

C.C. MYERS INC.

51 Macalla Road
(415) 399-0175

San Francisco, CA 94130
Fax (415) 399-0587

November 20, 2006

Document No.: 215-STL.00265

State of California
Department of Transportation
333 Burma Road
Oakland, CA 94607

Temporary Bypass Structure
Contract No. 04-0120R4
CCM Job # 215

Attn: Mr. Mahantesh Anigol
Resident Engineer

Re: Potential Claims 2, 3, 8, 9 and 16 - Design Impact Costs

Dear Mr. Anigol,

Attached please find a copy of letter #214 from our designer, TRC Imbsen, with which they submit their cost breakdown for the additional costs that they have incurred as a result of the issues which are the subject matter of the above noted potential claims. Please review the information provided herein and issue Contract Change Order No. 56 with a lump sum payment equal to \$8,110,643.90 to compensate them for these additional costs. Note that this amount only includes the costs incurred by TRC Imbsen during the course of their design work and understand that the delays to the completion of the design and the changes to the design that have both been a result of the issues which are the subject matter of the referenced potential claims also have caused the cost to construct the Temporary Bypass Structure to increase. We are currently accumulating these costs to the extent that they are known and we will forward them to you for inclusion in a change order under separate cover.

Very Truly Yours,
C. C. Myers, Inc.

Robert W. Coupe
Senior Project Manager

cc: MO

File: 215-101, 215-9902, 215-9903, 215-9908, 215-9909, 215-9916, 215-9056

TRC Imbsen

October 30, 2006

#1295-320

IAI Letter # 214

RECEIVED

OCT 30 2006

Mr. Robert Coupe
Project Manager
C.C. Myers
3286 Fitzgerald Road
Rancho Cordova, CA 95742

CC MYERS, INC.
JOB 215 TEMP BYPASS STRUCTURE

Subject: Claims Summary in Support of NOPC Nos. 2, 3, 8, 9, and 16

215-03316
215-201
215-9902
215-9903

Dear Mr. Coupe:

TRC Imbsen ("Imbsen") hereby respectfully submits materials in support of its Notice of Potential Claim ("NOPC") Nos. 2, 3, 8, 9, and 16 on Contract No. 04-0120R4 for the Temporary Bypass Structure. These materials detail Imbsen's entitlement to additional compensation pursuant to Sections 4-1.03, 4-1.03C, and 8-1.09 of the Standard Specifications and also detail the quantum of such compensation. 215-9908
215-9906
215-9916
CT

Imbsen submits these materials to facilitate the resolution of these outstanding NOPCs at the job level. Importantly, Imbsen reserves all rights with respect to its NOPCs, including the right to seek full compensation therefor from C.C. Myers, as well as all rights concerning other matters arising from or relating to the Contract, including performance and payment thereunder.

Imbsen's Engineering Experience

Imbsen is a nationwide consulting engineering firm offering a full range of services to plan, design, and implement projects with construction values in excess of \$600 million annually. TRC, Imbsen's parent firm, has been in the consulting business for over thirty years and is currently ranked among the top 100 pure design firms in the nation by *Engineering News-Record* magazine. Imbsen has extensive experience in the design of bridge structures and is proud of the working relationship and mutual respect that it enjoys with many Federal, State and Municipal Agencies. Through its work on public transportation projects, Imbsen understands how to work with government officials to get projects done on time and within budget. In short, Imbsen is a leader in the transportation engineering consulting industry for its exceptional work on ordinary and complex bridge structures. Imbsen's recent engineering experience on complex steel structures in the Bay Area include developing retrofit design packages for the North Approach Viaduct of the Golden Gate Bridge, the Benicia-Martinez Bridge and the Fourth Street Bascule Bridge.

Imbsen's Project Assumptions

The Temporary Bypass Structure project ("TBS" or "Project") initially consisted of three segments: the Viaduct, the East Tie-In and the West Tie-In. Imbsen assumed that the design of these three segments would be handled in fashion similar to that on other design-build projects. Specifically, it had assumed that Caltrans would timely review design submittals and that such review would be for the limited purpose of checking for conformance with the design criteria established by Caltrans in the Contract.

This assumption was frustrated by Caltrans. Instead of limiting its review to the Project criteria, Caltrans employed a heightened standard of review that crossed over into the designer's area of responsibility. The change in the Project's contemplated lifespan is, at least in part, the genesis for Caltrans' heightened review standards. The Project initially had a design service life of about only twenty-four months. However, its projected service life has nearly tripled and now has been extended to sixty months due to the timing of the interface with the Eastern Span replacement projects. To address this concern, Caltrans adopted a higher standard of review that directly impacted Imbsen's design efforts. Specifically, Imbsen never contemplated at the time of bid that Caltrans would:

- Provide ambiguous, contradictory and confusing review comments that had to be satisfied before Imbsen's designs were approved.
- Use its approval power to expand the scope of work for the design of the East Tie-In by requiring the development of new, site-specific design criteria as a prerequisite for review and acceptance of the East Tie-In design submittals.
- Require more than thirty months of resources and engineering substantiations to establish that the original deck drainage criteria provided in the Contract is in conflict with the Project's geometry and configuration.
- Direct Imbsen to use specific assumptions and analytical techniques that were inconsistent with the original design intent.
- Require responses and engineering justification related to means and methods of construction, which is the sole responsibility of the design-builder, as a prerequisite for approving design submittals.
- Consistently neglect to review Imbsen's design submittals within the time specified in the Contract, and require Imbsen to satisfy all Caltrans comments before proceeding to next stage of design drawings in contravention of the procedures set forth in the Contract.
- Direct that Imbsen redesign the Viaduct to account for the longer service life of the Project due to the timing of the tie-in with the Eastern Corridor projects.
- Change the original contract goals by eliminating the East Tie-In and West Tie-In portions of the design.

As further detailed below in connection with the specific NOPCs, these unforeseen roadblocks disrupted Imbsen's design efforts and caused it to incur significant costs. (These costs have been compiled by Navigant Consulting and are set forth in the attachment enclosed herewith.) Significantly, the Dispute Review Board (the "DRB") for the Project has already held hearings on one of the subject NOPCs – NOPC No. 3 – and unanimously confirmed that Caltrans exceeded its authority in reviewing and approving Imbsen's design submittals. The DRB has not yet held hearings on the remaining NOPCs, each of which is discussed below after NOPC No. 3, but Imbsen is confident that Caltrans also will be found liable for these outstanding NOPCs if they cannot be resolved in short order at the job level.

