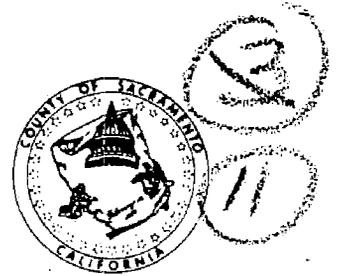




**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



June 7, 1989

Budget and Finance Committee  
of the City Council  
Sacramento, CA

Honorable Members in Session:

SUBJECT: Riverview Plaza Claim Resolution - Campbell  
Construction

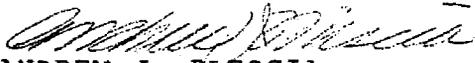
SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Redevelopment Agency and Housing Authority of the City of Sacramento.

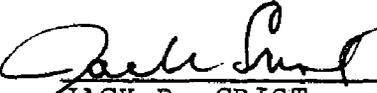
RECOMMENDATION

The staff recommends approval of the attached resolution approving funding to resolve the claim.

Respectfully submitted,

  
ANDREW J. PLESCIA  
Acting Executive Director

TRANSMITTAL TO COMMITTEE:

  
JACK R. CRIST  
Deputy City Manager

Attachment



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



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June 13, 1989

Redevelopment Agency  
and  
Housing Authority of the  
City of Sacramento  
Sacramento, California

Honorable Members in Session:

Subject: Riverview Plaza Claim Resolution  
Campbell Construction

SUMMARY

On August 19, 1986, City Housing Authority Resolution HA-86-019 authorized the Executive Director to Execute a contract with Campbell Construction Company (Campbell) for the construction of the Riverview Plaza project. Construction was completed on September 6, 1988 and the building is now in use. Subsequent to completion, on September 21, 1988, Campbell submitted a claim for various construction related issues in the amount of \$650,000.

Based on your request and direction, extensive evaluation and negotiations with Campbell concerning this claim has occurred. This report discusses our findings and recommends the final disposition of the claim.

BACKGROUND

With the completion of the Riverview Plaza project, Campbell, on September 21, 1988, submitted a request to the Agency for consideration to cover an alleged financial loss of six hundred fifty thousand dollars (\$650,000). The Agency staff had expected Campbell to submit the request, however, not anywhere near the size submitted. This expectation on the Agency's part was based on comments from Campbell's staff indicating the complexity of the project and a subsequent loss of anticipated profits.

(1)

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Governing Bodies  
June 13, 1989  
Page 2

Upon receipt of the claim, it was recommended that a sub-committee of the commission be established and that a claims consultant be retained to analyze and make recommendations on the final settlement. CRS Serrine, Inc. (CRSS) was selected after receiving proposals from two other qualified consultants. The agency's sub-committee was made up of Commissioners:

William Wiggins  
Virginia Moose  
Dan Sheldon  
Karolyn Simon  
William Strong

The main essence of Campbell's claim was the number of changes related to the project, alleged delays, out of sequence work, loss of productivity and constructive acceleration. Campbell's initial position on each of the issues was as follows:

1. Changes: Shortly after issuance of the Notice To Proceed, 545 design revisions were implemented. The changes continued throughout the project duration with, "the issuance of 185 design revisions or change orders."
2. Delay: (Home and field office overhead) The project was delayed significantly through no fault of the contractor. This caused the contractor to commit its resources in the home office and the job site for longer than originally planned.
3. Out of Sequence Work and Loss of Productivity: As a result of considerable changes on the project, the contractor had to shift its various trades to work around the, "delayed areas," creating a disruption to an otherwise smooth sequential movement of trades on a normal construction project. This "shifting" created a "stacking" of trades in certain areas, resulting in loss of time and productivity.
4. Constructive Acceleration: SHRA failed to recognize the delays it caused the contractor, forcing the latter to constructively accelerate its construction schedule in order to avoid or mitigate the impact of liquidated damages.

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# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Governing Bodies  
June 13, 1989  
Page 3

Cost as outlined in the claim for the four major elements are:

1. Unresolved change order requests	\$301,600.00
2. Extended home office overhead	\$120,417.00
3. Extended field office overhead	\$154,966.00
4. Out of sequence work, loss of productivity and constructive acceleration	\$ 73,017.00
TOTAL	<u>\$650,000.00*</u>

\*It should be noted that after the original submission, this number has actually fluctuated from \$661,505 to \$576,983.

With the assistance of CRSS's preliminary report dated November 1, 1988 (see attached Exhibit "A"), staff presented its initial recommendations to the sub-committee on November 21, 1988. It was determined that the Agency's exposure at that time was somewhere between \$71,000 and \$151,000, most of which related to disputed change orders Campbell took exception to before doing the work. The sub-committee, therefore, authorized the Executive Director to meet with Campbell to discuss CRSS's findings. CRSS's report pointed out to Campbell where further review and documentation was necessary if they were going to strengthen their position and prove to the Agency that they were damaged to the degree stated in the claim. Therefore, Campbell spent additional time reanalyzing their position and on December 15, 1988, submitted a rebuttal to CRSS's report (See attached Exhibit "B").

Their rebuttal included a change of emphasis, putting more reliance on the Agency's alleged lateness in responding to proposed modifications to drawings as required during the construction process. (Most of these instances involved considerable ambiguity.)

CRSS, therefore, recommended that the Agency insist on a face-to-face discussion with Campbell to discuss each cost element claimed.

The Task Force was informed of this and approval was obtained to invite Campbell to present all issues in a forum with staff. This offer was immediately transmitted to Campbell, but it was not until March 29, 1989 that the meeting was held.

The meeting was conducted with the intent of covering specific issues. The first and most identifiable issues were the unresolved change orders. Each was discussed in detail and any found to have elements of Agency responsibility were tentatively

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Governing Bodies  
June 13, 1989  
Page 4

approved. Of the original \$301,600 claimed, staff could only justify \$125,436. With reference to extended home and field office overhead, out of sequence work, loss of productivity and constructive acceleration, Campbell again fell short of providing the type of documentation necessary to alter staff's and CRSS's initial position. CRSS did, however, point out that Campbell Construction previously agreed to all of the change orders with no reservation to claim for extended field or home office overhead. CRSS could find no contractual reason, nor did Campbell provide any new support to cover the additional claimed overhead. CRSS felt that any decision to agree on compensation with regard to this element would be purely subjective. They noted, however, that if Campbell had elected to pursue the claim in court, which they have the contractual right to do, both Campbell and the Agency would incur significant costs. Understanding this, we believe that it would be prudent to offer Campbell some compensation for a full and final waiver from claim. The determination of this amount is, as noted above, subjective. CRSS did, however, recommend that any offer should not exceed \$70,000. When combined with the direct cost elements of the claim, the total would equal \$195,436.

