



January 8, 2025

LTC-109.2

Rafael Torres
Project Manager
J.F. Shea Construction
(909) 824-4293
Rafael.Torres@jfshea.com

Subject: Overall Project Impacts Time Related Overhead

References: Potential Change Order No. 080; Notice of Claim Due to Overall Impacts Time Related Overhead (11-20-24)

Dear Mr. Torres,

Mission Springs Water District (MSWD or District) is in receipt of JF Shea's (JFS) Notice of Claim Due to Overall Impacts Time Related Overhead dated November 20, 2024 which incorporates a revised Cost Proposal Letter associated with PCO 080 requesting payment in the amount of \$1,578,538.00 for Time Related Overhead (TRO) cost impacts. Your letter outlines 12 individual change events that occurred during the project.

In light of discussions had during the meet and confer between JFS and the District held on November 7, 2024, the district has performed additional review of the proposed cost associated with PCO 080 and Notice of Claim Due to Overall Impacts Time Related Overhead. District analysis and position for each potential impact are as follows:

Adverse Weather

Costs associated with Adverse Weather are addressed in PCO 082 in which the measure of payment is based explicitly on time and the effects on direct labor. Adverse Weather impacts shall not be considered as it pertains to this PCO 080.

Site Security System

The District acknowledges JFS's analysis of the extra work performed as a result of the added scope. Based on project inspection reporting and photo documentation, the District's review of this potential impact considers an additional **117** working days to be incorporated in cost analysis.

MCC Delay – Critical Delay

The District acknowledges JFS's additional efforts and analysis of the MCC delay as noted in Notice of Claim Due to Overall Impacts Time Related Overhead resulting in a reduction of the original PCO cost proposal in the amount of (\$141,386.00). The District also acknowledges JFS's efforts and willingness to negotiate in good faith to come to a reasonable and fair price for all parties as apparent by a further reduction in original PCO cost proposal in the amount of (\$100,598.00) representing markups already paid on Contract Change Orders.

No additional consideration will be given to this item as it pertains to this PCO.

SCE Revised Layout

The District acknowledges JFS's analysis of the extra work performed as a result of the revised scope. Based on project inspection reporting and photo documentation, the District's review of this potential impact considers an additional **26** working days to be incorporated in cost analysis.

pH Monitoring Added Wiring

The District acknowledges JFS's analysis of the extra work performed as a result of the revised scope. Based on project inspection reporting and photo documentation, the District's review of this potential impact considers an additional **13** working days to be incorporated in cost analysis.

ALP Thermal Expansion

Engineer of record responded to RFI 214 during the mechanical detailing process that required JFS to modify air piping to include expansion joints and couplings for thermal expansion. JFS claims that this potential impact added an additional 28 working days for procurement and an additional 6 working days to perform the work for a total of 34 working days. The District does not dispute that it may have taken 28 days to procure the equipment required for this work, however crews continued work on other activities on the critical path. Mechanical work did not stop for 28 days to wait for procurement. The District acknowledges JFS's duration of an extra 6 days to perform extra work associated with the potential impact.

The District's review of this potential impact considers an additional 6 working days to be incorporated in cost analysis.

Burrowing Owl

Cost associated with Burrowing Owl impacts addressed in PCO 038. No further consideration will be given as it pertains to this PCO.

SBR Decanter Conflicts

Response to RFI 251 resulted in a reroute of 8" ALP piping in all four SBR Basins. JFS claims that this potential impact added an additional 30 working days for procurement and an additional 6 working days to perform the work for a total of 36 working days. The District does not dispute that it may have taken 30 days to procure the equipment required for this work, however crews continued work on other activities on the critical path. Mechanical work did not stop for 30 days to wait for procurement. The District acknowledges the extra work for fabrication and reworking of piping that resulted in an additional 6 days to complete work associated with this potential impact.

The District's review of this potential impact considers an additional 6 working days to be incorporated in cost analysis.

Fire Sprinkler Revisions

The District acknowledges potential impacts due to the delayed permitting and plan review process with the City of Desert Hot Springs and Riverside County Fire. Plan review and response to subsequent RFI 242 resulted in added fire sprinkler scope in the Operations Building. Based on project inspection reporting and photo documentation in comparison to baseline schedule durations the District has determined that Fire Sprinkler revisions resulted in an additional 15 working days to complete.