NOPC No. 3

After conducting hearings, the DRB unanimously determined that Caltrans improperly used its review-and-approval powers to expand the scope of work for the design of the East Tie-In. More particularly, the DRB found that Caltrans inappropriately required Imbsen to develop new, site-specific design criteria (which were to address construction means and methods, as opposed to true design criteria) as a prerequisite for review and acceptance of the design submittals for the East Tie-In. The DRB further found that Caltrans also directed Imbsen to use specific assumptions and analytical techniques that were inconsistent with the original design intent.

It took seven revisions and twelve months to obtain Caltrans' approval of the design for the East Tie-In. The delay and extra work stemmed from Caltrans' refusal to allow Imbsen to use its own boundary condition assumptions for Pier E-1. There were numerous discussions and many meetings regarding the modeling of Pier E-1, its own mass, stiffness and strength characteristics. Since Pier E-1 is responsible for the longitudinal restraint of the existing structure from Pier YB3 to Pier E-4, and the cantilever truss to the east of Pier E-1, Imbsen performed various analyses and investigated the potential of rocking about the base of the Pier E-1's shaft as a realistic response to seismic demands. Imbsen's analyses indicated that the existing Pier E-1 would, in fact, rock yielding a displacement of two inches under the Design Evaluation Earthquake and six inches under the Displacement Limit State at the top of the pier wall.¹ Caltrans, however, directed Imbsen to proceed with the modeling interaction of Pier E1 and the existing cantilever truss (E1-E-4) with the assumption that the base of pier E1 is fully fixed (not rocking) and use a cracked section to complete member properties.

As a result, Imbsen was forced to abandon its own design approach and perform modeling analyses in accordance with Caltrans' demands. Those analyses required Imbsen to incorporate additional components into the design for the East Tie-In, and to redesign and re-detail several

¹ Imbsen's conclusion that Pier E-1 would rock is also supported by the work of A. Astaneh-Asl, Ph.D., P.E, who is a professor for the Department of Civil Engineering and Earthquake Engineering Research Center at University of California at Berkeley. Unbeknownst to Imbsen at the time of its original analysis, Professor Astaneh-Asl prepared a report in 1992, in the wake of the Loma Prieta earthquake, entitled "Seismic Retrofit Concepts for The Bay Bridge." After a detailed analysis, Professor Astaneh-Asl similarly concluded in his report that Pier E-1 would rock during a seismic event.

components that were previously designed.² This was time consuming and needed to be completed before Imbsen could design and detail the other components of the East Tie-In since two calibrated models were required before the other design work could begin.

Caltrans also demanded, as a condition for approving Imbsen's design, that Imbsen evaluate the impact on the load paths and jacking loads of the South portion of the East Tie-In resulting from Caltrans proposed jacking of the North truss of the East Tie-In. This additional work involved analysis of the existing YB4 for simultaneous loading for Stage 2 of construction to determine whether loading on the North Truss would require any design and detail changes to the already-designed components of the East Tie-In.

Caltrans' demands for the East Tie-In design rippled through the Viaduct design. In order to maintain the Viaduct design schedule, Imbsen had to redesign the cantilever portion of the Viaduct (at Bent 52) and portions of the adjacent truss to accommodate any possible load increases due to the behavior of the East Tie-In, as altered through Caltrans' directions. And because the Viaduct plans had to be submitted to the fabricator before the results of the new model for the East Tie-In were generated, Imbsen had to employ an overly-conservative design for the cantilever portion of the Viaduct as well as some of the adjacent trusses. Imbsen's Viaduct design group also had to resequence its design work to satisfy Caltrans' demands for additional engineering documents related to the redesigns.

Caltrans' extra-contractual mandates disrupted Imbsen's design efforts and adversely impacted the design schedule. Consequently, there was a dilution of supervision and a significant reduction in Imbsen's overall design productivity. Despite all of Imbsen's efforts to appease Caltrans, Caltrans never seemed satisfied. The DRB was ultimately asked to weigh in on the propriety of Caltrans' use of the design review-and-approval process, and the DRB unanimously determined that Caltrans unreasonably interfered with Imbsen's design efforts. As the DRB explained in its written findings:

“[T]he review process Caltrans employed . . . for the design was sufficiently protracted, delayed, ambiguous, contradictory and confusing to cause CCM unreasonable delay and extra cost.”

Thus, it already has been established through the DRB process that Imbsen is entitled to additional compensation as to at least NOPC No. 3. Imbsen expects the DRB to make similar findings as to the remaining NOPCs if called upon to conduct additional hearings.

² Caltrans' directive meant that the design Imbsen was to develop for the East Tie-In had to be more conservative than was otherwise necessary. In other words, the structural members of the East Tie-In, and also the structural members of the Viaduct to a certain extent, had to be larger than was necessary.

NOPC No. 2

The Contract specified the use of a defective bolt design formula that resulted in the calculation of an inadequate numbers of bolts for various connections. Later, after it was determined that the bolt design formula was erroneous, Imbsen had to redesign, revise and re-detail plan sheets for the connections of the Viaduct Truss and the East Tie-In.

The Contract sets forth design criteria that were specifically prepared for the Project. The section entitled "General" states, in part, that: "The Temporary Bypass Structure shall be designed in accordance with 'Bridge Design Specifications' (BDS), LFD Version, April 2000, California Department of Transportation, (1996 AASHTO with interims, and revisions by Caltrans), modified or augmented as detailed in this design criteria document." See Plan Sheet 96 of 193, Design Criteria No. 1.

Consistent with this requirement, Imbsen used the equation for the design of bolts included in Section 10.57.3.1 of BDS 2000. This formula had been used by Imbsen for the preliminary design prepared in connection with its bid and also had been used for Imbsen's final design until it was determined that the equation was inconsistent with the AASHTO criteria for bolt designs. At that point, it was determined that the bolt design formula in BDS 2000 was possibly in error, and Imbsen submitted sample comparative calculations to Caltrans for it and the Structural Steel Committee to review. Imbsen understands that both Caltrans and the Structural Steel Committee concur that there is an error in the BDS 2000 specifications. Accordingly, Imbsen is entitled to additional compensation for the incorrect bolt design formula that resulted in additional engineering and detailing costs for the connections on the Viaduct Truss and the East Tie-In.

NOPC No. 8

Imbsen's design efforts for the bearings at Bents 49 through 52 of the Viaduct were adversely impacted by Caltrans' direction as to the type of bearings to be used. More particularly, Imbsen originally designed Bents 49 through 52 of the Viaduct with Pot Bearings. Caltrans reviewed Imbsen's Viaduct Preliminary Design plans and commented on that: "CT [Caltrans] does not allow this type of bearing because of their questionable long term performance in service and their poor performance in seismic conditions." See Viaduct Preliminary Design Review Comments, Review Comment No. 53A (May 20, 2004). This comment was also reinforced by Caltrans' "bearing specialist" in a subsequent discussion.

