



JUL 16 2015

Memorandum

DATE: July 8, 2015

TO: Derek Case *DC*
Assistant Construction Engineer
Headquarters, Mail Stop 47354

THRU: Julie Meredith *JM*
Program Director, SR 520 Program, Mail Stop NB82-99

FROM: Brian Dobbins, *BD*
Construction Manager, West Approach Bridge North Project,
Mail Stop TB-93, (206) 770-3518

PROJECT: C-8625
SR 520 West Approach Bridge North Project

SUBJECT: **CO # 28 – Delete Incentive Program**

Requested Action:

- Review Review and Region Execution Review and HQ Execution

Change Approval

Project Engineer Concurrence: Stephen Strand 5/29/15
Dpty. Construction Mgr Concurrence: James VanSteenburg 5/29/15
Project Engineer Change Approval: Brian Dobbins 6/1/15
Region Change Approval: Tom Horkan/Julie Meredith 6/1/15
HQ Construction Change Approval:
 Derek Case in coordination with Craig McDaniel 6/4/15
FHWA Approval: Anthony Sarhan 6/19/15

Description of the Change

This change order eliminates the total calculated amount of Bid Item 286 "Incentive", resulting in a reduction to the total Contract amount by \$1,600,000. The Contract includes an Incentive Program that provides additional Contract funds for performance exceeding Contract requirements. This Program is implemented based on the requirements detailed in the Contract and an Incentive Program Plan drafted by the Contractor that is reviewed and commented on by the State. If determined to be acceptable, the Contracting Agency is responsible for finalizing the Plan. In the event that the Contractor fails to produce a Draft or second Draft Plan that is responsive to the State's comments the Incentive Program may be eliminated at the Contracting Agency's sole discretion. This owner initiated and unilaterally executed change order eliminates the Incentive Program due to the unresponsiveness of the Contractor.

Evolution of the Change

On 10/23/14, the Contractor provided submittal S.286.001 (Rev 000) Draft Incentive Program Plan. This submittal was reviewed by the State and returned for correction with comments. On 1/2/15, the Contractor emailed a revised Draft Incentive Program Plan. WSDOT SL 057, dated 2/2/15, rejected this revision and provided comments on how the plan did not meet Contract requirements and notice that failure to respond to comments and meet the Contract requirements could result in elimination of the Incentive Program. The Contractor provided an additional revised submittal S.286.001 (Rev 001) Draft Incentive Program Plan. This was reviewed and determined to be unresponsive. On 5/11/15, WSDOT SL 112 informed the Contractor that the Incentive Program would be eliminated from the Contract.

This change order was then initiated to document WSDOT implementing its contractual right to eliminate the Incentive Program & Contract funds associated with it per the Special Provision titled Incentive Program under Section 1-08 Prosecution and Progress. Change approvals were received as noted above.

On 6/19/15, WSDOT SL 148 transmitted the change order to the Contractor for endorsement. On 6/24/15, FW SL 135 returned that change order to the State unsigned. Therefore, the State has elected to execute this change order unilaterally.

Payment

This change order eliminates the total calculated amount of Bid Item 286 "Incentive", resulting in a reduction in the total Contract amount by \$1,600,000.

Time

Contract time is not affected by this change order.

DBE Statement

DBE participation is not impacted by this change order.

Attachments

CCIS Change Order Document (3 pages)
Change Order Checklist (2 pages)
Change Approval Emails (Attachment A)

File: CO Files: CO 028; ProjectWise: 16.05.028

**WASHINGTON STATE
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CHANGE ORDER**

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CONTRACT NO: 008625 **FEDERAL AID NO:** BR-NHPP-0520 (053)
CONTRACT TITLE: SR 520, MONTLAKE TO EVERGREEN PT. BRIDGE WEST APPR
CHANGE ORDER NO: 28 DELETE INCENTIVE PROGRAM