The District's review of this potential impact considers an additional 15 working days to be incorporated in cost analysis.

Grading Revisions

The District acknowledges JFS's analysis of the extra work performed as a result of the revised scope. Based on project inspection reporting and photo documentation, the District's review of this potential impact considers an additional 11 working days to be incorporated in cost analysis.

Riverside County Fire Department Pavement Revisions

The District acknowledges JFS's analysis of the extra work performed as a result of the revised scope. Based on project inspection reporting and photo documentation, the District's review of this potential impact considers an additional 3 working days to be incorporated in cost analysis.

Decanter Reversing Starters

Response to RFI 311 directed JFS to provide reversing motor starters as required by the SBR System supplier. Subsequently, JFS would need a separate sub-panel to house the required reversing motor starters. The response to RFI 311 would ultimately require a new submittal, procurement of equipment, fabrication and delivery of the newly designed control panel, and additional field wiring. JFS claims that this potential impact added an additional 50 working days for

procurement and an additional 10 working days to perform the work for a total of 60 working days. The District does not dispute that it may have taken 50 days to procure the equipment required for this work, however crews continued work on other activities on the critical path. Electrical work did not stop for 50 days to wait for procurement. The District acknowledges 10 additional working days required to complete installation of new Subpanel and Reversing Motor Starters associated with this potential impact.

The District's review of this potential impact considers an additional **10** working days to be incorporated in cost analysis.

TABLE 1: SUMMARY OF JFS DAYS CLAIMED VS. DISTRICT DAYS ACKNOWLEDGED				
Item	PCO #	Description	JFS Days Claimed	CM Days Acknowledged
1	-	Adverse Weather	62	0
2	12	Site Security	117	117
3	21	Electrical Proc.	0	0
4	22	SCE Revised Layout	26	26
5	30	pH Monitoring	13	13
6	31	ALP Thermal Exp.	34	6
7	38	Burrowing Owl	0	0
8	41	SBR Decanter Conf.	36	6
9	42	Fire Sprinkler Rev.	15	15
10	53	Grading Rev.	11	11
11	54	Fire Paving Rev.	3	3
12	61	Decanter Starters	60	10

377 days 207 days = 41.4 MW

Conveyance Pipeline Project

In addition to the original cost proposed under PCO 080, JFS has included anticipated cost for remaining work to be performed to achieve project completion. Remaining work has been on hold because of Conveyance Pipeline Project delays due to Southern California Edison conflicts. JFS has proposed a "Not to Exceed" cost of \$230,464.00. The District has considered JFS proposal in our cost analysis and has incorporated an additional 30 "Man Weeks" (MW) to achieve project completion.

District review of this potential impact considers an additional **30 MW** to be added to the 41.4 MW shown in Table 1 for a total of **71.4 MW**. See attached Cost Summary.

Miscellaneous Cost

There have been many issues that can be attributed to the overall delay of this project. The District understands that as a the project schedule experiences delays misc. cost will be incurred as a result. The District acknowledges miscellaneous cost such as Office Trailers, Portable Toilets, Temp Fencing, etc. as shown in TRO cost summary items 4-20 (See attached). Items 9 through 12 are "estimated" due to a representative invoice being used for each item and developed into weekly values.

Extended Builders Risk

The District accepts JFS's cost associated with Extended Builders Risk as submitted items No. 21, 22, & 23 of attached TRO Cost Summary (See attached).


Summary:

The District understands the each of the significant issues identified have impacted the project in some manner during the coordination process, review of scope and cost, delayed owner approvals, or by the addition of labor, equipment and materials not originally planned. The District recognizes your team's hard work and efforts in completing this successful project and we appreciate your patience, flexibility, and understanding as we work together to reach an agreement on outstanding PCO's.

The Districts review and analysis as described above has determined that JFS may be entitled to payment in the amount of **\$1,114,322.00** for Overall Time Related Overhead.

A change order for the above mentioned Overall Time Related Overhead shall be executed upon receipt of JFS acceptance of the Districts cost proposal.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Valenzuela', is positioned above the typed name.