With this in mind, on March 29 1989, a meeting was held with the Acting Executive Director and Campbell.

In a spirit of compromise, knowing Campbell had started at an amount of \$650,000, and at one point agreed to settle at \$242,500 and the Agency could only justify \$125,436, the Agency agreed to recommend a settlement of \$198,000.

## FINANCIAL DATA

On August 19, 1986 you authorized the award of a construction contract to Campbell in the amount of \$12,405,000. At a more advanced stage of the project, when costs could be more clearly identified, additional funds were allocated to the overall project budget to cover outstanding change orders and estimated potential claims associated with final closeout. This action provided contract authority with Campbell in the amount of \$13,276,000. To date excluding all claims related items, the contract has been increased by change order up to an amount of \$13,116,781. This, therefore, leaves available to cover the subject \$198,000 claim, an amount of \$159,219. The unfunded amount of \$38,781 is proposed to be funded from Mortgage Revenue Bond Fund Balance (fund 592).

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# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Governing Bodies  
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This action will closeout and finalize all actions concerning funding to Campbell Construction and all related subcontracts on the original Riverview Plaza project.

## ENVIRONMENTAL REVIEW

CEQA: Exempt per Section 15378(b)(3).

## POLICY IMPLICATION

The action proposed in this staff report is necessary to settle the claim with Campbell and close out the related project budget. The decision to negotiate a settlement versus having it proceed to court in staff's opinion, was the most cost effective way to settle the dispute. Attorney's fees and court costs could have greatly increased the settlement amount. A claim of 1.5% on a project the size of Riverview is far below the industry norm.

## VOTES AND RECOMMENDATION OF COMMISSION

At its meeting of June 5, 1989, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:

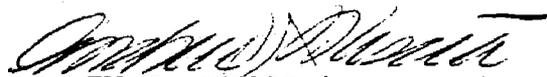
NOES:

ABSENT:

## RECOMMENDATION

The staff recommends that, acting variously as the City Housing Authority, and Redevelopment Agency you adopt the attached Resolutions approving and authorizing the Acting Executive Director to resolve the claim with Campbell Construction by executing a final change order in the amount of \$198,000.

Respectfully submitted,

  
ANDREW J. PLESCIA  
Acting Executive Director

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# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Governing Bodies  
June 13, 1989  
Page 6

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE, City Manager

Contact Person: Kenneth Stroth, 440-1310

ID 178-r

11 B

# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
ON DATE OF

RESOLUTION AUTHORIZING THE ACTING EXECUTIVE DIRECTOR TO TRANSFER FUNDS FROM THE CITY REDEVELOPMENT AGENCY'S MORTGAGE REVENUE BOND PROGRAM TO THE CITY HOUSING AUTHORITY'S RIVERVIEW PLAZA CAPITOL IMPROVEMENT PROGRAM

WHEREAS the Housing Authority of the City of Sacramento entered into a contract with Campbell Construction on September 24, 1988 for the construction of Riverview Plaza; and

WHEREAS the construction was completed on September 6, 1988; and

WHEREAS on September 21, 1988 Campbell submitted a request to the Agency for consideration to cover an alleged financial loss of \$650,000; and

WHEREAS the Agency's Commission established a task force and authorized the selection of a claims consultant to assist with the Resolution of the claim.

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The Acting Executive Director is hereby authorized to transfer funds in the amount of thirty eight thousand seven hundred eighty one dollars (\$38,781) from the Redevelopment Agency of the City of Sacramento's Mortgage Revenue Bond Program to the City Housing Authority's Riverview Plaza Capitol Improvement Program.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
ASSISTANT SECRETARY

1100WPP2(339)

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# RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF

AUTHORIZING THE ACTING EXECUTIVE DIRECTOR  
TO CHANGE ORDER NUMBER 14 WITH CAMPBELL CONSTRUCTION

WHEREAS the Housing Authority of the City of Sacramento entered into a contract with Campbell Construction on September 24, 1986 for the construction of Riverview Plaza (the "Project"); and

WHEREAS the construction was completed on September 6, 1988; and

WHEREAS on September 21, 1988 Campbell submitted a request to the Agency for an additional \$650,000 to cover an alleged financial loss; and

WHEREAS the Agency's Commission established a task force and authorized the selection of a claims consultant to assist with the Resolution of the claim.

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1: Acting Executive Director is authorized to pay Campbell Construction an additional ONE HUNDRED NINETY EIGHT THOUSAND DOLLARS (\$198,000) as full payment for all claims relating to the project.

Section 2: The Acting Executive Director is authorized to accept from the Redevelopment Agency of the City of Sacramento (Mortgage Revenue Bond Program) THIRTY EIGHT THOUSAND SEVEN HUNDRED EIGHTY ONE DOLLARS (\$38,781) to cover the unfunded balance of program proceeds to cover the Campbell Construction settlement.

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Section 3: The Acting Executive Director is authorized to execute Change Order Number 14 with Campbell Construction in the amount of ONE HUNDRED NINETY EIGHT THOUSAND DOLLARS (\$198,000).

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
ASSISTANT SECRETARY

1100WPP2(ID 337)

## I - BRIEF OVERVIEW

The "Sacramento Housing and Redevelopment Agency" hereafter referred to as "SHRA" entered into a contract with "Campbell Construction Company" to build a high-rise apartment building called Riverview Plaza.

The contract amount was \$12,405,000.00. The construction duration was set at 540 calendar days.

The Notice To Proceed was issued on September 26, 1986, establishing the original completion date at March 16, 1988. The project's substantial completion, according to the Notice of Completion, is September 2, 1988. This constitutes a delay of 170 calendar days to the original completion date.

Several change orders were issued during the course of the project granting time extensions to the completion dates. The last time extension, established in change order No. 13, extends the project's completion date to August 25, 1988. This leaves the period between August 25, 1988 and September 2, 1988 (Notice of Completion) or eight days as unjustified delay subject to assessment of liquidated damages, according to Section 8.4 of the General Conditions of the construction contract.

