STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION

CONTRACT CHANGE ORDER MEMORANDUM

DATE: 09/01/2010

DC-CEM-4903 (OLD HC-39 REV. 6/93) CT# 7541-3544-0

TO Tony Anziano, Deputy Director Toll Bridge	FILE 04-0120F4 04-SF-80-13.2/13.9
FROM Peter Siegenthaler, Principal TE/Resident Engineer	
CCO NO. **160** / SUPPLEMENT NO. **0** / CATEGORY CODE **BZZZ**	CONTINGENCY BALANCE (including this change) **$228,502,769.01**
$184,000,000.00 INCREASE ☒ DECREASE ☐	HEADQUARTERS APPROVAL REQUIRED? YES ☒ NO ☐
SUPPLEMENTAL FUNDS PROVIDED $	IS THIS REQUEST IN ACCORDANCE WITH ENVIRONMENTAL DOCUMENTS? YES ☒ NO ☐
CCO DESCRIPTION: East End Delay Impacts	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)	**304** Day(s)	**227** Day(s)	**21** %	**6**

THIS CHANGE ORDER PROVIDES FOR:

The resolution of costs and time incurred by the Contractor for issues related to the development of shop drawings and the impacts to fabrication of the East End Orthotropic Bridge Elements including acceleration of construction operations to mitigate this delay. In addition, this change redefines bridge opening and attaches incentives and disincentives for attaining particular milestones. This change resolves the time, indirect and in some cases the direct costs of change orders, Requests for Change Orders (RFCO's) and Notices of Potential Claim (NOPCs) as indicated in Appendix 2.

This change order is written in accordance with the Claim Settlement Report (CSR) No. 2, dated September 2, 2010. The CSR has been read by the appropriate parties and they have agreed to sign the document. It is anticipated that the CSR will be fully executed by September 8, 2010. The CSR approves the payment of $185,000,000.00 of which there is $40,000,000.00 in possible incentives included in this amount.

This change order includes five (5) separate Sections. They are included in this change for the following reasons:

Section 1) East End Delay Impacts

The delay in approving the shop drawings not only resulted in extra work for the developers of the shop drawings but impacted the start of fabrication and the overall fabrication duration and start of construction activities on the project site as well. This change order provides compensation for the direct and indirect costs related to this change.

Payment for delay impacts will be Adjustment of Compensation at Agreed Lump Sum of $99,856,000.00, which can be financed from the contingency fund. A detailed cost analysis is included in the Claim Settlement Report.

Section 2) Acceleration of OBG Lifts 13 and 14

Delays in the approval of the East End Shop drawings and the resulting change in character of the work, if unmitigated would result in an extension to project completion. In lieu of providing all this requested time the Department will provide compensation to the contractor to accelerate construction operations – both at the fabrication facility and at the project site. These measures will be in addition to those already contemplated under separates changes.

Payment for acceleration of OBG Lifts 13 and 14will be Adjustment of Compensation at Agreed Lump Sum of $11,000,000.00, which can be financed from the contingency fund. A detailed cost analysis is included in the Claim Settlement Report.

Section 3) Ready for Seismic Safety Opening (RSSO)

This change order provides new dates and definitions for bridge opening. The bridge will be considered ready for traffic when the items of work identified in Appendix 1 necessary for bridge opening are completed. This allows the bridge to be opened to traffic more quickly than provided in the contract special provisions. Lane closures will be required and compensation will be deferred as outlined below. A time extension of 304 working days will be provided and contract item #5, "Time Related Overhead," will be increased accordingly.

The Contractor will submit a CPM schedule within 30 days that shows their plan for achieving the incentive milestone dates. In addition the Department and the Contractor will be discussing ways to have the schedule be utilized as a tool to plan work in the future instead of having it be a tool that documents and assesses impacts after they have already occurred. Any changes to the contract documents that would be required as a result of these discussions will be addressed in a separate change order.

An adjustment of contract time has been made in Claim Settlement Report #2. Adjustment of contract time has been determined to be 304 working days at $86,000.00 per day.

