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FEB 20 2019

Change Record



Washington State Department of Transportation

Contract Number 008670	Contract Title I-5 Portland Avenue to Port of Tacoma Road-Northbound HOV	Federal Aid Number None
Change Order Number 315	Change Description Project Closure - Settlement	Date Dec 18, 2018
Region Olympic Region	Project Engineer Chuck Meade <i>cm</i>	Phone Number 360-412-3420
Prime Contractor / Design-Builder Hamilton Construction Co.		

- Ordered by Engineer under the terms of Section 1-04.4 of the Standard Specifications or the RFP
- Change proposed by Contractor / Design-Builder

Evolution & Description Of Change

The Contractor requested reimbursement and relief for the issues listed below and as detailed in attachment C. The Project Engineer determined that it was in the best interest of the Agency to resolve the issues collectively rather than negotiating and processing them in individual change orders. Processing these issues together reduces the Agency's potential exposure to losing arguments in arbitration regarding issues being disputed individually.

- 1.) Extended overhead for working days added by change orders. This applies to the Contractor and two of the subcontractors.
- 2.) Disputed Work for the geosynthetic retaining wall portion of the NB Wall including excavation, fill material, and extended overhead. This applies to the Contractor and two of the subcontractors.
- 3.) Extra work along E. 28th Street not captured in change orders 130 or 169.
- 4.) Miscellaneous small items: CDF in an obstruction hole, Pier 1 fascia panel fitment under bridge 5-456E, and some minor force account items.
- 5.) Extra survey costs for plan changes and responses to RFIs, including recognition that the original subcontractor for surveying was fired and a replacement hired.
- 6.) TCS was observed performing OTCL, but an inspector did not recognize that payment was due.
- 7.) Quantity discrepancies between measurement in the field and the Contractor's assertion.
- 8.) Chitosan enhanced sand filtration maintenance labor hours disputed due to interpretation of the measurement statements for bid items 222 and 223.
- 9.) Under run bid items and an inefficiency for difficult versus easy work.
- 10.) Fuel tax increase during the life of the Contract impacted the subcontractor hauling soils.

Distribution: Copy of Change Record & Change Order w/Backup - Project Engineer
 Copy of ONLY Change Order - Prime Contractor / Design-Builder
 Copy of Change Record & Change Order w/Backup - Region Construction Office
 Electronic Copy & Original of Change Record & Change Order w/Backup - State Construction Office

Change Record

Contract Number 008670	Contract Title I-5 Portland Avenue to Port of Tacoma Road-Northbound HOV	Change Order Number 315
Basis of Cost & Justification: The Engineer's estimate of \$3,867,544 (attachment C) for the included issues, was estimated using the reviewed results of the Eichleay formula for overhead, AGC force account agreement overhead markups, Dept. of Revenue guideline reports for fuel tax, and assumptions based on knowledge of changing subcontractors and observed practices. The estimate shows that the agreed price of \$4,000,000 is reasonable. The Project Engineer determined, in accordance with Section 1-04.4, that an equitable adjustment per Section 1-09.4, for disputed issues was warranted for preempting the Contractor from exercising the provisions of Section 1-09.11.		
Contract Time: Adjustments to the number of working days for physical completion of the project relative to the Work represented in the corresponding issues covered by this change order have been addressed in previous change orders. Thus, no working day adjustments are necessary or warranted in this change order.		
Prior Approvals: Marco Foster, ASCE, approved the change on November 26, 2018 (attachment D). MaryLou Nebergall, RCE, approved the change on November 27, 2018 (attachment D). Chuck Meade, Project Engineer, approved the change on December 14, 2018 (attachment D).		
List Attachments: (A) Checklist (B) Change Order 315 (C) Estimate (D) Approvals		

Distribution: Copy of Change Record & Change Order w/Backup - Project Engineer
Copy of ONLY Change Order - Prime Contractor / Design-Builder
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**WASHINGTON STATE
DEPARTMENT OF TRANSPORTATION
CHANGE ORDER**



DATE: 12/10/18
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CONTRACT NO: 008670 FEDERAL AID NO:
CONTRACT TITLE: I-5, PORTLAND AVENUE TO PORT OF TACOMA ROAD - NORTH
CHANGE ORDER NO: 315 PROJECT CLOSURE - SETTLEMENT