Based on Caltrans' comments, Imbsen redesigned the bearings such that Lead Core Isolation Bearings would be used in lieu of the Pot Bearings. Caltrans later reversed course, though, and instructed that the Lead Core Isolation Bearings be abandoned. Thereafter, Imbsen designed for a third time the bearings at Bents 49 through 52 of the Viaduct with the Pot Bearings.

Caltrans' vacillating comments on the bearings caused Imbsen to do additional work in revising the design, checking models and re-evaluating the load paths associated with each model. Each change in the bearing design altered the behavior of the structure and resulted in different

loading values. Different loads, in turn, necessitated a reanalysis and re-processing of the design/capacity ratios, which required revising calculations to update the design. Each design (including the modeling effort and the engineering work product) then had to be verified by an independent check in accordance with the Contract. These multiple redesign efforts were significant and extended over thirteen months. Imbsen is entitled to additional compensation for all additional engineering and detailing costs associated with designing the bearings three times.

NOPC No. 9

The design criteria Caltrans established for drainage were in conflict with the Project. The Contract provides that deck drainage for the Project shall be designed in accordance with the procedures and details outlined in Caltrans Memo-to-Designers 18-1 (June 1989) and Bridge Design Aids 17-1 (October 1989). See Plan Sheet 103 of 193, Design Criteria No. 8. Importantly, this drainage criteria is for bridge geometries where the designer has design discretion as to travel-lane width, shoulder width, cross slope, longitudinal profile and superelevation.

Caltrans, however, had already established a geometry for the TBS to which Imbsen was to adhere, thereby eliminating Imbsen's design discretion with respect to the drainage design. The Contract sets forth specific requirements for the TBS's geometry, including explicit requirements for the longitudinal profile, superelevation, shoulder and travel-lane widths. For instance, Caltrans specified that the TBS is to have narrow shoulders that are only 300mm wide. Similarly, Caltrans specified that the lanes of the TBS were to be only 3.3 m wide.

These narrow shoulder and lane widths meant that it was impossible to develop a drainage design consistent with Caltrans' design criteria. Specifically, the encroachment of design water spread upon the traveled way could not be avoided.³ By way of further example, Caltrans' design criteria stated, in part, that: "The transverse drainage of the roadway shall be provided by a suitable crown in the roadway surface[.]" This was not an option on the Project, however, because Caltrans specified that the TBS deck was not to be crowned. In other words, Caltrans' drainage design criteria for the TBS's deck were incompatible with the TBS's geometry and lane configuration.

Imbsen repeatedly advised Caltrans of this incompatibility, and it took nearly thirty months to ultimately convince Caltrans. The problem was first brought to Caltrans' attention through an RFI in May 2004. And after the first year of Imbsen's efforts to convince Caltrans that a change in its original criteria was required, Caltrans responded by stating only that: "All options have not been exhausted; a design solution within the design criteria is possible."⁴

³ In rejecting Imbsen's initial drainage design submittals, Caltrans relied on guidelines for roadway design contained in Table 831.3 of the Highway Design Manual. Those "guidelines," which were not even referenced as design criteria to be complied with in the Contract, generally provide that it is undesirable for design-water spread to encroach upon the traveled way.

⁴ State Letter No. 05.03.01-000327, dated March 4, 2005.

Imbsen attended numerous meetings within the thirty-month period, made numerous submittals independent of the superstructure submittals, provided additional calculations with ever-changing scope and proposed numerous solutions. Each submittal raised additional questions from Caltrans, and resulted in Caltrans requesting additional calculations from Imbsen. At one point, Caltrans even suggested that Imbsen change the bridge type design.⁵ Changing the TBS's geometry, which had already been established under the Contract, or changing the type of design – from steel to concrete, for instance – were not viable solutions that would satisfy Caltrans' design criteria. If anything, Caltrans' suggestion, which was made after a number of Caltrans engineers separately caucused among themselves during a meeting with Imbsen, demonstrated a fundamental misunderstanding or lack of appreciation of the issue.

Ultimately, in January 2006, Caltrans realized that the encroachment of design water spread upon the traveled way could not be avoided. After coming to this realization, Caltrans tried to bring closure to the matter by stating that:

In accordance with section 830.3 of the Highway Design Manual, "Desirable limits of water spread with respect to storm probability of exceedance are given in Table 831. Exceptions should be documented by memo to the project file." We [Caltrans] recommend that you [Imbsen] generate this memo to file for your records and provide a copy to this office.⁶

More recently, Caltrans has apparently recognized the magnitude of the drainage design problem. In this regard, Caltrans has advised that it will issue Contract Change Order No. 54, whereby one of the many solutions proposed by Imbsen when the conflict issue first arose nearly thirty months earlier will be adopted by Caltrans. In issuing Contract Change Order No. 54, however, Caltrans must also compensate Imbsen for the additional costs Imbsen incurred in overcoming the conflict between Caltrans' design criteria for the drainage design and the TBS's geometry.

NOPC No. 16

Caltrans adopted a standard of review on the Project that was much higher than that reasonably contemplated at the time of bid. The reason for this higher level of scrutiny is simple: Instead of having a limited service life on the order of only twenty-four months, the TBS's service life was nearly tripled to sixty months after the time of bid due to the timing of the interface with the Eastern Span replacement projects. Because of this extended service life, the TBS may have to achieve a higher level of performance. And rather than enhance the design criteria to achieve the higher performance required, Caltrans used the review-and-approval process to obtain those

⁵ Imbsen Letter No. 109, dated June 30, 2005.

⁶ State Letter No. 05.03.01-000644, dated January 4, 2006. Again, the Highway Design Manual referenced in Caltrans' letter was never specified in the Contract as criteria to which the drainage design was to adhere.

enhancements without issuing change orders that would compensate Imbsen and the design-builder therefor.

