S280 CONTRACT
Chiayi Station

RE Report
On
Section 1 EOT Entitlement

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For: REO 280
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Report on S280 Chiayi Station Contract Recommendation for EOT for Section 1 of the Works

1. Introduction

1.1. Contractor Submissions

1.1.1. The Contractor for S280 Contract has made a submission for extension of time and associated costs for delay and disruption and variation orders in the form of a “global claim”. The title of the document is “The Submission – Identifying the Delay, Delay and Disruption, Loss of Productivity and Non-Payment encountered on the above Contract” dated 22nd April 2005. The Submission covers 9 major cost claim headings and extension of time for Section 1. The total claim amount shown on the Submission is NT$ 830,851,936.00, later increased to NT$ 1,010,714,364. They also claimed for an Extension of Time of 248 days. However, the purpose of this Report is to address the time element only. The associated time-related claims and all other cost claims will be addressed separately.

1.1.2. The basis of the EOT submission is the alleged numerous design changes, late possession for the whole of the Site, issuance of the Consolidated Drawings and Specification and late issuance of variation orders.

1.1.3. The Submission did not comply with Conditions Precedent and it was stated in the covering letter that this was to be a “discussion document” provided as a basis for a proposed negotiated settlement. However it failed to demonstrate cause and effect and contractual entitlement to an extension of time.

1.1.4. The Contractor has subsequently submitted revisions of EOT claims under covering letter ref. S280-OL-RExx-3070 dated 25th October 2005 and S280-OL-RExx-3180 dated 12th December 2005 in which they requested for 385 days which would take the Contractual Completion Date for Section 1 to 14 May 2006.

1.1.5. The Contractor has included more delay events and submitted a further revision under the letter ref. S280-OL-RExx-3271 dated 14th January 2006 in which they have decreased the delay period to 307 days, which would take the revised completion date to 25th February 2006.

1.1.6. Then the Contractor submitted a further revision to their application for EOT under the letter ref. S280-OL-RExx-3303 dated 23rd January 2006 in which they identified three more delay events. They have increased the delay period to 438 days, which would take the revised completion date to 6th July 2006.

1.1.7. The Contractor submitted further evidence to support their claim for EOT due to the signage and graphics work (letter ref. S280-OL-RExx-3366 dated 22nd February 2006).
However, they did not provide a Time Impact Analysis and only requested an interim EOT up to 21st February 2006, which equates to a delay of 303 days.

1.2. RE Recommendation

1.2.1. THSRC has acknowledged that the Employer introduced a number of changes to the construction works through design workshop due to the discrepancies of the drawings and documents, late request of works through interface parties and some late instructions to accommodate the system wide variations.

1.2.2. This report outlines the status of S280 Contract in respect of :-

1.2.2.1. Achievement of Key Dates and Section Completion Date

1.2.2.2. Extension of Time entitlements

1.2.2.3. Liquidated Damages liability.

2. Achievement of Key Dates and Section Completion Dates.

2.1. The summary of the original contractual completion dates and the actual achievement dates for each Key Date and Sectional Completion Dates is attached (Appendix 1).

2.2. The Substantial Completion date for Section 1 that was seen to attract LD liability as shown in Appendix A was identified and focused on to determine any EOT entitlement.

3. Extension of Time Entitlements

3.1. Mechanism for Establishing EOT

3.1.1. All events triggered by the Employer influencing the construction in Section 1 were identified (Appendix 2). A sampling exercise was conducted to determine those events with the highest probability of criticality and a Time Impact Analysis exercise was carried out that took into account the as constructed state when the event occurred. Thus any EOT entitlement generated would be a result of Employer actions only and not as a consequence of Contractor owned delay.

3.1.2. The current SONOed Baseline Programme (CR01) is the basis of this analysis. However, a close examination of the programme indicated the need to improve the logic links to some of the activities to reflect the actual sequence of construction works. A modified BLP (XR01) now forms the basis for the analysis.

3.1.3. The duration for each critical delay activity as stated by TTJV has been checked against the actual records and delays attributed to TTJV were deducted before being used in this analysis.
3.1.4. TTJV’s concurrent delays have been recognized by utilizing as-built information in the analysis, at the time of impact of the delay event.

3.1.5. A number of Late Instructions were issued after the Contractual Completion date of 24th April 2005. The As-built activities of these Late Instructions have been presented in the bar chart in Appendix 3.

3.2. EOT Entitlement

3.2.1. The conclusions reached from the analysis as stated in Section 3 above are shown on attached schedule in Appendix 4.

3.2.2. Section Completion 1: 337 days EOT which takes the revised contractual substantial completion for Section 1 to 27 March 2006, which is the Substantial Completion date for Section 1.

3.2.3. See Appendix 5 for graphical representation of this section.

3.3. Section 2 The Whole of the Works

3.3.1. To complete the whole of the Works and hand-over to the Employer for all the intended purposes, the original Contractual Completion date was on 25th September 2005. Substantial completion for Section 2 should be achieved on 31st July 2006. Our interim EOT assessment showed that the revised contractual completion date was 12 May 2006 thus giving a total of 80 days overrun for which the Contractor is currently culpable. Further changes were, however, made after this interim EO amendment, which could extinguish the overrun.

4. Liquidated Damage liability

4.1. Delay has been fully extinguished by EOT, thus liquidated damages are not applicable for Section 1.

5. Recommendation

5.1. It is recommended that 337 days EOT for Section 1 is awarded to the Contractor.
Appendices

Appendix 1  Schedule of Key Dates, Section Completion Dates, and Achieved Dates
Appendix 2  List of Chosen Events Influencing Section 1 Completion Date
Appendix 3  Summary Programme of Delay Impact
Appendix 4  As-Built Programme of Delaying Events and Late Instructions
Appendix 5  Graphical Representation of the Extension of Time