



**HENSEL PHELPS**

Plan. Build. Manage.

**JOBSITE OFFICE**  
150 North Mariposa Road  
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February 20, 2014

Ms. Smith  
General Services Administration  
150 North Mariposa Road  
Nogales, AZ 85621

Subject: CE #5001 – Reference Document Secondary POV Driver's Waiting Area  
Mariposa Land Port of Entry – 5910055  
Document No. 1231-5001

Dear Ms. Smith:

Hensel Phelps has provided GSA with the requested cost proposal for the potential change to the Prime Contract for the Secondary POV Driver's Waiting Area.

Hensel Phelps acknowledges the concerns GSA has with the cost proposal submitted. However, Hensel Phelps disagrees with the stance GSA has taken with regards to the inflated costs increase claims. The change order outlined the assumptions and exclusions made to provide a fair and reasonable cost proposal as referenced and required in the FARs Clauses. Please find the substantiation of the pricing proposal included within this letter.

Phase 3 of the project is complete and work will be well under way in Phase 4 when final design of the change is approved in order to start construction. Due to this long delay between Phase 3 and start of this scope of work, the subcontractors performing work on this change will have to re-mobilize to the project site. This includes heavy equipment for material transport, demolition of existing work, additional storage containers for all material deliveries, and additional subcontractor support.

Hensel Phelps met with their subcontractor's to organize an appropriate plan to mitigate impacts to the port of entry and priced the change in accordance with the assumptions identified during this meeting. Minimizing the impact to the port of entry during construction is the primary concern to GSA, as well as Hensel Phelps. Therefore, multiple and fluctuating crew shifts will be utilized during the work day which will require off-hours and overtime shifts.

With the active port of entry in operation, additional support for traffic control will be required by means of additional traffic barriers, delineators, and flag persons to assist in directing pedestrians and vehicles. A dedicated person for traffic control will be maintained throughout the day to ensure safety of the pedestrians, patrol agents, persons in secondary inspection, and various others who may require entry into the area.

In order to complete the communications, security and life safety devices, Hensel Phelps must access the secure areas of the port of entry. There will be additional time required to enter the secure rooms to complete.

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The design will be phased in order to allow for construction activities to be completed and turned over to GSA to meet the project completion milestone. Material fabrication must be expedited in order to make the project completion which has increased costs.

Hensel Phelps is not proceeding with the work described in the subject change document without pricing approval. Should GSA desire Hensel Phelps to proceed, please notify Hensel Phelps as soon as possible in writing to mitigate additional impact to the project schedule. Upon receipt of a written notice to proceed, Hensel Phelps will move forward with executing the work. Hensel Phelps has prepared a detailed Change Estimate for the final cost impacts and submitted it to GSA in an expeditious manner. Please refer to the CE number listed above on any other correspondence on this subject.

Should there be any questions or comments regarding the above issue, please don't hesitate to contact the undersigned.

Sincerely,

HENSEL PHELPS CONSTRUCTION CO.

Micheal Phelps  
Project Engineer

c: Project Manager

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