It is evident by the nature of the comments from Caltrans engineers, both in meetings and in writing, that Caltrans' mindset in reviewing Imbsen's design work was inconsistent with that contemplated under the Contract. According to the "Design Review Process" subsection of the Contract's Special Provisions at Section 5-1.14, entitled "CONTRACTOR DESIGN," Imbsen was required to address Caltrans' review comments "to the satisfaction of the [Caltrans] Engineer" before the design-builder would be authorized by Caltrans to construct the elements depicted in the final design submittal. Here, it was exceedingly difficult to "satisfy" Caltrans.⁷ Although Caltrans was quite good at raising numerous questions and comments in response to Imbsen's design submittals, Caltrans rarely took a position as to what it would take to satisfy it. This was played out on numerous occasions. For example, in connection with Imbsen's design for stringer-to-floorbeam connections, Imbsen expended much effort in convincing individual Caltrans reviewers of the appropriateness of design assumptions and the accompanying analyses supporting calculations for fatigue in truss members and fatigue at the stringers. Caltrans, however, was of the view that the design had to "withstand fatigue induced by 2,000,000 cycles of live load," whereas the Contract only required that the design "withstand 500,000 cycles of loading." See Plan Sheet 97 of 193, Design Criteria No. 2. This would not have been an issue absent the increased service-life demand of the TBS and the higher performance required of the TBS due to the unrelated timing of the TBS's tie-in to Caltrans' other Eastern Span projects.⁸

Caltrans also took the opportunity to comment on construction means and methods when providing its review comments to Imbsen, even though constructability issues were always within the design-builder's exclusive purview. By way of example, Caltrans was very concerned about

⁷ Caltrans also took this "to the satisfaction of the [Caltrans] Engineer" provision to an extreme by requiring that its review comments be addressed as to each submittal, in contravention of the Contract, before advancing to the next stage of design development. The Contract refers to three stages of design submittals: Preliminary Design Submittal, Final Design Submittal, and Construction Submittal. Special Provisions at §5-1.14. And the Contract expressly sets forth the process for Caltrans' review of these individual design submittals. Specifically, Caltrans was to provide comments for each submittal that were to be addressed by Imbsen in the subsequent submittal. *Id.* So, for instance, when Caltrans provided comments to Imbsen's Preliminary Design Submittal, Imbsen was to address those comments in its later Final Design Submittal. Rather than following this approach, however, Caltrans required that its comments be addressed to its "satisfaction" through numerous resubmittals before allowing Imbsen to progress to the next design submittal stage.

⁸ Aside from providing comments that were not integrated or consistent with one another or with the Contract, Caltrans also frequently provided its review comments in an untimely and piecemeal fashion, which created additional challenges for Imbsen. The Contract provides specific timeframes by which Caltrans was to provide its review comments to Imbsen. For the Final Design submittal, for instance, Caltrans was to provide its review comments within five weeks. Special Provisions at §5-1.14. And when called on to review Imbsen's third Final Viaduct Superstructure submittal, Caltrans, after seven weeks, stated that: "At this time, a set of critical comments are being transmitted that will be required to be addressed and resolved. A subsequent set of comments will be forthcoming to complete the balance of the comments for this submittal." See State Letter No. 05.03.01-000562. Imbsen did not receive the remainder of Caltrans' comments until nine weeks after the submittal date.

the constructability of Imbsen's slotted-hole design concept for the Viaduct stringer-to-floorbeam connections. Caltrans' concern seemed to be that the stringer-to-floorbeam connections may not, from a fabrication and/or erection standpoint, be able to accommodate the sum of longitudinal displacements induced by the loads. However, the fabricator and erector responsible for making the connections did not voice a similar concern. Nevertheless, Caltrans required that Imbsen analyze and pursue a finite element 3D model including all floor beams, stringers and their connection details that are subjected to various loads and combinations in construction stages and at final condition.⁹ This ultimately proved to be a fool's errand, though, since the Contract never established a standard by which to measure Imbsen's analytical results. Accordingly, Caltrans was able to rely on its open-ended "to the satisfaction of the [Caltrans] Engineer" standard in demanding the further analyses.

At one point, it seemed a breakthrough had been made on this slotted-hole connection constructability issue, but that breakthrough turned out to be short lived. Based on the fabricator's and erector's lack of concern, Caltrans stated that "since it was conveyed that C.C. Myers and Danny's Construction Company Inc. (DCCI) have reviewed this [slotted-hole] detail and concluded that it would be constructible, the State has no objection to the proposed detail."¹⁰ After sending this letter, however, Caltrans retracted its statement by issuing Contract Change Order Nos. 49S1 and 50 to redesign the Viaduct in a stand-alone manner that eliminated the slotted holes at the stringer-to-floorbeam connections.

The extraordinary level of Caltrans' involvement in the design of the Project was made more problematic by Caltrans' arbitrary and capricious administration of the Contract. For instance, Caltrans rejected Imbsen's final design submittal for the West Tie-In through two separate letters that relied on totally different reasons for the rejection. The first Caltrans letter rejected the design because the submittal did not include utilities and did not provide for the protection of Building 206. In contrast, the second letter, which ignored the reasons relied on in the first letter, rejected the West Tie-In submittal because the deck drainage did not satisfy the conflicting design criteria referenced above in connection with NOPC No. 9. Imbsen then responded to the second rejection letter by stating that there was no contractual basis for Caltrans to reject the West Tie-In Final Design submittal.¹¹ Caltrans' reply, however, was hard to ignore: "[I]f you [Imbsen] wish to proceed, the Department will accept the West Tie-In final design submittal for review but will not be modifying the deck drainage criteria and your submittal will eventually be rejected for failing to meet the criteria."¹²

⁹ Individual Caltrans reviewers requested that Imbsen calculate vertical, horizontal and longitudinal displacements at stringer-to-floorbeam connections induced by: specified concrete deck pour dead loads; wind induced loads during construction; combined effect of the two specified construction loads and the equipment used during the deck pour stages, as well as differential temperature induced displacements and fabrication/assembly tolerances.

¹⁰ State Letter 05.03.01-000622, dated November 21, 2005.

¹¹ Imbsen Letter No.59.

¹² State Letter No. 05.03.01-000348, dated March 24, 2005. This was not the only time that Caltrans conditioned its approval of Imbsen design submittals on additional, extra-contractual requirements that Imbsen was to satisfy. For instance, after the DRB recommended in June of 2005 that no change order should be required in connection with NOPC No. 3 to enable Imbsen to proceed with the design

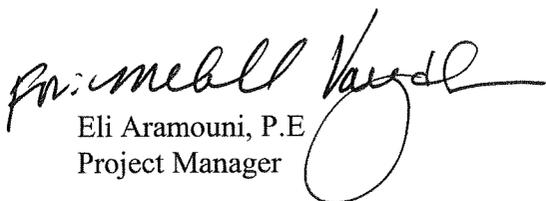
Imbsen's ability to efficiently design the Project was repeatedly frustrated by Caltrans. Not only did Caltrans use a higher standard of review to extract design enhancements from Imbsen and the design-builder, it also set up a moving target in the form of the "to the satisfaction of the [Caltrans] Engineer" standard that made it virtually impossible for Imbsen to succeed. Consequently, Imbsen is entitled to additional compensation for its extra-contractual efforts.

