

March 24, 2014

TO: Derek Case
MS 47354

THRU: Julie Meredith/Tom Horkan *JM*
NB 82-99 *TH*
DB

FROM: Dave Becher
(425) 576-7045

SUBJECT: Contract 008066
SR 520, Floating Bridge and Landings Project
Federal Aid No. BR-0520(047)
Change Order No. 142 – REA Settlement

Attached for Headquarters Construction execution and further processing is Project Office recommended Change Order No. 142 – REA Settlement.

Description of the Change:

This change is being processed as an Owner Initiated Change (OIC). This OIC makes an equitable adjustment to the contract with the Design-Builder, Kiewit/General/Manson (KGM), for time related impacts and associated added work resulting from WSDOT caused delays experienced on the Project. These WSDOT caused delays include both the late delivery of pontoons furnished by the State (PFS) and joining delays resulting from the repairs to four Cycle 1 PFS.

In 2013, it was determined that there was a WSDOT design error associated with the Type 1 and 3 (Longitudinal and Cross) pontoons being constructed under the Pontoon Construction Project (PCP). These pontoons built under the PCP Contract were to be delivered to KGM as PFS. This design error resulted in the late delivery of the PFS, and the need to perform crack repairs on four Cycle 1 PFS which had already been delivered to KGM.

The costs associated with the actual crack repair for the Cycle 1 PFS were settled in Change Order 108. Change Order 108 did not address costs associated with time related impacts.

The Design-Builder impact costs covered by this change order include but are not limited to the following major elements:

1. Additional pontoon moorage and towing costs
2. Additional lease expenses at CTC, the Port of Tacoma, and the Kenmore Industrial Park

3. Design-Builder time related indirect overhead for labor and equipment expenses
4. Design-Builder time related direct expenses
5. Design-Builder inefficiency costs as a result of the delay impacts
6. Escalation (labor and material) costs due to the extension of contract time
7. Subcontractor impacts
8. PFS Delivery (schedule mitigation) and other risks
9. Settlement of rebar congestion and electrical isolation issues at CTC
10. Increased Design-Builder insurance costs

In addition, as part of this change order agreement, this OIC settles and closes out thirty-nine Potential Change Orders (PCOs). These thirty-nine PCO issues are listed below:

1. PCO 8 – Betterment #3 Stormwater Treatment
2. PCO 65 – Eliminate Work in a Dewatered Setting – Cycle 1 PFS
3. PCO 105A – Delay in Delivery of Cycle 1 Pontoons
4. PCO 105F – OIC Impacts due to Cycle 1 PT Repairs – Reduced Tolerance for Bolt Installation
5. PCO 177D – Install UHMW Rub Strips
6. PCO 186 – Delay in Delivery of Cycle 2 Pontoons
7. PCO 186B – OIC Column Form Rental Escalation
8. PCO 186C – OIC Expiration of Copper Futures
9. PCO 201 – CTC Rebar Conflict
10. PCO 211 – OIC W/V Joining Delay
11. PCO 211B – OIC Bolt Removal/Cleaning/Storage
12. PCO 211C - OIC Move/Reset Column Towers
13. PCO 211F – OIC Additional Moorage Preparation at EB1
14. PCO 211G – OIC Demobilize Equipment
15. PCO 211H – Additional Storage for Bearings
16. PCO 211I – Co Equipment on Standby
17. PCO 211J – Diving Barge Standby
18. PCO 211K – Additional OS Engineering
19. PCO 211L – CTC Girder Stoppage
20. PCO 211M – Prepare Steel for Mothballing
21. PCO 211N – Additional PM Storage
22. PCO 211O – Additional Moorage
23. PCO 221O.3 – EB1 to Terminal 7 Additional Costs
24. PCO 211P – Remove Rubber Seal and Plug Inserts
25. PCO 211Q – Additional Tile Meters and Fender Brackets
26. PCO 211R – Cycle 3 Pontoons Hawse Pipe Covers
27. PCO 211T – Schedule Mitigation Options
28. PCO 221 – Betterment #10 Narrow Navigation Channel
29. PCO 222 – Betterment #8 Lowers Clearance Height
30. PCO 261 - Rebar Congestion at FRP (CTC)
31. PCO 262 – Modification of Couplers to Maintain Coverage

32. PCO 276 – Eliminate Work in a Dewatered Setting – Cycle 2-6 PFS
33. PCO 287 – Increase to Professional Liability Insurance
34. PCO 292 – Wrap Cycles 3-4 Columns
35. PCO 294 – Pontoon Monitoring and Damage
36. PCO 298 – DBE Electric Delay and Escalation
37. PCO 305 – PFS Availability Dates
38. PCO 308 – Bearing Plate Revisions @ Joining
39. PCO 323 – Pontoon Joining Bolt Air Test Failures

WSDOT does not find entitlement to all of these PCOs; however, the Design-Builder agreed that the settlement negotiated for this change order resolved and closed all of these issues regardless of the entitlement.

Also, this OIC closes and settles time and DBE related waivers which were included in the following six previously executed change orders.

1. CO 41 – Revised Winter Joining
2. CO 58R1 – Force Account Underwater Inspection and Repair Plan
3. CO 73 – Rock Barge Availability
4. CO 108 – PFS Cycle 1 Repair
5. CO 122R1 – PPDB Revisions
6. CO 128 – Westside Staging Area

Additional details for these PCOs and copies of these executed change orders are provided as part of the back-up documentation for this change order.

This change order makes a number of revisions to the Contract Documents, including the Contract Form, the RFP as well as the Contract Appendices. These changes are described below:

CONTRACT REQUIREMENTS:

The Design-Build Contract Form shall be modified as follows:

The following sentence in Item 4.1 Time for Completion shall be deleted:

“Design-Builder shall achieve Substantial Completion within 1429 Calendar Days starting on the first Calendar Day after the effective date NTP 2.”

And replaced with:

“Design-Builder shall achieve Substantial Completion within 1701 Calendar Days starting on the first Calendar Day after the effective date NTP 2.”

The following Betterments identified under Exhibit B - WSDOT Identified Betterments shall be deleted:

“3. The Design-Builder’s design provides a Continuous Deflective Separation (CDS) System as described in proposal pages 3-7 and 5-10.”

“8. The Design-Builder’s improved vertical clearances as described in the proposal pages 5-4 and 5-6.”

“10. The Design-Builder’s shift of Pier 1 to the east providing a wider navigational channel, as described in the proposal page 5-14.”

General Provisions – RFP Chapter 1 shall be modified as follows:

The following shall be inserted after the first paragraph in Section 1-07.11(2).1 Disadvantaged Business Enterprise Participation Requirements for Design-Build Contracts:

“Monies paid under Change Order for administrative overhead, delay and impacts to the Work that do not include opportunities for sub- contractible work, and therefore DBE participation, should be documented and will be considered accordingly as part of the good faith effort.”

Add the following section:

“1-08.3(6).2 Revised Baseline Contract Schedule

Within 30 Calendar Days after the execution date of 008066 Change Order 142 that includes a time extension, the Design-Builder shall prepare and submit for WSDOT’s acceptance a Revised Baseline Contract Schedule that incorporates the extension of the Contract Time. Contract requirements pertaining to the Baseline Contract Schedule shall also pertain to the Revised Baseline Contract Schedule, unless specified otherwise in this section. The Revised Baseline Contract Schedule shall include actual dates and actual costs from the most recently approved Monthly Contract Schedule Update.

A single schedule may be submitted as the current Monthly Contract Schedule Update and the Revised Baseline Contract Schedule, provided it is indicated as such in the Monthly Contract Schedule Update documents, and meets the requirements of the Revised Baseline Contract Schedule. If submitted separately from the current Monthly Contract Schedule Update, the Revised Baseline Contract Schedule shall include All Monthly Contract Schedule Update Submittals specified in Section 1-08.3(7).