PRIME CONTRACTOR: SW0017141 HAMILTON CONSTRUCTION CO.
PO BOX 659
SPRINGFIELD OR 97477-0121



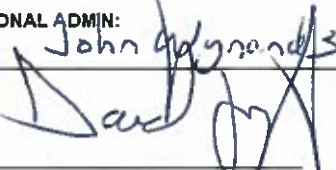
Ordered by Engineer under the terms of Section 1-04.4 of the Standard Specifications

Change proposed by Contractor

ENDORSED BY  <hr/> CONTRACTOR  <hr/> DATE 12-10-18	SURETY CONSENT: <hr/> ATTORNEY IN FACT <hr/> DATE
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ORIGINAL CONTRACT AMOUNT: 134,709,929.50
 CURRENT CONTRACT AMOUNT: 143,436,776.24
 ESTIMATED NET CHANGE THIS ORDER: 4,000,000.00
 ESTIMATED CONTRACT TOTAL AFTER CHANGE: 147,436,776.24

Approval Required: Region Olympia Service Center Local Agency

<input checked="" type="checkbox"/> APPROVAL RECOMMENDED  <hr/> PROJECT ENGINEER 12/14/18 <hr/> DATE	<input type="checkbox"/> EXECUTED EXECUTED:  <hr/> STATE CONSTRUCTION ENGINEER 12/19/18 <hr/> DATE
<input checked="" type="checkbox"/> APPROVAL RECOMMENDED REGIONAL ADMIN: for John Gagnandis BY:  <hr/> DATE 12/18/18	<input type="checkbox"/> EXECUTED OTHER APPROVAL WHEN REQUIRED <hr/> SIGNATURE <hr/> DATE <hr/> REPRESENTING

**WASHINGTON STATE
DEPARTMENT OF TRANSPORTATION
CHANGE ORDER**

DATE: 12/10/18
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CONTRACT NO: 008670

CHANGE ORDER NO: 315

All work, materials, and measurements to be in accordance with the provisions of the Standard Specifications and Special Provisions for the type of construction involved.

This contract is revised as follows:

Description

The Contractor, Hamilton Construction Co., by the signing of this change order agrees and certifies that:

Except as specifically noted otherwise herein, upon payment of this change order in the amount of \$4,000,000.00, any and all claims in any manner arising out of, or pertaining to, Contract No. 8670, have been satisfied in full and the State of Washington is released and discharged from any such claims or extra compensation in any manner arising out of Contract No. 8670.

Exception

The Contractor is entitled to compensation, but no Contract Time, for the Work completed under the following Contract items:

1. PSIPE for Bid Items 231 through 242
2. Change orders 208, 246, 291 295, 299, 300 and 304
3. Variation in estimated quantities (excluding Bid Items 4, 6, 54, 223, and 342)
4. Lining a City of Tacoma storm sewer
5. Transmittals requesting reimbursement for labor, equipment, and materials and services by invoice for force account items dated after June 4, 2018.
-Duplication of force account documentation or invoices will not be reviewed.

Measurement

No specific unit of measure will apply to the lump sum item for satisfying any and all claims arising from Contract No. 8670.

Payment

"CO-315, Negotiated Project Closure", lump sum.

The lump sum Contract price for, "CO-315, Negotiated Project Closure" in the amount of \$4,000,000.00 shall be full and final compensation and settlement for all costs of any nature for all Work performed except as noted.

Contract Time

Contract time for physical completion of the project is not adjusted for the Work in this change order.

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DEPARTMENT OF TRANSPORTATION
CHANGE ORDER**

DATE: 12/10/18
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CONTRACT NO: 008670	CHANGE ORDER NO: 315
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ITEM NO	GROUP NO	STD ITEM	ITEM DESCRIPTION	UNIT MEASURE	UNIT PRICE	EST QTY CHANGE	EST AMT CHANGE
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1194 609	01		CO-315, NEGOTIATED PROJECT CLOSURE	L.S.	0.00	0.00	4,000,000.00
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4,000,000.00