The "Certificate of Occupancy" was issued in the latter part of October, 1988. There is a lengthy list of outstanding punch list items which the contractor is working on at the present time.

## II - THE NOTICE OF CLAIM

### A. Campbell's letter:

On September 21, 1988, "Campbell Construction Company," referred to hereafter alternatively as the contractor, submitted a letter stating that it incurred "significant financial loss" on the project. The actual loss, according to Campbell, exceeds \$650,000.00.

The loss is allegedly due to more demanding coordination and administration than usual on the project: "The administration and day-to-day coordination of this project has been particularly difficult for us." The other cause of the financial loss is due to, "the hundreds of changes and directives on the project."

Attached to the September 21, 1988 letter is a report prepared by, "Century Program Management," a consultant hired by Campbell. The report elaborates on the causes of damages and analyzes their financial impact on Campbell.

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B. Essence Of The Potential Claim

The main causes for Campbell's financial losses as stated are as follows:

1. Changes: Shortly after issuance of the Notice To Proceed, 545 design revisions were implemented. The changes continued throughout the project duration with, "the issuance of an excess of 185 design revisions or change orders."
2. Delay: The project was delayed significantly through no fault of the contractor. This caused the contractor to commit its resources in the home office and the job site for longer than originally planned.
3. Out of Sequence Work And Loss of Productivity: As a result of considerable changes on the project, the contractor had to shift its various trades to work around the, "delayed areas," creating a disruption to an otherwise smooth sequential movement of trades on a normal construction project. This "shifting" created a "stacking" of trades in certain areas, resulting in loss of time and productivity.
4. Constructive Acceleration: SHRA failed to recognize the delays it caused the contractor, forcing the latter to constructively accelerate its construction schedule in order to avoid or mitigate the impact of liquidated damages.

C. Cost Entitlement

Three major elements are outlined in the cost analysis of the claim:

1. Unresolved change order requests	\$ 301,600.00
2. Extended home office overhead	\$ 120,417.00
3. Extended field office overhead	<u>\$ 154,966.00</u>
TOTAL	\$ 576,983.00

These figures do not include, "damages associated with acceleration, out-of-sequence work and losses of productivity..." which the contractor also allegedly suffered.

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III - CRSS COMMENTS

CRSS conducted a quick review of the project's general correspondence, change orders, and incomplete schedule documents. CRSS also interviewed the following persons:

Mr. Roger Newman	SHRA
Mr. Michael Wilson	Project Inspector
Mr. Ken Stroth	SHRA
Mr. Ray Tokata	Project Architect
Mr. Mitch McAllister	Project Architect

The following comments will address the main causes of the contractor's alleged losses as enumerated under Paragraph B, "Essence of the Potential Claim," above.

1. Changes: The contractor states that the changes occurring shortly after construction start were of such magnitude as to make, "this an almost entirely different project from the one Campbell Construction Company originally bid in July 2, 1986."

A review of the project's history indicates that the contractor was aware as early as the pre-bid and the pre-construction conferences that the final regulatory approvals of the bid documents were not yet obtained and that the building permit had not been issued. Campbell was aware the design was incomplete. They cooperated with SHRA and the AE in completing the documents. The contractor agreed to retain its bid and, assisted SHRA in identifying potential savings in the contract documents. The suggested savings by the contractor are included in the 545 design revisions.

The alleged 545 design revisions included deductive changes, no cost changes and drawing clarifications. They have no claim relevance.

It is, therefore, difficult to accept Campbell's statement that the project became different from the one it originally bid on, since it was fully aware of the situation from the onset and there is no evidence that Campbell put SHRA on notice of such a major problem when there was ample occasion to do so.

2. Delay: Campbell states that the project was delayed from April 27, 1988 to September 21, 1988 for a total of 147 days. It also assumes that all this delay is exclusively caused by the owner. Therefore, Campbell is entitled to compensation for extended overhead and other damages. The contractor fails, however, to

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account for any delays caused by its own actions, delays caused by inclement weather, as well as other Force Majeure type of delays.

Upon reviewing the various project documents, CRSS found that there were several incidents of delays by the contractor. For example:

- o "Dryvit" siding: The building enclosure panels were delivered to the site about three weeks late. The erection and placement of the panels progressed slower than scheduled. Instead of enclosing one floor per week, it took one and one-half weeks per floor. This obviously is a controlling delay that impacts all the interior activities.
- o Sheet Vinyl Flooring: The contractor did not place the purchase order with the supplier in a timely manner. When the order was finally placed, the specified material was no longer in production and other sources had to be located. This resulted in a major delay to several finishing activities, particularly the case work.
- o Life Safety System: The contractor's submitted system did not meet the specifications and was rejected. It took several re-submittals and meetings until the contractor provided an approved system.
- o Carpet: The contractor provided and installed a carpet that did not meet the specifications. Despite the Architect's protests, the contractor continued installing the carpet. A test was eventually conducted that determined the deficiency of the carpet. The carpet was removed and a new carpet installed. The replacement carpet at the ninth floor was not installed until October 27, 1988, almost two months after the Notice of Substantial Completion. This resulted in direct damage to SHRA.
- o Other issues such as: Installation of windows, permanent light fixtures, also contributed to the delays.

The schedule information submitted by the contractor does not provide substantiation to its claim that all delays are solely caused by the owner. On the contrary, there is evidence that the overall delays were either concurrent (owner/contractor caused) or contractor-caused (i.e. the contractor caused delays could be found to exceed the owner-caused delays).

If this proves to be the case, SHRA would not be liable for the impact costs associated with the delays.

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A detailed schedule analysis must be undertaken to determine this. CRSS can provide such analysis, if requested.

3. Out of Sequence Work and Loss of Productivity: It is undeniable that most change order work will cause an amount of disruption of the planned flow of activities in the areas affected by the change, resulting in a loss of time and productivity.

This is the reason change order work is costlier than base contract work and why a time extension is granted when the change impacts the project's critical path.

The contractor, by signing a change order, agrees that the time and quantum inscribed therein constitute adequate compensation, unless it clearly states its reservations to the established amounts.

CRSS reviewed change order number's one (1) through fourteen (14). All of them are fully executed by the contractor. None of the change orders contains any reservation language from the contractor. The only exception is change order No. 14, where Campbell wrote a letter to SHRA dated October 13, 1988 reserving its rights to review revisions made by SHRA to certain components of the change order. We were told similar letters were written protesting the reduction by SHRA of the supervision costs charged by Campbell on other change orders. Such reductions were made to conform to the limits for such charges established in the General Conditions.