Upon submission of the Revised Baseline Contract Schedule, WSDOT will have 10 Calendar Days to review and accept/reject the submittal. If rejected, the Design-Builder shall have 7 Calendar Days to re-submit the Revised Baseline Contract Schedule. WSDOT will then have 7 Calendar Days to review and accept/reject the re-submittal. Each subsequent re-submittal will follow the 7 Calendar Day time requirements.

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The initial schedule submittal will be known as "Revised Baseline Candidate 0. Subsequent re-submittals will be called Revised Baseline Candidate 1, 2, 3, 4 as required. The approved Revised Baseline Contract Schedule shall become the Baseline Contract Schedule.

This Revised Baseline Contract Schedule and successor Monthly Contract Schedule Updates, when accepted by WSDOT, will form the basis of payment and the basis from which to measure delay for the Project.

For the Contract Time extension granted by 008066 Change Order no. 142, February 2014 Monthly Contract Schedule Update #30, submitted to and approved by WSDOT, shall be the Revised Baseline Contract Schedule.

Until the Revised Baseline Contract Schedule is accepted, up to two consecutive months after execution of 008066 Change Order No. 142, the Pay Application submitted with the proposed Revised Baseline Contract Schedule shall provide a vehicle for progress payment, including any earned revenue for 008066 Change Order No. 142 that initiates the submittal of a Revised Baseline Contract Schedule.

Any float generated by early completion of the PFS Cycle 1 Pontoon repair work relative to the date June 20, 2014, as specified in 008066 Change Order 108 shall be considered a resource exclusively for the use of the Design-Builder"

The following item under Section 1-08.9(1) LIQUIDATED DAMAGES FOR LATE COMPLETION shall be deleted:

"a) For failure to achieve Substantial Completion within the allotted Contract Time: \$50,000 per day until the date Substantial Completion is achieved;"

And replaced with:

"a) For failure to achieve Substantial Completion by October 1, 2016: \$50,000 per day until the date Substantial Completion is achieved;"

Section 1-08.11(3) INCENTIVE FOR COMPLETION PRIOR TO SUBSTANTIAL COMPLETION DEADLINE shall be deleted in its entirety and replaced with:

"1-08.11(3) Intentionally Omitted"

Section 1-09.9(5) STEEL ESCALATION COST ADJUSTMENT shall be deleted in its entirety and replaced with:

"1-09.9(5) Intentionally Omitted"

Technical Requirements – RFP Chapter 2 shall be modified as follows:

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Section 2.12.5.12.1.3 Pontoon Joint Seal shall be deleted in its entirety and replaced with:

"2.12.5.12.1.3 Pontoon Joint Seal

The Design-Builder shall provide closed cell rubber sealing strips for pontoons as indicated in the Outfitting and Assembly Minimum Technical Requirements (Appendix M23). Seals may be modified by the Design-Builder as needed to achieve a joint as described in Section 2.12.5.13."

Under Section 2.12.5.13 PONTOON ASSEMBLY as modified by 008066 Change Order Nos. 041 and 089:

Under the first bulleted item, delete:

"A joint clamping force shall be applied to the joint, and adjustable flat jacks shall maintain a fixed width joint (three inches nominal)."

And replace with:

"A joint clamping force shall be applied to the joint, and a width capable of achieving a grouted joint with no undue segregation or voids shall be maintained. The minimum joint width shall be twice the maximum aggregate size, or as otherwise approved by the Engineer. The maximum joint width shall be 5.5 inches or as otherwise approved by the Engineer."

Under the second bulleted item, delete:

"A dewatered setting is not required for the cleaning of the joints that join pontoons T, U, V, W, and their associated Supplemental Stability pontoons (pontoons TNW, TSW, TNE, TSE, UNW, USW, UNE, USE, VNW, VSW, VNE, and VSE); the cleaning of all other pontoon joints shall occur in a dewatered setting."

And replace with:

"A dewatered setting is not required for cleaning the joints."

Under the third bulleted item, delete:

" All neoprene sheets shall be fastened and adhered to the pontoon joint while in a dewatered setting. The pontoon joint surfaces that receive neoprene shall be clean of marine growth and film. The Design-Builder shall prepare and submit neoprene repair procedures to WSDOT for approval."*

All rubber seals shall be fastened and adhered to the pontoon joint after the joint has been cleaned of marine growth and film. A dewatered setting is not required for the installation of the rubber seals at the joints that join pontoons T, U, V, W, and their associated Supplemental Stability pontoons (pontoons TNW, TSW, TNE, TSE, UNW,

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USW, UNE, USE, VNW, VSW, VNE, AND VSE); the rubber seal installation at all other Pontoon joints shall occur in a dewatered Setting."

And replace with:

" Neoprene sheets for cycle 1 PFS shall be fastened and adhered to the Pontoon joint while in a dewatered setting. Neoprene sheets for cycles 2-6 PFS may be fastened and adhered to the Pontoon joint while in the casting basin or while floating on Lake Washington. The Pontoon joint surfaces that receive neoprene shall be clean of marine growth and film. The Design-Builder shall prepare and submit neoprene installation and repair procedures to WSDOT for approval for installation in both the casting basin and on Lake Washington. A dewatered setting is not required for the installation of the neoprene sheets.*

All rubber seals shall be fastened and adhered to the Pontoon joint after the joint has been cleaned of marine growth and film. Rubber seals may be fastened and adhered to the Pontoon joint while in the casting basin or while floating on Lake Washington. A dewatered setting is not required for the installation of the rubber seals."

Add after the last bulleted item:

"The Design-Builder shall be responsible to meet the dimensions required to achieve Pontoon assembly for the floating bridge structure between the fixed East Approach and transition structures on the east and west ends between the fixed structures and floating bridge.

The Design-Builder shall be granted dimensional relief, if needed, on the minimum navigation channel widths as defined in RFP Section 2.12.3.5 and the USCG Bridge Permit. The Design-Builder will be responsible for costs to adjust the Pontoon joining seals within the tolerances provided for in this section. WSDOT will be responsible for all impacts if these tolerances must be exceeded."

Under Section 2.27.4.1 PONTOONS FURNISHED BY THE STATE (PFS) as modified by 008066 Change Order No. 030, delete:

"WSDOT will advise the Design-Builder of the anticipated date for physical completion of a given PFS approximately 14 Calendar Days in advance, and verification of the exact anticipated date and location 5 Calendar Days in advance. WSDOT will, upon 2 Calendar Days' notice from the Design-Builder, make arrangements with the PCP Contractor to provide access to the Design-Builder for the purpose of allowing the Design-Builder to conduct inspections and measurements of a given PFS, during the 5 Calendar Days prior to the date anticipated for pontoon physical completion."

And replace with:

*"The approximate PFS Construction Segment Acceptance for Cycles 3 through 6 will be:
Cycle 3 – October 10, 2013 (Actual)*

Cycle 4 – April 28, 2014
Cycle 5 – October 14, 2014
Cycle 6 – April 14, 2015

The Design-Builder shall make arrangements with the PCP Contractor to access and conduct inspections and measurements of a given PFS during a period 5 Calendar Days prior to the anticipated date for pontoon physical completion. The Design-Builder shall notify WSDOT of the dates and location 7 Calendar Days prior to starting inspections and measurements of a given PFS. The Design-Builder acknowledges and accepts that changes to the Construction Segment Acceptance date resulting from early completion or delays to the delivery that are the responsibility of the PCP Contractor shall be considered the responsibility of the Design-Builder. Such delays that are the responsibility of WSDOT shall be considered the responsibility of WSDOT.”

