



Date: December 14, 2016

To: Mary Lou Nebergall
HQ Construction, MS 47354

Thru: Steve Roark/Dave Ziegler ~~SR~~
O.R. Operations, MS: 47440

From: ^{MB} Michele Britton, Port Orchard P.E.O.
360-874-3000

Subject: C 8677 SR 104
Hood Canal Bridge—Anchor Cable Replacement
F.A. Project No.NHPP-0104(053)
CO #026—Clear All

Requested Action:

Review Review and Region Execution Review and HQ Execution

- **Change Approval Date:** Michele Britton, PE (12/12/16); Dave Ziegler, OR (12/12/16); Mary Lou Nebergall, HQ (12/12/16)

Description of the Change

This change order provides compensation for a Changed Condition regarding the Split Guide Bushings replaced in 2015, reimbursement for added work by the tugboat Nancy M., and for added work performed on Anchor Cables AS, AN, ES, FN, L1N, and L2S in August and September 2016.

Evolution of the Change

Prime Contractor, Manson Const., claimed, in serial letter SL-014, that the existing split guide bushings for anchors AS and BN differed materially from what shown in the contract, and this contributed to the extra work and time required to remove them. WSDOT did not acknowledge a changed condition via serial letter SF15-193. After several meetings and correspondence, the parties agreed to submit the issue to a Disputes Review Board (DRB). The DRB found that the added work to remove the split-guide bushing constituted a changed condition and an equitable adjustment was warranted.

The contract required a final inspection report of all the cables on the west-half of the bridge. The report documented damage to the new anchor cables AN, AS, L1N and L2S and existing cable ES and FN. In addition to these six cables, the Engineer determined that the Cable MN was defective because the fully tensioned cable was not at the center of the track as required by the contract – it was cut too short. WSDOT ultimately rejected the cables in question and ordered the contractor to remove and replace all seven cables. Manson formally protested this order and the matter was also brought before the DRB. The DRB found that the acceptance criteria in the contract did not support rejection and replacement of the cables and, therefore, the added cost to replace cables AN, AS, L1N, L2S, ES, and FN was compensable. In the course of

replacing the damaged cables, the replacement cable for L1N was also damaged and had to be replaced again. This meant only 6 new cables were available for the 7 that needed replacement. It was determined that Cable L2S had the least amount of damage and could remain in place with some minor banding. The remaining cables, AS, AN, ES, FN L1N and MN, were replaced.

The hours of operation for the use of the tugboat Nancy M for holding the bridge in alignment during replacement of the MN anchor cable were in dispute; therefore, the reimbursement for the Nancy M was not included in Change Order #15. This dispute was also referred to the DRB for resolution. The DRB determined the MN cable was cut short, causing alignment problems with the bridge. Therefore, the Contractor is only entitled to the hours the Nancy M operated prior to the pinning of the MN cable.

DRB Ruling

The DRB ruled that the Contractor was entitled to compensation for replacement of AS, AN, ES, FN, L1N and L2S and for an equitable adjustment for Season 2015 replacement of the split guide bushings. The DRB ruled that the Contractor was not entitled to compensation for replacement of the MN cable.

After replacement of ES and FN, which occurred after the DRB ruling, the State examined the old cables and determined that the cable wires were broken by mechanical means and not by tensioning and re-tensioning as Manson had suggested in the DRB hearing. Because of this observation, the State does not accept the DRB ruling regarding full entitlement for ES & FN.

Entitlement

The Engineer has determined that the Contractor is entitled to receive compensation for the changed condition regarding the existing Split Guide Bushings, the cost to provide the Nancy M. to assist in maintaining the bridge alignment during replacement of the MN cable unrelated to the cable being too short, and replacement of Anchor Cables AS, AN, L1N, and L2S in full. The Contractor is entitled to a portion of the costs to replace existing cables ES and FN, since their replacement constitutes betterment to WSDOT.

Price

The independent Engineer's estimate of \$3,909,278.00 includes reimbursement for direct costs, impacts, and delays associated with the change condition of the existing Split Guide Bushings, direct costs including appropriate markups for the Nancy M. tugboat service, and the following for replacement of the anchor cables:

1. Actual costs to replace Cables AS, AN, L1N, L2S, and partial costs for cables ES and FN for the additional service life gained by their replacement.
2. Mobilization and Demobilization – reduced by the amount related to replacing Cable MN
3. Split Guide Bushing greasing, Small tools, and all other miscellaneous costs
4. Punch list and Cleanup
5. Markups for labor, equipment, materials, profit, bonding, overhead, etc.

Standard force account markups were not applied. Markup is limited to a flat rate of 14%. Rental equipment is capped at the AGC rental rate for rented equipment. Manson Equipment for the 30 Barge, Nancy M., & Southman were paid at the

requested rate from Manson for the first 40 hours in a week and at an estimated operating cost for any hours over 40 in the given week.