CRSS found no evidence that Campbell made requests or served notice for compensation on loss of productivity, out of sequence work or any other indirect costs prior to it's notice of claim on September 21, 1988.

It is difficult to accept the contractor's belated claims that it suffered damages for delays and changes over and, beyond those damages, compensated in fully executed change orders.

4. Constructive Acceleration: Constructive Acceleration arises when the contractor encounters a delay caused by others, requests a time extension to compensate for delay, and is denied such time extension, then and accelerates work to overcome the delay.

SHRA issued change orders granting time extensions which, for the exception of 8 days, covered the entire duration of the project.

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During the course of the project and prior to Campbell's notice of claim on September 21, 1988, SHRA did not assess or threaten to assess liquidated damages on the contractor, nor did SHRA direct the contractor to accelerate its work force.

We are not aware of any time extensions denied to Campbell Construction which would have resulted in Campbell accelerating the work.

We are aware of no basis for a Constructive Acceleration Claim.

#### IV - Comments on Cost

Assuming that Campbell proves a legal right & causation for damages. He must then prove the cost for damages are valid. There are many problems with the magnitude of the cost entitlements claimed.

1. Unresolved owner-directed changes in the work: The contractor is seeking \$301,600.00 for this category. A close look at the breakdown reveals that only change order requests No. 75, 98, 102, 146, 147 and 149 fall within the direct cost category. They are claimed to cost \$119,749.00. We do not know if the Contractor has substantiated the claimed amounts. Change order request No. 69 (Delayed Decisions), No. N/A (on-site supervision) and No. N/A (coordination drawings for disciplines of mechanical and electrical engineering) be considered a claim for indirect costs. These three change order requests constitute a total of \$181,851.00. This leaves only \$119,749.00 qualifying for the description of direct costs.

Change Order #69 amounts to \$51,851.00. Substantiation has been requested by the Architect in his letter of August 31, 1988 to Campbell. We found no substantiation provided by Campbell in the project records.

His remaining \$130,000. is for onsite supervision and for mechanical and electrical coordination drawings. We know no reason the owner should pay for these items the contractor has not substantiated said costs.

2. Extended Home Office Overhead: If SHRA were liable for Extended Home Office Overhead there is no contractual reason for using the "Eichleay formula" for its determination. The Eichleay formula is favored by Contractors because it dramatically inflates the home office cost charged to a project. If SHRA accepts the "Eichleay formula" as the method for Home Office Cost determination Campbell Construction misapplied its use.

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In calculating the overhead according to the "Eichleay" formula and, assuming that the contractor's figures for Gross Sales and Gross Overhead of 1987 can be independently verified, the contractor is pro-rating the contract value of the entire project to the 1987 Gross Sales Volume. This assumes that the contractor originally planned to commit its home office overhead to the project for a period of one year only. The contractual project schedule, however, is 540 days, or roughly one and one-half years. A more realistic calculation should spread the home office overhead over a period of one and one-half years. The pro-rated yearly value of the contract, consequently, is \$12,497,000.00 divided by 1.5 = \$8,331,333.00. The new extended overhead for the alleged 147 days should, therefore, be \$120,417.00 divided by 1.5 = \$80,278.00 in lieu of \$120,417.00.

3. Extended Field Office Overhead:

- (a) The project's history indicates that the Project Manager, Mr. Davison, was not committed full-time to the project. He further was not part of the field staff, but operated out of Campbell's home office. The \$60,000 for Mr. Davison should not be considered part of the field overhead.
- (b) Manlift: Campbell is charging \$51,228.49 for the 147 day's delay of the Manlift. According to the inspector's daily job records, the Manlift was removed on May 15, 1987. This means that the Manlift was present for 18 days only out of the 147 days, which began, according to Campbell, on April 27, 1988. On the other hand, the contractor's original schedule does not indicate for what periods of time the Manlift was scheduled on the project in order to identify the delays. Prorating the cost for 18 days results in an exposure of \$6,300.00.
- (c) The extended overhead period of 147 days occurs, according to Campbell, between April 27 and September 21, 1988. Since, by contract, every change order has a certain percentage premium to cover the overhead costs for job and office (refer to Paragraph 12.1.6 of the Addendum to the General Conditions), it can be justifiably argued that all change order work performed during the period between April 27 and September 21, 1988 should have such percentage premiums deducted from their values. Otherwise, the contractor will be charging the SHRA with the overhead costs twice: In the change orders and in the claim.

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The same argument of double-charging applies to the "Small Tools Expense," which appears as a line item on most change orders.

- (d) The project superintendent, Mr. Meadows, was absent from the job site during most of September, 1988. This should reduce his charges by about \$4,000.00.

#### V - CONCLUSIONS

The Notice of Claim presented by Campbell Construction Company failed to provide evidence or justification in two essential areas critical to the success of any claim. Those areas are entitlements, causation, and substantiation.

1. Entitlement: Section 3 of the Campbell's consultant report elaborates on the reasons the contractor is entitled to additional compensation by quoting various clauses of the General Conditions and stating at the onset that all the cost impacts "were directly a result of owner or architect initiated changes."

- o Those same clauses of the General Conditions quoted by the contractor to prove its entitlement provide the argument against such entitlement. Section 8.3.2. clearly states:

Any claim for extension of time shall be made in writing to the Architect not more than twenty days after the commencement of the delay; otherwise it shall be waived. In the case of a continuing delay only one claim is necessary. The Contractor shall provide an estimate of the probable effect of such delay on the progress of the work.

As stated earlier, in this document, the contractor did not provide evidence of having notified SHRA or the Architect of its intention to claim additional costs for extended overhead, out-of-sequence work, constructive acceleration, etc...The contractor thus prevented SHRA's ability to mitigate such damages.

Campbell Construction Company repeatedly refers to the 545 design revisions as being the clear justification for all damages, yet it never notified SHRA of such damages, and when those revisions were negotiated and converted into Change Orders, the contractor, again, failed to notify SHRA

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or the Architect that there are any indirect costs attached with those change orders for which it intended to seek extra compensation. SHRA has in good faith negotiated and settled all the change orders in time and quantum.

The contractor, unless it provides evidence to the contrary, has waived its contractual rights to claim for those damages.