Section 2.27.6.3.1.3 Cleaning of PFS Required, as modified in 008066 Change Order No. 030, shall be deleted in its entirety and replaced with:

“2.27.6.3.1.3 Cleaning of PFS Required

If the Design-Builder does not relocate PFS to Inland waters in less than 180 Calendar Days of the PFS float-out from a Pontoon casting facility, cleaning of PFS for removal of invasive species per Section 2.27.6.3.3 shall be performed by the Design-Builder prior to moving the PFS to Inland waters. PFS cleaning, if requested by WSDOT or directed by permit agencies, will be reimbursable in accordance with General Provisions Section 1-04.4(1).”

Under Section 2.29.8.1 Existing Bridges, after the sentence, “These inspections shall be completed before the start of the storm season (October)”, insert:

“The cable inspections shall continue until Substantial Completion is attained. If Substantial Completion is not attained prior to October 1, 2016, continued inspections, if requested by WSDOT, will be reimbursable in accordance with General Provisions Section 1-04.4(1)”

The Contract Appendices shall be modified as follows:

Appendix B15, Steel Escalation Cost Adjustment, shall be deleted in its Entirety.

Appendix M22, Pontoon Minimum Technical Requirements, shall be modified as follows:

On Bridge Sheet No. SS27, “Temporary Construction Access Detail”, delete note:

“Minimum reinforcement lap length shall be as shown in Table 1.”

And replace with:

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“Minimum reinforcement lap length shall be as shown in Table 1; except that minimum lap length for No. 8 vertical reinforcement in the vicinity of the FRP anchor connections located near the watertight doors (between grids 1L and 2L, and between grids 3L and 4L) in Walls 2T and 3T may be reduced to 3'-0”.”

Appendix M23, Outfitting and Assembly Minimum Technical Requirements, shall be modified as follows:

On Bridge Sheet No. G2:

Under “General Assembly Notes”, delete:

“3. PROVIDE 3” MIN. CLEARANCE BETWEEN THE FLAT JACKS & THE COMPRESSED RUBBER SEAL FOR GROUT PLACEMENT.”

And replace with:

“3. INTENTIONALLY OMITTED.”

Under “Assembly Bolt Table & Notes”, delete:

“8. ASSEMBLY BOLT GROUT AND GROUTING PROCEDURES SHALL CONFORM TO STD. SPEC. 6-02.3(26)H. THE MINIMUM ULTIMATE 28-DAY COMPRESSIVE STRENGTH OF THE GROUT SHALL BE 7,500 POUNDS PER SQUARE INCH.”

And replace with:

“8. ASSEMBLY BOLT GROUT AND GROUTING PROCEDURES SHALL CONFORM TO STD. SPEC. 6-02.3(26)H. THE DESIGN-BUILDER SHALL BE RESPONSIBLE FOR DUCT LEAK TIGHTNESS; HOWEVER, DUCT LEAK TIGHTNESS TESTING AS SPECIFIED IN STD. SPEC. 6-02.3(26)E IS NOT REQUIRED AT PONTOON JOINT ASSEMBLY BOLT DUCTS. THE MINIMUM ULTIMATE 28-DAY COMPRESSIVE STRENGTH OF THE GROUT SHALL BE 7,500 POUNDS PER SQUARE INCH.”

Under “Injection / Exhaust Port Notes”, delete:

“4. PLUG INJECTION PORT WITH THREADED BRASS PLUG PRIOR TO PAINTING.”

And replace with:

“4. INTENTIONALLY OMITTED.”

The Design-Builder’s Proposal shall be modified as follows:

Alternative Technical Concept “ATC 11: Transfer of Casting Location of (3) Type 1 Longitudinal SR 520 pontoons to the CTC Casting Facility” shall be deleted.

Evolution of the Change:

The RFP for the FB&L contract provided a schedule of availability dates for the pontoons being built under the PCP contract. RFP Section 2.27.4.1 "Pontoons Furnished by the State (PFS)" provided the dates shown below:

- Cycle 1 – June 4, 2012
- Cycle 2 – September 19, 2012
- Cycle 3 – March 15, 2013
- Cycle 4 – August 9, 2013
- Cycle 5 – January 6, 2014
- Cycle 6 – May 8, 2014

KGM used these PFS availability dates to develop their schedule for completing this contract. KGM's baseline schedule was aggressive and showed a substantial completion date for the new floating bridge in December 2014. This early bridge opening and substantial completion date would have resulted in KGM receiving the maximum bonus incentive (\$2,499, 000) provided for in the contract.

Due to production issues encountered on the PCP contract, WSDOT realized in the spring of 2012 that the Cycle 1 PFS delivery would be delayed.

On May 21, 2012, WSDOT Serial Letter 0078 was sent to KGM advising them of a delay in the availability of Cycle 1 PFS. WSDOT indicated that the delay was expected to be approximately 4-6 weeks later than the June 4, 2012 availability date listed in the RFP.

On July 11, 2012, WSDOT Serial Letter 0109 provided an update to KGM on the expected availability date for Cycle 1 PFS. The date was expected to be mid-August 2012.

KGM Serial Letters 0126 (dated May 22, 2012) and 0175 (dated July 17, 2012), notified WSDOT that the delay in delivery of Cycle 1 PFS would result in impacts to their operations; both direct costs as well as schedule impacts.

After the float out of the Cycle 1 PFS, WSDOT inspections determined that there were cracks which exceeded .006" (definition of structural cracks) in the end walls of the Type 1 Longitudinal and Type 3A Cross pontoons. The PCP contract repaired the majority of these cracks with epoxy injection. While WSDOT inspections did detect dampness along the end walls and keel slab (inside the pontoons) which could be indicative of cracking, the pontoons were also routinely damp from rain water as well as cure water, so the evidence of leaking cracks was inconclusive.

Detailed inspections of the underside of the keel slab could not be performed in the Aberdeen casting facility, and water visibility issues in the Grays Harbor area prevented high visibility dive inspection of these pontoons after float out. The pontoons were

transferred from the Pontoon Construction Project to KGM in early August 2012, and these pontoons were towed to Lake Washington (except for Pontoon T which was towed to EB-1 at the Port of Tacoma).

When the pontoons arrived on Lake Washington, KGM and WSDOT performed additional inspection of the pontoons. Cracking was identified in several of the PFS, particularly Pontoon W, and damp cells were noted. These locations were noted for additional observation and potential repair.

During initial pontoon ballasting operations and preparatory operations for pontoon joining, KGM and WSDOT staff noted additional internal pontoon wall cracking and leaking between ballasted cells (these were not exterior walls – adjacent to the Lake). WSDOT determined that the internal cracking was not significant; however, crack mapping also identified damp spots along the keel slabs and end walls of the Cycle 1 pontoons.

The Project Office staff worked with the 520 Program Office along with Headquarters Construction to discuss options for investigating this issue and potentially repairing these cracks.

WSDOT Project staff also worked closely with KGM during these initial months to identify the cracks and potential options to repair the cracks. It became clear that more information was needed regarding the extent of the cracking on the pontoon end walls below the waterline and on the bottom of the keel slab. To gather this type of data, it was determined that a detailed and extensive dive inspection was required. WSDOT requested that KGM schedule divers to perform this inspection. WSDOT also requested KGM to start developing design/repair options to address this cracking.

Over the next seven months, extensive discussions and numerous meetings were held between WSDOT and KGM representatives to develop plans and procedures for analyzing and repairing these cracks.

WSDOT negotiated and executed Change Order 108 to compensate KGM for the cost of the repairs made to the Cycle 1 PFS on Lake Washington and at Vigor dry-dock facilities in Portland and Seattle. Change Order 108 only compensated KGM for the direct costs of the pontoon repairs. It did not include the time related impacts or other costs resulting from the delays associated with late PFS delivery.

A different set of design modifications and pontoon repairs were developed for the PCP contract to address Cycles 2-6 at the Aberdeen Casting Facility. These modifications were negotiated and the changes were implemented into these future PCP Cycles.