Cont. #: 008670..... Cont. Title: I-5 Portland Avenue to Port of Tacoma Road - NB HOV.....		If yes, State Construction Office Approval Required.
C.O. #: 315..... C.O. Title: Project Closure - Settlement.....		
I. Executed by the State Construction Office		
1. Cost or credit equal to or exceeding \$500,000. *1, *3		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Change in the contract documents beyond the scope, intent or termini of the original contract. *2		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3. Any proposed revision or deletion of work that affects the condition of award requirements. (Must be coded "CO" in CCIS, Includes changes to goal or commitment)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. Change in contract time greater than 30 working days, or a change in contract time not related to any change order. *1		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
II. Executed at the Region (Per Delegation)		
5. Determination of impacts and/or overhead.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. Change to Contract Provisions or Standard Plans.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7. Material or product substitution. (Excludes materials associated with Std. Specification Sections 6-07, 8-01, 8-02, 8-12, 8-18 & 8-20)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8. Structural design change in the roadway section. (Requires concurrence from designer)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9. Determination of changed condition. (Section 1-04.7 of the Standard Specifications)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
10. Settlement of a claim. (Section 1-09.11(2) of the Standard Specifications)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11. Repair of damage regarding "acts of God" or "acts of the public enemy or of government authorities". (Section 1-07.13 of the Standard Specification)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
12. Structural change to structures.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Approvals obtained:

Project Engineer: Chuck Meade..... Date: 12/14/2018.....

Region: Mary Lou Nebergall..... Date: 11/27/2018.....

State Construction Office: Craig McDaniel..... Date: 11/26/2018.....

Other (Local Agency, FHWA, Surety, etc.): Date:

To be completed by the Project Engineer :

CO Reason(s) (See "2008 Codes & Definitions" on State Construction Office web page): AB...01...UC...CS.....

Change Order Prepared By: Daniel Jones..... Date: 11/28/2018.....

Is this project under full FHWA stewardship oversight (Project Of Division Interest)? *1 Yes No

To be completed by the Region :

Is the change eligible for Federal participation where applicable? Yes No

Change Order Reviewed By: PAM CLOVER..... Date: 12/18/2018.....

*1 Change (Cost or Credit) greater than \$200,000 or greater than 30 days on Projects Of Division Interest (PODI) requires FHWA approval.

(see Construction Manual - Chapter 1-00.10, Chapter SS1-04.4, and State Construction Office web page)

*2 Per RCW 47.28.050, any change beyond \$7,500 that is beyond the original scope shall go through the competitive bidding process.

*3 Engineering error changes over \$500,000 requires reporting (See reporting instructions & template on State Construction Office web page)

This form represents the minimum information required by the State Construction Office. If you wish to supplement this information, you may do so on a separate sheet of paper.

C-8670 Change Order 315

Engineer's Estimate

Prime Contractor - Hamilton Construction Co.

Extended Overhead	<p>The Contractor requested compensation for working days added by previous change orders that were processed without negotiating additional on-site costs and extended overhead. Two subcontractors have also made this request as shown in their respective tabulations below.</p> <p>On-site costs + home office costs based on the Eichleay formula = \$18,176 / day X 77.5 days =</p>	\$1,408,640																														
<table border="1" style="border-collapse: collapse; margin-left: auto;"> <thead> <tr> <th style="text-align: left;">Change #</th> <th style="text-align: left;">Days</th> </tr> </thead> <tbody> <tr><td>15</td><td>6</td></tr> <tr><td>21</td><td>10</td></tr> <tr><td>28</td><td>3</td></tr> <tr><td>91</td><td>12</td></tr> <tr><td>153</td><td>13</td></tr> <tr><td>206</td><td>2</td></tr> <tr><td>212</td><td>4</td></tr> <tr><td>249</td><td>1</td></tr> <tr><td>279</td><td>8</td></tr> <tr><td>242</td><td>11</td></tr> <tr><td>286</td><td>2.5</td></tr> <tr><td>289</td><td>4</td></tr> <tr><td>Total</td><td>76.5</td></tr> <tr><td>Agreement</td><td>77.5</td></tr> </tbody> </table>		Change #	Days	15	6	21	10	28	3	91	12	153	13	206	2	212	4	249	1	279	8	242	11	286	2.5	289	4	Total	76.5	Agreement	77.5	
Change #	Days																															
15	6																															
21	10																															
28	3																															
91	12																															
153	13																															
206	2																															
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242	11																															
286	2.5																															
289	4																															
Total	76.5																															
Agreement	77.5																															