2. Causation: All delays are caused by the owner/architect: The cornerstone of Campbell's potential claim is that no delays were caused by the contractor, its subcontractors or suppliers. However, as indicated in Paragraph III-2 above, there are numerous delays for which the contractor bears the sole responsibility.

3. Substantiation: The contractor's report does not provide substantiation to any of the cost entitlements, nor does it provide an indication of where such substantiation can be found. We have already outlined in this document several examples of such lack of substantiation. No substantiation is provided or alluded to for:

- Extended home office overhead
- Extended site office overhead
- Constructive acceleration
- Out-of-sequence work cost impacts over and beyond those compensated by change orders.
- All delays are owner/architect caused.

From all the above, CRSS believes that the contractor has to provide additional documents to show its entitlement for compensation in any of the areas where such compensation is sought. As presented, the September 21, 1988 notice fails to provide evidence of entitlements.

#### VI CRSS RECOMMENDATIONS

The contractor's case is not totally baseless. CRSS does not recommend an outright rejection of the entire potential claim. SHRA should negotiate with Campbell with the understanding that, as presented, Campbell's case is very weak and SHRA is in a position of strength.

The outstanding change order requests for direct costs should be settled first.

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As to the indirect costs, such as extended overhead, out-of-sequence work, constructive acceleration, etc., the contractor has to produce documents indicating its entitlements and substantiating the cost figures before SHRA can seriously negotiate those costs.

There is a certain legitimacy to the contractor's request for additional supervision costs, considering the amount of change order work performed.

On the other hand, SHRA might want to consider the following issues where the contractor could be held liable for damages and a counter-claim by SHRA against the contractor could be contemplated:

- o Delays caused by the contractor, as enumerated above, and which, in the case of the carpet, prevent SHRA from fully occupying the building until October 27, 1988. This directly damaged SHRA.
- o Apparent incompetence of the plumbing subcontractor who had no prior high-rise building experience and could not coordinate the vertical and horizontal piping runs with other trades, in particular, the mechanical duct work. This situation began in the basement of the building and continued to compound itself in the upper floors, forcing the architect to spend a tremendous amount of time on the site coordinating the subcontractor's work. The contractor could be held liable for back charge from SHRA for the cost of extra AE coordination.
- o The quality of the RFI's generated by the subcontractors which, in many instances, did not ask a clear question or had an obvious answer in the contract documents that any professional contractor should be able to find. The contractor could be liable for any extra cost to SHRA from the AE.
- o The electrical subcontractor is consistently charged SHRA a labor rate of \$18.30 per hour in the added cost change orders. On the credit change orders, however, he charged a labor rate of \$16.80 per hour. The subcontractor must explain this discrepancy or face the probability of fraud charges.
- o Early in the project SHRA directed \$427,957.00 in deductive change orders. These changes only reduced the contract for the direct cost of the work. They did not deduct any field or office overhead, or reduce the time frame of the project. SHRA should consider such a credit due.

The final recommendation restated is that SHRA should negotiate with the contractor from a position of strength.



**Campbell  
Construction Co.**

EXHIBIT "B" 11 5

2120-20th Street  
P.O. Box 390  
Sacramento, California 95812-0390  
(916) 454-5454

Established 1906  
License No. 80

December 15, 1988

Mr. William H. Edgar  
Executive Director  
Sacramento Housing & Redevelopment Agency  
P.O. Box 1834  
Sacramento, CA 95812-1834

**RE: REBUTTAL TO SHRA'S CONSULTANT/CLAIMS  
Riverview Plaza  
Job #8609**

Dear Bill:

After receipt of the copy of the report from your consultant, Mr. James R. Thomas of CRSS, my staff has taken the opportunity to prepare some generalized comments which are intended to inform the Agency and the consultant of our view of some of Mr. Thomas' concerns and comments.

The exercise has given us a new perspective on several of the items in our claims consultant's report. In some cases, it has strengthened our resolve to hold fast to the compensation sought and, in other cases, we realize that we must acknowledge a shared responsibility for certain of the problems which occurred on the jobsite. The adjustment of some of our items downward is not intended to imply a lessening of our overall need for substantial recovery on the project, but rather to more realistically look at the potential settlement range of our informal dispute. I would hope that neither you nor the consultant would imply that these figures are a new "starting point", but rather have been developed in the true sense of attempting to reach a fair and equitable resolution of what has been a significant problem financially for us.

I have now developed a new anticipated range of settlement which is below the \$425,000 to \$450,000 figure which I presented to you at our last meeting. However, it is still substantially above the number that you threw out as the range projected by your consultant.

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Mr. William H. Edgar  
December 15, 1988  
Page 2

In furtherance of our anticipated settlement of this issue, I might suggest that you have your consultant review the attached information and that we plan to reconvene our four person settlement committee on the 27th of December in hopes that we might get this problem resolved prior to year's end.

Please let me hear from you as to your thoughts on this procedure.

Yours truly,

CAMPBELL CONSTRUCTION CO.

  
By: Robert C. McLean  
President

RCM:cjp

Attachment

cc: Mr. John Molloy



**Campbell  
Construction Co.**

2120-20th Street  
P.O. Box 390  
Sacramento, California 95802  
(916) 454-5454

Established 1906  
License No. 80

**REVIEW OF CRSS REPORT TO SHRA  
RIVERVIEW PLAZA**

December 15, 1988

The following is a review, clarification and, in some cases, a rebuttal to the comments in the report prepared by CRSS regarding the Campbell request of September 21, 1988 for compensation for efforts over and above those required under the contract.

In general, the presentation by CRSS is very factual and concise and has raised some interesting questions as to the various elements of the claim. Sections I and II give an overview and summary of the claim. It points out that the acceleration and loss of productivity are not addressed directly, but are merely alluded to in the report by the consultant to Campbell.

The following references are to the page and heading in the CRSS report.

**REVIEW OF CRSS COMMENTS (III)**

**PAGE 3 - RE: CHANGES**

Campbell Construction Co. bid on documents presented for lump sum bidding on July 2, 1986. We expected these documents to be reasonably complete, accurate, coordinated and buildable. In reliance on that concept, we provided a lump sum bid assuming that the component parts of the project were coordinated. The fact that the Agency would inform bidders that the documents had not received "final regulatory approval" does not alter the fact that the contract was intended to be based on the July 2, 1986 bid documents.