Conclusion

The Contract has experienced, and continues to experience, a substantial change in the character of the work because of the timing of the TBS's tie-in to the main span projects.¹³ This change in the character of the Project warrants a re-evaluation of the original contractual goals and also necessitates additional compensation to Imbsen. As for the additional compensation to which Imbsen is entitled, enclosed herewith is a detailed breakdown of the costs incurred by Imbsen in trying to meet the challenges created by Caltrans on the Project. But for these challenges, Imbsen could have, and would have, prepared and delivered its design in an efficient manner consistent with the competitive bid to which Caltrans is the ultimate beneficiary.

Imbsen welcomes the opportunity to discuss these issues in more detail with representatives of Caltrans and C.C. Myers, and sincerely hopes that the outstanding NOPCs can be brought to a mutually-agreeable conclusion in short order without further delay and additional expense.

Sincerely,



Eli Aramouni, P.E.
Project Manager

cc: IAI File, EA, MV, LS, SD,

Enclosures

of the East Tie-In, Caltrans insisted on a change order that would have required Imbsen to stamp its Engineer Seal on the cover sheet of the new design criteria. It was conveyed to Caltrans through meetings and correspondence that this was not a requirement of the Contract and inconsistent with the DRB's recommendations. Nevertheless, Imbsen proposed several possible changes to the proposed change order to appease Caltrans. However, in January 2006, some five months later, Caltrans issued its CCO 35 change order and stated separately that: "The Department will not be in the position to accept the East Tie-In Superstructure Design Package until CCO 35 is executed. Please expedite the processing of this CCO." State Letter No. 05.03.01-000655, dated January 17, 2006.

¹³ The conclusion that the contractual goals for the Project have dramatically changed since the time of Contract award should not be controversial given Caltrans' recent directive to eliminate the East Tie-In and West Tie-In design components, and given Caltrans' direction to redesign the Viaduct for a stand-alone condition.

TRC Imbsen

**San Francisco Oakland Bay Bridge
Temporary Bypass Structure
Contract No. 04-0120R4**

Cost Compilation

October 30, 2006

Navigant Consulting, Inc.
101 Federal St.
Boston, Ma 02110

617-748-8300

UNDERSTANDING

Caltrans has eliminated certain work scope and has issued a cease work directive to Imbsen regarding East Tie In and West Tie In design activities. Caltrans has requested that Imbsen provide its cost of performance of the design services regarding the previously identified changes in project scope. These changes were noticed to Caltrans as Notice of Potential Claim (NOPC) 2, 3, 8, 9 and 16.

METHODOLOGY:

The pricing study for the NOPC values was developed from a methodical review of the job cost accounting entries maintained by Imbsen in order to discretely price the NOPC's to the greatest extent reasonable and to evaluate the remaining disruption effects in a fair and reasonable manner. Detailed exports of the accounting data were obtained from the Imbsen time tracking, expense, and subconsultant cost accounting system to track the periodic recorded costs of the project from its inception thru June 23, 2006. The values of these detailed reports were confirmed to the summary level accounting reporting and demonstrated a material consistency of the data. A detailed printout of the accounting system reporting of time and expense charges to the TBS project are attached to this study.

The development of the pricing detail followed a screening process to ensure that labor impact estimates were limited to the actual results recorded in the Imbsen cost records. Imbsen project personnel developed estimates of the work that were a direct result each of the impacting events resulting from a Caltrans action or inaction. The initiation date of each impact was determined and the resulting deliverable responding to the impact was identified, forming a window of time during which the impact was resulting in changed work for Imbsen. Hour estimates for each level of Imbsen professionals (Principals, project manager, senior engineers, CADD, etc) were developed for each impact window. This procedure was performed for NOPC's 2, 3, 8 and 9.

Since the periods of time impacted by each NOPC overlap with each other, a risk of duplicating the estimated hours needed to be resolved. A methodical approach was followed for the hours estimated by Imbsen for each NOPC by employee classification. The manhours for each estimated impact window were flagged for each NOPC. This process followed a "First In First Out" approach. For example, once NOPC 2 used the hours, they were not available to be used by NOPC 3, 8 or 9. If the recorded hours in a time band were fully consumed, the estimates for the NOPC pricing were reduced to the hours available during the time impact window.

The purpose of this approach was not to make a discrete determination that the flagged time entries were spent exclusively on the estimated impact event; rather the goal was to ensure that the Imbsen estimated efforts were supportable by time accounting entries during each impact period. This approach resulted in a reduction to the estimated hours that Imbsen independently developed for each NOPC where necessary.

LABOR COSTS:

The Imbsen job cost accounting records track a raw labor cost for each time entry. Based on the flagging process for the discrete estimated NOPC's, the recorded raw labor cost for each employee classification and NOPC was accumulated. The incurred rate of fringe benefits was applied to the raw labor amounts to determine the recorded direct labor cost per the Caltrans Standard Specifications. The incurred rate of overhead was then applied to the direct labor cost.

After each of the four discretely estimated NOPC's were prepared, the remaining labor and expense entries were evaluated. These entries included both the planned scope of work and the efficiency impacts to the project based on the issues alleged by Imbsen in NOPC 16. The full schedule of values amounts were deducted from unapplied labor and cost entries to determine the remaining labor costs resulting from NOPC 16.

OTHER COSTS

Imbsen also incurred additional subconsultant expenses, received subconsultant claims and incurred rate escalation on its construction engineering services with CC Myers, none of which were anticipated or contemplated in the bid procedures. The amounts that Imbsen determined were associated with the Caltrans actions and inactions associated with each NOPC were included as discrete elements of the quantification.

ADJUSTMENTS, PROFIT & CONTINUING COSTS:

In recognition that IAI was not without fault in its performance of the project work, an evaluation of a downward adjustment in the amounts requested needed to be developed in order to present a fair and reasonable amount that would be recoverable by Imbsen. Based on Imbsen's normal estimating practices and experience, a five percent adjustment to the total amounts being requested from Caltrans for NOPC 2, 3, 8, 9 and 16 was determined. This adjustment was applied to the quantification of NOPC 16, since that NOPC's pricing follows a modified total cost estimation methodology.

Appropriate rates for profit were applied and interest was calculated in accordance with Standard Specifications, Special Provisions, and Imbsen practices. Imbsen has and will continue to incur continuing project management costs associated with the negotiation and resolution of the contract closeout and has included a provisional amount for its estimated future expenditures. Any such amount would be adjusted to match the actual costs incurred at the time of resolution.

San Francisco Oakland Bay Bridge Temporary Bypass Structure
Cost Detail in Support of Imbsen NOPC's
NOPC's 2, 3, 8, 9, 16 - Preliminary Summary

Description	NOPC 2	%	NOPC 3	%	NOPC 8	%	NOPC 9	%	NOPC 16	%	TOTAL	%
Additional Direct Costs (NOPC's 2,3,8 & 9)												
Principal	\$ 4,337	14.3%	\$ 428,087	12.6%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 432,424	10.4%
Project Manager	3,567	11.8%	-	0.0%	78,003	14.0%	85,150	54.2%	-	0.0%	166,720	4.0%
Senior Project Specialist	-	0.0%	321,178	9.4%	-	0.0%	-	0.0%	-	0.0%	321,178	7.7%
Project Engineer	4,068	13.4%	292,031	8.6%	212,886	38.2%	21,486	13.7%	-	0.0%	530,471	12.8%
Senior Engineer	4,967	16.4%	25,860	0.8%	15,905	2.9%	8,326	5.3%	-	0.0%	55,058	1.3%
Engineer	7,554	24.9%	91,300	2.7%	224,200	40.2%	26,130	16.6%	-	0.0%	349,184	8.4%
CADD Technician	5,799	19.1%	141,795	4.2%	26,128	4.7%	15,917	10.1%	-	0.0%	189,639	4.6%
Clerical	-	0.0%	51,980	1.5%	-	0.0%	-	0.0%	-	0.0%	51,980	1.3%
Specialist / Consultant Expense	-	0.0%	2,048,608	60.2%	-	0.0%	-	0.0%	-	0.0%	2,048,608	49.4%
Subtotal - Direct Costs (NOPC's 2,3,8 & 9)	\$ 30,292	100%	\$ 3,400,839	100%	\$ 557,122	100%	\$ 157,009	100%	\$ 157,009	100%	\$ 4,145,262	100.0%
Additional Direct Costs (NOPC 16)												
Project Management												
West Tie In Design Labor									\$ 158,730	7%	\$ 158,730	7%
Viaduct Design Labor									643,889	30%	643,889	30%
East Tie In Design Labor									584,055	28%	584,055	28%
Specialist / Consultant Expense									529,679	25%	529,679	25%
Geotechnical Consultant Expenses									129,103	6%	129,103	6%
Rate Escalation (post 1/1/05)									55,900	3%	55,900	3%
Subtotal - Direct Costs (NOPC 16)									16,658	1%	16,658	1%
Subtotal - Direct Costs (NOPC 2,3,8,9 & 16)	30,292		3,400,839		557,122		157,009		2,118,014	100%	\$ 2,118,014	100.0%
Less: IAI Adjustment	-		-		-		-		(313,000)		(313,000)	-5.0%
Subtotal - Direct Costs before Markup	30,292		3,400,839		557,122		157,009		1,805,014		\$ 5,950,276	
Markup (A)	3,029		442,514		55,712		15,701		221,052		738,008	
Subtotal before Interest	33,321		3,843,353		612,834		172,710		2,026,066		\$ 6,688,284	
Interest (B)	3,845		409,396		44,729		11,839		61,948		531,757	
TOTAL	\$ 37,166		\$ 4,252,749		\$ 657,563		\$ 184,549		\$ 2,088,014		\$ 7,220,041	
Contract Administration											350,000	
Total Amount Requested											\$ 7,580,041	

Notes:

- (A) 10% for Labor per IAI rates and 15% for specialist costs per section 9-1.03B
- (B) 6% from 61 days after the NOPC submission per section 5-1.03 of the contract.
- (C) Costs are through 6/23/06.

Assumptions:

- 1) IAI will receive full payment of unpaid contract bid values (approximately \$211,000) and retention held on IAI Contract values (approximately \$184,000).
- 2) Estimated Contract Administration will be adjusted to actual cost at settlement.

San Francisco Oakland Bay Bridge Temporary Bypass Structure
NOPC 2

Labor Cost Markup by Project Segment

Personnel Classification	Labor Mark-Ups				Totals
	(A)	(B)=(A)*43.35%	(C)=(A)+(B)	(D)=(C)*92.91%	
Raw Labor Cost	Fringe Benefits Markup (43.35%)	Direct Labor Cost	Overhead Markup (92.91%)		
Principal	\$ 1,568	\$ 680	\$ 2,248	\$ 2,089	\$ 4,337
Project Manager	1,290	559	1,849	1,718	3,567
Senior Project Specialist	-	-	-	-	-
Project Engineer	1,471	638	2,109	1,959	4,068
Senior Engineer	1,796	779	2,575	2,392	4,967
Engineer	2,732	1,184	3,916	3,638	7,554
CADD Technician	2,097	909	3,006	2,793	5,799
Clerical	-	-	-	-	-
Subtotal	\$ 10,954	\$ 4,749	\$ 15,703	\$ 14,589	\$ 30,292

San Francisco Oakland Bay Bridge Temporary Bypass Structure
NOPC 3

Labor Cost Markup by Project Segment

Personnel Classification	Labor Mark-Ups				Totals
	[A]	[B]=[A]*43.35%	[C]=[A]+[B]	[D]=[C]*92.91%	
Raw Labor Cost	Fringe Benefits Markup (43.35%)	Direct Labor Cost	Overhead Markup (92.91%)		
Principal	\$ 154,803	\$ 67,107	\$ 221,910	\$ 206,177	\$ 428,087
Project Manager	-	-	-	-	-
Senior Project Specialist	116,143	50,348	166,491	154,687	321,178
Project Engineer	105,603	45,779	151,382	140,649	292,031
Senior Engineer	9,351	4,054	13,405	12,455	25,860
Engineer	33,016	14,312	47,328	43,972	91,300
CADD Technician	51,275	22,228	73,503	68,292	141,795
Clerical	18,797	8,148	26,945	25,035	51,980
Subtotal	\$488,988	\$ 211,976	\$ 700,964	\$ 651,267	\$1,352,231

San Francisco Oakland Bay Bridge Temporary Bypass Structure
NOPC 3

Specialist/Consultant Expense

Raw Costs by Vendor	
Specialist/Consultant	Cost
Buckland & Taylor	\$ 593,617
CH2M Hill	209,294
DMJM Harris	221,963
Ed Maechler Cadd Services	900
Stantec	3,700
TRC - Site Blauvelt	922,307
VE Solutions, Inc.	15,950
TRC - Sequeria	75,598
TRC Irvine	5,279
Total	\$ 2,048,608