NB Wall - Overhead	<p>There was a 21 day risk exposure for the amount of time that the Contractor spent trying to work unsuitable soils in the geosynthetic retaining wall area of the NB Wall. The Contractor couldn't keep the water from the adjacent areas from entering what amounted to a bath tub of an excavation.</p> <p>On-site costs + home office costs based on the Eichleay formula = \$18,176 / day X 21 days =</p>	\$ 381,696
Extra work along E. 28th Street	Requested reimbursement in addition to scope of change orders 169 and 130. The majority of the issues were due to the Plans being related to the wrong survey Datum resulting in an approximately 18 inch vertical mistake for many of the features along the City streets.	\$ 50,000
Disputed F/A	Miscellaneous work	\$ 2,000
MMFD Obstruction	CDF to fill hole, HCC Letter	\$ 3,000
HCC Letter	Pier 1 shaft fascia panel interaction	\$ 6,500
Markup on Subcontractors	7% for all items listed for the subcontractors below	\$ 53,238

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Engineer's Estimate

Subcontractors

KLB Construction

Extended O/H	<p>The subcontractor requested compensation for working days added by previous change orders listed above that were processed without negotiating additional on-site costs and extended overhead.</p> <p>On-site costs + home office costs based on the Eichleay formula = \$7,380 / day times 77.5 days</p>	\$ 571,950
NB Wall - Overhead	<p>There was a 21 day risk exposure for the amount of time that the Contractor spent trying to work unsuitable soils in the geosynthetic retaining wall area of the NB Wall. The Contractor couldn't keep the water from the adjacent areas from entering what amounted to a bath tub of an excavation.</p> <p>On-site costs + home office costs based on the Eichleay formula = \$7,380 / day times 21 days =</p>	\$ 154,980
NB Wall work	<p>Claimed costs for reworking weather sensitive material multiple times attempting to achieve compaction in water logged soils prior to requesting a material change.</p>	\$ 150,000
Disputed F/A	<p>The subcontractor requested the pumps used for TESC be paid the FHWA rate for all hours and disputed the payment calculations including ownership plus standby when the equipment wasn't in use.</p>	\$ 63,000
Monthly Discrepancies	<p>The subcontractor disputed field measurements versus the ticketed quantities of CSBC and Quarry Spalls, and Structure Ex Class B as these items were stockpiled on site.</p>	\$ 60,000
Chitosan Sand Filtration	<p>The lower tier subcontractor's operator disputed the inspector's field measurement of system time being used for chargeable labor hours applicable to bid items 222 and 223.</p>	\$ 135,000
Under run bid items	<p>The cost is based on the subcontractor's 11% fixed home overhead applied to the underrun for bid items 4, 6, 54, 223, and 342; and one inefficiency due to deleted work.</p>	\$ 42,000
Fuel Tax	<p>The Contractor requested relief for the federal gas tax increase of \$0.049 in 2016. The Project was bid in 2015 and completed in 2018.</p> <p>The jobsite vehicles roster was compared with Equipmentwatch consumption rates and the equipment used on-site per the IDRs to validate the Contractor's request.</p>	\$ 25,000

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Engineer's Estimate**

1 Alliance

Additional Survey Costs	<p>The Contractor requested relief for what they asserted as an excessive quantity of plan changes and RFIs. There were 1200 RFI's of which approximately 900 required field survey.</p> <p>4 crew hours / RFI X \$125 / crew hour X 900 RFIs =</p>	\$ 450,000
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The Traffic Control Company

TCS payment vs. OTCL	<p>The Contractor asserted that the TCS did not report working as Other Traffic Control Labor during a 15 month period of the project due to direction from an inspector.</p> <p>5hrs/day X 22days/mo X 15mo X \$75/hr X 2 shifts (Night & Day)</p>	\$ 247,500
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Totem Electric

Extended Overhead	<p>The subcontractor requested compensation for working days added by previous change orders listed above that were processed without negotiating additional on-site costs and extended overhead.</p> <p>On-site costs + home office costs based on the Eichleay formula = \$640 / day X 77.5 days =</p>	\$ 49,600
NB Wall - Overhead	<p>There was a 21 day risk exposure for the amount of time that the Contractor spent trying to work unsuitable soils in the geosynthetic retaining wall area of the NB Wall. The Contractor couldn't keep the water from the adjacent areas from entering what amounted to a bath tub of an excavation.</p> <p>On-site costs + home office costs based on the Eichleay formula = \$640 / day X 21 days =</p>	\$ 13,440