Contract time will be addressed by increasing contract item #5, "Time Related Overhead" at contract item prices for a net increase of $26,144,00.00, which can be financed from the available contingency funds.

Payment for acceleration of OBG Lifts 13 and 14will be Adjustment of Compensation at Agreed Lump Sum of $8,000,000.00, which can be financed from the contingency fund. A detailed cost analysis is included in the Claim Settlement Report.

Section 4) Work to be Completed After Seismic Safety Opening

As a result of changing the amount of work required to be completed prior to bridge opening, there will need to be contract work performed after the bridge opening. This work is identified in Appendix 1. The amount of work that will actually be done after bridge opening is unknown at this time but the parties agree that work performed after opening may need to be done different from how it was originally planned. A change order will be written at a later date to address changes in the character of the work that are needed.

Section 5) Incentive and Disincentive Provisions

This change order provides incentives for the delivery of the East End Elements as well as incentives and disincentives for having the bridge ready for traffic. The use of incentives is consistent with the Department's Risk Management plan to provide a proactive means to mitigate identified risk and impacts to the bridge opening schedule. In addition, this change is consistent with language in Assembly Bill 144, which provides funding for the project, created the TBPOC, and authorizes the Department "to include incentives and/or disincentives ... to encourage the timely completion of contracts."

Payment and/or Deductions for incentives and disincentives will be Adjustment of Compensation at Agreed Unit Price of up to $40,000,000.00, which can be financed from the contingency fund. A detailed cost analysis is included in the Claim Settlement Report.

Total approved amount of this change order is $185,000,000.00. The change order can be financed through the available contingency funds of $413,502,769.01, which includes $293,040,266.00 in additional funds approved by the TBPOC on 9-22-2010. Although at the present time, due to the State not having an approved budget in place, the available contingency balance is only $120,462,503.01. This is not sufficient to finance the entire approved amount of this change. Therefore, only the Adjustment of Compensation at Lump Sum items, amounting to $118,856,000.00, will input into the accounting system. This will enable the Department to make required payments to the Contractor. It is anticipated that all the items addressed in this change will be inputted into the accounting system as soon as the additional approved funds are made available.

This change order is submitted by Peter Siegenthaler (Principal Construction Engineer and Resident Engineer). Approval of this change order is recommended by Jon Tapping (Division of Construction Coordinator), Tony Anziano (Deputy Director Toll Bridge Program), Mark Leja (Chief of Division of Construction), and Daniel A. Near (Assistant Chief Counsel Legal, Legal Division—Contracts). Richard Land (Chief Bridge Engineer) approves of this change. Design and Maintenance concurrence are not required for this change.

TBPOC approved this change order on September 2, 2010.

CONCURRED BY:	
CONSTRUCTION ENGINEER PCE, Pete Siegenthaler	DATE 9/2/10
SR. BRIDGE ENGINEER (Not Required)	DATE Not Required
FHWA REPRESENTATIVE	DATE
PROJECT MANAGER Proj. Manager, Ken Terpstra	DATE 9/2/10
OTHER (SPECIFY)	DATE
Program Manager, Tony Anziano	9/2/10
Project Risk Coordinator, Jonathan Tapping	9/2/10
Asst. Chief, Legal, Daniel Near	9/2/10
Chief Engineer, Richard Land	9/2/10
HQ Liaison, Rich Foley	9/2/10
PCE, Peter Siegenthaler, Prin TE	DATE
DISTRICT PRIOR APPROVAL BY Chief, Div of Construction, Mark Leja	DATE 9/2/10
HQ (ISSUE & APPROVE) (TO PROCEED) BY HQ Const, Larry Salhaney	DATE
RESIDENT ENGINEER SIGNATURE Pete Siegenthaler	DATE 9/29/10

ESTIMATE OF COST	THIS REQUEST	TOTAL TO DATE
ITEMS	$26,144,000.00	$0.00
FORCE ACCOUNT	$0.00	$0.00
AGREED PRICE	$0.00	$0.00
ADJUSTMENT	$158,856,000.00	$0.00
TOTAL	$185,000,000.00	$0.00

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

HC-39 Word(Rev.9/96)