Recognizing the Contractor's entitlement for replacing the cables listed above, and in an effort to assist the Contractor in paying for suppliers and subcontractors in a timely manner, WSDOT made a partial payment of \$1,061,286 under Change Order #25. This amount has been deducted from the overall estimated amount due to the Contractor for this clear all change order resulting in the change order amount of \$2,847,992.00.

The Contractor declined to endorse this change order, so it will be processed unilaterally.

Contractor's Viewpoint

The Contractor did not provide an explanation for declining to endorse the change order; however, the Contractor had previously requested that WSDOT pay an additional \$3,631,681.94 for replacing the seven anchor cables, as well as \$1,509,591.46 for resolving the Spilt Guide Bushing issue.

Contract Time

This change does not affect contract time.

Attachments to Memorandum

Change Order Document
Change Order Checklist
Attachment A – Change/Verbal Approval
Attachment B – Engineer's Independent Estimate

MLB/SKC
File: C8677, OC16-089, 8.026
Serial File: SF16-214

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION CHANGE ORDER

DATE: 12/14/16
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CONTRACT NO: 008677 FEDERAL AID NO: NHPP-0104 (053)
 CONTRACT TITLE: SR 104, HOOD CANAL BRIDGE - ANCHOR CABLE REPLACEME
 CHANGE ORDER NO: 26 CLEAR ALL

PRIME CONTRACTOR: ██████████ MANSON CONSTRUCTION CO. HQ Contr _____
 PO BOX 24067 Contract File _____
 SEATTLE WA 98124-0067 Contractor _____

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

ENDORSED BY: _____ CONTRACTOR _____ DATE	SURETY CONSENT: _____ ATTORNEY IN FACT _____ DATE
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ORIGINAL CONTRACT AMOUNT: 7,324,203.00
 CURRENT CONTRACT AMOUNT: 9,521,304.02
 ESTIMATED NET CHANGE THIS ORDER: 2,847,992.00
 ESTIMATED CONTRACT TOTAL AFTER CHANGE: 12,369,296.02

Approval Required: PE Region Olympia Service Center Local Agency

<input checked="" type="checkbox"/> APPROVAL RECOMMENDED <input type="checkbox"/> EXECUTED _____ PROJECT ENGINEER _____ DATE 12/14/16	EXECUTED: mm 12/15/16 Robert E. Christopher III _____ STATE CONSTRUCTION ENGINEER _____ DATE 12/15/16
<input checked="" type="checkbox"/> APPROVAL RECOMMENDED <input type="checkbox"/> EXECUTED REGIONAL ADMIN: Kevin Dayton BY: _____ _____ DATE 12/15/16	OTHER APPROVAL WHEN REQUIRED _____ SIGNATURE DATE _____ REPRESENTING

**WASHINGTON STATE
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CHANGE ORDER**

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CONTRACT NO: 008677

CHANGE ORDER NO: 26

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

Upon payment of this change order in the amount of \$2,847,992.00, any and all claims in any manner arising out of, or pertaining to Contract No. 8677, including but not limited to those certain claims set forth in letters to the Department of Transportation regarding the removal and replacement of the Split Guide Bushings summarized in serial letter SL-032 dated December 18, 2016 (received via email December 23, 2015), signed by Eric Ramirez; Tug Boat Assistance by the Nancy M summarized in letters SL-031 and SL-033 dated December 9, 2015 and December 23, 2015 respectively, and signed by Eric Ramirez; and Cable Replacement in "Season 2" protested in SL-046, dated April 25, 2016 and signed by Eric Ramirez, and SL-063, dated November 7, 2016, signed by Eugene Quirm, 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. 8677.

Measurement:

No specific unit of measurement shall apply to the lump sum item CO 26 Clear All.

Payment:

"CO 26 Clear All", lump sum, shall be full payment to settle all protests and any and all claims regarding Contract No. 8677

Time:

Contract time is not affected by this change order.

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CONTRACT NO: 008677	CHANGE ORDER NO: 26
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ITEM NO	GROUP NO	STD ITEM	ITEM DESCRIPTION	UNIT MEASURE	UNIT PRICE	EST QTY CHANGE	EST AMT CHANGE
1009	01		CO 26 CLEAR ALL	L.S.	0.00	0.00	2,792,091.00
1009	02		CO 26 CLEAR ALL	L.S.	0.00	0.00	55,901.00

2,847,992.00



Change Order Checklist

Cont. #: <u>008677</u> Cont. Title: <u>Hood Canal Bridge Anchor Cable Replacement</u>		If yes, State Construction Office Approval Required.
C.O. #: <u>26</u> C.O. Title: <u>Clear All</u>		
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10. Settlement of a claim. (Section 1-09.11(2) of the Standard Specifications)		<input type="checkbox"/> Yes <input checked="" 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: Michele Britton Date: 12/12/2016

Region: Dave Ziegler Date: 12/12/2016

State Construction Office: Mary Lou Nebergall Date: 12/12/2016

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): Cause: SC Purpose: AW, DR

Change Order Prepared By: S. Cochran Date: 12/9/2016

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: Ron Chavez Date: 12/19/2016

*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.