PRIME CONTRACTOR: SW0178155 FLATIRON WEST, INC
18702 NORTH CREEK PARKWAY #202
BOTHELL WA 98011-8019

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

<p>ENDORSED BY:</p> <p>_____</p> <p>CONTRACTOR</p> <p>_____</p> <p>DATE</p>	<p>SURETY CONSENT:</p> <p>_____</p> <p>ATTORNEY IN FACT</p> <p>_____</p> <p>DATE</p>
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ORIGINAL CONTRACT AMOUNT: 199,537,370.50
CURRENT CONTRACT AMOUNT: 200,852,351.50
ESTIMATED NET CHANGE THIS ORDER: -1,600,000.00
ESTIMATED CONTRACT TOTAL AFTER CHANGE: 199,252,351.50

Approval Required: Region Olympia Service Center Local Agency

<p><input checked="" type="checkbox"/> APPROVAL RECOMMENDED <input type="checkbox"/> EXECUTED</p> <p style="text-align: center; font-size: 1.2em;"><i>Brian Wohl</i></p> <p>PROJECT ENGINEER</p> <p style="text-align: center; font-size: 1.2em;">7-7-15</p> <p>DATE</p>	<p>EXECUTED:</p> <p style="text-align: center; font-size: 1.2em;"><i>Robert C. [Signature]</i></p> <p>STATE CONSTRUCTION ENGINEER</p> <p style="text-align: center; font-size: 1.2em;">7/17/15</p> <p>DATE</p>
<p><input checked="" type="checkbox"/> APPROVAL RECOMMENDED <input type="checkbox"/> EXECUTED</p> <p style="text-align: center; font-size: 1.2em;"><i>Julie M. [Signature]</i></p> <p>REGIONAL ADMIN:</p> <p>BY:</p> <p style="text-align: center; font-size: 1.2em;">7/14/15</p> <p>DATE</p>	<p>OTHER APPROVAL WHEN REQUIRED</p> <p style="text-align: center; font-size: 1.2em;"><i>Anthony Sanhan</i></p> <p>SIGNATURE 7/17/15</p> <p>DATE</p> <p style="text-align: center; font-size: 1.2em;">FHWA</p> <p>REPRESENTING</p>

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CONTRACT NO: 008625

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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:

Description:

This change order eliminates the calculated total amount of Bid Item 286 "Incentive" from the Contract.

Measurement and Payment:

\$1,600,000 is eliminated from Bid Item 286 "Incentive".

Time:

Contract time will not be affected by this change order.

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CONTRACT NO: 008625

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ITEM NO	GROUP NO	STD ITEM	ITEM DESCRIPTION	UNIT MEASURE	UNIT PRICE	EST QTY CHANGE	EST AMT CHANGE
0286	01		INCENTIVE	CALC	1,600,000.00	1.00	-914,822.40
0286	03		INCENTIVE	CALC	1,600,000.00	1.00	-7,004.80
0286	05		INCENTIVE	CALC	1,600,000.00	1.00	-5,686.40
0286	02		INCENTIVE	CALC	1,600,000.00	1.00	-671,508.80
0286	07		INCENTIVE	CALC	1,600,000.00	1.00	-977.60

-1,600,000.00
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CHANGE ORDER-CHECKLIST