San Francisco Oakland Bay Bridge Temporary Bypass Structure
NOPC 8

Labor Cost Markup by Project Segment

Personnel Classification	Labor Mark-Ups				Totals
	(A) Raw Labor Cost	(B)=(A)*43.35% Fringe Benefits Markup (43.35%)	(C)=(A)+(B) Direct Labor Cost	(D)=(C)*92.91% Overhead Markup (92.91%)	
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Project Manager	28,207	12,228	40,435	37,568	78,003
Senior Project Specialist	-	-	-	-	-
Project Engineer	76,983	33,372	110,355	102,531	212,886
Senior Engineer	5,752	2,493	8,245	7,660	15,905
Engineer	81,074	35,146	116,220	107,980	224,200
CADD Technician	9,448	4,096	13,544	12,584	26,128
Clerical	-	-	-	-	-
Subtotal	\$ 201,464	\$ 87,335	\$ 288,799	\$ 268,323	\$ 557,122

San Francisco Oakland Bay Bridge Temporary Bypass Structure
NOPC 9

Labor Cost Markup by Project Segment

Personnel Classification	Labor Mark-Ups				Totals
	(A) Raw Labor Cost	(B)/(A)*43.35% Fringe Benefits Markup (43.35%)	(C)/(A+B) Direct Labor Cost	(D)/(C)*92.91% Overhead Markup (92.91%)	
Principal	\$ -	\$ -	\$ -	\$ -	\$ -
Project Manager	30,792	13,348	44,140	41,010	85,150
Senior Project Specialist	-	-	-	-	-
Project Engineer	7,770	3,368	11,138	10,348	21,486
Senior Engineer	3,011	1,305	4,316	4,010	8,326
Engineer	9,449	4,096	13,545	12,585	26,130
CADD Technician	5,756	2,495	8,251	7,666	15,917
Clerical	-	-	-	-	-
Subtotal	\$ 56,778	\$ 24,612	\$ 81,390	\$ 75,619	\$ 157,009

**San Francisco Oakland Bay Bridge Temporary Bypass Structure
NOPC 16**

Remaining Cost Determination

	Project Segments				Totals
	Project Management	West Tie-In	Viaduct	East Tie-In	
Labor	\$ 705,063	\$ 1,177,407	\$ 1,137,766	\$ 977,446	\$ 3,997,682
Expenses	41,509	-	-	-	41,509
Direct Cost	746,572	1,177,407	1,137,766	977,446	4,039,191
Less: Bid Schedule of Values	587,842	533,518	553,711	447,767	2,122,838
Remaining Cost	\$ 158,730	\$ 643,889	\$ 584,055	\$ 529,679	\$ 1,916,353

Assumptions:

- 1) Full payment of Contract bid values
- 2) Full release of retention held on IAI contract values

**San Francisco Oakland Bay Bridge Temporary Bypass Structure
NOPC 16**

Labor Cost Markup by Project Segment

	Project Segments				Totals
	Project Management	West Tie-In	Viaduct	East Tie-In	
Raw Labor	\$ 254,962	\$ 425,769	\$ 411,434	\$ 353,460	\$ 1,445,625
Fringe benefits Markup (43.35%)	110,526	184,571	178,357	153,225	626,679
Direct Labor Cost	365,488	610,340	589,791	506,685	2,072,304
Overhead Markup (92.91%)	339,575	567,067	547,975	470,761	1,925,378
IAI Labor Costs	\$ 705,063	\$ 1,177,407	\$ 1,137,766	\$ 977,446	\$ 3,997,682

San Francisco Oakland Bay Bridge Temporary Bypass Structure
NOPC16

Management Expenses

Expenses		Totals	Cost Description	Totals
American Express	\$ 1,735	Kinko's	225	
April Copies	73	Lambert, Todd	17	
April In-House Copies	50	Li, Fang	383	
April Mileage	145	Long's Bakery	291	
Aramouni, Eli	875	Maechler, Terry	18	
August In-House Copies	181	March - April Postage	2	
August Mileage	17	March In-House Copies	29	
August Postage	2	March In-House Copies	154	
August/September In-House Copies	111	May In-House Copies	2,078	
Battinich, Julie	17	Metro Oven & Grill Inc.	339	
Bautista, Theresa	4	Metro, The	5,487	
Brownie's Blueprint Company, Inc.	1,121	Michael Hawthorne (P/C)	164	
California Overnight	31	Mileage	31	
Card Service Center - IAI	89	Mileage - December 2004	101	
Card Service Center - MV	252	Mileage posting Correction	138	
Card Service Center - RAI	669	Miscellaneous - Sac	345	
Central Parking System	213	Nissan Maxima 5/26/05 - 7/18/05	214	
Davis, Gerald	183	November In-House Copies	25	
Davis, Gerald - Operations Fund	42	November Mileage	75	
December in-house Copies	131	O1 Communications, Inc.	2,411	
Deposit	(30)	October In-House Copies	1	
Battinich, Julie	77	Metro Oven & Grill Inc.	1,273	
February In-House Copies	183	Pacific Service Center	1,050	
February Mileage	25	Regional Transit	120	
February Postage	5	Reina, Jonathan	5	
Federal Express Corporation	90	River City Bank - Aramouni Visa	40	
FedEx Kinko's	323	River City Bank - IAI M/C - SA	25	
FM-SPE, LLC	1,890	River City Bank - Imbsen G M/C SA	77	
Golden State Overnight	597	River City Bank - Imbsen Roy M/C	1,430	
Harris, Evan	25	River City Bank - Imbsen Roy Visa	32	
Hawthorne, Michael rrb P/C	212	River City Bank - Schrey - M/C SA	22	
Holman, Jennifer	144	Sarraf, Majid	214	
Imbsen In-house	3,266	SBC (Pacific Bell)	2,411	
Imbsen, Roy	108	Schrey, Lance	3	
January in house prints & reproductions	177	September In-House Copies	474	
January In-House Copies	35	Seberg, Hogri	61	
January In-House Prints & Reproductions	163	Terry Maechler	298	
January Postage	5	Three Towers Corp (FM-SPE, LLC)	1,275	
July In-House Copies	14	Togos	143	
July In-House Reproductions	362	UC Regents	40	
July Mileage	17	United Bakery & Company	35	
July/August In-House Copies	75	United Parcel Service	2,644	
July-Aug. Postage	3	Van Mileage	299	
June - July Mileage	38	Varzandeh, Mehrdad	3	
June In-House Copies	883	West Wind Laboratory, Inc.	2,187	
June/July In-House Copies	38	World of Good Tastes, Inc.	151	
		Total \$	41,509	