On October 25, 2012, WSDOT Serial Letter 0177 advised KGM that the Cycle 2 PFS availability date would be delayed until April 15, 2013. This letter also indicated that

future Cycles 3-6 would also be delayed from the original contract dates. WSDOT acknowledged that there would be cost impacts associated with these delays.

Despite the delays to the PFS delivery and potential repairs to the PFS, WSDOT and KGM continued to work together to review options to mitigate the schedule impacts and progress the contract work. In late fall of 2012, KGM began preparations for beginning joining operations of pontoons V and W. However, after further analysis of the pontoon cracking and pontoon design it was determined that the pontoon repairs had to be completed prior to starting any longitudinal (bridge spine) pontoon joining. It was determined that Supplemental Stability Pontoon (SSP) to Longitudinal Pontoon joining operations could proceed.

On January 4, 2013, WSDOT Serial Letter 0237 directed KGM that Pontoon V to W joining operations should be halted until exterior end wall and keel slab modifications had been completed.

On January 7, 2013, WSDOT Serial Letter 0239 directed KGM to return pontoons V and W to their pre-joining condition until repairs could be completed on the Cycle 1 pontoons.

KGM complied with this WSDOT direction and returned Pontoon V and W to their pre-joining condition and secured these pontoons on Lake Washington.

On April 2, 2013, WSDOT Serial Letter 0336 provided KGM with an update on the availability of Cycle 2 PFS. The availability of the Cycle 2 PFS was delayed from April 15, 2013 until early May 2013.

On April 19, 2013, WSDOT Serial Letter 0365 provided KGM with a further update on Cycle 2 PFS availability. The new availability date was clarified as May 2, 2013.

On October 3, 2013, WSDOT Serial Letter 0487 provided KGM with an update on the Cycle 3 availability dates.

On October 11, 2013, WSDOT Serial Letter 0500 provided KGM with the new Segment Acceptance dates which had been negotiated with the PCP contract as part of the settlement on the PCP contract.

KGM was prepared to begin longitudinal pontoon joining in early 2013 (January or February). Due to the numerous delays in PFS delivery and the repairs to Cycle 1 PFS, KGM is now expected to begin joining operations in late April or early May of 2014. The impacts associated with late delivery of PFS as well as repairs to Cycle 1 PFS have resulted in impacts to KGM's operations and completion date for the new floating bridge.

Due to the delays, KGM's plan of operation for assembling and completing the new floating bridge had to be completely re-sequenced. KGM original schedule outlined a schedule to complete the new bridge by December 2014, and this schedule entailed a carefully orchestrated use of marine equipment efficiently used over a tight timeline. The delays to the pontoon joining altered this plan, leading to inefficiencies and various costs associated with the delay.

During the delay period, WSDOT has worked with KGM to limit the impacts to their operations as well as minimize cost impacts to the State. Over the past year, WSDOT has negotiated and settled numerous issues associated with these impacts. Change orders have been prepared and executed to compensate KGM for these impacts. This settlement resolves the outstanding issues, primarily time impacts associated with the delay. Earlier in this memorandum, a list of the various PCOs which are resolved by this change is provided.

As part of this change order, new PFS availability dates have been developed. These dates were negotiated with the PCP Design-Builder. This change order transfers the risk associated with the future PFS availability dates to KGM. These future dates are associated with Cycles 4-6:

Cycle 4 – April 28, 2014
Cycle 5 – October 14, 2014
Cycle 6 – April 14, 2015

Any delays or impacts associated with availability and delivery Cycles 4-6 PFS to KGM which are not the direct result of WSDOT actions will be the responsibility of KGM to manage.

Negotiations with KGM over impact costs associated with these delays began in 2013. KGM provided a series of cost breakdowns for the impacts incurred and expected as a result of these delays to the project schedule. WSDOT and KGM immediately began extensive discussions to review and negotiate the cost of this added work. We have attached as part of this change order package a copy of the summary of negotiations which provides additional details on the negotiation process.

During the development of this change order, extensive and on-going coordination and discussions were also held with the Pontoon Construction Project Team, Headquarters Construction, the Bridge and Structures Office, the SR 520 Program Office and the FHWA. These discussions included technical discussions concerning the contract schedule, the repair impacts as well as the cost of the impacts.

As the dollar value of this change order exceeds the approval authority of the Project Office, the following approvals were secured:

Approvals Provided:

- Project Level – Dave Becher on January 23, 2014
- Region/Program Level – Tom Horkan on January 23, 2014
- Region/Program Funding Concurrence – Rick Singer on March 17, 2014
- Headquarters Construction Level – Derek Case on January 31, 2014
- FHWA Level – Anthony Sarhan on February 5, 2014

Entitlement:

This is an OIC which provides an equitable adjustment settlement to the Design-Builder for WSDOT caused delays and impacts.

Price:

WSDOT and KGM negotiated an equitable adjustment which increases the contract amount by \$77,500,000.00 to settle added work and time related cost impacts.

Attached to this change order package are copies of the WSDOT summary of negotiations and the Engineer's Estimate/Analysis prepared by WSDOT and Stanton Constructability Services which discusses KGM's price proposal and ultimate cost settlement.

Contract Time:

This change order provides the Design-Builder with a 272 Calendar Day extension to the contract. This time extension shifts the Substantial Completion date for the new floating bridge to April 28, 2016. This time extension was negotiated as part of the overall settlement for WSDOT caused impacts.

Attached as part of this change order package is a separate Time Impact Analysis which describes how the 272 Calendar Day extension was developed.

Exclusions:

During negotiations between WSDOT and KGM, it was agreed that certain issues and impacts would be excluded from the settlement. These exclusions are listed below:

1. Impacts resulting from Tribal or environmental permit requirements not currently required by Contract.
2. Repair of cracks in the PFS determined to be a result of WSDOT's design.
3. Additional inspections of the existing anchor cable on both the North and South side of the existing floating bridge in accordance with Technical Requirements Section 2.29.8.1 and as modified by this change order, after October 1, 2016.
4. Issues related to Pontoon bolt sleeve alignment, as a result of WSDOT's design.
5. Impacts related to the camber of the girders in PCO 211L CTC Girder Stoppage have not been resolved. WSDOT acknowledges entitlement for such impacts if and when they become known.
6. PCOs and change issues not addressed under this change order.
7. Excludes the impacts that result from the pontoon design being inadequate.

DBE Participation:

In WSDOT Serial Letter 0442, WSDOT clarified that the DBE participation, (seven percent DBE goal on this contract) would be based on the Adjusted Contract Value. The Adjusted Contract Value is defined as the original contract bid amount plus the value of executed change orders.

As identified earlier in this memorandum, this change order adds the following clarifying language to the Contract regarding DBE participation:

“Monies paid under Change Order for administrative overhead, delay and impacts to the Work that do not include opportunities for sub-contractible work, and therefore DBE participation, should be documented and will be considered accordingly as part of the good faith effort.”