Neither Campbell nor any of the other bidders were aware at the time of the bid that the documents were not complete to the extent they would require substantial changes to the structural drawings, including extensive

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REVIEW OF CRSS COMMENTS (III)

December 15, 1988

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foundation changes and the addition of entire sheets of structural drawings. One of these sheets, S3, contained details which resulted in a substantial change request, which was rejected and is now part of the claim.

The statement that "545 design revisions have no claim relevance" is not accurate. It is true that a portion of the 545 items were items which Campbell Construction Co. developed in July 1986 as a possible source of cost reduction as an accommodation to the Agency, but many items were not. In order to develop a "cost savings", Campbell expended a great deal of time only to then find out that many of the proposed changes were not acceptable. The estimating and management time, compounded with the delay in a concise and timely decision process, was very costly. Also, Campbell was requested to respond to each item on this list when presented on February 13, 1987.

Realize that the project bid on July 2, 1986. The contract was executed on September 24, 1986. The building permit was issued on Friday afternoon, September 26, 1988. On Monday morning, Campbell was called into the City Building Inspector's office and the demand was placed on Campbell to return the permit. On October 3, 1986, Campbell received a substantial quantity of plans for construction use. On November 10, 1988, the permit was returned by the City Building Inspection Division. New prints were required for construction purposes, which Campbell was requested to pay for. This cost alone exceeded \$6,000, not counting the time spent in distributing the plans again. These plans still did not provide an accurate coordinated set of documents.

As far as Campbell "not putting SHRA on notice", there were a repeated series of meetings and statements to the architect and to Michael Ordonia (SHRA representative) regarding our position.

We presented a claim on August 24, 1987 for "delayed decisions" on this issue, which was rejected on the basis that "we should have known." If the contractor "should have known", then why did the documents reflect less information?

The staff of the Agency has acknowledged that the project was bid before the architect had completed and

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REVIEW OF CRSS COMMENTS (III)

December 15, 1988

Page 3

coordinated his drawings, but it was necessary in order to receive certain funding.

PAGE 3 - RE: DELAY

The comments on delay by the Agency consultant do not accurately reflect the correct and actual conditions. The most major delay was caused by the great quantity of unanswered or "late" answers to "requests for information" and, in particular, relating to uncoordinated drawings.

When a contractor and his subcontractors are in a state of wonderment, it is bound to have a negative impact on the speed of the work.

A weather delay extension was requested for rain in the months of October, November and December 1987. This was rejected even in light of excessive rain above Sacramento averages for those months. This denial was unreasonable but became moot when liquidated damages were not at issue because of the Agency delay in accepting the project because of the syndication.

PAGE 4 - RE: INCIDENTS OF DELAY BY CONTRACTOR

1. "Dryvit" panels: The report is correct that the panels were delivered later than scheduled and, further, the dryvit panel erection was slower than expected. However, interior work was able to continue, at the risk of weather, by the contractor.
2. Sheet vinyl flooring: This had no cause in the delay of the project. It was a problem that was resolved without slowing the overall work.
3. Life safety system: The initial question of an "approved" vendor was resolved early enough to preclude a delay of any type. However, we did experience delay in receiving correct programming instructions from the owner and architect which kept us on-site for a longer period than should have been necessary. We informed the owner and architect that the City Building Department would not accept the system as installed and programmed. For some time, this information was ignored. After the system was

REVIEW OF CRSS COMMENTS (III)

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installed, the City required program modifications and changes which resulted in additional delays and costs. In addition, there were six (6) smoke purge automatic dampers added near the end of the project which further delayed the project.

4. Carpet: Our records indicate that the carpet installation was basically complete by the time it was determined that the carpet did not meet the specification requirements. The only carpet that was replaced was that in the public areas. Most carpet was replaced prior to mid-September, except for the 9th floor. The 9th floor carpet delay not only did not injure the owner, but we were instructed not to request or receive a notice of completion because it would prevent the syndication of the project. The project did not go into occupancy until December 1988, though the owner could easily have occupied substantially all of the building earlier. This decision was the owner's and the alleged cause for damage to the owner by the contractor on this issue is a fabrication and distortion of facts.
5. Other issues: The window installation did not cause any delay of any type. It is true that there were "parts and pieces" of the light fixtures that were a problem.

CRSS fails to recognize that only through extreme effort was Campbell able to maintain the concrete structural work nearly on schedule. When mechanical, plumbing and electrical systems are shown to penetrate structural members that the structural engineer forbids to be penetrated, the contractors must expend tremendous amounts of time to find and receive approval on alternate routes. CRSS' position regarding impact cost indicates a lack of understanding of the condition of the documents, instructions, decisions and the timeliness of these.

While there may have been some concurrent delays (if this had been a normal job), the impact of so many drawing coordination problems placed most delays, in some way, related to the contractor's inability to rely on the design documents.

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REVIEW OF CRSS COMMENTS (III)

December 15, 1988

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PAGE 5 - OUT OF SEQUENCE WORK AND LOSS OF PRODUCTIVITY

Campbell was placed in the potential position of shutting down the work in December 1986 or January 1987 when it became clear that the documents were defective and, in general, "not buildable" without extreme effort. This position was discussed in the Campbell office and it was decided that in 80 years, the Company had never done this and this should not be the first.

We elected to rely on the good faith of the owner, the architect and design consultants to obtain answers and instructions in a more timely manner. In a variety of ways, we requested compensation. These requests were rejected. When the contractors realized the extent of damages that we all had, the claim was reviewed, produced and then submitted near the end of the project. If CRSS searches the files, letters and meeting notes, many items related to the claims will be found. As a matter of fact, we were informed by agency staff that they were anticipating a claim and had even advised the City Council of the potential during the review of the syndication.

A point that may not have been made known to the consultant at CRSS is that when change orders No. 11 through No. 15 were signed by the contractor, the transmittal letter signed by the President of Campbell Construction Co. clearly indicated its reservations as to certain actions of the Agency in amending the quoted amounts on certain change requests.

In summary, the contractors were in a no win situation; stop work and be damaged or continue to meet the changing demands and be damaged. We chose to take the second position and relying on the good faith judgment of the Agency Director or the Courts that we would at least achieve completion of the project and fair compensation for the added costs.

