



**Hensel Phelps
Construction Co.**

NORTHERN CALIFORNIA DISTRICT
226 Airport Parkway, Suite 150
San Jose, CA 95110-1024
(408) 452-1800
(408) 452-1855 FAX

JOBSITE OFFICE
4102 Bison Avenue
Irvine, CA 92612
(949) 823-9214
(949) 823 8906 FAX

Thursday, November 21, 2007 *(Dependent upon your schedule)*

Mr. Owner
University of California, Irvine
Irvine, CA

**RE: Notification of Impact – CE #001
Document Number NOI – 001
UC Irvine Computer Sciences Unit 3 – Bren Hall**

Dear Mr. Owner,

This letter is to notify you of an impact to Hensel Phelps Construction Co. on the UCI Bren Hall Project.

On Tuesday, November 19, 2007, Hensel Phelps Construction Co. excavated the existing telecommunications and electrical conduits that extend North from the Main Electrical Room of the Cal IT Building. Although the as-built utility drawings provided to Hensel Phelps indicate that the conduits are located outside of the planned footprint for Bren Hall, Hensel Phelps was notified by the electrical subcontractor for the Cal IT Building that the conduits may, in fact, have been installed farther North than shown. The conduits were uncovered in order to determine their precise location and identify any potential conflicts with the planned foundation for the Bren Hall Building.

Upon excavating the electrical and telecommunications conduits in this area and laying out the planned foundation for Bren Hall, it was determined that the telecommunications conduit extends underneath the foundation of Bren Hall. The electrical conduits, however, do not conflict with planned construction. Appended to this letter in Attachment 1 is a partial utility drawing showing the actual location of the telecommunications and electrical conduits. Attachment 2 is a detail showing the conflict between the telecommunications conduit and the foundation for Bren Hall, and Attachments 3 and 4 are photographs of the exposed conduits.

Hensel Phelps has consulted with the Architect, the Structural Engineer, and the Electrical Engineer and determined that the existing telecommunications conduits should be relocated as shown in Attachment 5. In order to minimize delays to the Project, Hensel Phelps will proceed with site work on other portions of the Project while this remedial work is being completed.

The location of the telecommunications and electrical conduits was shown incorrectly on the as-built drawings provided to Hensel Phelps by the University. Hensel Phelps could not have foreseen or ascertained the actual location of the conduits or the resulting conflict through any reasonable means prior to bidding the Project. As a result, Hensel Phelps feels that any costs and/or schedule delays resulting from this unforeseen condition should be the responsibility of the University.

Performance!

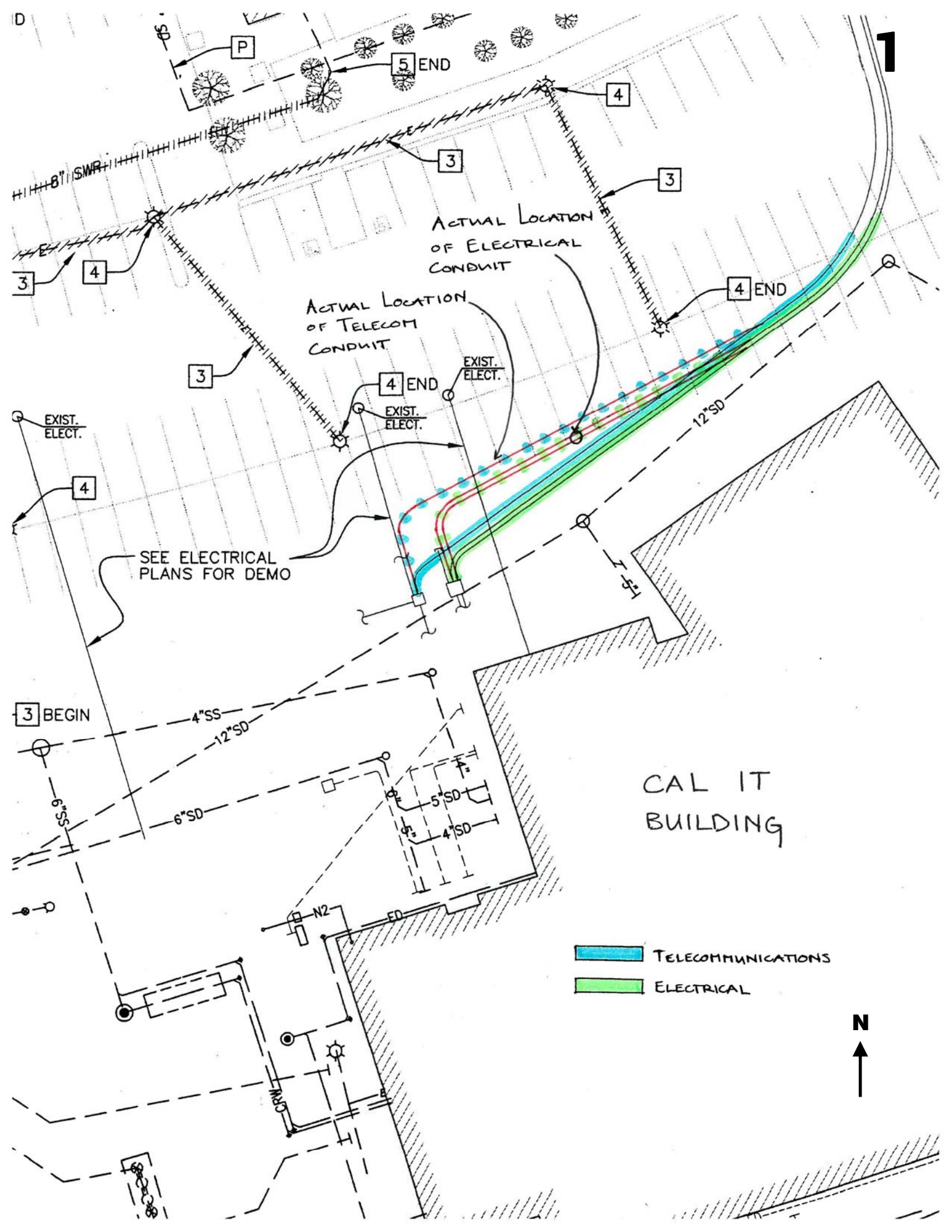
In the interest of minimizing the impact of these unforeseen conditions and preventing further delay to the Project schedule, Hensel Phelps Construction Company has proceeded with the work described above. The extent of time and cost impacts associated with these issues is unknown at this time. Cost Estimate #001 has been assigned to this issue, and once the extent of all necessary changes and added costs is known, Hensel Phelps will submit detailed pricing to the City for approval and incorporation into a Prime Change Order.

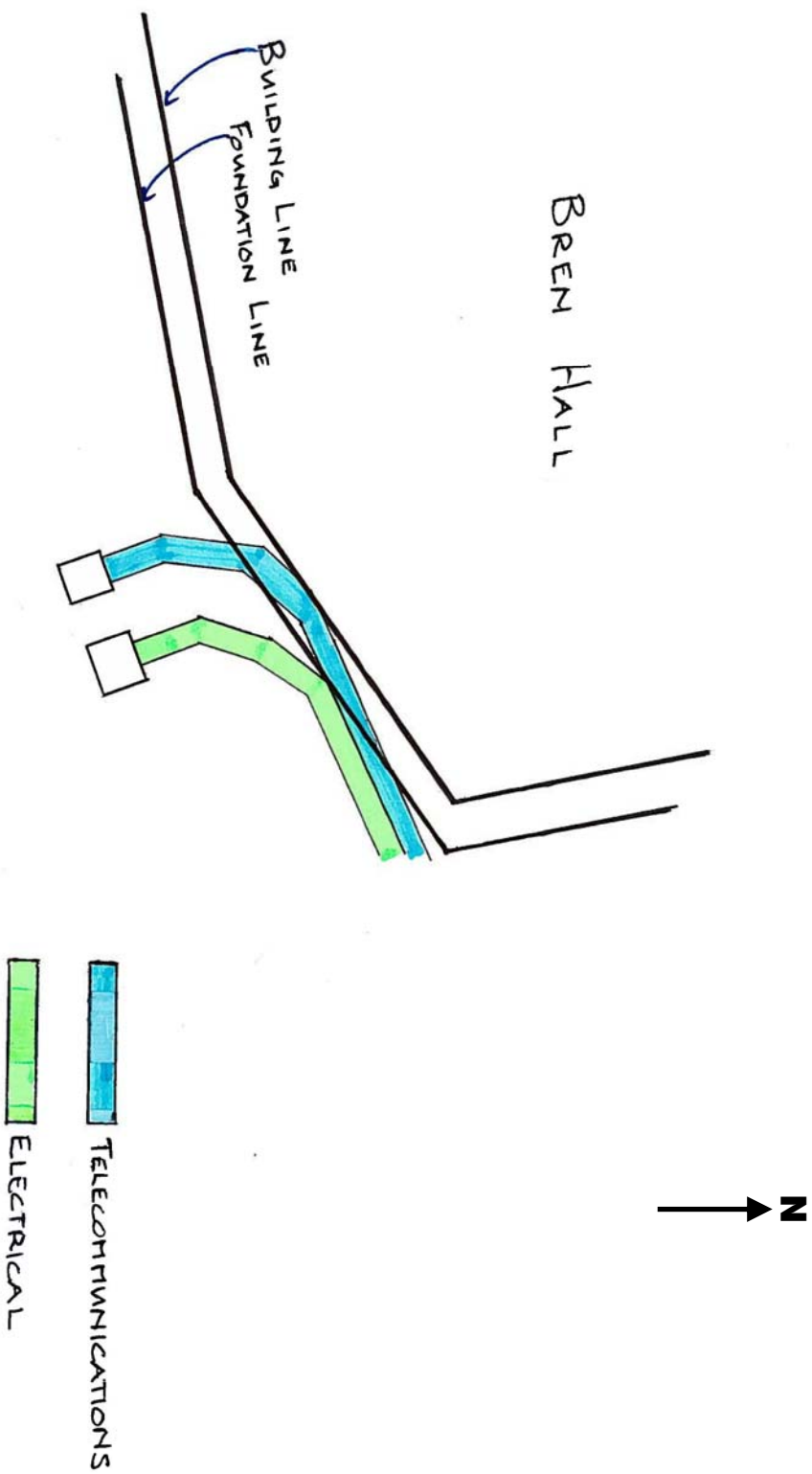
We thank you for your consideration in this matter, and please feel free to contact the undersigned with any questions.

Sincerely,
HENSEL PHELPS CONSTRUCTION CO.

A handwritten signature in blue ink that reads "Christi Niehans". The signature is written in a cursive, flowing style.

Christi Niehans
Project Engineer





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Planned edge of
Bren Hall foundation

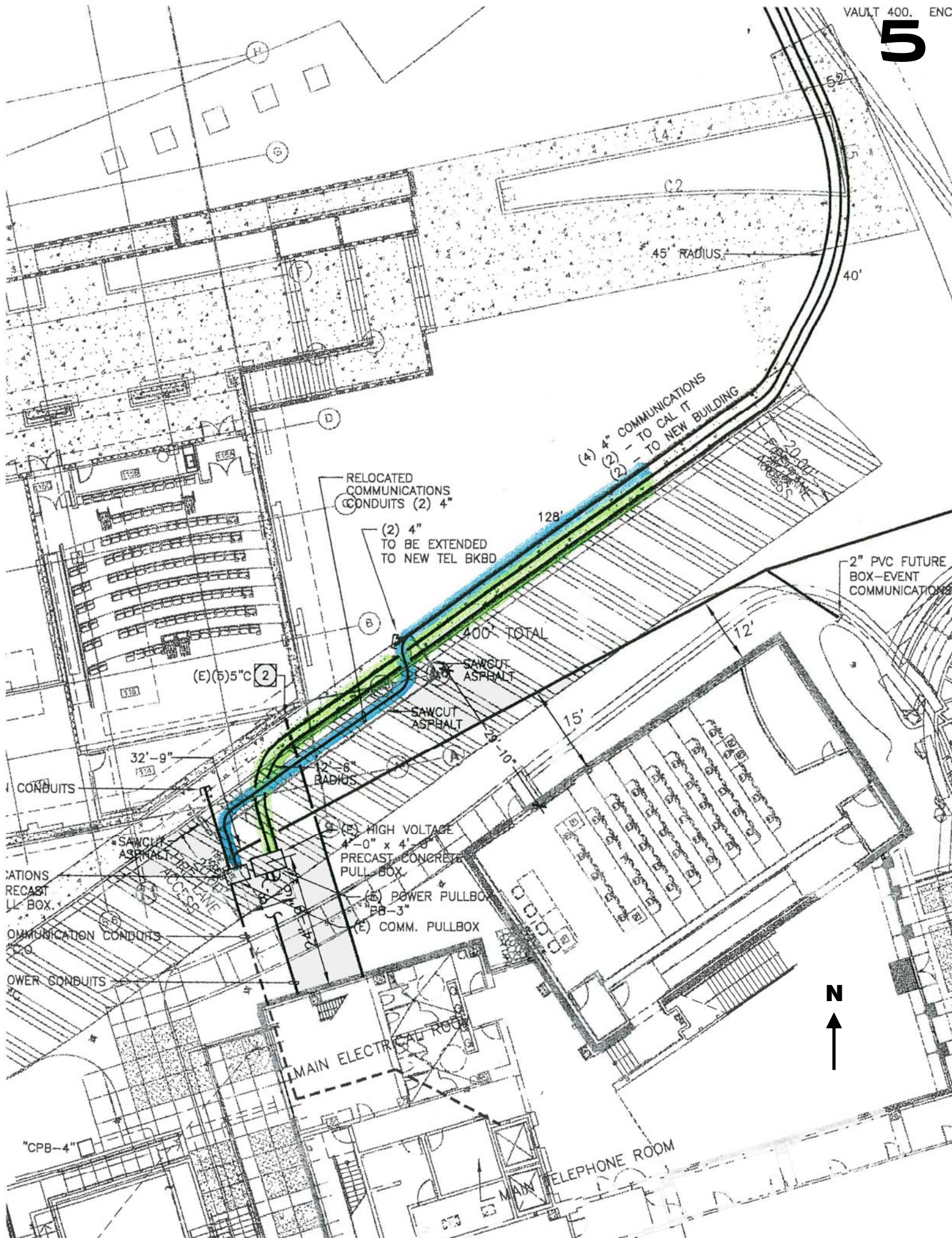
Telecom
Conduits

Electrical
Conduits

**PLANNED
LOCATION OF
BREN HALL**

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Thursday, November 21, 2007 *(Dependent upon your schedule)*

Mr. Henry Volt
Quality Electrical Contractors, Inc.
1234 Watt Avenue
Irvine, CA

**RE: As-built Location of Telecommunications Conduit – CE #001
Document Number NOI – 001
UC Irvine Computer Sciences Unit 3 – Bren Hall**

Dear Mr. Volt,

This letter is to notify you of an as-built condition affecting your scope of work on the UCI Bren Hall Project.

On Tuesday, November 19, 2007, Hensel Phelps Construction Co. excavated the existing telecommunications and electrical conduits that extend North from the Main Electrical Room of the Cal IT Building. As you know, Quality Electrical Contractors installed these conduits during the construction of the Cal IT Project. Although the as-built utility drawings provided to Hensel Phelps indicate that the conduits are located outside of the planned footprint for Bren Hall, Hensel Phelps was notified by Quality Electrical that the conduits may, in fact, have been installed farther North than shown. The conduits were uncovered in order to determine their precise location and identify any potential conflicts with the planned foundation for the Bren Hall Building.

Upon excavating the electrical and telecommunications conduits in this area and laying out the planned foundation for Bren Hall, it was determined that the telecommunications conduit extends underneath the foundation of Bren Hall. The electrical conduits, however, do not conflict with planned construction. Appended to this letter in Attachment 1 is a partial utility drawing showing the actual location of the telecommunications and electrical conduits. Attachment 2 is a detail showing the conflict between the telecommunications conduit and the foundation for Bren Hall, and Attachments 3 and 4 are photographs of the exposed conduits.

Hensel Phelps has determined that the existing telecommunications conduits should be relocated as shown in Attachment 5.

Since the location of the telecommunications and electrical conduits was shown incorrectly on the as-built drawings given to Hensel Phelps by the University, cost and schedule delays resulting from this unforeseen condition would normally be the responsibility of the Owner. However, as you know, Quality Electrical performed the underground electrical work for the Cal IT Building and produced the record drawings in question.

Hensel Phelps understands that the Cal IT work was done under a separate contract. However, if Hensel Phelps were to seek compensation from the Owner for the remedial work, the University would recover these costs from the General Contractor for the Cal IT Building, who would in turn

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forward these expenses to you. Since Quality Electrical will be performing the work, the ultimate result will be your company reimbursing itself for the cost of the work, as well as paying for the markup of the intermediate parties. This will result in higher eventual costs to Quality Electrical, as well as inconvenience for the other parties concerned.


Hensel Phelps has a longstanding relationship with the University. In the interest of preserving and promoting that relationship, we would prefer not to involve them in an issue that can be resolved internally and expeditiously. In addition, avoiding an involved change order and claim process will mitigate potential schedule delays and reduce direct and indirect costs to all parties, including Quality Electrical.

We believe that it is in the best interest of all parties for Quality Electrical to relocate the conduits at its own expense, and sincerely hope that you agree.

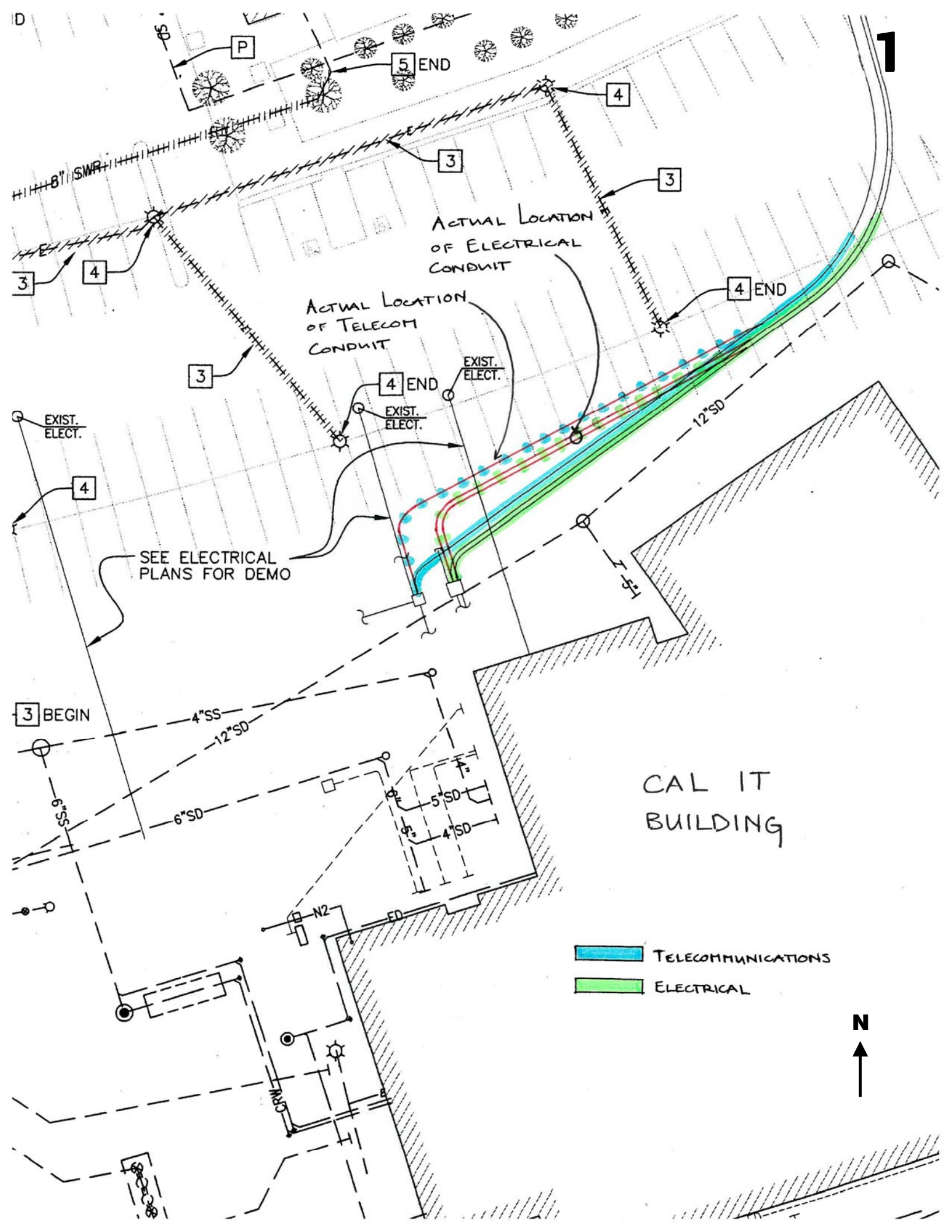
Hensel Phelps will do everything possible to avoid schedule delays and minimize cost impacts to Quality Electrical. To assist with this effort, please commence relocation of the telecommunications conduits immediately. Hensel Phelps will proceed with site work in other areas while the relocation is being completed and make every effort to maintain the Project Schedule.