Memorandum Attachments:

- Change Order 142
- Change Order Checklist
- Final Negotiations Summary
- Stanton Constructability Services Analysis (January 31st, February 3rd and 16th)
- Engineer’s Estimate
- Time Impact Analysis and Linear Schedules
- KGM’s Cost Proposal and Back-up
- KGM PCOs and Back-up
- Change Orders 41, 58R1, 73, 108, 122R1, and 128
- Contract Form and Betterments
- Appendix B15
- M22, Sheet SS27
- M23, Sheet G2
- ATC 11
- KGM Serial Letters 0126 and 0175
- WSDOT Serial Letters 0078, 0109, 0177, 0237, 0239, 0336, 0365, 0442, 0487, and 0500
- Approval Documentation

DPB: DB
Attachments
PW File: 17.02.CO-142

**WASHINGTON STATE
DEPARTMENT OF TRANSPORTATION
CHANGE ORDER**

Bond No.'s
Travelers: 105636215
Safeco: 023018256



DATE: 03/17/14
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CONTRACT NO: 008066 FEDERAL AID NO: BR-0520 (047)
CONTRACT TITLE: SR 520 / I-5 TO MEDINA - EVERGREEN POINT FLOATING
CHANGE ORDER NO: 142 REA SETTLEMENT

PRIME CONTRACTOR: SW0106139 KIEWIT/GENERAL/MANSON, A JOINT
33455 6TH AVE S
FEDERAL WAY WA 98003-6335





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

Change proposed by Contractor

<p>ENDORSED BY: </p> <p>CONTRACTOR <u>03/21/2014</u></p> <p>DATE</p>	<p>SURETY CONSENT: Co-Surety: Travelers Casualty and Surety Company of America Co-Surety: Safeco Insurance Company of America  ATTORNEY IN FACT Karen Swanson</p> <p>3/18/2014 DATE</p>
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ORIGINAL CONTRACT AMOUNT: 586,561,000.00
CURRENT CONTRACT AMOUNT: 674,304,100.00
ESTIMATED NET CHANGE THIS ORDER: 77,500,000.00
ESTIMATED CONTRACT TOTAL AFTER CHANGE: 751,804,100.00

Approval Required: () Region () Olympia Service Center () Local Agency

<p><input checked="" type="checkbox"/> APPROVAL RECOMMENDED () EXECUTED</p> <p> PROJECT-ENGINEER <i>Engineering Manager</i></p> <p><u>March 24, 2014</u> DATE</p>	<p>EXECUTED:  STATE CONSTRUCTION ENGINEER</p> <p><u>3-26-14</u> DATE</p>
<p><input checked="" type="checkbox"/> APPROVAL RECOMMENDED ^{TK} () EXECUTED</p> <p>REGIONAL ADMIN: </p> <p>BY: <u>3/26/14</u></p> <p>DATE</p>	<p>OTHER APPROVAL WHEN REQUIRED</p> <p> 3/27/14 SIGNATURE FOR AUTHORITY SIGNATURE DATE</p> <p><u>FWWA</u> REPRESENTING</p>



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 226548

Certificate No. 005464979

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Eric Zimmerman, Karen Swanson, Brent E. Heilesen, Anne E. Strieby, James B. Binder, Peter J. Comfort, Jennifer L. Snyder, Julie R. Truitt, Peggy A. Firth, Tamarie Ellingsen, Steve Marinkovich, Christopher Kinyon, Jamie Diemer, Lori Fowler, Alex Adams, Amanda Rush, Casey Jackson, Joy Jennings, Leah Shamberg, Martha Juarez, Stephanie Hansen, Tisha Bliven, Taylor Murray, and Tabitha Tomlinson

of the City of Tacoma, State of Washington, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 29th day of April, 2013.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
Robert L. Raney, Senior Vice President

On this the 29th day of April, 2013, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2016.



[Signature]
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 18 day of March, 2014

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

Kevin E. Hughes
Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 6354763

First National Insurance Company of America
General Insurance Company of America
Safeco Insurance Company of America

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America are corporations duly organized under the laws of the State of New Hampshire (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, ANNE E. STRIEBY; BARBARA A. JOHNSON; BRENT E. HEILESEN; CARLEY ESPIRITU; CHRISTOPHER KINYON; DIANE M. HARDING; ERIC A. ZIMMERMAN; JAKE OJA; JAMES B. BINDER; JAMIE DIEMER; JEFFREY L. ZIMMERMAN; JENNIFER L. SNYDER; JULIE R. TRUITT; KAREN SWANSON; KATHY L. PATTON; KELLIE HOGAN; KRISTINE A. LAWRENCE; LISA M. ANDERSON; MITCHELL R. SMEE; PEGGY A. FIRTH; PETER J. COMFORT; PHYLLIS C. ROBISON; SANDRA J. KULSETH; WYNTRENE MACE.....

all of the city of TACOMA, state of WASHINGTON each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 19th day of November, 2013.

First National Insurance Company of America
General Insurance Company of America
Safeco Insurance Company of America

By: David M. Carey
David M. Carey, Assistant Secretary



STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 19th day of November, 2013, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires March 28, 2017
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-law and Authorizations of First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America, which are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Gregory W. Davenport, the undersigned, Assistant Secretary, of First National Insurance Company of America, General Insurance Company of America, and Safeco Insurance Company of America do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 18 day of March, 2014.



By: Gregory W. Davenport
Gregory W. Davenport, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

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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:

The first paragraph above is revised to read:

All work, materials, and measurements to be in accordance with the request for proposal (RFP) and the contract documents for this project.

DESCRIPTION:

This change order incorporates both WSDOT-Initiated Changes and Design-Builder Initiated Changes in accordance with General Provisions Section 1-04.4 to provide an equitable adjustment to the Design-Builder and its consultants, subcontractors and vendors for the settlement of potential change orders (PCOs), issues and disputes related to the following associated with Contract No. 008066, and as described in this change order:

- * The revised deadline to achieve Substantial Completion on or by April 28, 2016.
- * Requirements to meet the DBE Participation as defined in this change order.
- * Resolution of lease costs in excess of the \$12,000,000 lease reimbursement fund for CTC, Port of Olympia, Port of Tacoma, and other alternate upland casting sites as defined in Section 1-09.9(4).
- * All direct and indirect costs, associated with the Work resulting from the delay in the availability of cycles 1 through 6 of the pontoons furnished by the State (PFS) and extension of Contract Time, including but not limited to:
 - * All insurance requirements
 - * Escalation in labor and material prices
 - * Inefficiencies in the Work
 - * Material storage and protection
 - * Lease costs
 - * Moorage related costs
 - * Additional equipment mobilization/de-mobilization
 - * Schedule mitigation.
- * All direct and indirect costs associated with the resolution of conflicts between the reinforcing steel and fiberglass reinforced plastic (FRP) catwalk anchors in the pontoons provided by the Design-Builder (PPDB).
- * Responsibility for all dimensions required to achieve pontoon assembly for the floating bridge structure between the fixed East Approach and transition structures on the east and west ends between the fixed structures and floating bridge. The Design-Builder shall be granted dimensional relief, if needed, on the minimum navigation channel widths as defined in Technical Requirements Section 2.12.3.5 and the United States Coast Guard (USCG) Bridge Permit. The Design-Builder shall be responsible for costs to adjust the pontoon joining seals within the tolerances provided for in Technical Requirements Section 2.12.5.13,

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- as revised by 008066 Change Order No. 142. WSDOT will be responsible for all impacts if these tolerances must be exceeded.
- * Installation of ultra-high molecular weight polyethylene (UHMW-PE) rub strips to cycle 2 PFS.
 - * Deletion of the dewatered setting requirement for work performed during Pontoon assembly.
 - * All direct and indirect costs associated with reinforcing steel congestion and electrical isolation conflict issues with the construction of the Pontoons Provided by the Design-Builder (PPDB).
 - * Resolution of 008066 Change Order No. 041, Revised Winter Joining, additional costs and adjustments to Contract Time associated with Winter joining operations.
 - * Resolution of 008066 Change Order No. 058R1, Force Account Underwater Inspection and Repair Plan, Contract Time impacts.
 - * Resolution of 008066 Change Order No. 073, Rock Barge Availability - Pontoon V, Contract Time impacts.
 - * Resolution of compensation issues due to DBE requirements not otherwise addressed in 008066 Change Order No. 108, PFS Cycle 1 Repair, and Change Order No. 128, Westside Staging Area.

CONTRACT REQUIREMENTS:

The Design-Build Contract Form shall be modified as follows:

The following sentence in Item 4.1 Time for Completion shall be deleted:
"Design-Builder shall achieve Substantial Completion within 1429 Calendar Days starting on the first Calendar Day after the effective date NTP 2."

