and consultation for the design of the mix: KFM (and Pacific) presented costs for these items, but did not show that any particular charges were related an increased cost due to meeting the MOE requirements. CT did not accept any of the consulting or testing as a legitimate CCO charge.

KFM also requested payment for the use of an extra cement silo, but did not show that this cost was related to meeting the MOE requirements. CT did not accept any silo rental as a legitimate CCO charge.

The final CT force account evaluation was presented to KFM in a meeting 5/2/06 (CT file # 052332). A copy of the summary sheet from that is included here.

~~2019~~

MATERIAL => \$683,770
 10% PACIFIC M.U.

 \$752,147
 8.5% TAX

→ this is based on
 actual material cost
 per KFM - email
 12/6/2005 John Hassard
 (KFM)
 to
 Bill Casey (CT)

816,079 ⇒ CONCRETE
 10% MATERIAL M.U. (KFM)

\$897,687

80/20 split CT/KFM

\$718,149 CT share

Attachment 3

Schedule Evaluation

No schedule items are impacted by this NOPC.

Attachment 4

Quantity Takeoffs

NORC R7 04-012024
 MIX 9805
 B. COST

11-2-05

- Cement PERMANENT \Rightarrow 84 Hanson Permanent Cement Plant in San Jose
- 55 MPa Slab Concrete \Rightarrow 82,883 CM
- 70 MPa Slab Concrete \Rightarrow 2117 CM

55 MPa slab conc. 82,883 CM \Rightarrow 108,457 CY

- 9.8 Sacks Type II Portland Cement per CY

- NORC 7 Slab Parts A portion of

① $(9.8 \text{ sacks/cy} - 8.5 \text{ sacks/cy}) = 1.3 \text{ sacks/cy}$

② Price Diff Type II & Type II Portland

①

$1.3 \text{ sacks/cy} \times 108,457 \text{ CY} \Rightarrow 140,994 \text{ sacks}$
 $\times 94 \text{ lbs/sack}$

~~13,17~~ TYPE II Portland
 6,623.7 TONS

McCarty's estimating cost allowance Should allow for wasted concrete (truck washouts) + 3% = 6,822 tons say 6850 TONS

②

$8.5 \text{ sacks/cy} \times 108,457 \text{ CY} \Rightarrow 921,459.5 \text{ sacks}$
 $\times 94 \text{ lb/sack}$

43,308.6 TONS
 cost diff.
 TYPE II vs. TYPE II Portland

McCarty's estimating cost allowance + 3% = 44,608 tons say 45,000 tons

Attachment 5

**Additional quotes and
cost information used in
Force Account cost
estimate**

Oakland Bay Bridge
"Future" project evaluation
Tim McCarthy

11-2-2005
3:00PM

SETH WATKINS (408) 996-4268

ROUGH QUOTE ONLY
BASED ON 2005 PRICES

HANSEN AGG.
HANSON PERMANENTE CEMENT

INTERGROUND POZZOLON

PREMIUM 200/TON
above normal
TYPE 2
price

TYPE 3

PREMIUM 800/TON
Above normal
type 2
price

PRONTO
trade name

PREMIUM 600/TON
over type 2
price

TYPE 5

Premium 300/TON
over type
2 price

TYPE 2

about \$100/ton

"base" cost today

shipping
(trucking)

McCarthy, Tim/BAO

From: heidi.canovo@cementia.lafarge.com
[heidi.canovo@cementia.lafarge.com]

Sent: Thu 11/3/2005 1:58 AM

To: McCarthy, Tim/BAO

Cc:

Subject: Cement

Attachments:  Customer Enquiry Form_2005.xls(27KB)

Dear Sir,

We have received your enquiry and we thank you for your interest in LAFARGE Group products.

However we would like to precise you that Lafarge deals only with sea borne trading of cement with a minimum quantity of 12'000 MT. Therefore we thank you for filing in and sending back to us the attached form in order to allow us to make you the most appropriate answer :

(See attached file: Customer Enquiry Form_2005.xls)

For any lower quantity or other delivery means please get in contact with the Lafarge local plant of your country of destination or the one near it.

Thanking you for your support to our products.

Trading Dpt

CEMENTIA TRADING AG
Nüschelerstrasse 45
CH - 8001 Zurich
+ 41-1-225 6200
Fax + 41-1-225 6263

"This e-mail is confidential and may contain legally privileged information. If you are not the intended recipient, you should not copy, distribute, disclose or use the information it contains. Please e-mail the sender immediately and delete this message from your system. E-mails are susceptible to corruption, interception and unauthorised amendment; we do not accept liability for any such changes, or for their consequences. You should be aware, that the company may monitor your emails and their content!"

<<Customer Enquiry Form_2005.xls>>

Provided by KFM/
KieCon for CCO 152



REMIT TO: HANSON PERMANENTE CEMENT
DEPT LA 21331
PASADENA, CA 91185-1331

105267 BILLING REF 217135
PAGE 1 1/22/05
REFER INQUIRIES TO:
KATHY TOHLIN
(925) 846-8800

KIE-CON DIV OF KIEWIT PACIFIC
HWY 4 & HWY 160
3551 WILBUR AVE
ANTIOCH, CA 94509

SHIP TO:
KIE-CON DIV OF KIEWIT PACIFIC
HWY 4 & HWY 160
3551 WILBUR AVE
ANTIOCH, CA 94509

RECEIVED
JAN 26 2005
KIE-CON

FOZ PLANT		SHIPPED FROM PERMANENTE		RESALE CERT# SY CHB 30-620473				
R/L NUMBER	B/L DATE	CARRIER	DESCRIPTION	QUANTITY UM	PRICE PER UNIT PRODUCT	PREIGHT	TOTAL	EXTENSION
1177392	1/17/05	1409 PRONTO		25.95 TN	91.000		91.000	2,361.45
		DAILY SHIPMENTS FOR 1/17/05	INVOICE 4878110					2,361.45
						TAX AMOUNT		.00
						DAILY INVOICE TOTAL		2,361.45
1177514	1/18/05	1409 PRONTO		27.15 TN	91.000		91.000	2,470.65
		DAILY SHIPMENTS FOR 1/18/05	INVOICE 4878996					2,470.65
						TAX AMOUNT		.00
						DAILY INVOICE TOTAL		2,470.65
		TOTAL BULK			53.10			
		TOTAL METRIC BULK			48.17			
		TOTAL SACK			C			
						TOTAL AMOUNT		4,832.10
						DISCOUNT AVAILABLE		53.10
						AMOUNT IF PAID BY 2/10/05		4,779.00

Jan 58913 \$91.00/ton for Pronto cement
1/17/2005

TERMS AND CONDITIONS: The above stated discount will be allowed only if buyer pays the balance on the above mentioned discount date. The sales of products covered by this invoice is subject to the terms and conditions set forth in our quotation, if one is issued in connection with this transaction, or otherwise set forth in our current price list. Buyer agrees to pay all of Seller's costs of collection hereunder, including reasonable attorney's fees.

105257 BILLING REF 204864
 PAGE 1 12/20/03
 REFER INQUIRIES TO:
 KATHY TOMLIN
 (925) 846-8800

REMIT TO: HANSON PERMANENTE CEMENT
 DEPT LA 21007
 PASADENA, CA 91185-1007

DEC 24 2003



SHIP TO:
 KIE-COON DIV OF KIEWIT PACIFIC
 HWY 4 & HWY 160
 3551 WILBUR AVE
 ANTIIOCH, CA 94509

KIE-COON DIV OF KIEWIT PACIFIC
 HWY 4 & HWY 160
 3551 WILBUR AVE
 ANTIIOCH, CA 94509

Pronto cost ~~85.00~~ \$ 85.00
 12/20/03

RESALE CERT# SY CHB 30-620473

FOB PLANT SHIPPED FROM PERMANENTE

B/L NUMBER	B/L DATE	CARRIER	DESCRIPTION	QUANTITY UM	PRODUCT	PRICE PER UNIT	TOTAL	EXTENSION
1127181	12/15/03	417016	PRONTO	26.33	IN	85.000	85.000	2,238.05
1127223	12/15/03	417016	PRONTO	26.26	IN	85.000	85.000	2,232.10
DAILY SHIPMENTS FOR 12/15/03 INVOICE 4613883								4,470.15
1127508	12/17/03	417016	PRONTO	26.28	IN	85.000	85.000	2,233.80
DAILY SHIPMENTS FOR 12/17/03 INVOICE 4615310								4,470.15
1127583	12/18/03	417016	PRONTO	26.06	IN	85.000	85.000	2,215.10
1127639	12/18/03	417016	PRONTO	26.31	IN	85.000	85.000	2,236.35
1127670	12/18/03	417016	PRONTO	26.38	IN	85.000	85.000	2,242.30
DAILY SHIPMENTS FOR 12/18/03 INVOICE 4615934								6,693.75
1127719	12/19/03	417016	PRONTO	26.18	IN	85.000	85.000	2,225.30
1127791	12/19/03	417016	PRONTO	26.17	IN	85.000	85.000	2,224.46
1127796	12/19/03	417016	PRONTO	25.83	IN	85.000	85.000	2,195.55
1127837	12/19/03	417016	PRONTO	26.18	IN	85.000	85.000	2,225.30
DAILY SHIPMENTS FOR 12/19/03								6,693.75

TERMS AND CONDITIONS: The above stated discount will be allowed only if buyer owes no past due balances on the above mentioned discount date. The sales of products covered by this invoice is subject to the terms and conditions set forth in our quotation. If one was issued in connection with this transaction, or otherwise set forth in our current price list. Buyer agrees to pay all of Seller's costs of collection hereunder, including reasonable attorney's fees.



• P.O. BOX 1508
 LODI, CA 95241
 • (209) 334-2112
 • (209) 367-0572 FAX

JAN 14 2004

JW 77/3

INVOICE

CA#000043

Kie-Con Operations
 Co 17 **7057**

Int/Line No. 7713	Vendor No. 33.1	Prices
Invoice No. 5140	Invoice Date 12/31/03	
P.O. No. <input type="checkbox"/>	P.A. No. <input type="checkbox"/>	M.R.C. No. <input type="checkbox"/>
R.A. No. <input type="checkbox"/>	Partial	
Cost Code 0000.02	Exp 50	Amount 5,261

INVOICE #:	5140
DATE:	12/31/03
ACCOUNT #:	KIEANT
— JOB DESCRIPTION —	
JOB#:	117/00
FROM:	HANSON - CUPERTINO
TO:	KIE-CON - ANTIOCH
COMDTY:	CEMENT PRONTO - 190