San Francisco Oakland Bay Bridge Temporary Bypass Structure
 NOPC 16

Specialist/Consultant Expense

Raw Costs by Vendor	
Specialist/Consultant	Cost
DMJM/Harris	\$ 19,793
MGE Engineering	95,375
Polglase Design Systems	2,550
VE Solutions, Inc.	11,385
Total	\$ 129,103

San Francisco Oakland Bay Bridge Temporary Bypass Structure
 NOPC 16
 Geomatrix Costs

Cost Description	Totals
Preliminary Engineering Analysis and Report Preparation	\$ 36,700
Field Investigation Task	12,300
Project Management	6,900
Subtotal	\$ 55,900

San Francisco Oakland Bay Bridge Temporary Bypass Structure
 NOPC 16
 Rate Escalation Markup

Cost Description	Totals
Total Rate Escalation	\$ 6,024
Fringe benefits Markup (43.35%)	2,611
Subtotal	8,635
Labor Markup (92.91%)	8,023
Rate Escalation Amount	\$ 16,658

**San Francisco Oakland Bay Bridge Temporary Bypass Structure
NOPC 16**

Rate Escalation Costs

Date	Labor Escalation										Totals	
	Personnel Classification											
	Principal	Project Manager	Senior Project Specialist	Project Engineer	Senior Engineer	Engineer	CADD Technician	Desktop Publishing	Clerical			
1/105 - 6/23/06												
Raw Labor	\$ 226	\$ 821	\$ 7,456	\$ 2,765	\$ 42,951	\$ 701	\$ 2,753	\$ -	\$ 1,237	\$ 58,910		
Less: Should have been	226	636	6,188	2,760	39,012	661	2,241	-	1,162	52,886		
Escalation	\$ -	\$ 185	\$ 1,268	\$ 5	\$ 3,939	\$ 40	\$ 512	\$ -	\$ 75	\$ 6,024		

Note:

- 1) The rate escalation is for the increased salaries of employees in the Construction Engineering cost accounting code after 12/31/04.

San Francisco Oakland Bay Bridge Temporary Bypass Structure
 NOPC 16
 IAI Adjustment Calculation

Cost Description	Totals
NOPC's 2,3,8 & 9	
Principal	\$ 432,424
Project Manager	166,720
Senior Project Specialist	321,178
Project Engineer	530,471
Senior Engineer	55,058
Engineer	349,184
CADD Technician	189,639
Clerical	51,980
Specialist / Consultant Expense	2,048,608
Total	\$ 4,145,262
NOPC 16	
Project Management	\$ 158,730
West Tie In Design Labor	643,889
Viaduct Design Labor	584,055
East Tie In Design Labor	529,679
Specialist / Consultant Expense	129,103
Geotechnical Consultant Expenses	55,900
Rate Escalation (post 1/1/05)	16,658
Total	\$ 2,118,014
NOPC Totals	\$ 6,263,276
IAI Adjustment	X -5%
	\$ (313,000)

Note:
 1) Rounded to nearest \$1,000.

San Francisco Oakland Bay Bridge Temporary Bypass Structure
NOPC Markup

	NOPC 2	NOPC 3	NOPC 8	NOPC 9	NOPC 16	Total
Direct Labor Cost before Markups	\$ 30,292	\$ 1,352,231	\$ 557,122	\$ 157,009	\$ 1,933,011	\$ 4,029,665
Labor Markup (10%)	10%	10%	10%	10%	10%	10%
Total Labor Markup	\$ 3,029	\$ 135,223	\$ 55,712	\$ 15,701	\$ 193,301	\$ 402,967
Direct Subcontractor Cost Before Markup	\$ -	\$ 2,048,608	\$ -	\$ -	\$ 185,003	\$ 2,233,611
Subcontractor Markup(15%)	15%	15%	15%	15%	15%	15%
Total Subcontractor Markup	\$ -	\$ 307,291	\$ -	\$ -	\$ 27,750	\$ 335,042
Total Markup	\$ 3,029	\$ 442,514	\$ 55,712	\$ 15,701	\$ 221,052	\$ 738,008

**NOPC 2,3,8,9 & 16
Interest Calculation**

NOPC #	Interest on Damages						Interest on Damages
	(A) NOPC File Date	(B)-(A)+61 NOPC File date + 61 days	(C)-(G)/(B) Days of Interest	(D)	(E)-(D)/(F)*(G/365)	(F)-(D)/(F)*(G/365)	
NOPC 2	08/27/04	10/28/04	702	\$ 33,321		\$	3,845
NOPC 3	10/20/04	12/21/04	648	3,843,353			409,396
NOPC 8	05/12/05	07/13/05	444	612,834			44,729
NOPC 9	06/08/05	08/09/05	417	172,710			11,839
NOPC 16	01/25/06	03/28/06	186	2,026,066			61,948
			Total	\$ 6,688,284		\$	531,757

Interest Rate	6%	[F]
Interest Calculated Through Date	9/30/2006	[G]
Interest per day Post 9/30/06	\$ 1,099	[H]-[F]/[D]*1/365

**San Francisco Oakland Bay Bridge Temporary Bypass Structure
Estimated Contract Administration Costs**

Cost Description	Totals
Contract Administration (\$15,000/month for 24 Months)	360,000
Subtotal	\$ 360,000

Note:

- 1) IAI Contract Administration will continue to resolution of the NOPC Negotiations. The projected costs will be adjusted to actual costs at settlement.
- 2) IAI estimates that it will incur Contract Administration Costs for legal and accounting assistance for this contract close out in excess of \$340,000 attributable to Caltrans.

**San Francisco Oakland Bay Bridge Temporary Bypass Structure
Fringe Benefits Rate Determination**

Account Name	Costs	
Labor Cost	\$9,160,247	[A]
Fringe Benefits	3,971,151	[B]
Fringe Benefits Percentage	<u>43.35%</u>	[C]=[B]/[A]

Notes:

- 1) The Labor Cost, and Fringe Benefits amounts are taken from the TRC Solutions, Inc. Overhead Rate Calculation submitted to Caltrans.

**San Francisco Oakland Bay Bridge Temporary Bypass Structure
Overhead Allocation Percentage Rate Determination**

Account Name	Costs	
Labor Cost	\$ 9,160,247	[A]
Fringe Benefits	3,971,151	[B]
Labor Cost Plus Fringes	\$ 13,131,398	[C]=[A]+[B]
Overhead Expenses	12,199,923	[D]
Overhead Allocation Percentage	<u>92.91%</u>	[E]=[D]/[C]

Notes:

- 1) The Labor Cost, Fringe Benefits and Overhead Expenses are taken from the TRC Solutions, Inc. Overhead Rate Calculation submitted to Caltrans.