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For:

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Time Related Overhead (TRO) Cost Summary

	Description	UM	QTY	MH/UNIT	TOTAL MH	MAN WEEK RATE	LABOR COST	MATERIAL TAXABLE	OTHER NON TAX	EQUIP	SUB	TOTAL COST
1	TRO Cost Details											
2	Supervisions Staff (Incl. Markup)	MW	71.4		1656	\$ 4,750.00	\$ 339,150.00				\$ -	\$ 339,150.00
3	Staff Vehicles	MW	71.4			\$ 1,695.60	\$ -			\$ 121,065.84		\$ 121,065.84
4	Office Trailer Rentals (2-2xOffices)	WK	18			\$ 671.88	\$ -		\$ 12,093.84			\$ 12,093.84
5	Septic Tank Services (2Tanks)	WK	18.0			\$ 215.57	\$ -		\$ 3,880.26			\$ 3,880.26
6	Portable Toilets	WK	30.0			\$ 290.14	\$ -		\$ 8,704.20			\$ 8,704.20
7	Janitorial (2x Offices)	WK	18.0			\$ 200.00	\$ -		\$ 3,600.00			\$ 3,600.00
8	Temp Fencing	WK	18.0			\$ 160.05	\$ -		\$ 2,880.90			\$ 2,880.90
♦ 9	Electrical Power Service (estimated)	WK	18.0			\$ 477.60	\$ -		\$ 8,596.80			\$ 8,596.80
♦ 10	Trash Disposal (estimated)	WK	30.0			\$ 1,061.00	\$ -		\$ 31,830.00			\$ 31,830.00
♦ 11	Security Service (estimated)	WK	30.0			\$ 3,423.83	\$ -		\$ 102,714.90			\$ 102,714.90
♦ 12	Printers/Copiers Lease (estimated)	WK	30.0			\$ 150.00	\$ -		\$ 4,500.00			\$ 4,500.00
13	Temp Power Equipment Rental	WK	18.0			\$ 387.00	\$ -			\$ 6,966.00		\$ 6,966.00
14	Water Tower	WK	26.0			\$ 379.75	\$ -			\$ 9,873.50		\$ 9,873.50
15	Exterior Flood Lights	WK	30.0			\$ 153.39	\$ -			\$ 4,601.70		\$ 4,601.70
16	Storage Containers x2 ea	WK	22.0			\$ 76.18	\$ -			\$ 1,675.96		\$ 1,675.96
17	Security Connex	WK	22.0			\$ 83.32	\$ -			\$ 1,833.04		\$ 1,833.04
18	Breakroom Connex	WK	30.0			\$ 135.44	\$ -			\$ 4,063.20		\$ 4,063.20
19	Dust Control Water Trucks x2 ea	WK	22.0			\$ 6,755.20	\$ -			\$ 148,614.40		\$ 148,614.40
20	Dust Control Teamster (incl. markup)	WK	22.0			\$ 3,747.16	\$ 82,437.52					\$ 82,437.52
21	Extended builders Risk (thru 6/30/24)	LS	1.0			\$ 21,628.60	\$ -		\$ 21,628.60			\$ 21,628.60
22	Extended builders Risk (thru 12/31/24)	LS	1.0			\$ 19,497.92			\$ 19,497.92			\$ 19,497.92
23	Extended builders Risk (thru 6/30/25)	LS	1.0			\$ 20,000.00			\$ 20,000.00			\$ 20,000.00
24												
25												
26												
27												
28												
29												
	SUBTOTAL				0		\$ 421,587.52	\$ -	\$ 239,927.42	\$ 298,693.64	\$ -	\$ 960,208.58
	SALES TAX @ 7.75%							\$ -				\$ -
	SUBTOTAL						\$ 421,587.52	\$ -	\$ 239,927.42	\$ 298,693.64	\$ -	\$ 960,208.58
	MARKUP											
	LABOR 10%						\$ 42,158.75					\$ 42,158.75
	MATERIALS 10%							\$ -	\$ 23,992.74			\$ 23,992.74
	EQUIPMENT 10%									\$ 29,869.36		\$ 29,869.36
	SUBCONTRACTOR 5%										\$ -	\$ -
	SUBTOTAL											\$ 1,056,229.44
	G&A COST (5.5%)											\$ 58,092.62

♦ Estimation value created by using one (1) representative invoice for each item, then used that to develop daily/ weekly values.

GRAND TOTAL \$ 1,114,322.06