Cont. #: <u>8625</u> Cont. Title: <u>SR 520 West Approach Bridge North (WABN)</u> C.O. #: <u>28</u> C.O. Title: <u>Delete Incentive Plan</u>	If yes, State Construction Office Approval Required.
I. Executed by the State Construction Office	
1. Cost or credit equal to or exceeding \$200,000.*1	<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)	<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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
II. Executed by the Region	
5. Cost or credit greater than \$100,000 but less than \$200,000. *1	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. Change in contract time greater than 10 and less than or equal to 30 working days (must be related to changes implemented by change order).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
III. Executed by the Project Engineer	
7. Determination of impacts and/or overhead.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8. Specification change involving Headquarters generated specification. <i>(Includes Region generated specification requiring State Construction Office Approval)</i>	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9. Specification change involving Region generated specifications.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
10. Material or product substitution.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
11. Structural design change in the roadway section. <i>(Requires State Materials Lab approval)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
12. Determination of changed condition. <i>(Section 1-04.7 of the Standard Specifications)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
13. Settlement of a claim. <i>(Section 1-09.11(2) of the Standard Specifications)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
14. Repair of damage regarding "acts of God" or "acts of the public enemy or of government authorities". <i>(Section 1-07.13 of the Standard Specification)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
15. Structural change to structures. <i>(See BTA authority as shown in the Construction Manual)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Approvals obtained: Project Engineer (Required): Brian Dobbins Date: 6/1/2015
 Region (Required if yes marked): Tom Horkan/Julie Meredith Date: 6/1/2015
 State Construction Office: Derek Case Date: 6/4/2015
 State Materials Lab: N/A Date: _____
 Other (Local Agency, FHWA, Surety, etc.): Anthony Sarhan Date: 6/19/2015

To be completed by the Project Engineer :

CO Reason(s) (See "2008 Codes and Definitions" on HQ Construction SharePoint): AB-05, AP, AF
 Change Order Prepared By: Jon Danks Date: 5/1/2015
 Has change been entered as lesson learned? Yes No Has design documentation been updated? Yes No
 Is this project under full FHWA stewardship oversight? *1 Yes No

To be completed by the Region :

Is the change eligible for Federal participation where applicable? Yes No
 Change Order Reviewed by: Jon Danks Date: _____

*1 Change (Cost or Credit) greater than \$200,000 or greater than 30 days on Full Federal Stewardship Oversight projects requires FHWA approval. (see Construction Manual - Chapter 1-2.4C(3), Chapter 1-3.4, and <http://www.wsdot.wa.gov/biz/construction/Stewardship/Stewardship.xls>)
 *2 Per RCW 47.28.050, any change beyond \$7,500 that is beyond the original scope shall go through the competitive bidding process.

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.

CHANGE ORDER-CHECKLIST

SR 520 Corridor Program: Change Order Page 2 - Checklist Supplement

Cont. #:
 C.O. #:

To be completed by the Project Engineer:

Does this change order require coordination with other SR 520 Projects / Program Areas? Yes No

Coordination has taken place with:

Contract Project (identify your project):

Pontoon	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	Name: <input type="text" value="N/A"/>	Date: <input type="text"/>
Pontoon Mitigation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	Name: <input type="text" value="N/A"/>	Date: <input type="text"/>
Pontoon Moorage	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	Name: <input type="text" value="N/A"/>	Date: <input type="text"/>
Eastside HOV	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	Name: <input type="text" value="N/A"/>	Date: <input type="text"/>
Evans Creek	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	Name: <input type="text" value="N/A"/>	Date: <input type="text"/>
FB&L	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	Name: <input type="text" value="N/A"/>	Date: <input type="text"/>
WCB	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A	Name: <input type="text" value="N/A"/>	Date: <input type="text"/>
WABN	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	Name: <input type="text" value="N/A"/>	Date: <input type="text"/>

Identified risk has been entered into the SR 520 Risk Management Database: Yes No N/A

Risk ID Number (if pending, identify as Pending):

Project Risk ID No.:
 Project Risk ID No.:
 Project Risk ID No.:

To be coordinated with Program Finance, Budget and Controls Group:

Program Funding Concurrence? Yes No Funding Concurrence Obtained on:
 Is Sales Tax Included in CO Cost? Yes No Is sales tax deferred? Yes No
 Max Payment Curve Changes discussed with: Date:
 Third Party Agreements discussed with: Date:

Coordination with Others:

Design / Technical Lead: Name: Date:
 Maintenance: Name: Date:
 Environmental Commitments: Name: Date: