STATE ARBITRATION BOARD

TALLAHASSEE, FL 32312-2837 PHONE: (904) 385-2852 OR (904) 942-0781 FAX: (904) 942-5632

NOTICE

In the case of Hubbard Construction Company versus the Florida Department of Transportation on Project Nos. 15100-3546, 15100-6546 & 15100-6547 in Pinellas County, Florida, both parties are advised that State Arbitration Board Order No. 5-98 has been properly filed on September 14, 1998.

H. Eught Cowy

H. Eugene Cowger, P.E.

Chairman & Clerk, S.A.B.

S.A.B. CLERK

SEP 14 1998

FILED

Copies of Order & Transcript to:

Greg Xanders, P.E., Director of Construction/FDOT

Steven E. Sellers, Attorney/Vezina, Lawrence & Piscitelli, P.A.

STATE ARBITRATION BOARD

ORDER NO. 5-98

RE:

Request for Arbitration by Hubbard Construction Company on Job Nos. 15100-3546, 15100-6546 & 15100-6547 in Pinellas County

The following members of the State Arbitration Board participated in the disposition of this matter:

H. Eugene Cowger, P.E., Chairman Bill Deyo, P. E., Member John Roebuck, Member

Pursuant to a written notice, a hearing was held on a request for arbitration commencing at 10:00 a.m. on Friday, July 31, 1998

The Board Members, having fully considered the evidence presented at the hearing, now enter their Order No. 5-98 in this cause.

ORDER

The Contractor presented a request for arbitration of a two part claim in the total amount of \$144,371.21 plus prejudgment interest calculated at 10% per anum (\$13,763.40).

The Contractor presented the following information in support of each part of their claim:

Part I Production Pile Overrun \$120,146.21

- 1. The quantity of production concrete piling, as established from driving test piles or driving data from Phase I bridge construction, exceeded the plan quantity for those items by 59% which is a substantial difference.
- 2. This overrun in production piling increased the time required to drive piling above the time we anticipated at the time of bidding, as reflected in our approved work progress schedule. DOT agreed during the course of meetings that an additional 17 Working Days or 24 Calendar days were consumed in this operation.

- 3. The additional time required to drive production piling increased our rental costs for the equipment used in driving piling and in subsequent substructure and cast-in-place superstructure operations. The delay in completion of pile driving forced us to change the sequence of work on subsequent substructure and superstructure concrete operations, resulting in increased costs to perform this work. We could not use crews as efficiently as we had anticipated and we doubled up crews in some instances and worked additional overtime in order to mitigate the impact. The specification requirement that pile driving cannot take place within 48 hours of placing concrete that is within 200 feet of a pile driving operation combined with the delay in pile driving operations to exacerbate this problem.
- 4. The delays in pile driving caused us to not recover some of the unabsorbed overhead costs allocated to this job.
- 5. It is not appropriate to apply the prior notice of intent to file a claim provisions of Article 5-12 of the Standard Specifications here, because our claim is not based on extra work but rather on an unanticipated disruption of planned and orderly sequence of work. Also, DOT was not prejudiced by not having this notice, because, there is nothing DOT would have done differently has a formal notice been given.

Part II Test Pile Payment \$ 24,225.00

- 1. DOT deleted from the work several of the Test Piles shown in the plans
- 2. DOT treated Pile No. 1 in Bent No. 6 as a Test Pile but paid for this pile under at the lower unit prices for production piling.
- 3. The DOT geotechnical engineer ordered additional tests to be performed on the pile in question, because of a concern he had with the adequacy of the geotechnical information contained in the plans. This constituted changing the pile to a Test Pile.
- 4. Article A-455-9.4 of the 1994 Supplemental Specifications states that a test pile left in place as a permanent pile shall be paid for only as a test pile. (Note: Specification reference changed)

Part III Interest \$13,763.40

We are claiming prejudgement interest at 10% per annum for the period between the date of acceptance and the date we filed for arbitration of this dispute and then up to the date of the hearing before the State Arbitration Board.

The Department of Transportation rebutted the Contractor's claim as follows:

Production Pile Overrun

- 1. It is common knowledge that the quantity for production piling is subject to considerable variation between plan quantity and the quantity actually installed in the completed bridge. None of the production piling exceeded the length of the longest test pile shown in the plans.
- 2. The Contractor had at least 28 days between the date on which he was aware of the need for additional pile lengths and the date on which pile driving could commence. This was ample time for them to reconsider scheduling of subsequent operations.
- 3. The increase in pile lengths constituted a significant change in quantity, but did not change the character of the pile driving work. Once substructure concrete work began it controlled progress.
- 4. We agreed that the length of time required for the pile driving operation increased by 17 Working Days (24 Calendar Days), but did not agree that this was a basis for additional compensation or a time extension for the pile driving or subsequent operations.
- 5. The equipment for which the Contractor included additional rental costs was concurrently used in other work not related to the additional time required to drive piling.
- 6. The claim for unabsorbed overhead is invalid because:

The overall completion of the project was not delayed by the increase in quantity of piling.

During the period of the alleged delay, the project was generating revenue to the Contractor. The Contractor has not demonstrated that this revenue flow was less than they anticipated.

7. We were prejudiced by the lack of notice by the Contractor of their intent to file a claim in regard to this matter. Lack of notice took away our ability to accurately track any additional costs that may have been incurred by the Contractor.

Test Pile Payment

1. The additional testing ordered was dynamic testing done by attaching a pile driving analyzer (PDA) to a production pile during driving to evaluate the affect of driving through soft material on stresses in piling.

- 2. The pile in question was not driven in accordance with the description of work for Test Piles set out in Subarticle 455-3. of the Supplemental Specifications.
- 3. Subarticle A-455-3.14 of the Supplemental Specifications provides that selected permanent piles may be instrumented for dynamic load testing.
- 4. Payment for dynamic load testing of this pile was made under the item Dynamic Load Tests.