And replaced with:

"Design-Builder shall achieve Substantial Completion within 1701 Calendar Days starting on the first Calendar Day after the effective date NTP 2."

The following Betterments identified under Exhibit B - WSDOT Identified Betterments shall be deleted:

- "3. The Design-Builder's design provides a Continuous Deflective Separation (CDS) System as described in proposal pages 3-7 and 5-10."
- "8. The Design-Builder's improved vertical clearances as described in the proposal pages 5-4 and 5-6."
- "10. The Design-Builder's shift of Pier 1 to the east providing a wider navigational channel, as described in the proposal page 5-14."

General Provisions - RFP Chapter 1 shall be modified as follows:

The following shall be inserted after the first paragraph in Section 1-07.11(2).1 Disadvantaged Business Enterprise Participation Requirements for Design-Build Contracts:

"Monies paid under Change Order for administrative overhead, delay and impacts to the Work that do not include opportunities for sub-contractible work, and therefore DBE participation, should be documented

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and will be considered accordingly as part of the good faith effort."

Add the following section:

"1-08.3(6).2 Revised Baseline Contract Schedule

Within 30 Calendar Days after the execution date of 008066 Change Order No. 142 that includes a time extension, the Design-Builder shall prepare and submit for WSDOT's acceptance a Revised Baseline Contract Schedule that incorporates the extension of the Contract Time. Contract requirements pertaining to the Baseline Contract Schedule shall also pertain to the Revised Baseline Contract Schedule, unless specified otherwise in this section. The Revised Baseline Contract Schedule shall include actual dates and actual costs from the most recently approved Monthly Contract Schedule Update.

A single schedule may be submitted as the current Monthly Contract Schedule Update and the Revised Baseline Contract Schedule, provided it is indicated as such in the Monthly Contract Schedule Update documents, and meets the requirements of the Revised Baseline Contract Schedule. If submitted separately from the current Monthly Contract Schedule Update, the Revised Baseline Contract Schedule shall include All Monthly Contract Schedule Update Submittals specified in Section 1-08.3(7).

Upon submission of the Revised Baseline Contract Schedule, WSDOT will have 10 Calendar Days to review and accept/reject the submittal. If rejected, the Design-Builder shall have 7 Calendar Days to re-submit the Revised Baseline Contract Schedule. WSDOT will then have 7 Calendar Days to review and accept/reject the re-submittal. Each subsequent re-submittal will follow the 7 Calendar Day time requirement.

The initial schedule submittal will be known as "Revised Baseline Candidate 0." Subsequent re-submittals will be called Revised Baseline Candidate 1, 2, 3, 4 as required. The approved Revised Baseline Contract Schedule shall become the Baseline Contract Schedule.

The Revised Baseline Contract Schedule and successor Monthly Contract Schedule Updates, when accepted by WSDOT, will form the basis of payment and the basis from which to measure delay for the Project.

For the Contract Time extension granted by 008066 Change Order No. 142, February 2014 Monthly Contract Schedule Update #30, submitted to and approved by WSDOT, shall be the Revised Baseline Contract Schedule.

Until the Revised Baseline Contract Schedule is accepted, up to two consecutive months after execution of 008066 Change Order No. 142, the Pay Application submitted with the proposed Revised Baseline Contract Schedule shall provide a vehicle for progress payment, including any earned revenue for 008066 Change Order No. 142 that initiates the submittal of a Revised Baseline Contract Schedule.

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Any float generated by early completion of the PFS Cycle 1 Pontoon repair work relative to the date June 20, 2014, as specified in 008066 Change Order No. 108, shall be considered a resource exclusively for the use of the Design-Builder."

The following item under Section 1-08.9(1) LIQUIDATED DAMAGES FOR LATE COMPLETION shall be deleted:

- "a) For failure to achieve Substantial Completion within the allotted Contract Time: \$50,000 per day until the date Substantial Completion is achieved;"

And replaced with:

- "a) For failure to achieve Substantial Completion by October 1, 2016: \$50,000 per day until the date Substantial Completion is achieved;"

Section 1-08.11(3) INCENTIVE FOR COMPLETION PRIOR TO SUBSTANTIAL COMPLETION DEADLINE shall be deleted in its entirety and replaced with:

- "1-08.11(3) Intentionally Omitted"

Section 1-09.9(5) STEEL ESCALATION COST ADJUSTMENT shall be deleted in its entirety and replaced with:

- "1-09.9(5) Intentionally Omitted"

Technical Requirements - RFP Chapter 2 shall be modified as follows:

Section 2.12.5.12.1.3 Pontoon Joint Seal shall be deleted in its entirety and replaced with:

- "2.12.5.12.1.3 Pontoon Joint Seal

The Design-Builder shall provide closed cell rubber sealing strips for Pontoons as indicated in the Outfitting and Assembly Minimum Technical Requirements (Appendix M23). Seals may be modified by the Design-Builder as needed to achieve a joint as described in Section 2.12.5.13."

Under Section 2.12.5.13 PONTOON ASSEMBLY as modified by 008066 Change Order Nos. 041 and 089:

Under the first bulleted item, delete:

- "A joint clamping force shall be applied to the joint, and adjustable flat jacks shall maintain a fixed width joint (three inches nominal)."

And replace with:

- "A joint clamping force shall be applied to the joint, and a width capable of achieving a grouted joint with no undue segregation or voids shall be maintained. The minimum joint width shall be twice the maximum aggregate size, or as otherwise approved by the Engineer. The maximum joint width shall be 5.5 inches, or as otherwise approved by the Engineer."

Under the second bulleted item, delete:

- "A dewatered setting is not required for the cleaning of the joints that

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join pontoons T, U, V, W, and their associated Supplemental Stability pontoons (pontoons TNW, TSW, TNE, TSE, UNW, USW, UNE, USE, VNW, VSW, VNE, and VSE); the cleaning of all other pontoon joints shall occur in a dewatered setting."

And replace with:

"A dewatered setting is not required for cleaning the joints."

Under the third bulleted item, delete:

"* All neoprene sheets shall be fastened and adhered to the pontoon joint while in a dewatered setting. The pontoon joint surfaces that receive neoprene shall be clean of marine growth and film. The Design-Builder shall prepare and submit neoprene repair procedures to WSDOT for approval.

All rubber seals shall be fastened and adhered to the pontoon joint after the joint has been cleaned of marine growth and film. A dewatered setting is not required for the installation of the rubber seals at the joints that join pontoons T, U, V, W, and their associated Supplemental Stability pontoons (pontoons TNW, TSW, TNE, TSE, UNW, USW, UNE, USE, VNW, VSW, VNE, AND VSE); the rubber seal installation at all other pontoon joints shall occur in a dewatered setting."

And replace with:

"* Neoprene sheets for cycle 1 PFS shall be fastened and adhered to the pontoon joint while in a dewatered setting. Neoprene sheets for cycles 2-6 PFS may be fastened and adhered to the pontoon joint while in the casting basin or while floating on Lake Washington. The pontoon joint surfaces that receive neoprene shall be clean of marine growth and film. The Design-Builder shall prepare and submit neoprene installation and repair procedures to WSDOT for approval for installation in both the casting basin and on Lake Washington. A dewatered setting is not required for the installation of the neoprene sheets.

All rubber seals shall be fastened and adhered to the pontoon joint after the joint has been cleaned of marine growth and film. Rubber seals may be fastened and adhered to the pontoon joint while in the casting basin or while floating on Lake Washington. A dewatered setting is not required for the installation of the rubber seals."

Add after the last bulleted item:

"The Design-Builder shall be responsible to meet the dimensions required to achieve pontoon assembly for the floating bridge structure between the fixed East Approach and transition structures on the east and west ends between the fixed structures and floating bridge.