Total = \$3,867,544

HAMILTON CONSTRUCTION COMPANY
 JOBSITE OVERHEAD

EMPLOYEES

NAME	DESCRIPTION	HOURLY	WEEKLY	DAILY	NOTES
CONTRACT ADMIN			\$ 315.00	\$ 63.00	
EQUIPMENT MANAGER			\$ 275.00	\$ 55.00	
OPERATIONS MANAGER			\$ 1,125.00	\$ 225.00	
JEFF FIRTH	PROJECT MANAGER		\$ 2,200.00	\$ 440.00	
KATHLEEN WILCOX	PROJECT MANAGER		\$ 2,200.00	\$ 440.00	
BRAD SULLIVAN	PROJECT MANAGER		\$ 3,150.00	\$ 630.00	
JEFF PHILLIPS	PROJECT SUPT.	\$ 74.65		\$ 597.20	
MIKE STENGLE	GENERAL 4-MAN	\$ 72.15		\$ 577.20	
CRAIG ALMONT	FIELD ENGINEER		\$ 1,400.00	\$ 280.00	
CHRIS DUTY	FIELD ENGINEER		\$ 1,300.00	\$ 260.00	
ZACH ADAMS	FIELD ENGINEER		\$ 1,650.00	\$ 330.00	
STEVEN HAMILTON	FIELD ENGINEER		\$ 1,175.00	\$ 235.00	
VANESSA SANCHEZ	JOB OFFICE MANANGER	\$ 17.50		\$ 140.00	
DEREK BURR	SAFETY MANAGER		\$ 1,500.00	\$ 300.00	
MIKE PHILLIPS LLC	SAFETY CONSULTANT	\$ 70.00		\$ 560.00	

JOBSITE OVERHEAD COSTS

JEFF FIRTH	2016 F-250		\$ 207.85	\$ 41.57	
KATHLEEN WILCOX	2014 F-150		\$ 207.85	\$ 41.57	
BRAD SULLIVAN	2017 F-350		\$ 207.85	\$ 41.57	
JEFF PHILLIPS	F250 #210075			\$ 59.00	
MIKE STENGLE	F250 #210091			\$ 59.00	
CRAIG ALMONT	Toyota Tundra		\$ 207.85	\$ 41.57	
CHRIS DUTY	Ram 2500		\$ 207.85	\$ 41.57	
ZACH ADAMS	Ford F-150		\$ 207.85	\$ 41.57	
STEVEN HAMILTON	Ford F-150		\$ 207.85	\$ 41.57	
OFFICE/YARD RENT			\$ 3,421.41	\$ 684.28	

POWER, OFFICE INTERNET,
 PHONES, MOBILE, SANITATION

\$ 2,409.05 \$ 481.81

SUBSISTENCE - JEFF PHILLIPS
 SUBSISTENCE - BRAD SULLIVAN
 SUBSISTENCE - CHRIS DUTY
 SUBSISTENCE - CRAIG ALMONT

\$ 350.00 \$ 70.00
 \$ 400.00 \$ 80.00
 \$ 207.69 \$ 41.54
 \$ 245.67 \$ 49.13

JOBSITE EQUIPMENT

JOBSITE PICKUP		\$ 20.99		\$ 167.92	
JOBSITE FORKLIFT		\$ 70.48		\$ 563.84	
JOBSITE LIGHT PLANT		\$ 15.00		\$ 120.00	
JOBSITE COMPRESSOR		\$ 14.79		\$ 118.32	
JOBSITE WELDER		\$ 4.44		\$ 35.52	
JOBSITE 16' PULL TRAILER		\$ 1.87		\$ 14.96	
JOBSITE SEMI & TRAILER		\$ 73.26		\$ 586.08	
80' MANLIFT		\$ 67.37		\$ 538.96	
DRYSHACKS FOR CREWS			\$ 40.00	\$ 8.00	

JOBSITE TOTAL

\$ 8,758.76

Main Office Overhad Costs

\$ 9,574.50

Total

\$ 18,333.26

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HAMILTON CONSTRUCTION COMPANY
HOME OFFICE OVERHEAD

Main Office Overhead Costs:	3 Year Average (14,15,16)	2014	2015	2016
G&A per submitted statements	7,049,427	\$ 6,875,315	\$ 7,223,000	\$ 7,049,967
Meals & Entertainment	(427,053)	(405,695)	(391,362)	(484,102.00)
Charitable Contributions	(207,212)	(260,703)	(205,930)	(155,004.00)
Deferred Comp	(302,680)	(197,919)	(469,757)	(240,364.00)
Total Main office overhead costs	6,112,482	6,010,998	6,155,951	6,170,497
Annual Revenue	127,976,921	85,853,511	157,737,655	140,339,598.00
% of revenue	5%	7%	4%	4%
Cost Per Dollar of Gross Revenue		\$ 0.07	\$ 0.04	\$ 0.04