Interest

1. We question whether prejudgement interest is appropriate in this situation.

The Board in considering the testimony and exhibits presented found the following points to be of particular significance:

Production Pile Overrun

- 1. It was agreed between the parties that driving of production piles took 17 Working Days longer than the time shown for this operation in the Contractor's work progress schedule.
- 2. Driving a quantity of production piling substantially greater than the quantity shown in the plans had a significant effect on the time required to drive piling and impacted subsequent interrelated concrete construction operations.
- 3. The Contractor did not substantiate a suspension of work caused by the overrun in production piling or that this caused a change in revenue being generated from the project.

Test Pile Payment

- 1. Pile No. 1 in Bent No. 6 was not driven in accordance with the description of work for a Test Pile.
- 2. Separate payment was made for the dynamic load testing ordered.

From the foregoing and in light of the testimony and exhibits presented, the State Arbitration Board finds as follows:

The Department of Transportation shall reimburse the Contractor for his claim as follows:

PART I

\$ 65,000.00

PART II

\$ Nothing

INTEREST

\$ 6,500.00

The Department of Transportation is directed to reimburse the State Arbitration Board the sum of \$211.30 for Court Reporting Costs.

S.A.B. CLERK

ISEP 14 1998

FILED

Tallahassee, Florida

Dated: 9/14/98

Certified Copy:

H. Eugene Cowger, P. E.

Chairman & Clerk, S.A.B.

14 September 1998

DATE

H. Eugene Cowger, P. E.

Chairman & Clerk

Bill Deyo,. P.E.

Member

John P. Roebuck

Member

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STATE ARBITRATION BOARD STATE OF FLORIDA

S.A.B. CLERK
ISEP 14 1998
FILES

HUBBARD CONSTRUCTION COMPANY)

PROJECT NO. 15100-3546, 6546, 6547

- and -

LOCATION: Pinellas County,

Florida

DEPARTMENT OF TRANSPORTATION

ORIGINAL

RE:

Arbitration In The Above Matter

DATE:

Friday, July 31, 1998

PLACE:

Florida Transportation Center

1007 Desoto Park Drive Tallahassee, Florida

TIME:

Commenced at 10:10 a.m. Concluded at 11:05 a.m.

REPORTED BY:

CATHERINE WILKINSON

CSR, CP

Notary Public in and for the State of Florida at

Large

WILKINSON & ASSOCIATES
Certified Court Reporters
Post Office Box 13461
Tallahassee, Florida
(850) 224-0127



APPEARANCES:

MEMBERS OF THE STATE ARBITRATION BOARD:

Mr. H. E. "Gene" Cowger, Chairman Mr. Jack Roebuck Mr. Bill Deyo

APPEARING ON BEHALF OF HUBBARD CONSTRUCTION COMPANY:

Mr. Robert Bistor
Mr. Ernest Wolf
Mr. Pete Denson
Mr. Dave Dempsey

APPEARING ON BEHALF OF THE DEPARTMENT OF TRANSPORTATION:

Mr. Robert Grimsley
Mr. John Brandvik
Mr. Bryan Estock

* * *

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EXHIBITS PAGE

Exhibit Nos. 1, 2 and 3 in evidence

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CERTIFICATE OF REPORTER

1	PROCEEDINGS
2	CHAIRMAN COWGER: This is a hearing of the State
3	Arbitration Board established in accordance with
4	Section 337.185 of the Florida Statutes.
5	Mr. Bill Deyo was appointed as a member of the
6	Board by the Secretary of the Department.
7	Mr. John Roebuck was elected by the construction
8	companies under contract to the Department of
9	Transportation.
10	These two members chose me, H. Eugene Cowger, to
11	serve as the third member of the Board and as Chairman
12	Our terms of office began July 1, 1997 and expir
13	June 30, 1999.
14	I want to identify the exhibits that have been
15	presented so far. We have a copy of the request for
16	arbitration that the contractor sent in, along with a
17	book full of documentation. We will identify that as
18	Exhibit 1.
19	We have a notebook which contains a DOT rebuttal
20	package to the contractor's claim, which we will
21	identify as Exhibit 2.
22	While we are identifying exhibits the
23	contractor will make mention of this later, but he has
24	revised his damage summary form that was included in

the original claim, and we will identify that as

1	Exhibit No. 3.
2	Does either party have any reason that they need
3	to have any time to examine the new exhibits?
4	MR. BRANDVIK: No.
5	(Whereupon, Exhibit Nos. 1, 2 and 3 were received in
6	evidence.)
7	THE COURT: Hearing nothing during this
8	hearing the parties may offer such evidence and
9	testimony as is pertinent and material to the
10	controversy, and shall produce such additional evidence
11	as the Board may deem necessary to an understanding and
12	determination of the matter before it.
13	The Board shall be the sole judge of the
14	relevance and materiality of the evidence offered.
15	The parties are requested to assure that they
16	receive properly identified copies of each exhibit that
17	are submitted that were identified earlier during this
18	hearing, and to retain these exhibits.
19	The Board will not furnish you a copy of the
20	exhibits when we send you the court reporter's
21	transcript, which will come along with the final order.
22	The hearing will be conducted in an informal
23	manner. First the contractor's representatives will
24	elaborate on their claim and then the Department of

Transportation will offer rebuttal.

1	Either party may interrupt to bring out a
2	pertinent point by coming through the Chairman.
3	However, for the sake of order, I must instruct that
4	only one person speak at a time.
5	Will all persons who will make oral presentations
6	during this hearing please raise your right hand and be
7	sworn in.
8	(Whereupon, all witnesses were duly sworn.)
9	CHAIRMAN COWGER: We have already identified our
10	exhibits, and I think it's been established that there
11	are no further exhibits to be presented. So, it's time
12	now for the contractor to begin his presentation.
13	If you would, first address the issue of the
14	revised damage summary and tell us what the current
15	total of the claim is.
16	MR. DEMPSEY: Okay, I'm Dave Dempsey with Hubbard
17	Construction. Our revised damage summary, if I go
18	through that, it will pretty much lay out the
19	foundation for our request for additional compensation
20	on the project.
21	Our production pile overrun request was based on
22	originally we had requested I think it was 32 days
23	in additional time. Well, excuse me, I think it was 54
24	days which included some time overrun for our pile and
25	there was 12 days relating to some other issues

1	The first item on our damage summary we revised
2	was our extended rental costs which related to our
3	equipment. Previously we had requested 57 days, and 32
4	of it related to the piling, which converted to
5	basically two months' rental on all of our equipment.
6	Subsequent meetings with the Department staff,
7	going back through the records, we agreed to an overrun
8	of 17 days, which equated to a one month rental on our
9	equipment and, therefore, our extent of rental costs we
10	reduced from two months to one month.
11	THE COURT: May I interrupt you a second?
12	MR. DEMPSEY: Yes.
13	CHAIRMAN COWGER: As I recall, in the original
14	submittal you had two months on all of it, right?
15	MR. DEMPSEY: Right, sir.
16	CHAIRMAN COWGER: Now it's one month on all of
17	it?
18	MR. DEMPSEY: Yes, sir. The resequencing of
19	work, that cost stayed the same. That was our
20	inefficiencies that related to the additional pile.
21	Our unabsorbed overhead was reduced. Our overhead was
22	based on 17 working days, which converts to 24 calendar
23	days.
24	CHAIRMAN COWGER: All you did was convert it to
25	calendar days?

Ţ	MR. DEMPSEY: Yes, sir. I will have to find our
2	original one.
3	MR. ROEBUCK: Seventeen.
4	CHAIRMAN COWGER: Seventeen on the original.
5	That's okay. We understand.
6	MR. DEMPSEY: In issue number two, our test pile
7	payment, previously we indicated the sum of \$60,000.
8	That was in error. The this total is we were
9	paid for the pile as production pile, and we feel that
10	we should have been paid for it as a test pile.
11	The difference between those two numbers was the
12	\$24,225. Our new total was \$144,371.21. With interest
13	our grand total was \$158,124.61.
14	Our costs are related to an overrun of pile on
15	the project which impacted our sequencing, which I'm
16	not sure if all my dates are correct. One of my staff
17	can probably correct me, but I believe from original
18	contract time the project overrun of, I believe, 141
19	days.
20	Out of the 141 days there was X number of days
21	for weather. There was additional time granted for
22	extra work, and with all those considered, our impact
23	was an additional 17 days related to piling. That's
24	what we are requesting compensation for.
25	CHAIRMAN COWGER: Okay. I was going to suggest

1	now that as you make your presentation if we there's
2	two distinct issues here. If we could deal with the
3	production pile overrun and then deal separately with
4	the test pile, I think it might be a little easier to
5	understand.
6	MR. DEMPSEY: All right.
7	CHAIRMAN COWGER: When you finish with your first
8	issue, we will let the DOT rebut at that point.
9	MR. DEMPSEY: Pete, do you want to explain the
10	sequence as far as our phasing and our time allowed?
11	MR. DENSON: With our production, we had
12	basically 34 days per side scheduled. We found that we
13	overran, and our overrun originally was 32 let me
14	make sure I have my numbers right here the first
15	thing we asked for in our original claim was 45
16	calendar days.
L7	Okay. We had a meeting with DOT over at
18	McKinley. It was decided during that meeting that we
L9	were going to agree on compensable days.
20	Compensable days, we met with Bryan Estock at a
21	subsequent date, Bryan Estock, Bob Bistor and myself.
22	We agreed on 17 days. Those 17 days is what we were
23	seeking as compensable dates.
24	We agreed on 17 days that the pile driving

actually overran day for day, which in turn turns out

1	to be 24 calendar days.
2	CHAIRMAN COWGER: Okay.
3	MR. ROEBUCK: You mentioned you agreed, Pete.
4	Did you agree with Estock in that?
5	MR. DENSON: Yes.
6	CHAIRMAN COWGER: Were those calendar days or
7	working days?
8	MR. DENSON: Seventeen were work days. That
9	turned into 24 calendar days.
10	MR. WOLF: You have to understand that the job
11	was pretty cyclical. In fact, it was a bridge that was
12	a flat slab bridge. You had to cycle all of the
13	materials, and we had barges and a tugboat and a crane
14	out there, and everything had to cycle in order to be
15	able to work our way back and forth across the bridge
16	and get the equipment gone.
17	What we are asking for here is the cost of the
18	heavy forming system that because of time overran,
19	I think DOT said something like 59 percent. It took us
20	longer to drive the piling and knocked us out of our
21	cycle.
22	Actually, we ended up with two months of forming
23	and equipment rental, heavy equipment rental costs for
24	the barges and the crane and the heavy form system that
25	was rented from Symons.

1 We basically agreed on the 24 calendar days, 2 which we are -- that's the reason we knocked our claim 3 down. 4 The basic crux of the situation here is that we 5 had all this equipment out there for a fixed period of 6 Because the time overran, it affected the rest 7 of the items on the bridge. The resequencing of the work was a -- because we 8 9 got knocked out of our cycling, we had to combine our crews a lot of times. We were in a remote location 10 11 down there. You just couldn't get a crew, send a crew, 12 release them because you couldn't get them back. We needed them to build the bridge. Then we doubled up 13 14 our crews. It left us with productivity that was less 15 than what we had anticipated when we bid the job. 16 So, the cost overrun of the productivity is what 17 we are asking for here, the fact that we had to double 18 up our crews in order to keep them working, keep them 19 there on the job. We were more or less held hostage to the project. 20 We couldn't release the crews. We had no other work in 21 22 that location. You just can't let the crews go because 23 you just can't get them back. 24 CHAIRMAN COWGER: I think we understand that.

All this problem was resequencing related to the

1	concrete operations, not to the pile driving
2	operations?
3	MR. WOLF: That's correct. That's the forming
4	operation basically. It just has to deal with the
5	forming operation by itself. It doesn't have to deal
6	with the concrete placement or anything like that.
7	It's the resequencing with the crews, based on what we
8	anticipated forming, and what it actually ended up
9	costing us.
10	CHAIRMAN COWGER: Are you all about through?
11	MR. DEMPSEY: Yes, sir.
12	CHAIRMAN COWGER: Before we turn it over to DOT,
13	I have one question. How about explaining to us a
14	little bit about how the overrun in the production
15	piles impacted or why it impacted, I should say, the
16	substructure operation, which I assume is pouring the
17	bents, pouring the caps on the bents?
18	MR. DENSON: We experienced additional time in
19	the actual driving.
20	CHAIRMAN COWGER: I understand that.
21	MR. DENSON: Experiencing that, subsequently our
22	substructure fell behind somewhat because of the extra
23	time.
24	CHAIRMAN COWGER: I guess my question is why?
25	What is interrelated between those two operations?

1	MR. DENSON: What was interrelated was after the
2	pile were driven, the bents were subsequently poured.
3	The way our forming system was, we would have to
4	have I think we were like six spans, five spans of
5	bents ahead. Then we would take our form system.
6	By having the extra piling, it slowed down the
7	cycling of our form system, if that answered your
8	question.
9	CHAIRMAN COWGER: It slowed the pile driving
10	operation down
11	MR. DENSON: And thereby slowed everything else
12	down.
13	MR. ROEBUCK: You had to stay five or six bents
14	away with the pile driver?
15	MR. DENSON: We had to be five bents ahead, six
16	bents ahead to get our five spans. By slowing the pile
17	driving operation, that slowed our caps, which in turn
18	slowed down our deck forming.
19	CHAIRMAN COWGER: There were two separate forming
20	systems, one for the caps, one for the deck?
21	MR. DENSON: Yes, sir.
22	CHAIRMAN COWGER: Just so I understand that.
23	Okay. Let's go on with the DOT's rebuttal and
24	then we will probably come back and discuss a little
25	bit more.

1	MR. ESTOCK: I'm Bryan Estock, representative for
2	DOT. We did meet with Pete and Bob regarding the 17
3	days. At that time it was there was no intent as
4	far as saying that these are compensable. The only
5	reason for meeting was to establish the actual time it
6	took to drive the pile because there was a big
7	disagreement as far as that amount.
8	So, we did agree that by using all the records it
9	did take 17 days more than what the contractor showed
10	on his schedule.
11	The reason we have here regarding the sequencing
12	is the contractor is solely responsible for the
13	mobilizing of his substructure forms. The production
14	pile links were established according to the
15	specifications.
16	There was a dramatic overrun because during the
17	bid process there is no way the designer can anticipate
18	what is going to be required, because it is established
19	during the test pile program.
20	The production links were established for the
21	majority of the bents at the maximum length of our
22	longest test pile. That was what was needed.
23	The issue being, as far as the contractor
24	mobilizing his forms, the contractor between the actual

establishing of the production pile links, he had a

1 28-day period because of cure requirements required on 2 the pile. He knew what the links were going to be. 3 At that time he could have begun to adjust what 4 his sequencing would have required, when was he going 5 to have to mobilize. 6 Even if he used his original production rate 7 established during his -- when he was establishing his schedule, there were things he could have done to 8 9 resequence his operation, so as not to provide any delay. 10 One thing we also stated was even though the 11 12 production link was actually greater, he actually doubled what his production rate was. He was driving 13 14 more pile length than what he originally anticipated. 15 So, we feel like we compensated him for the extra 16 length of the pile. So we compensated him for the material, labor and everything regarding the additional 17 length of pile. 18 19 The substructure, regarding sequencing, that was 20 21 22 production rate.

in his direct control. He can move or slow down or mobilize at different times in order to maintain his

Regarding the 17 days, though, there were other factors that impacted the actual forming system. was there were two caps that had to be removed. This

23

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1	was in the latter part of the driving of the phase one
2	piling. This was done due to substandard concrete.
3	The entire cap had to be removed and repoured.
4	Throughout that time it it lasted for over a
5	month trying to get a structural analysis done. Once
6	the structural analysis was performed, the engineer did
7	not address the durability of the concrete.
8	Well, these caps were directly into the splash
9	zone. So permeability of the concrete was a direct
10	factor as far as the life of the structure.
11	We had to bring Gainesville in to conduct
12	testing, and we found the concrete was substandard.
13	Throughout this whole thing, this took over a
14	month. This was time where his superstructure forms
15	were basically halted. His cap forms were sitting dead
16	because he had to rip the caps off and then reform.
17	So, there are other factors that actually
18	extended time more than the 17.
19	And with the pile driving operation, the pile
20	driving, once it started, according to his schedule,
21	once he got out, once he started his substructure
22	operation, that became the controlling factor. Once
23	the superstructure started, that became the controlling
24	factor.

So, pile driving was never really driving the job

1	except at the first couple of bents that he drove.
2	That's where we are saying there really was no
3	compensable delay associated with this driving or the
4	sequencing of his forms because he had direct control
5	over that.
6	And there were other factors that were contractor
7	fault that impacted his whole sequencing, such as the
8	substandard caps.
9	CHAIRMAN COWGER: Are you finished?
10	MR. BRANDVIK: I guess that was the key point
11	being that the real question here is did the overrun o
12	piling control the completion of the project. That is
13	the root question we need to ask and need answered.
14	Hubbard's position is that it did, in fact,
15	require a perhaps to use the term resequencing, it's
16	more of a delay. They had to have these forms sitting
17	around longer. They couldn't cycle them as quickly as
18	they originally planned in their bid.
19	No question the pile lengths we have in the
20	plans, and I think the specs are clear, are estimated
21	pile lengths at best. That's why we run a test pile
22	program.
23	As Bryan mentioned, as soon as we got into this
24	test pile program, and it became obvious that the
25	production pile lengths were going to be significantly

longer, that to me would have been the time to say we need to step back and rethink whether or not our original process of bringing these substructure crews in right behind the piling is going to work.

Perhaps we need to have a bigger lag than five, six bents, whatever it may have been, so that the substructure or superstructure crews don't, in fact, catch up with the piling crews.

I think then it goes beyond. So, we had this additional driving time that's recognized that Bryan and Pete and Bob have agreed to. The question is, in fact, did that drive ever require an extension of completion of the project.

Our position is that it did not. That quite frankly just in terms of stepping back to make a decision once production pile lengths were known to be longer, that you really needed to rethink the whole sequencing operation first.

But then, secondly, we had these issues with unnecessary cap replacement. That, in fact, had, you know, delays well beyond the 17 days that we're talking about here specifically just for piling overruns.

Quite frankly, while we recognize that there was an overrun in piling length, we are not recognizing that, in fact, it created a delay to how the

1	substructure or superstructure work was completed.
2	MR. DEYO: Without the specs available, this
3	contract had a pile driving analyzer on it, a PDA?
4	CHAIRMAN COWGER: That's in the report, too. A
5	couple of quick questions. I'm interested, curious,
6	why was a corrosion analysis necessary on those two?
7	Was that done in relation to the adequacy of the caps
8	that were originally poured?
9	MR. ESTOCK: Yes.
10	CHAIRMAN COWGER: You determined that the
11	corrosion reduction in service life was a problem? It
12	didn't have anything to do with the new caps?
13	MR. ESTOCK: As far as I'm not following you.
14	CHAIRMAN COWGER: Your corrosion analysis had
15	nothing to do with the new caps, right?
16	MR. ESTOCK: The ones that were placed, the
17	substandard ones, no. The specifications state that
18	when there's deficient concrete it was low strength.
19	It requires a structural adequacy test. It says the
20	engineer is to address durability.
21	CHAIRMAN COWGER: Okay. I just wanted to get
22	straight which set of caps we are talking about. I've
23	got that.
24	The 17 working days that you sort of agreed to
25	correct me if I'm wrong, and then I will address the

1	question to DOT. Those 17 days are the additional
2	number of days it took to drive the piling basically?
3	MR. ESTOCK: Uh-huh.
4	CHAIRMAN COWGER: The schedule says 68 and it
5	actually took 85? There is no question about this?
6	MR. ESTOCK: Uh-huh.
7	CHAIRMAN COWGER: This doesn't get into
8	entitlement or anything, just trying to get the facts
9	straight.
10	MR. ESTOCK: That's right.
11	MR. ROEBUCK: What is the length of the piling,
12	generally from 40 to 85 feet? 69 percent you said
13	MR. ESTOCK: Well, I would have to calculate out
14	what the original quantity was. It was 7,000 lineal
15	feet was the original plan quantity for all pile.
16	MR. BRANDVIK: It was 48, you had your hundred
17	percent overrun. It must have been more like maybe 50
18	or 60.
19	MR. DENSON: It went from 7,000 to over 11,000.
20	Also, if I might speak now, our efficiencies were
21	pointed out in Mr. Estock's letter of November the 3rd.
22	In an attempt to keep up with resequencing our
23	work, what we actually did in lieu of resequencing our
24	work, we extended our daily hours for operating to stay
25	within our schedule we increased our daily hours of

1 operation	ì.
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2	CHAIRMAN COWGER:	What else did you all have to
3	say, anything else?	

MR. BRANDVIK: Let me touch briefly on the unabsorbed overhead portion of it. This -- for purposes of these damages it's been presented specifically for the 17 workdays translated into 24 calendar days to the project.

Our position is that the first thing that we have to agree on is that, in fact, this extended the completion of the job, and our position is that it did not.

So, from that standpoint there would be no unabsorbed home office overhead. Specifically, you know, we would have to agree, as I said quite frankly, that this had a delay to completion of the job to even be willing to consider, you know, whether or not unabsorbed was there, first of all.

Secondly, to go beyond that, we have to consider whether or not it was a complete shut-down or if, in fact, there was still revenue being generated, was the revenue being generated equivalent to what was originally claimed.

That, quite frankly, in my opinion is the one problem with Eichleay is that it does not recognize if

L	there is other revenue generation either on this
2	particular project or on any other project for the
3	firm.

It is solely saying that these are our estimated overhead costs and, therefore, if we have any extension of time, whether we are generating revenue elsewhere or not, we are damaged. That's where I think the fallacy lies with Eichleay in general.

In this particular case, since we are not recognizing entitlement to the completion of the job for this overrun of time on piling, we would not recognize entitlement for unabsorbed overhead either.

MR. WOLF: I would like to talk about that situation if I may. First of all, we have to disagree. The formula as it was used in the model that was put in here accounts for the additional time and the additional revenues.

I would agree with Mr. Brandvik that if you figured an Eichleay formula at the very beginning of the project, it would not account for the absorbed portion of the overhead.

The reason is as you go through the job and the volume of the project increases and so do the number of days increase, that the original formula is never correct. It's never correct until you finish the job.

In this case I calculated this formula at the very end of the project at almost the end of the project at the time in which we thought that we were pretty close to knowing what the final days and the final dollars were.

If you follow the formula through in the detail, you will see that instead of the \$5 million figure, plus or minus whatever it was, I used a revenue of \$6 million. That's close to the final revenue of the project. In fact, I think it's a little more. It's what we had anticipated the final revenue being.

In that case it took into account all the revenue of the project. And I put in over 500 calendar days. So, it took into account the total number of calendar days, took into account the total amount of the revenue.

So, it does make up for the absorbed portions of the overhead in this case. If you utilize the formula for the way it was intended to be utilized, and you figure it at the end of the project, then it does do those things for you.

Or there is another method. You can use the beginning of the project and find out by taking the additional revenue and dividing it by the number of days, and see how much it did absorb.

1	I mean there's a couple of different ways you can
2	figure this out.
3	We are not interested in something that was
4	absorbed, so we use this method. We will be happy to
5	recalculate it, if that's a fact.
6	In delays of this nature, where it's intermittent
7	and not a complete shut-down of the project, a company
8	is held hostage to the job. We can't just pick up and
9	leave the job. We can't go out and secure additional
10	work.
11	It's true that Hubbard is a big company and can
12	bid other work, but we only have limited resources. We
13	are bigger than a lot of companies, but we still have a
14	limitation on our resources.
15	CHAIRMAN COWGER: Excuse me. I think we
16	understand. The Board understands that you could not
17	take your equipment and personnel and put them
18	somewhere else.
19	MR. WOLF: Can I make just one more comment.
20	CHAIRMAN COWGER: Go ahead.
21	MR. WOLF: This whole \$1500 is not all Eichleay.
22	There is a job site overhead cost in here, and that has
23	nothing to do with the Eichleay formula. It's just
24	strictly how much money we spent on the job divided by
25	the number of days that we are there. So, the job site

1	support costs are in the \$1500 number as well.
2	CHAIRMAN COWGER: Is that \$1530 justified
3	somewhere in your submittal?
4	MR. WOLF: Yes, it is. The back-up numbers, DOT
5	has been to our office and audited our costs on a
6	couple of occasions. I think two years ago was the
7	most recent time, and agreed with how we have
8	calculated overhead numbers.
9	We also calculate them in relationship to the FAR
10	regulations with the U.S. Army Corps of Engineers.
11	CHAIRMAN COWGER: John, am I right, the basic
12	dispute is not so much how much but a matter of whether
13	they are entitled to any on the Eichleay?
14	MR. BRANDVIK: Yes.
15	CHAIRMAN COWGER: I have one question that's kind
16	of left floating I think. You talk about a production
17	rate on the pile driving operation. In one of the
18	pieces of correspondence I don't have it right here
19	in front of me at the moment I mean I haven't looked
20	it up.
21	You talk about the fact that DOT talks about
22	the fact that actually for some reason or other the
23	production rate on pile driving, calculated in feet per
24	minute, was greater on the project than what the
25	schedule had anticipated, the original contractor's

1	schedule.
2	Can you tell us real quick how you arrived at
3	those numbers? What did you how did you calculate
4	that? There's nothing here to support it. I just
5	wondered.
6	MR. ESTOCK: In one of my letters to the
7	contractor, I detailed it. It was basically I just
8	took the original quantity in the plans and
9	estimated got the contractor's schedule, what they
10	anticipated would take them to drive the pile.
11	CHAIRMAN COWGER: That much I understand.
12	MR. ESTOCK: I took, you know there was a
13	certain length. I just took the thing, took all the
14	pile out, established the pile length. I established
15	certain time frame to drive a certain length of pile
16	and I divided it out.
17	CHAIRMAN COWGER: How did you arrive at the
18	minutes is what I want to know.
19	MR. ESTOCK: I just took an eight-hour day.
20	CHAIRMAN COWGER: Okay.
21	MR. ESTOCK: I established it as I said one day
22	to set up, set barge, set template, relocate barge,
23	then one day to actually set pile and drive.
24	MR. WOLF: I think the basic flaw in that
25	calculation is the fact that no one ever went back to

1	see how many actual hours we drove in a day as related
2	to what our plan was.
3	MR. ESTOCK: That's what I established, and when
4	I actually established what production rate they
5	achieved, I went back to the actual pile driving log
6	per each pile with the length driven and the actual
7	time.
8	We had a start and a stop time. That's where
9	I took an average. I just went through there and
10	took I think like about 20 piling out and came out
11	with an average.
12	CHAIRMAN COWGER: Your records indicate the time
13	of day that they began driving a particular pile and
14	the time of day they finished?
15	MR. ESTOCK: Yes.
16	MR. WOLF: You used the 20 pile sample. You
17	didn't use all the piling?
18	MR. ESTOCK: No, I didn't go through and
19	calculate every single piling. I had just a random
20	sampling.
21	MR. DENSON: That was the point I was making.
22	That was in his November 3 letter. That's the point
23	I am making. We increased our hours of operation to
24	stay within our schedule. To use an eight-hour day as
25	far as basing our production rates would be unfair.

1	CHAIRMAN COWGER: You increased your daily hours
2	on the pile driving operation?
3	MR. DENSON: Yes, sir.
4	MR. BISTOR: There is also the assumption made in
5	Bryan's calculations in his letter that there was a day
6	spent out of two days per bent that we had in our
7	approved baseline, he is saying there was one day
8	devoted to setting the template, moving the barge,
9	taking the template down, and a day to drive out the
10	bent.
11	That's a big assumption. When we put together
12	our baseline schedule, we looked at the total number of
13	feet in each phase, and two days per bent is just an
14	average.
15	When we put that schedule together, we understand
16	that some bents you might drive out in a day, some
17	bents may take us three days, but our anticipation was
18	that it was going to take us a total of 34 days to
19	drive out all the piling in a phase.
20	And when we set up activities for each bent, we
21	said 17 days 17 bents, 34 days total to drive it
22	out. That's an average of two days per bent for doing
23	all the work associated with driving that pile.
24	CHAIRMAN COWGER: How many piles were there in a
25	bent?

MR. BISTOR: It differed from phase to phase. 2 MR. ESTOCK: Four for phase four and five for 3 phase two. 4 MR. WOLF: Nothing erases away the fact that we 5 had agreed that 17 working days overran the piling. No 6 one has, on the DOT side that I can see, has went back 7 and made a study, which I did, to see, you know, what 8 effect the increased productivity in the piling had. 9 It had no increase, it had no effect. 10 I mean we still -- we didn't overrun our budget, 11 but we didn't have this huge material gain that DOT is trying to claim that we have by getting this additional 12 feet of piling. If we did, we would have offered that 13 back, but there was nothing. 14 15 We met our budget on the productivity cost of driving the piling. Even though they overran, even 16 17 though they say they got more per foot, we still didn't do better than what we had in the budget to begin with. 18 19 MR. ESTOCK: Regarding the assuming of the 20 original production rate, that was established right after Pete, Bob and myself had agreed upon the 17 days. 21 22 That was a time when we were doing most of our 23 discussions as far as what time frame was required for 24 the actual driving. 25 That's where my assumption of the relocation of

the barge, setting the template and moving the barge, 1 that's where I came up with the one day, because during 3 our negotiations that was the basic operation we had agreed to.

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We had included all of that in our calculation of the 17, everything associated with the driving of the pile is included in the two days.

MR. DENSON: I think that's a good point, too. When we left the meeting, the agreement as we understood was that we were going to agree on compensable days. We agreed on those 17 compensable days. We took out any inefficiencies caused by Hubbard, DOT or whatever that caused those inefficiencies. That was gone and the agreement was for the 17 days.

CHAIRMAN COWGER: I think we have heard enough on that particular issue. I do have -- I do feel we need to let the contractor address one more thing that the DOT said, just so the Board has all of it, all of the facts out here.

They made a comment about the fact that the contractor had control of the schedule. He knew at the time that the final pile lengths were furnished to him, which is some 30 days before he began driving the piling.

1 That you were aware as a contractor of this 2 overrun, and that in DOT's opinion you should have made some adjustments in planning your operations to 3 4 compensate for the fact that the pile driving was going 5 to take longer than you had originally planned at the time you bid the job. 6 What do you have to say about that? 7 MR. DENSON: To respond to that, let's go -- as 8 9 we said, there were two different phases of the job, a phase one and a phase two, which each phase had a 10 different test pile program. 11 Actually, on our test pile for phase one, the 12 lengths were given in two separate -- at two separate 13 14 times. 15 We were not given bent one through 17 to complete. As a matter of fact, and this will probably 16 17 go into our second issue, there is an additional PDA put on another piling. We established the pile 18 19 lengths. I think some of that information was used to 20 establish the pile lengths for the second half of 21 phase one. 22 So, it was impossible for us to say based on what we did in phase one, with the phase two piling lengths 23 24 because there were two different test pile programs.

CHAIRMAN COWGER: When you say you weren't

1	furnished all of the lengths at the same time,
2	basically is what you said
3	MR. DENSON: Yes, sir.
4	CHAIRMAN COWGER: You weren't just given this is
5	the length?
6	MR. DENSON: I think phase one, we were given
7	either bents one through five or one through six.
8	MR. ESTOCK: Your phase one was giving one
9	through six. They were established I think at 75 foot.
10	The rest of them, from seven through 17, there was a
11	lot of subsurface material.
12	The geotech engineer was doing a more detailed
13	analysis. So, he had to he went ahead and
14	established the lengths separately after he already
15	established the first six bents.
16	That was done primarily because of the 28-day
17	cure requirement, go ahead we had solid data for the
18	first six bents, get that information to the
19	contractor, let him start casting his piles.
20	CHAIRMAN COWGER: How long a time would you say
21	elapsed between the time you furnished the lengths in
22	those two different subphases you might say?
23	MR. ESTOCK: I would have to look at the letters,
24	but it was probably two weeks.
25	CHAIRMAN COWGER: What were the longer piles, the

1	ones in bent seven through 17? How long were they?
2	MR. ESTOCK: I believe they were 85. The same
3	length as our longest test pile.
4	CHAIRMAN COWGER: Unless somebody has something
5	overwhelming to say about part one, why don't we go to
6	part two.
7	Before we get into that, so we can kind of plug
8	this in as we go through, does anybody remember what
9	the unit price for the test piles was?
10	MR. ESTOCK: \$60 a foot?
11	MR. DENSON: The unit price for the test piles
12	was \$350 a foot furnished and a dollar a foot driven.
13	CHAIRMAN COWGER: Okay. There was something
14	mentioned in here, and maybe you all will bring it out,
15	there was some discussion somewhere in the
16	correspondence that we saw about the DOT eliminated
17	some of the production piles. Is that true or not?
18	Not the production piles, the test piles, sorry.
19	MR. ESTOCK: Yes, two test piles were eliminated
20	in phase two. This was primarily due to trying to
21	assist the contractor because of the 28-day
22	requirement.
23	The test piles in phase two required that the
24	existing bridge be completely removed. Well, this
25	would have caused the contractor to have had to remove

1	the whole existing bridge, start his test pile program,
2	drive all four, then wait 28 days after receiving
3	authorized lengths.
4	We felt like we had sufficient data for the first
5	few bents from our phase one test pile program. So, we
6	got with the geotechnical engineer. They agreed to go
7	ahead and establish lengths for the first five bents
8	for phase two, and that way the contractor could begin
9	casting his piling while he is still in the process of
10	removing the old bridge.
11	That was just a matter of trying to assist the
12	contractor in assisting him.
13	So, the two test piles that were for that area,
14	we eliminated them, but we did pay production piling at
15	their original length. We did not pay by authorized
16	length.
17	CHAIRMAN COWGER: Okay. We will get into that in
18	just a minute. While we are talking about the number
19	of test piles, were there two in each phase?
20	MR. ESTOCK: Four in each phase.
21	CHAIRMAN COWGER: In phase one you used all four
22	of them?
23	MR. ESTOCK: Yes.
24	CHAIRMAN COWGER: Phase two you eliminated two of
25	them?

1	MR. ESTOCK: Yes.
2	CHAIRMAN COWGER: Did you begin to set pile
3	lengths on phase two before you had any test piles
4	driven?
5	MR. ESTOCK: We did for the first five bents.
6	CHAIRMAN COWGER: While he was driving the test
7	piles then, the two that were remaining, he could star
8	casting for those six bents?
9	MR. ESTOCK: Yes.
10	CHAIRMAN COWGER: Good enough. Okay. What were
11	the length of the test piles?
12	MR. ESTOCK: They differed. The shortest was 70
13	foot and the longest was 85.
14	CHAIRMAN COWGER: Okay. Now, let's move on and
15	let the contractor I got kind of maybe a little bit
16	of the cart before the horse.
17	MR. ROEBUCK: Yes.
18	CHAIRMAN COWGER: I thought this information
19	would be helpful for us to understand what you are
20	saying. Now, if you want to rebut anything that was
21	said, feel free, but, Contractor, why don't you go
22	ahead and present your case on part two then.
23	MR. DEMPSEY: Pete, do you have anything to add?
24	MR. DENSON: I disagree the elimination of the
25	test piles was done to assist us. Demolition of the

1	old bridge was not a dried-in factor in the test pile
2	program because we wrote a letter where we requested an
3	opportunity to shift the pile position and get them
4	outside the old bridge lining.
5	CHAIRMAN COWGER: The test pile?
6	MR. DENSON: The test pile, yes. We submitted a
7	letter to shift the location of the pile so as to
8	facilitate being able to drive the pile prior to
9	removal of the old bridge as approved by DOT.
10	MR. ESTOCK: I would like to address that if
11	I could.
12	CHAIRMAN COWGER: Go ahead.
13	MR. ESTOCK: The fault in that was that, one, the
14	only way that could have been done due to space
15	restrictions, there was boat docks all along the side
16	of the bridge that would not allow his barge to come
17	in.
18	The test pile could not be driven from the
19	existing bridge because it would not have been able to
20	support the actual weight of the crane needed to drive
21	the piles.
22	CHAIRMAN COWGER: Okay. Was that your proposal,
23	drive them off the existing bridge?
24	MR. DENSON: No, sir, we did our test pile off
25	there.

