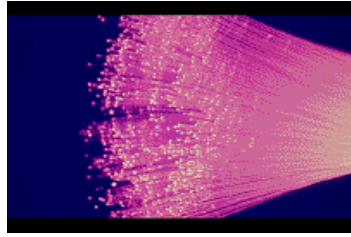

CCL Evaluated & Audited Contractor's Claim

US Sprint Fiber Optic Network

Pennsauken to Atlantic City, New Jersey

U.S. Sprint Communications Company constructed a nationwide fiber optic long distance network. One of the contracts was a \$2.3 million project for the construction of 60 miles of fiber optic cable between Pennsauken and Atlantic City, New Jersey. The fiber optic cable was provided by U.S. Sprint. Repeater stations and equipment was installed by another contract. The contractor B E & K filed an arbitration demand alleging increased performance costs of \$1.4 million due to delays and inefficiencies caused by absence of permits for access to work in an environmentally sensitive section of the project called the Pinelands.



CCL was retained by U.S. Sprint to provide an evaluation and audit of B E & K's claim. CCL reviewed pertinent project documentation including contracts, permit dates, plans and specifications, progress schedules, contractors cost data and weekly cable installation quantity reports. CCL determined actual production rates for various contract work activities including bores, cable plow, cable pull, trenching, and bridge attachments. A schedule evaluation was prepared to determine work available to B E & K prior to and after the Pineland permits were obtained. CCL compared planned versus actual progress on the project and determined the impact lack of permits had on the project completion date. Weather delays which occurred late in the project were also evaluated.

CCL determined the project was delayed by lack of access to the Pineland areas and due to performance of portions of the work out of sequence. However, the project completion date was also significantly extended due to B E & K's lack of progress in unaffected areas and by lower actual productivity than planned productivity as represented in B E & K's original and updated project schedules. The amount of total delay days was apportioned between U.S. Sprint due to lack of permits and to B E & K due to productivity and other items unrelated to the acquisition of permits.

CCL's findings regarding the impacts of the permits on the project schedule and the completion date was presented during an arbitration between U.S. Sprint and B E & K.



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