PAGE 5 - CONSTRUCTIVE ACCELERATION

Campbell Construction was faced with a contract which included a substantial liquidated damage clause. The many changes caused delay, additional management and supervisory efforts and were, in most cases, a result of faulty and defective documents. We were informed by SHRA staff that damages would be assessed if the project was not delivered on schedule. We then proceeded with

REVIEW OF CRSS COMMENTS (III)

December 15, 1988

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the additional efforts and manpower to attempt to accomplish timely completion. The opening sentence in the CRSS paragraph, "...when the contractor encounters a delay caused by others..." summarizes our position. The great preponderance of the changes and delays (but admittedly, not all) were caused by others, not the contractor. Any and all measures taken to mitigate the many coordination delays would be considered costs related to constructive acceleration. As noted by CRSS, we have not quantified these costs in our prior submittal. We reserve the right to correct this in the future, if necessary.

PAGE 6 - IV - COMMENTS ON COST

1. Unresolved owner-directed changes in the work:  
Several change requests were submitted and rejected out-of-hand. The items listed in the consultant's summary (CPM) totaling over \$300,000 are items of work and/or effort that could not have been logically anticipated by a "prudent bidder" and should be compensated.

In one case, the architect rejected a claim for extra work of the plumber due to "non-notification, ...non-approval of changes prior to performance..." If we had waited for approval of all items, the job would still not be done.

The claim for on-site supervision and for mechanical and electrical coordination was reviewed previously. In summary, the drawings were uncoordinated and defective. These additional costs were required in order to complete the project. In the case of the plumbing and mechanical subcontractors, the cost of unanticipated effort to fit the project together have caused them both to cease doing business because of the heavy losses. In both cases, the general contractor has had to expend significant dollars to complete their work for the project.

2. Extended Home Office Overhead:

CRSS is correct in pointing out that Campbell's consultant misapplied the time frame as the basis for use of the "Eichleay" formula. However, once the correction noted by CRSS is applied, we believe that the formula is appropriate to the present situation. There is no question that in addition to

REVIEW OF CRSS COMMENTS (III)

December 15, 1988

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added home office costs, the resource of key staff was tied up and unavailable for other more successful assignments.

3. Extended Field Office Overhead:

- (a) The time cards, which do not include any time beyond 40 hours per week, that each project manager turns in will indicate the number of hours that Mr. Davison devoted to this project. Campbell accounts for direct project administration as a job cost rather than "home office" notwithstanding where his or her desk is located. Mr. Davison was on-site almost every day of the construction project for an appropriate period of time. For three months, Mr. Davison was on-site virtually full time attempting to coordinate the various plumbing, HVAC, fire sprinkling and electrical systems into the structure. From January 1987 to mid-September 1988, Mr. Davison had no other project assignment because of the extreme additional coordination effort required due to defective and uncoordinated plans.
- (b) Manlift: CRSS' conclusions regarding the manlift do not take into account when we expected to remove the manlift had we not been delayed by uncoordinated, defective drawings. If we had not been delayed, the project would have been completed earlier and the additional costs related to the manlift (and/or inside elevator operator) would not have occurred. However, in fairness, further analysis will be made as to whether some portion of the extended time should be absorbed by the contractor.
- (c) Extended overhead.

The CRSS report points out that there may be some duplication of request for fee (that was to include overhead) and the claim for extended overhead. The concept of changes is that actual cost plus fee is permitted in a change order. Because of the inordinate amount of time required of both Mr. Davison and Mr. Meadows in rectifying plan questions and discrepancies, it far exceeded the minimal allowance for "fee" in the contract. It is

REVIEW OF CRSS COMMENTS (III)

December 15, 1988

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unfair to expect the contractor to provide substantial unanticipated service and then not be willing to pay for it.

Several of the change orders were submitted "without fee." In addition, the items that are yet to be approved have, to date, derived no fee or overhead reimbursement to the contractor. It should be pointed out that during a re-review of this item that it came to light that the summary of field costs inadvertently did not take into account the payroll taxes, fringes and insurance (labor burden) and this request should be increased by \$85,000 on account of this earlier omission.

There may well be some duplication and the contractor is willing to take that into effect in a commercial settlement of the overall claim.

- (d) Project superintendent. By agreement, a project construction superintendent is to receive two weeks paid vacation per year. Mr. Meadows was on-site for 10-hour days from September 1986 to September 1988 without vacation. This allocation of vacation labor cost is a proper job cost. If Mr. Meadows had taken his vacation during the construction, the cost would not be questioned. After Mr. Meadows returned from vacation, he has devoted most of his efforts to the punch list.

PAGE 8 - CONCLUSIONS

Entitlement: CRSS quotes from the general conditions and is correct. However, as CRSS and SHRA know, when a change is required due to uncoordinated and defective documents, the project will stop without a constructive action. The "change request" that CRSS has reviewed does not include the verbal instruction, the RFI, letters, etc., which have informed all parties that a delay is being forced on the contractor. The "20-day notice" becomes moot when you are pouring a floor every ten working days.

Campbell feels that all parties knew the contractor was being delayed and damaged. Construction case law

REVIEW OF CRSS COMMENTS (III)

December 15, 1988

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provides that in a case where an owner is aware of a certain event(s), that give rise to a delay, that notice is deemed to have been given.

The subject claim was the end result of the cumulative impact of 238 submitted change requests (some forty nine (49) taking place after the Century Program Management report was prepared), as well as the ongoing disruption to the job caused by a lack of definitive documents and directions and were "buildable" without delays for answers.

Causation: This was reviewed earlier in detail. Campbell is responsible in a small part, but the large part was out of our control. In addition, the owner's resident inspector, Mr. Wilson, demonstrated an unacceptable level of attendance and tardiness in the performance of his duties. We counted on receiving a 40-hour a week inspector. Mr. Wilson could not be counted on to be on-site on any given day or hour. His lack of timely inspections were often damaging from the time and schedule viewpoint. The frustration of attempting to prosecute the work of changes in an orderly manner only to have Mr. Wilson stop the work for lack of a formal permit change (i.e., public sidewalks and play yard deck stair rough-in) caused us to wonder if he really wanted the project completed at all.

Substantiation: This has been reviewed in detail and Campbell believes CRSS has failed to be objective and thorough in their preparation. We will be happy to answer any specific questions on items to the extent that proprietary cost records do not become "public information." If necessary, we will have a CPA certify data as to costs and overages.

PAGE 9 - VI - CRSS RECOMMENDATIONS

The statement that CRSS makes in the first two sentences in this item reflects the position of Campbell Construction Co. Campbell has a valid claim. We should negotiate to a mutually agreed amount without a protracted delay. The settlement should put aside all the side issues and look at what Campbell was provided with, how they performed and at what cost.

