



November 1, 2005

Serial Letter: KFM-LET-001410

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

Attention: Douglas Coe, P.E.

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

Subject: USI NOPC regarding Non Fracture Critical Weld Repairs

Dear Doug:

In accordance with the requirements of Standard Specification section 9-1.04, please find the attached Notice of Potential Claim from USI and respond accordingly.

This NOPC (USI number 12) is in reply to Caltrans Letter #9006 rejecting a request for a change order regarding the requirement that critical weld repairs must be submitted for approval to repair non-fracture critical welds with defects exceeding 65% of the depth of the weld.

Sincerely,
KIEWIT/FCI/MANSON, a JV

A handwritten signature in black ink, appearing to read 'Lee Zink', written in a cursive style.

Lee Zink
Project Director

cc: file

FOR STATE USE ONLY

NOTICE OF POTENTIAL CLAIM

Received By

Date

(For Resident Engineer)

TO: David Wu

CONTRACT NUMBER: 04-012021

DATE: November 1, 2005

NOPC NO.: USI NOPC #12

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: October 18, 2005

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

Based upon Caltrans Letter No. 05.03.1-009006, dated October 18, 2005, Universal Structural, Inc. (USI) is filing a Notice Of Potential Claim for Caltrans insistence that USI submit Critical Weld Repair (CWR) requests for approval for non-fracture critical welds with defects exceeding 65% of the depth of the weld.

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

That the contract documents, particularly sections 8-3.01 WELDING and 10-1.44 STEEL STRUCTURES, do not require the submittal of a CWR's for non-fracture critical weld repairs when the defect exceeds 65% of the depth of the weld. The Contract Documents allow for USI to make this repair without submitting a CWR for approval. The State is requiring USI to submit CWR's to obtain the Engineers' approval prior to proceeding with the repair. The State's actions constitute a change to the Contract

The nature of the costs involved and the amount of the potential claim are described as follows:

The costs and time involved include, but are not limited to, the additional labor and time to prepare CWR's, time to wait for approval of the CWR, the resulting inefficiencies in the performance of the work, and time to closeout the CWR's. USI has and continues to incur cost and schedule impacts as a result. The additional cost and time include additional labor for Quality Control, impacts to production and additional time for fabrication. Since impacts are ongoing, we cannot determine the total extent of the additional costs and impacts to the schedule until the job has been completed. At this time we estimate the Rough Order of Magnitude (ROM) as follows;

Lump Sum ROM To Date – USI NOPC #12:	\$	894,000.00
ROM Delays:		Cannot be Determined at This Time.

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 State's proposed final estimate in accordance with Section 9-1.07B of the Standard Specifications

Universal Structural, Inc.

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)

DEPARTMENT OF TRANSPORTATION

SFOBB – Skyway Project
345 Burma Road
Oakland, CA 94607
Facsimile Number: (510) 622-5165



*Flex Your Power
Be Energy Efficient!*

October 18, 2005

KFM, a JV
220 Burma Road
Oakland, CA 94607

Contract: 04-012024
04-SF, Ala-80-13.9/14.3, 0.0/1.6
SFOBB Skyway Project
State Letter # 5.03.1-009006

*Subject: Response to KFM-LET-001345: USI CCO Request for Non-Fracture Critical Weld Repairs -
USI Response to Caltrans Letter 8163*

Dear Mr. Zink,

The Engineer has reviewed the subject letter regarding the Contractor's request for a contract change order regarding the approval of weld repairs. The Engineer maintains its position outlined in State Letter No. 8163 and the Contractor's request for a CCO is denied.

Should you have any questions, please contact David Wu at (510) 622-5104 or Patrick Lowry at (858) 344-2712.

Sincerely,

<<< ORIGINAL SIGNED >>>

David Wu
Senior Bridge Engineer

For: Mr. Douglas Coe
Resident Engineer

cc: P. Lowry, D. Coe, D. Wu, B. Chew, V. Iyer, I. Kwong, D. Salladay

file: 5.03.1, 9.03.8