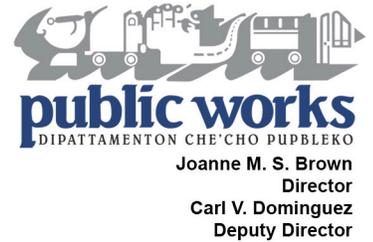




The Honorable
Eddie Baza Calvo
Governor

The Honorable
Ray Tenorio
Lieutenant Governor



Joanne M. S. Brown
Director
Carl V. Dominguez
Deputy Director

REPONSES TO SENATOR TOM ADA'S QUERIES REGARDING THE TRI-INTERSECTION

1. Completion date of Tri-Intersection Road Construction:

a. I understand that original Completion date was March 2011; this deadline was extended to June because of unexpected soil conditions (clay) and unmapped utility infrastructure.

The original contract completion date was February 2011. The first Change Order added 32 calendar days that revised the original completion date to March 2011. The 32 calendar days added were for additional work that was identified prior to construction beginning and for notification to the public prior to the Phase 1 construction. The contract completion date will need to be revised again (additional calendar days added) for unforeseen additional excavation (clay) and for unmapped utility conflicts. It is currently proposed by the contractor that the project will be completed in September 2011.

b. I understand the completion date has been once again pushed out, to September. Please confirm if in fact the completion deadline has been pushed out. If so, what is/are the reasons for the extension?

The Contractor indicated a completion date of September at a recent public meeting – this date has not been agreed to by DPW. The contractor will submit a schedule to DPW for review and acceptance in the next few weeks. This schedule will consider the impacts of delays for unforeseen conditions, and reset a completion date for the contract. Once the schedule is accepted by DPW, the schedule will be published, showing the revised completion date. The completion date is the end of contract time. Any working days beyond the completion date are subject to liquidated damages penalties.

c. How are requests (from Contractor) for time extension reviewed?

Contractors must ask for extensions in writing. Such requests are reviewed against contract requirements and stipulations. Extensions can only be granted for non-contractor caused delays, for example, unforeseen utility conflicts, soil over-excavation, severe weather impacts, etc. Extensions are not granted for the contractor's convenience, for example not procuring materials in a timely fashion to complete the project on time, or simply falling behind schedule. All time extension requests must be reviewed and concurred by FHWA.

d. Who is the approving authority for granting of time extensions?

The DPW as contracting agency is the approving authority. The FHWA must review and concur with any time extensions.

e. Aside from freeing resources to use on other projects (assuming he has other on-going or prospective projects), does Contractor have any incentive to complete project sooner than agreed deadline?

There are no cash incentives in the contract provisions for the projects currently under construction. All roads contracts are unit price contracts, under which a contractor is paid unit price for a specific item, for example; for linear feet of installed guardrail or concrete curb. A contractor that completes a job sooner will earn more profit by reducing overhead costs on the project – equipment rentals, project office lease, etc. Contracts not completed on time are subject to liquidated damages, where the contractor must pay a daily fee for being late. This fee is intended to cover DPW's costs for the schedule over-run.

f. Given the "unexpected" finding of clay (on Rte 16?), are test borings being made for the next phase of the project to determine if the same obstacles will be encountered?

No. Since this project is already under construction, test borings would not provide benefit – as it is already anticipated that clay will be there. It cannot be removed until the traffic is shifted and pavement

removed. It is expected that the contractor will be more efficient in removing clay, as they have just completed the procedure in Phase 1.

g. What was the Contractor's original Bid Price for the project? Was this price significantly below/above government's estimate? How much has the construction cost been increased (in terms of \$\$ and %%) due to change orders?

The original bid price for the project is \$4,502,542. To date the estimated contract cost has been increased by \$151,416 (3.3%) by Change Orders. It is anticipated that the estimated cost will need to be increased by an additional \$300,000 (6.6%) for unforeseen items and unforeseen conflicts.

2. Determination of Time Required to complete Project.

a. Is project duration dictated by the Designer or by the Contractor?

The time for completion is specified in the bid documents prepared by the designer. For DPW road contracts, the time is specified in calendar days from the date of the Notice to Proceed.

(1) If project duration is dictated by Designer, what are some of the significant factors considered in determining construction time?

The time for completion is determined by estimating the time to complete the various elements of work and the likely sequence of operations. Production rates may be estimated from experience, by reference to other projects, or from estimating manuals used by the industry. Any work by third parties such as utility relocations is taken into account. The level of detail in setting the time for completion may vary from one project to the next. Sometimes a rough estimate based on experience and the dollar amount of work is sufficient.

(2) If project duration is based on Contractor's estimate, was this a factor in the evaluation of the Tri-Intersection bids?

N/A. The time for completion was specified in the bid documents.

b. Notwithstanding the unexpected variables that have been encountered, does the Project Management Team deem the progress to date to be satisfactory?

The construction progress has been slower than was originally scheduled by the contractor. There have been many factors that have affected the rate of the contractor's production on the project. These include numerous conflicts with unmapped utilities and unforeseen work that added to the time necessary to construct the work. In the final analysis, the contractor has a contractually defined number of days to get the project completed to include any negotiated and approved extensions. If the contractor goes beyond the final negotiated project completion date he will be subject to liquidated damages.

c. What is the DPW-PMT's level of confidence that the project will be completed on the currently agreed completion date, i.e. 30%, 60%, 90%, 99%?

Barring unknown and unforeseen conditions in Phase II, the contractor's estimated time of completion is September. DPW is presently waiting for a finalized proposed schedule from the contractor from which to negotiate a final agreed to completion date.

d. Is it feasible to post a large sign on Rtes 8/10/16 show the rate of progress (like a project thermometer), say at the end of each week? If not, why not? If feasible, how soon can the three signs be posted?

All signs posted to provide information to and guidance for the traveling public would need to conform to the Manual on Uniform Traffic Control Devices (MUTCD). We are presently considering including such information graphically in the weekly traffic reports which come out each Monday and will post those same graphics on the guamtransportationprogram.com website.