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The major cost impact to Campbell is being on a project for seven (7) months longer than was properly budgeted.

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**REVIEW OF CRSS COMMENTS (III)**

December 15, 1988

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This would not have occurred if the plans had not been bid in the condition they were in. However, it may not have come to the attention of CRSS previously that both the Agency and the architect have acknowledged that the job was bid too soon, but that the possibility of looking for funds from the federal programs necessitated an accelerated bid process.

The legitimacy for Campbell's request for additional supervision cost is a position Campbell has held for a long period of time.

The contention that the owner was directly damaged by items of any contractor delay is not valid inasmuch as the owner was not damaged. The building could have been occupied at an earlier date except for the syndication which was totally within the owner's control and thus delay penalties has been acknowledged to be a moot point.

The plumbing contractor was not incompetent. Craig Evans, plumbing contractor foreman, had extensive experience in Type I construction, including hospitals, large office buildings, etc. He could not, however, penetrate moment resisting beams and columns as directed by the documents. The suggestion that the contractor should be "held liable" for the cost of extra A & E coordination is an outrageous statement. The design team members could not even agree on the location of specific systems when forced together in the same room. Hours of time were expended by the contractors with the design team members trying to sort out the lack of coordinated subsystem designs. Rather than the contractor having any liability for extra A & E services, the owner should pay for those services, particularly since they did not pay a full fee to the architect in the first place.

The quantity of RFI's issued are a direct reflection of two issues: Uncoordinated, defective documents and the insistence of documentation of response to any question. In light of this, many answers took months to receive.

The electrical contractor was asked to respond to the hourly rates charged for extra work and credited for deducted work. His letter is attached which thoroughly justifies the properness of his actions.

REVIEW OF CRSS COMMENTS (III)

December 15, 1988

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The statement that "early in the project, SHRA directed \$427,957 in deductive change orders" is not an accurate impression. SHRA wanted this credit to bring the overall project with a predetermined budget while still complying with public bid law. After the proposals were made, many were not executed. There was a tremendous amount of time and cost expended by the contractor and subcontractors to develop this reduction in a short period of time. There is no credit due on this item. In fact, much of this effort was performed prior to the execution of the contract.

The final recommendation of CRSS for the Agency to negotiate is valid, but biased as to having a position of strength. SHRA should negotiate in good faith with a spirit of fairness, not prejudice. They have the best project in their portfolio, a handsome profit on the syndication and a contractor who suffered a great loss in producing the job.



SCHEPPER ELECTRIC, INC.  
471 BANNON STREET • P.O. BOX 1377  
SACRAMENTO, CALIFORNIA 95812-1377  
PHONE (916) 446-2521  
CALIF. LIC. NO. 245778

December 13, 1988

Campbell Construction Co.  
2120 - 20th Street  
P.O. Box 390  
Sacramento, CA 95802

ATTN: Don Davison

PROJ: Riverview Plaza  
Job #86615

SUBJ: Estimated Wage Calculations  
for Previously Approved Changes

Dear Don:

In response to your inquiry regarding our application of estimated wage rate calculations used for previously approved change orders on the referenced project, we offer the following:

**DEDUCTIVE CHANGES** - Our original bid was based on the Schedule of Wages, Decision Number CA86-4, dated January 3, 1986 for electricians on electrical contracts \$5 million or less (copy enclosed). Accordingly, any work deleted by a change order request was calculated at this posted rate in accordance with our original estimate.

**ADDITIVE CHANGES** - For any additive changes, we estimated an average crew size of one (1) foreman, and four (4) electricians. Our foreman was paid a basic hourly rate of \$20.13 which can be verified by a review of previously submitted Weekly Certified Payrolls, and electricians were paid a basic hourly rate of \$16.00. In addition to the basic hourly rate, we experienced an increase of \$.07 for fringe benefits, making a

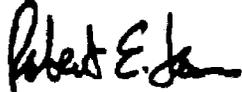
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Campbell Const. Co.  
Riverview Plaza  
Estimated Wage Calculations  
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total combined crew rate of \$91.68 per hour. By dividing this rate by our estimated average crew size of five (5) men, the average hourly rate per man equals \$18.34 per hour. The rate applied for estimating purposes was rounded off to \$18.30 per hour.

We are surprised that this should be questioned at such a late date, and subsequent to numerous approved contract modifications. Anyone with construction claims knowledge should have been aware of these normal applications as they were examining our change order requests, and if there were any questions at the time of review, it would have been obligatory and a condition precedent to approval to request this information.

Sincerely,



Robert E. Lane  
Vice President/Estimating

attachment

REL/ml

RIVERVIEW PLAZA  
#85-20-631

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DECISION NO. CA86-4 Page 2	Basic Hourly Rates	Fringe Benefits
ASBESTOS WORKERS	\$23.85	\$5.61
BOILERMAKERS	21.60	4.25
BOILERMAKERS - BLACKSMITH		
Storage tank erection	17.25	4.00
Storage Tank repair	16.05	4.00
BRICKLAYERS; STONEMASONS	16.53	2.82
BRICK TENDERS	13.80	3.46
CARPENTERS:		
Carpenters	18.58	6.445
Hardwood Floorlayers; Shinglers;		
Power Saw Operator; Steel		
Scaffold Erector and Steel Shoring		
Saw Filers	18.73	6.445
Millwrights	19.48	7.855
Piledriverman; Bridge, Wharf and		
Dock Builders	19.38	9.715
CEMENT MASONS:		
Cement Masons	16.91	6.18
Swing or Slip Form Scaffolds or		
Composition Masons	17.16	6.18
DIVERS:		
Divers	31.63	8.485
Diver Tender	20.38	8.485
Assistant Tender	19.38	8.485
DRYWALL INSTALLERS/LATHERS		
Drywall Installer/Lather	18.14	6.485
Drywall Stocker, Scraper,		
and Clean-up	9.07	3.335
ELECTRICIANS:		
Electrical contracts in excess of \$5 million		
Electricians	20.68	5.13 + 3%
Cable Splicers	22.75	5.13 + 3%
Tunnel Work	20.93	5.13 + 3%
Electrical contracts \$5 million or less		
Electricians	16.80	3.38 + 3%
Cable Splicers	18.48	3.38 + 3%
Tunnel Work	17.05	3.38 + 3%
Residential Electricians	12.50	3.30
Sound & Signal Technician	15.15	1.50

Labor Compliance

MAY 12 1986