The Design-Builder shall be granted dimensional relief, if needed, on the minimum navigation channel widths as defined in Section 2.12.3.5 and the USCG Bridge Permit. The Design-Builder shall be responsible for costs to

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adjust the Pontoon joining seals within the tolerances provided for in this section. WSDOT will be responsible for all impacts if these tolerances must be exceeded."

Under Section 2.27.4.1 PONTOONS FURNISHED BY THE STATE (PFS) as modified by 008066 Change Order No. 030, delete:

"WSDOT will advise the Design-Builder of the anticipated date for physical completion of a given PFS approximately 14 Calendar Days in advance, and verification of the exact anticipated date and location 5 Calendar Days in advance. WSDOT will, upon 2 Calendar Days notice from the Design-Builder, make arrangements with the PCP Contractor to provide access to the Design-Builder for the purpose of allowing the Design-Builder to conduct inspections and measurements of a given PFS, during the 5 Calendar Days prior to the date anticipated for pontoon physical completion."

And replace with:

"The approximate PFS Construction Segment Acceptance for cycles 3 through 6 will be:

- Cycle 3 - October 10, 2013 (Actual)
- Cycle 4 - April 28, 2014
- Cycle 5 - October 14, 2014
- Cycle 6 - April 14, 2015

The Design-Builder shall make arrangements with the PCP Contractor to access and conduct inspections and measurements of a given PFS during a period 5 Calendar Days prior to the anticipated date for pontoon physical completion. The Design-Builder shall notify WSDOT of the dates and location 7 Calendar Days prior to starting inspections and measurements of a given PFS. The Design-Builder acknowledges and accepts that changes to the Construction Segment Acceptance date resulting from early completion or delays to the delivery that are the responsibility of the PCP Contractor shall be considered the responsibility of the Design-Builder. Such delays that are the responsibility of WSDOT shall be considered the responsibility of WSDOT."

Section 2.27.6.3.1.3 Cleaning of PFS Required, as modified by 008066 Change Order No. 030, shall be deleted in its entirety and replaced with:

"2.27.6.3.1.3 Cleaning of PFS Required

If the Design-Builder does not relocate PFS to Inland waters in less than 180 Calendar Days of the PFS float-out from a Pontoon casting facility, cleaning of PFS for removal of invasive species per Section 2.27.6.3.3 shall be performed by the Design-Builder prior to moving the PFS to Inland waters. PFS cleaning, if requested by WSDOT or directed by permit agencies, will be reimbursable in accordance with General Provisions Section 1-04.4(1)."

Under Section 2.29.8.1 Existing Bridges, after the sentence, "These inspections shall be completed before the start of the storm season

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(October)", insert:

"The cable inspections shall continue until Substantial Completion is attained. If Substantial Completion is not attained prior to October 1, 2016, continued inspections, if requested by WSDOT, will be reimbursable in accordance with General Provisions Section 1-04.4(1)"

The Contract Appendices shall be modified as follows:

Appendix B15, Steel Escalation Cost Adjustment, shall be deleted in its entirety.

Appendix M22, Pontoon Minimum Technical Requirements, shall be modified as follows:

On Bridge Sheet No. SS27, "Temporary Construction Access Detail", delete note:
"Minimum reinforcement lap length shall be as shown in Table 1."

And replace with:

"Minimum reinforcement lap length shall be as shown in Table 1; except that minimum lap length for No. 8 vertical reinforcement in the vicinity of the FRP anchor connections located near the watertight doors (between grids 1L and 2L, and between grids 3L and 4L) in Walls 2T and 3T may be reduced to 3"-0"."

Appendix M23, Outfitting and Assembly Minimum Technical Requirements, shall be modified as follows:

On Bridge Sheet No. G2, "Notes 2 of 2":

Under "General Assembly Notes", delete:

"3. PROVIDE 3" MIN. CLEARANCE BETWEEN THE FLAT JACKS & THE COMPRESSED RUBBER SEAL FOR GROUT PLACEMENT."

And replace with:

"3. INTENTIONALLY OMITTED."

Under "Assembly Bolt Table & Notes", delete:

"8. ASSEMBLY BOLT GROUT AND GROUTING PROCEDURES SHALL CONFORM TO STD. SPEC. 6-02.3(26)H. THE MINIMUM ULTIMATE 28-DAY COMPRESSIVE STRENGTH OF THE GROUT SHALL BE 7,500 POUNDS PER SQUARE INCH."

And replace with:

"8. ASSEMBLY BOLT GROUT AND GROUTING PROCEDURES SHALL CONFORM TO STD. SPEC. 6-02.3(26)H. THE DESIGN-BUILDER SHALL BE RESPONSIBLE FOR DUCT LEAK TIGHTNESS; HOWEVER, DUCT LEAK TIGHTNESS TESTING AS SPECIFIED IN STD. SPEC. 6-02.3(26)E IS NOT REQUIRED AT PONTOON JOINT ASSEMBLY BOLT DUCTS. THE MINIMUM ULTIMATE 28-DAY COMPRESSIVE STRENGTH OF THE GROUT SHALL BE 7,500 POUNDS PER SQUARE INCH."

**WASHINGTON STATE
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Under "Injection / Exhaust Port Notes", delete:

"4. PLUG INJECTION PORT WITH THREADED BRASS PLUG PRIOR TO PAINTING."

And replace with:

"4. INTENTIONALLY OMITTED."

The Design-Builder's Proposal shall be modified as follows:

Alternative Technical Concept "ATC 11: Transfer of Casting Location of (3) Type 1 Longitudinal SR 520 Pontoons to the CTC Casting Facility" shall be deleted.

PAYMENT:

As mutually agreed for the Work as described in this change order, WSDOT will reimburse the Design-Builder under the new lump sum item "REA Settlement" in the amount of \$77,500,000. The lump sum amount shall be full compensation for all costs related to Work addressed under this change order.

The price loading for the "REA Settlement" item shall be in accordance with page 13 of 13 of this change order.

TIME:

A time extension of 272 Calendar Days will be granted as a result of this change order and is reflected in the modification to the Calendar Days to achieve Substantial Completion in Item 4.1 of the Design-Build Contract Form.

RELEASE:

The Design-Builder, Kiewit/General/Manson, A Joint Venture, by the signing of this change order agrees and certifies that:

Upon payment of this change order in the amount of \$77,500,000, any and all requests for compensation for direct and indirect costs set forth in the following Potential Change Order (PCO) issues and previously deferred issues in executed change orders, pertaining to Contract No. 008066, have been satisfied in full and the State of Washington is discharged and released from any additional requests for extra compensation.