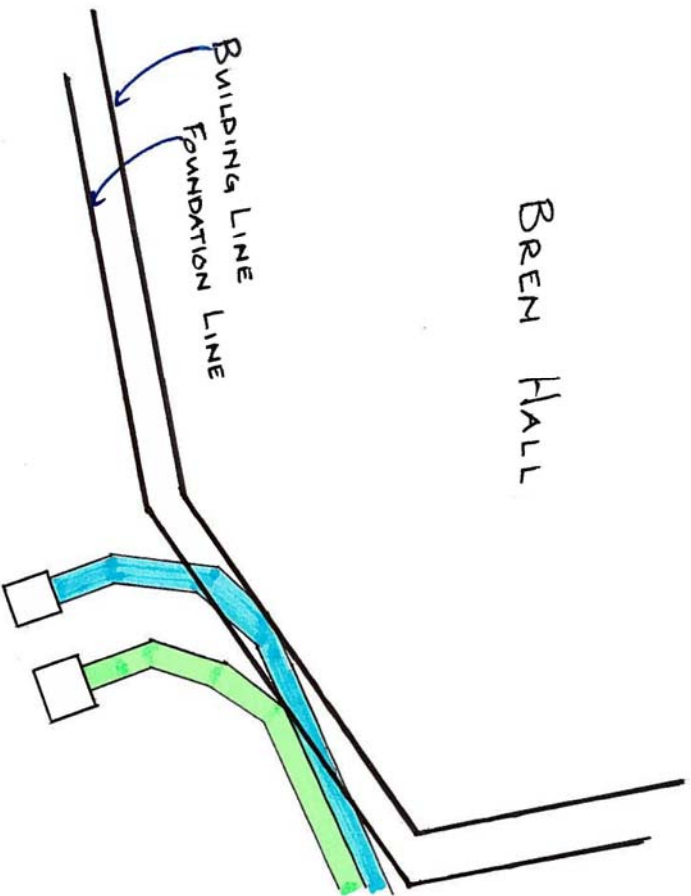
We thank you for your consideration in this matter, and please feel free to contact the undersigned with any questions.

Sincerely,
HENSEL PHELPS CONSTRUCTION CO.



Christi Niehans
Project Engineer





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TELECOMMUNICATIONS



ELECTRICAL

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Planned edge of
Bren Hall foundation

Telecom
Conduits

Electrical
Conduits

**PLANNED
LOCATION OF
BREN HALL**

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