1	CHAIRMAN COWGER: Wanted to make sure
2	I understood.
3	MR. DEMPSEY: The dock didn't bother us any
4	because Pete's diesel hammer, we got fuel all over the
5	boats. I think we bought all the boats and the dock
6	MR. ESTOCK: It was a matter of space, I mean
7	because we had this discussion. The barge was of such
8	a width where even after removing the bridge it was
9	we had to completely have the dock owners move these
10	big old yachts out of the way just so we could get the
11	barge in there to drive our piling.
12	CHAIRMAN COWGER: Let's not spend too much time
13	on that. The main thing I want to find out on the test
14	piles is why is it that the contractor thinks that this
15	one production pile I think that's the case
16	should be treated as a test pile?
17	MR. DENSON: When we go back Mr. Estock states
18	that through bents one through six they had solid
19	information to give those pile lengths.
20	Okay. It's our understanding that what happened
21	originally and I will have to give a brief history
22	of what happened here.
23	I think Ardaman started off doing the test pile
24	program. DOT was somewhat displeased with the
25	information gathered by Ardaman because we had pile

that began to run that Ardaman really didn't show that happening.

After that happened, DOT brought their own man in. I think his name was Mr. Tom Turner. He came in and did the PDA on the subsequent test pile and the other pile that we are calling -- they are calling the production pile that was actually a test pile.

He came in and gathered that extra information off that pile and that's why he said that was a test pile. There was information gathered off that.

Correct me if I'm wrong, but I think that information was used to set the pile for bents seven through 17.

MR. ESTOCK: They weren't. Pile lengths were established prior to that pile being driven. The reason the PDA was attached to that pile was during the test pile program -- Pete is correct -- Ardaman was the geotech to establish the criteria and lengths.

The criteria they originally submitted, the district geotech was not comfortable with it. So, the district geotech took the data, reviewed it himself, and he established the lengths and the criteria.

There was a concern that was right around bent six, it was right where the subsurface material -- there was a layer of soft material that did concern

So, that's -- when we were driving the test pile on the higher bents, he noticed that as the pile was going down, it hit the soft material, and he was -- we ended up having to perform set checks on it because the piles were just not taking up.

So, he was concerned that with his criteria that he had established, he was concerned that as we were driving bent six he did not want to blow out the bottom of the pile when it hit that soft material.

So, that's the only reason he put the PDA on there, the first pile for that bent. We drove it.

Once it hit that soft layer and he found out the pile was still good and it looked like it was going to hold, the PDA was turned off and we drove it according to the criteria.

We didn't drive it by test pile criteria. We drove it by permanent. We were just monitoring it with the PDA.

CHAIRMAN COWGER: That all took place at bent six on phase two?

MR. ESTOCK: Phase one.

MR. DENSON: I would like to address, Mr. Estock mentioned the set check. Basically even with the elimination of the two test piles, we ended up having

1	to set check the majority of every pile we drove there.
2	We think the elimination of the two test piles might
3	have contributed to that somewhat.
4	MR. ESTOCK: The two test pile were eliminated in
5	phase two. The set checks began in phase one, right at
6	around, I think bent nine, bent ten.
7	MR. DENSON: Right.
8	MR. ESTOCK: Is when we had to start doing set
9	checks on each bent.
10	MR. DENSON: We set check, even with our
11	efficiency, that included set checking almost every
12	pile.
13	MR. ESTOCK: We set check one bent per pile. Or
14	one pile per bent. One pile per bent.
15	CHAIRMAN COWGER: Okay. Anybody have anything
16	else to say about that issue? We might finish on time
17	or close to it.
18	DOT, do you wish to excuse me just one moment.
19	DOT, do you wish to address the interest portion of the
20	claim, assuming we would award something?
21	MR. BRANDVIK: I can tell you right now that from
22	my perspective as DCE, I have considered prejudgment
23	interest. I think it was just yesterday. That has
24	been challenged by our legal staff.
25	So, I would have to sit here today and tell you

1	that my opinion would be legally I'm not authorized to
2	include prejudgment interest.
3	CHAIRMAN COWGER: DOT's legal staff has
4	challenged
5	MR. BRANDVIK: The prejudgment interest.
6	CHAIRMAN COWGER: Okay. Anything else on the
7	interest? Just to be fair with everyone, I notice
8	looking at your revised damage summary that you've got
9	interest calculated up through May 14th. Then you
10	start another calculation from May 14th through
11	July 31st which is a period of time roughly after you
12	filed your request for arbitration, between then and
13	the time that we actually got to this hearing today.
14	To be frank with you, I doubt that the Board is
15	going to give much weight to that particular issue
16	because of the way this process works.
17	Frankly, part of it is our fault because we don't
18	schedule the hearings quite as fast as we should
19	sometimes. Anyway, that's all I've got to say about
20	that.
21	Mr. Deyo, do you have any questions?
22	MR. DEYO: No.
23	MR. ROEBUCK: No questions.
24	CHAIRMAN COWGER: Either party have anything else
25	to say? All right. Hearing nothing, this hearing is

1	hereby closed.
2	The Board will meet to deliberate on this claim
3	in approximately six weeks, and you will have our final
4	order shortly thereafter.
5	(Whereupon, the hearing was concluded at 11:05 a.m.)
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1	CERTIFICATE OF REPORTER
2	STATE OF FLORIDA)
3	COUNTY OF LEON)
4	I, CATHERINE WILKINSON, Court Reporter, do hereby
5	certify that I was authorized to and did stenographically
6	report the foregoing proceedings; and that the transcript is
7	a true record of the testimony given.
8	I FURTHER CERTIFY that I am not a relative, employee,
9	attorney or counsel of any of the parties, nor am I a
10	relative or employee of any of the parties' attorney or
11	counsel in connection with the action, nor am I financially
12	interested in the action.
13	Dated this 6 day of August, 1998.
14	Catherine William
15	CATHERINE WILKINSON
16	CSR, CP Post Office Box 13461
17	Tallahassee, Florida 32317
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