- * PCO 8 - Betterment #3 Stormwater Treatment
- * PCO 65 - Eliminate Work in a Dewatered Setting - Cycle 1 PFS
- * PCO 105A - Delay in Delivery of Cycle 1 Pontoons
- * PCO 105F - OIC Impacts due to Cycle 1 PT Repairs - Reduced Tolerances for Bolt Installation
- * PCO 177D - Install UHMW Rub Strips
- * PCO 186 - Delay in Delivery of Cycle 2 Pontoons
- * PCO 186B - OIC Column Form Rental Escalation
- * PCO 186C - OIC Expiration of Copper Futures
- * PCO 201 - CTC Rebar Conflict
- * PCO 211 - OIC W/V Joining Delay
- * PCO 211B - OIC Bolt Removal/Cleaning/Storage
- * PCO 211C - OIC Move/Reset Column Towers

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- * PCO 211F - OIC Additional Moorage Preparation at EB1
- * PCO 211G - OIC Demobilize Equipment
- * PCO 211H - Additional Storage for Bearings
- * PCO 211I - Co Equipment on Standby
- * PCO 211J - Diving Barge Standby
- * PCO 211K - Additional OS Engineering
- * PCO 211L - CTC Girder Stoppage
- * PCO 211M - Prepare Steel for Mothballing
- * PCO 211N - Additional PM Storage
- * PCO 211O - Additional Moorage
- * PCO 211O.3 - EB1 to Terminal 7 Additional Costs
- * PCO 211P - Remove Rubber Seal and Plug Inserts
- * PCO 211Q - Additional Tile Meters and Fender Brackets
- * PCO 211R - Cycle 3 Pontoons Hawse Pipe Covers
- * PCO 211T - Schedule Mitigation Options
- * PCO 221 - Betterment #10 Narrow Navigation Channel
- * PCO 222 - Betterment #8 Lowers Clearance Height
- * PCO 261 - Rebar Congestion at FRP (CTC)
- * PCO 262 - Modification of Couplers to Maintain Coverage
- * PCO 276 - Eliminate Work in a Dewatered Setting - Cycle 2-6 PFS
- * PCO 287 - Increase to Professional Liability Insurance
- * PCO 292 - Wrap Cycles 3-4 Columns
- * PCO 294 - Pontoon Monitoring and Damage
- * PCO 298 - DBE Electric Delay and Escalation
- * PCO 305 - PFS Availability Dates
- * PCO 308 - Bearing Plate Revisions @ Joining
- * PCO 323 - Pontoon Joining Bolt Air Test Failures
- * CO No. 041 - Revised Winter Joining
- * CO No. 058R1 - Force Account Underwater Inspection and Repair Plan
- * CO No. 073 - Rock Barge Availability
- * CO No. 108 - PFS Cycle 1 Repair
- * CO No. 122R1 - PPDB Revisions
- * CO No. 128 - Westside Staging Area

Exceptions to the release, and excluded from the Request for Equitable Adjustment (REA) settlement, pending further negotiations, is possible compensation for the costs (direct and indirect), time and damages related to the following:

- * Impacts resulting from Tribal or environmental permit requirements not currently required by Contract.
- * Repair of cracks in the PFS determined to be a result of WSDOT's design.
- * Additional inspections of the existing anchor cables on both the North and South side of the existing floating bridge in accordance with Technical Requirements Section 2.29.8.1 and as modified by this change order, after October 1, 2016.
- * Issues related to Pontoon bolt sleeve alignment, as a result of WSDOT's design.
- * Impacts related to the camber of the girders in PCO 211L CTC Girder Stoppage have not been resolved. WSDOT acknowledges entitlement for such impacts if and when they become known.

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- * PCOs and change issues not addressed under this change order.
- * Excludes the impacts that result from the Pontoon design being inadequate.

In agreeing to this change order, the Design-Builder has not waived their rights from seeking compensation for such costs. Neither has WSDOT agreed that such costs exist or, if they do exist, that there is entitlement to additional compensation.

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ITEM NO	GROUP NO	STD ITEM	ITEM DESCRIPTION	UNIT MEASURE	UNIT PRICE	EST QTY CHANGE	EST AMT CHANGE

1081	01		REA SETTLEMENT	L.S.	0.00	0.00	43,611,500.00
1081	03		REA SETTLEMENT	L.S.	0.00	0.00	33,888,500.00

77,500,000.00

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ear All Change Order (CACO)
 S Delivery / Crack Repair Delay - Summary Sheet for Negotiation
 dated 1/15/2014

ITEM	ACTIVITY ID	DESCRIPTION	WSDOT Final	LOGIC	% COMPLETE (THRU JAN '14)	DUE NOW
2	142.02	REPAIR/DELAY IMPACTS - MERIT GRANTED	\$ 540,000	Timespan from December 2012 through December 2013	100	\$ 540,000
	142.03.01	Pontoons to Grays Harbor Moorage	\$ 870,000	Timespan from Cycle 3 floatout to Cycle 4 floatout.	67	\$ 582,900
	142.03.02	Pontoons Leaving Grays Harbor Moorage	\$ 1,890,000	Timespan from Cycle 3 Ocean tow to Cycle 4 Ocean Tow	0	\$ -
	142.03.03	Monthly Inspections @ GH Moorage	\$ 280,000	Timespan from Cycle 3 floatout to Cycle 4 Ocean Tow	25	\$ 70,000
	142.03.06	Move EB1 Moorage to Terminal 7	\$ 1,720,000	Link to transfer of pontoons from EB1 to T7	100	\$ 1,720,000
	142.03.10	Move Cycle 2 Pontoons to WSSA	\$ 270,000	Link to existing tow activities in schedule	100	\$ 270,000
	142.03	SUBTOTAL ADDITIONAL MOORAGE	\$ 5,090,000			
4	142.04	ADDITIONAL LEASES	\$ 4,540,000	Timespan from November 2014 through end of bridge demo	0	\$ -
5	142.05	TIME RELATED OVERHEAD (510 DAYS)	\$ 38,550,000	Timespan from January 2013 through June 2014	76	\$ 29,298,000
6	142.06	TIME RELATED DIRECT COSTS	\$ 2,760,000	Timespan from January 2013 through June 2014	76	\$ 2,097,600
9	142.09	INEFFICIENCIES	\$ 2,500,000	Timespan from October 2013 through March 2016	33	\$ 825,000
10	142.10	RGM ESCALATION COSTS	\$ 7,860,000	Timespan from January 2014 through December 2015	50	\$ 3,930,000
10a	142.10a	SUBCONTRACTOR DELAY/ESCALATION COSTS	\$ 6,000,000	Timespan from January 2013 through December 2015	66	\$ 3,960,000
12	142.12	ADDITIONAL SCHEDULE COSTS	\$ 4,728,000	Timespan from January 2014 through December 2015	4	\$ 188,800
15	142.15	ADDITIONAL INSURANCE PREMIUMS	\$ 5,000,000	Show as a 1 month long activity from July 1 - July 31.	0	\$ -
			SUBTOTAL			\$ 43,482,300

These are 6 additional pontoons staged in Grays Harbor Moorage as compared to original plan. These costs are recognized as pontoons are staged at the GHMA. Progress 1/ish for next 6 pontoons that are staged at GHMA.

There are 5 additional pontoons staged in Grays Harbor Moorage as compared to original plan. These costs are recognized as pontoons are staged at the GHMA. Progress 1/ish for next 5 additional pontoons staged in Grays Harbor. Progress 1/21 every month for 12 months.

These inspections will occur at least monthly for the duration of time that Cycle 3 and Cycle 4 pontoons are staged in Grays Harbor. Progress 1/21 every month for 12 months.

All work is complete.

All work was completed in October 2013.

Begin progressing when Lesnes received \$13M in November 2014. Progress 1/23 every month for 21 months until bridge demo is complete.

Progress approximately 1/18 every month for 18 months or until U-V longitudinal joint is complete. Consider delay period from needs to stop joining U-V to completion of Pontoon U and Pontoon V longitudinal joint.

Progress approximately 1/18 every month for 18 months or until U-V longitudinal joint is complete. Consider delay period from needs to stop joining U-V to completion of Pontoon U and Pontoon V longitudinal joint.

Progress 1/9 at start of every winter storm period for 2013 through 2016 for additional work occurring in winter storm periods.

Work that would have been performed in 2012 and 2013 will be performed in 2014 and 2015 at higher rates. Majority of escalation costs will be recognized in 2014 and 2015. Progress 50% at start of 2014 and 50% at start of 2015.

Progress 10% in January 2013, January 2014, and January 2015.

These are additional risk/escalation costs for items such as low rise panel casting and erection. Progress 1/24 every month for 24 months over the duration of the panel casting and erection.

Anticipate paying a lump sum to sureties in the summer of 2014. This activity will be progressed as soon as possible to the full from the sureties. If necessary, it will rise the date due until the full becomes due.