STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION

CONTRACT CHANGE ORDER MEMORANDUM

TO: Pete Siegenthaler, Prin. TE / Gary Pursell, P.E., Sup T.E.	FILE: E.A. 04 - 0120F4
FROM: Gary Pursell, P.E., Sup.T.E.	CO-RTE-PM SF-80-13.2/13.9
	FED. NO.
CCO#: 97 SUPPLEMENT#: 0 Category Code: CHSA	CONTINGENCY BALANCE (incl. this change) $101,946,506.40
COST: $600,000.00 INCREASE ☑ DECREASE ☐	HEADQUARTERS APPROVAL REQUIRED? ☑ YES ☐ NO
SUPPLEMENTAL FUNDS PROVIDED: $0.00	IS THIS REQUEST IN ACCORDANCE WITH ENVIRONMENTAL DOCUMENTS? ☑ YES ☐ NO
CCO DESCRIPTION: S-Wire	**PROJECT DESCRIPTION:** CONSTRUCT SELF-ANCHORED SUSPENSION BRIDGE

Original Contract Time:	Time Adj. This Change:	Previously Approved CCO Time Adjustments:	Percentage Time Adjusted: (including this change)	Total # of Unreconciled Deferred Time CCO(s): (including this change)
2490 Day(s)	DEF Day(s)	30 Day(s)	1 %	7

THIS CHANGE ORDER PROVIDES FOR:

Providing additional materials, equipment, labor, and services for cable wrapping wire (S-Wire) as directed by the Engineer. Additional materials, equipment, labor, and services will include, but will not be limited to the following:

1. Price escalations beyond those quoted in the contract Special Provisions for sole-sourced supplied S-wire.
2. Irrevocable letter of credit to sole-source supplier Nippon Steel Corporation.
3. Contractor obtained product liability insurance for S-wire.
4. Furnish an additional ten (10) rolls of S-wire.
5. Purchasing S-wire from third party supplier.
6. Providing environmentally controlled storage and required additional handling for S-wire between time of arrival at the project and installation.

This change, for Cable wrapping wire (S-Wire,) provided by sole-source supplier Nippon Steel Corporation, listed under Section 10-1.60, "Cable System," subsection "MATERIALS AND FABRICATION," subsection "Cable Wrapping Wire" of the Special Provisions, addresses purchase requirements in the renegotiated sole-source agreement and also provides for project risk reduction measures not addressed in the Special Provision.

The Department has a sole-source agreement with Nippon Steel for S-wire, which will be used to wrap the main suspension cable. Prices quoted in the sole-source agreement are based on "normal market conditions." Due to unforeseen and extraordinary fluctuations in market conditions (i.e. devaluation of the US dollar & steel price escalations), Nippon Steel has refused to honor the sole-source agreement. Nippon Steel contends terms are no longer valid because "normal market conditions" no longer exist. This change addresses price escalations needed to purchase the S-wire, which are not provided for in the Special Provisions.

This change also addresses sole-source provider, Nippon Steel's, requirement that the Contractor provide an irrevocable letter of credit to facilitate the purchase of S-wire. This requirement is not addressed in the Special Provisions.

The Department is in agreement that since the S-wire is being purchased under the terms of a sole-source agreement, which does not provide product liability insurance, that the Contractor should not bear the risk associated with the quality or performance of the product. Therefore the Department will provide compensation for Contractor obtained product liability insurance.

As part of the Departments goal to reduce project risk additional S-wire will be purchased in the event that some rolls are found to be unsuitable for installation. Unsuitable S-wire would seriously impact the critical path of the project if replacement S-wire were not immediately available. Therefore, ten (10) additional rolls of S-wire will be purchased to reduce this risk.

In addition to the ten (10) additional rolls being ordered an additional amount of readily available S-wire shall be obtained from a third party supplier. This small amount of S-wire is needed for Contractor development of wrapping methods. The Contractor planned on ordering a small amount of S-wire early on but was unable due to problems with executing a purchase agreement with the sole-source supplier. To mitigate these delays the Department has located and will purchase S-wire from a third party supplier for the Contractor's development of wrapping methods.

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The S-Wire will be ordered and delivered well in advance of the installation schedule. In order to prevent corrosion and other adverse environment effects the Department will direct the Contractor to store the S-wire in a tightly controlled environment.

Payment for this work will be at Adjustment of Compensation at Force Account for an estimated cost of $600,000.00, which can be financed from the contingency fund. A detailed cost analysis is in the project files.

Adjustment of contract time is deferred pending completion of the work specified in this change as it may affect the controlling operation.

Design and Maintenance concurrence is not required since this change is addressed in the Special Provisions.

The Resident Engineer received an Issue and Approve (I&A) from the Division of Construction for this change on 3/13/2009.

CONCURRED BY:			
Construction Engineer:	Res. Eng., Gary Pursell, Sup. TE	Date	1/7/09
Bridge Engineer:	Struct Rep, Rick Morrow, Sup TE	Date	1/7/09
Project Engineer:	Marwan Nader	Date	4/1/09
Project Manager:	Proj Manager, Ken Terpstra	Date	1/15/09
FHWA Rep.:		Date	
Environmental:		Date	
Other (specify):	HQ, Rich Foley	Date	1/12/09
Other (specify):	PCE, Pete Siegenthaler, Prin TE	Date	1/8/09
District Prior Approval By:		Date	
HQ (Issue Approve) By:	HQ Bob Molera	Date	3/13/09
Resident Engineer's Signature:	Gary Pursell 4/1/09	Date	

ESTIMATE OF COST

	THIS REQUEST	TOTAL TO DATE
ITEMS	$0.00	$0.00
FORCE ACCOUNT	$0.00	$0.00
AGREED PRICE	$0.00	$0.00
ADJUSTMENT	$600,000.00	$600,000.00
TOTAL	$600,000.00	$600,000.00

FEDERAL PARTICIPATION

☐ PARTICIPATING ☐ PARTICIPATING IN PART ☑ NONE
☐ NON-PARTICIPATING (MAINTENANCE) ☐ NON-PARTICIPATING

FEDERAL SEGREGATION (if more than one Funding Source or P.I.P. type)
☐ CCO FUNDED PER CONTRACT ☐ CCO FUNDED AS FOLLOWS

FEDERAL FUNDING SOURCE	PERCENT

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