KIE-CON - ANTIOCH
 3551 WILBUR AVENUE
 ANTIOCH, CA 94509-8530

Shipping cost
 2002-04

DATE	FREIGHT BILL	BL # WT TAG#	TRUCK	PO#	BILL QTY	UNIT	RATE	AMOUNT
12/05/03	37962	1126403	A988	Weight (Ton)	26 240	TON	10 5200	\$276 04
12/05/03	37963	1126353	A988	Weight (Ton)	28 160	TON	10 5200	\$275 20
12/12/03	39121	1127011	A967SIM	Weight (Ton)	26 240	TON	10 5200	\$276 04
12/12/03	39123	1127071	A967SIM	Weight (Ton)	28 220	TON	10 5200	\$275 83
12/15/03	39617	1127181	A967SIM	Weight (Ton)	28 330	TON	10 5200	\$276 99
12/15/03	39618	1127223	A967SIM	Weight (Ton)	26 260	TON	10 5200	\$276 26
12/17/03	40550	1127508	A998	Weight (Ton)	26 280	TON	10 5200	\$276 47
12/18/03	40551	1127563	A998	Weight (Ton)	26 060	TON	10 5200	\$274 15
12/18/03	40552	1127639	A998	Weight (Ton)	26 310	TON	10 5200	\$276 78
12/19/03	42134	1127796	A1083	Weight (Ton)	25 830	TON	10 5200	\$271 73
12/22/03	40865	1127922	A1083	Weight (Ton)	25 780	TON	10 5200	\$271 21
12/22/03	41491	1128041	A1083	Weight (Ton)	25 970	TON	10 5200	\$273 20
12/22/03	40866	1127951	A1054	Weight (Ton)	26 110	TON	10 5200	\$274 68
12/22/03	40867	1128009	A1083	Weight (Ton)	25 730	TON	10 5200	\$270 68
12/23/03	41492	1128126	A1083	Weight (Ton)	25 890	TON	10 5200	\$272 36
12/24/03	41917	1128179	A1058	Weight (Ton)	26 680	TON	10 5200	\$280 67
12/29/03	41619	1128260	A240	Weight (Ton)	27 350	TON	10 5200	\$287 72
12/29/03	41620	1128276	A240	Weight (Ton)	27 270	TON	10 5200	\$286 88
12/31/03	41975	1128407	A188	Weight (Ton)	27 420	TON	10 5200	\$288.46

Handwritten notes:
 WS 11/10/03
 4000.02 COST CODE

Total Freight:	\$5,261 35
Misc Fees:	\$0 00

Due Upon Receipt of Invoice & Thank You

TOTAL NOW DUE

\$6,261 35

1 1/2 TONS TRUCKING CH.

24700 Clewiston Rd. Bldg. 6
Raymond, La 70465
504-700-4656

KIE-CON
5000 BLANCH ST
ANTIOCH, CA 94509

RECEIVED
JAN 19 2005
KIE-CON

INVOICE NO:

INVOICE NO: 22778

INVOICE NO: 22778

INVOICE NO: 22778

SHIP TO: 5000 BLANCH ST
FROM: CLEVELAND
TO: ANTIOCH
CITY: IRVING

Almost impossible
to read but
this is \$11.00/ton
for shipping
Cement from
Hanson Permanente
to Antioch
(Kie-Con)

QTY	DESCRIPTION	UNIT	PRICE	AMOUNT
27	PORTLAND CEMENT	TON	11.00	297.00
24	PORTLAND CEMENT	TON	11.00	264.00
18	PORTLAND CEMENT	TON	11.00	198.00
1	PORTLAND CEMENT	TON	11.00	11.00

INVOICED
JAN
2005

Jrnl 54515

17-7057

Jnl/Line No. 54515	Vendor No. 270.6	Prices
Invoice No. 22778	Invoice Date 1.17.2005	
RO No. <input type="checkbox"/>	PA. No. <input type="checkbox"/>	APPROVED
M.R.C. No. <input type="checkbox"/>	R.A. No. <input type="checkbox"/>	
Cost Code 9000.02	Exp. 50	Amount 588
		Spdr

PLEASE PRINT YOUR COMPANY NAME

Attachment 6

KFM Cost Estimate

KFM gave an original estimate of \$40.37 per cubic meter (KFM-LET-000651 dated January 23, 2004). This was apparently based on Pacific's NOPC (attached to KFM-LET-000739 dated March 23, 2004) + 10% KFM markup.

Since the final pay quantity for Bid Item No. 47 "Furnish Precast Concrete Segment" is 85,000 cubic meters, it is presumed that the contractor was seeking approximately \$3.5 million in additional compensation.

After the DRB rulings:

KFM estimate was presented to CT in an email 12/6/2005 (John Hassard, KFM, to Bill Casey, CT) totalling \$937,860 (see CT file 046411, copy attached).