Total Contract	134,709,930
# of months contract scheduled	32
Contract Annual Revenue, based on months completion	50,516,224
% Annual Contract Revenue to total	39.5%

Contract portion of Main office OH cost	2,412,775
Monthly	201,065
Daily	9,574.50

KLB Construction, Inc. Extended Overhead Costs
WSDOT C8670 I5 Portland Avenue to Port of Tacoma NB HOV

	<u>3 Year Average</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
G&A Per Submitted Statements	\$8,840,072.67	\$9,443,282.00	\$9,170,451.00	\$7,906,485.00
Meals & Entertainment	-\$71,688.00	-\$81,420.00	-\$76,792.00	-\$56,852.00
Charitable Contributions	-\$92,665.33	-\$118,498.00	-\$106,014.00	-\$53,484.00
Total Main Office Overhead Costs	\$8,675,719.33	\$9,243,364.00	\$8,987,645.00	\$7,796,149.00
Annual Revenue	\$78,962,259.33	\$79,294,029.00	\$83,367,256.00	\$74,225,493.00
Percent of Revenue	11%	12%	11%	11%
Total Contract	\$32,000,000			
Number of Months Contract Scheduled	32			
Contract Annual Revenue	\$12,000,000			
Percent of Annual Contract Revenue to Total Revenue	15.2%			
Contract Portion of Main Office OH Cost	\$1,318,460.65			
Monthly	\$109,871.72			
Daily	\$4,994.17			

Extended Overhead Cost
 Project: I-5 Portland Avenue to Port of Tacoma NB HOV
 Estimate Completed By: Aiesh Ragih & Billy Dempsey
 Date: 10/5/17

Employee Overhead Cost					
Description	Employees	Hourly	Monthly	Daily	Time Assigned to Project
Project Manager	Aiesh Ragih	\$ 80.64		\$322.56	2.5 Days Per Week
Project Engineer	Billy Dempsey	\$ 49.32		\$394.56	Full Time
Project Superintendent	Chris Graham	\$ 68.84		\$275.36	2.5 Days Per Week
Project Foreman	Matt Rowland	\$ 68.84		\$550.72	Full Time
Project Assistant	Jan Stemp	\$ 25.00		\$80.00	2 Days Per Week
Project Assistant	Karoline Stallman	\$ 25.00		\$200.00	Full Time
Employee Total				\$1,823.20	
Jobsite Overhead Costs					
C195 Ford F150	Billy Dempsey	\$ 12.01		\$ 96.08	
C183 Ford F150	Aiesh Ragih	\$ 12.05		\$ 48.20	
C190 Ford F250	Matt Rowland	\$ 12.50		\$ 100.00	
C206 Ford F250	Chris Graham	\$ 17.54		\$ 70.16	
FB032 Ford F350 Flatbed	Jobsite Truck	\$ 25.85		\$ 206.80	
Office Rental			\$ 425.00	\$ 19.32	
Office Internet and Phones			\$ 150.00	\$ 6.82	
Mobile Phones			\$ 335.94	\$ 15.27	
Jobsite Total				\$ 562.65	
Main Office Overhead Costs					
Monthly Main Office Cost			\$109,871.72	\$4,994.17	
Main Office Total				\$4,994.17	
Total Overhead Cost Per Day				\$7,380.02	

Totem Electric of Tacoma, Inc.
Project Administration Costs
For Job #4410 - I-5 Portland Avenue to Port of Tacoma

Description	Costs Over Length of Project	Percentage Applied to Project	Cost Per Day (2)	Working Days Beyond Contract	Total Addtn'l Cost/Day
Project Manager	420,052.36 (3)	50.00%	214.31	1	214.31
Administrative Assistant	210,328.92	10.00%	21.46	1	21.46
Department Manager	612,431.84 (3)	10.00%	62.49	1	62.49
Safety Officer (Company-wide)	317,235.78 (3)	5.14%	16.64	1	16.64
Warehouse Staff	674,659.90 (3)	5.14%	35.39	1	35.39
Upper Management Support	806,284.35 (3)	5.14%	42.29	1	42.29
Accounting/Payroll Support	471,351.58	5.14%	24.72	1	24.72
Misc. Office Supplies	147,016.40	5.14%	7.71	1	7.71
Insurance	503,889.77	5.14%	26.43	1	26.43
Rent & Utilities	286,549.23	5.14%	15.03	1	15.03
Computer Costs	63,695.81	5.14%	3.34	1	3.34
Job Superintendent	550,022.89 (3)	10.00%	56.12	1	56.12
General Foreman	447,755.07 (3)	25.00%	114.22	1	<u>114.22</u>
Total Daily Cost					<u>640.15</u>

Contract without Claims	5,027,604
Total Billings Volume (1)	<u>97,874,719</u>
Percentage Related to This Job	<u>5.14%</u>

(1) Actual billings for the fiscal year ending September 30, 2017 divided by 365 multiplied by the number of days in the duration of the project. Projected billings based on average billings for the current Fiscal Year.

(2) Calendar Days - Duration of the Project 980

(3) Includes the value of Company vehicles

CONTRACT # 8670
CHANGE ORDER # 315
ATTACHMENT # C
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Jones, Daniel

From: Meade, Chuck
Sent: Friday, December 14, 2018 1:26 PM
To: Jones, Daniel
Cc: Davis, David (Olympic Region); Washington, Danika
Subject: FW: 8670: Global change approval

Hi Dan,

You have my approval for this Change. Also, below are region and HQ approval.

Thank you,

Chuck

From: Ziegler, Dave <ZiegleD@wsdot.wa.gov>
Sent: Friday, December 14, 2018 1:16 PM
To: Meade, Chuck <MeadeC@wsdot.wa.gov>
Cc: Washington, Danika <WashinD@wsdot.wa.gov>
Subject: RE: 8670: Global change approval

Let's go with yes.

From: Meade, Chuck <MeadeC@wsdot.wa.gov>
Sent: Friday, December 14, 2018 1:10 PM
To: Ziegler, Dave <ZiegleD@wsdot.wa.gov>
Cc: Washington, Danika <WashinD@wsdot.wa.gov>
Subject: FW: 8670: Global change approval

Hi Dave,

Can we consider the below e-mail from MaryLou approval for the change order from Region for \$4 Million?

Thank you,

Chuck

From: Nebergall, MaryLou <NebergM@wsdot.wa.gov>
Sent: Tuesday, November 27, 2018 2:07 PM
To: Foster, Marco <FosterM@wsdot.wa.gov>; Ziegler, Dave <ZiegleD@wsdot.wa.gov>
Cc: Meade, Chuck <MeadeC@wsdot.wa.gov>; Deffenbacher, Jon <DeffenJ@wsdot.wa.gov>
Subject: RE: 8670: Global change approval

Hamilton has accepted a settlement of \$4.0 M. They have asked that we execute the change order by December 31. I am assuming that this should not be a problem. Thank you to everyone for your efforts in making this happen!

From: Foster, Marco <FosterM@wsdot.wa.gov>
Sent: Monday, November 26, 2018 3:27 PM
To: Nebergall, MaryLou <NebergM@wsdot.wa.gov>; Ziegler, Dave <ZiegleD@wsdot.wa.gov>
Subject: FW: 8670: Global change approval

Good afternoon MaryLou/Dave,

Please use this email as HQ Construction approval to proceed. Craig has provided approval to \$4M.

Marco Foster
Assistant State Construction Engineer
(360) 705 – 7824 Desk
(360) 661 – 1746 Cell

From: Deffenbacher, Jon
Sent: Monday, November 26, 2018 2:53 PM
To: Foster, Marco <FosterM@wsdot.wa.gov>
Subject: FW: 8670: Global change approval

From: McDaniel, Craig
Sent: Monday, November 26, 2018 2:44 PM
To: Deffenbacher, Jon <DeffenJ@wsdot.wa.gov>
Subject: RE: 8670: Global change approval

Consider this as approval to proceed as described.