Original amount requested by Pacific
this was attached to KFM-LET-000739

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
NOTICE OF POTENTIAL CLAIM
CEM-6201 (REV 3/2001)

FOR STATE USE ONLY	
Received by _____ (For resident engineer)	Date _____

TO: ~~KFM (John Hassard)~~ CONTRACT NUMBER 04-012024 DATE March 15, 2004
Doug Coe (resident engineer)

This is a Notice of Potential Claim for additional compensation under the provisions of Section 9-1.04 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

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

- 1) The specifications, within the special provision of the contract documents are conflicting and misleading.
- 2) Caltrans designers, in specifying 35,600 MPA MOE, used the wrong calculation.
- 3) Modulus of Elasticity is not a common specification for acceptance of ready-mix concrete either within caltrans or the ready-mix industry
- 4) Insufficient time to design & test mixes prior to bid.

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

In order to address the misleading and conflicting specification, Pacific had to use alternate materials and additional testing to achieve the necessary results.

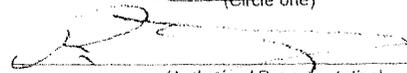
The nature of the costs involved and the amount of the potential claim are described as follows
(If accurate cost figures are not available, provide an estimate, or describe the types of expenses involved)

Our consultants are in the process of compiling a detail of Pacific's additional costs for our claim. However, in our letter dated January 9, 2004, we ask for \$37.73 p/cm as our preliminary claim. Within 60 days we will have a detailed cost.

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 12850-12855. 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.

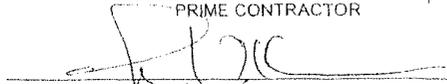
PACIFIC CEMENT

SUBCONTRACTOR or CONTRACTOR
(Circle one)


(Authorized Representative)

For subcontractor notice of potential claim

This notice of potential claim is acknowledged and forwarded by

KIEWIT / FCI / MANGON, A JV
PRIME CONTRACTOR

(Authorized Representative)

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 263-2041 or TDD (916) 263-2044 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

CEM6201





January 23, 2004

Serial Letter: KFM-LET-00065 1

California Department of Transportation
SFOBB – Skyway Project
345 Burma Road
Oakland, CA 94607

Amount requested
by KFM

Attention: Douglas Coe, P.E.

Reference: Skyway Bridge Project (Caltrans Contract No. 04-012024)
KFM Job No. 364/3726

Subject: Pacific Cement Letter dated January 9, 2004

Dear Doug:

KFM received the attached letter from Pacific Cement, our concrete supplier for the precast segments. The letter, dated January 9, 2004, states that Pacific Cement is incurring additional cost to produce 55 MPA concrete due to the 35,600 MPA Modulus of Elasticity requirement. Attached to Pacific Cement's letter are supporting letters from Sundquist Engineering and Wiss, Janey, Elstner Associates, Inc..

Based on the information provided by Pacific Cement, KFM requests the State to issue a Contract Change Order to compensate for the increased cost to produce 55 MPA concrete for the precast segments. Including KFM's mark-up, the additional amount per cubic meter would be \$40.37.

Please call me at (510)419-0120 if there are any questions.

Sincerely,
KIEWIT/FCI/MANSON, a JV

A.T. (Tom) Skoro
Project Director

cc: file

01741 0123

NOPC # 7



"John Hassard"
<John.Hassard@KFMJ
V.COM>

To: <bill_casey@dot.ca.gov>
cc:
Subject: Pacific Cement Settlement

12/06/2005 10:00 AM

Bill-

Here is the the proposed settlement for Pacific. I have adjusted for taxes, markup, and proportioned for responsibility. Please let me know if there are any questions.

John

<<NOPC #7 Est Summary.pdf>>



NOPC #7 Est Summary.p

RECEIVED

046411 DEC-6 8