Craig McDaniel, PE
Deputy State Construction Engineer
WSDOT Headquarters Construction Office, Olympia
Office 360 705 7823
Cell 360 528 0644

From: Deffenbacher, Jon
Sent: Monday, November 26, 2018 1:31 PM
To: McDaniel, Craig <McDaniC@wsdot.wa.gov>
Cc: Foster, Marco <FosterM@wsdot.wa.gov>
Subject: FW: 8670: Global change approval

As we discussed with Chris last week, Olympic Region is seeking change approval as Marco outlines below. The spreadsheet contains the list of issues that are under consideration, but it is just a PEO working document to consider the range of cost exposure. The sheet does not represent the contractor's price position.

I recommend approval to negotiate up to \$4 million. The change order would be a clear all issues on the project through completion. If MaryLou is unsuccessful with Hamilton, she would recommend escalating the matter to this office. Please indicate if you approve of the change.

Jon

From: Foster, Marco
Sent: Monday, November 26, 2018 12:36 PM
To: Deffenbacher, Jon <DeffenJ@wsdot.wa.gov>
Subject: FW: 8670: Global change approval

Good afternoon Jon,

Per our discussion this morning – the Region is continuing to negotiate with the Contractor to resolve all outstanding issues (clear all) on contract 8670. The attached spreadsheet partially summarizes the disputed issues and costs have grown since this spreadsheet was first developed. Per my latest discussion with Marylou, the Region has determined it could justify settling these disputed issues at a cost of approximately \$4M and 78 working days.

I have been involved in the evolution of this negotiation for several months now and I support this proposed settlement. Since this change order will require execution by the Director – I would like to seek your concurrence with providing the Region with HQ Construction approval for this amount.

Marco Foster
Assistant State Construction Engineer
(360) 705 – 7824 Desk
(360) 661 – 1746 Cell

From: Foster, Marco
Sent: Sunday, November 4, 2018 8:17 AM
To: Ziegler, Dave <ZieglerD@wsdot.wa.gov>
Subject: RE: 8670: Global change approval

Hello Dave,

Please use this email as HQ Construction approval to settle this issue for up to \$3.5 M. I am very supportive of this clear all settlement and hopeful that Region and the Contractor will reach agreement. Thank you

Marco Foster
Assistant State Construction Engineer
(360) 705 – 7824 Desk
(360) 661 – 1746 Cell

From: Ziegler, Dave
Sent: Saturday, November 3, 2018 1:43 PM
To: Foster, Marco <FosterM@wsdot.wa.gov>
Subject: Fwd: 8670: Global change approval

Marco,

Based on discussions with Chuck, I am okay giving Region approval to settle the disputes on this project for the amount he requests in the email below. I am asking for HQ approval for the same.

Thanks.

Dave

Sent from my iPad

Begin forwarded message:

From: "Meade, Chuck" <MeadeC@wsdot.wa.gov>
Date: November 2, 2018 at 4:16:03 PM PDT
To: "Ziegler, Dave" <ZiegleD@wsdot.wa.gov>
Cc: "Washington, Danika" <WashinD@wsdot.wa.gov>
Subject: 8670: Global change approval

Hello Dave,

As discussed at our meeting today, I am requesting Region approval and concurrence for the ability to offer up to \$3,500,000 as a value to complete our global change order on Contract 8670.

This change order is being proposed in order to settle all outstanding disputes that we have on the Contract. Below is a list of disputes that this CO will include:

Extended OH
NB Wall Days
Disputed F/A
Survey costs due to plan changes & RFI's
Markup on RFI's
CO169 additional Cost
Subcontractor Subtotal Markup @ 7%
TCS payment vs. OTCL
TCS markup @ 7%
MMFD Obstruction
Additional concrete on River Bridge Girders

Premium on Paving for emergency
Pier 1 shaft fascia panel interaction
Disputed F/A
NB Wall work
NB Wall Days
Monthly Discrepancies
Chitosan
OVERS/UNDERS - KLB
Fuel Tax due to the gas tax increase on jobsite vehicles
NW Boring F/A Discrepancies
DR4-30 Excavation Costs
T-Street Approach slab demo costs
Added SR167 closure
I-5 Paving NB Barrier

I can provide more background on these specific items if needed. Please let me know if you need any additional information and/or want the full item ledger we have been using for our discussions.

Thank you,

Chuck Meade, PE
Project Engineer, Lacey PEO
Office: (360) 412-3421
Cell: (360) 261-2219
meadec@wsdot.wa.gov