West Virginia Department of Transportation

Division of Highways

District One Headquarters
1334 Smith Street
Charleston, WV 25301-1492 (304)558-3173
9 July 2012

PENHALL COMPANY
PO BOX 4609
ANAHEIM, CA 92801-0000

Project: ACBI-0642(140) (S320- 64/ - 57.51 SEC 00)
CARTER BRIDGE & BIGLEY AVE. BRIDGE LMC OVERLAY
Kanawha County

PENHALL COMPANY:

This Change Order is being transmitted for your information and for you to update your files to coincide with those of this office.

If additional information is desired, please advise.

Sincerely,

for Gary W. Mullins
Construction Engineer

cc: District 01; File

PRS:C011

6/18/12 DM
6/26/12 DM

Bond No. SU1113745

Construction Project Record System

Printed on: 5/22/2012 at 08:42 AM

West Virginia Department of Transportation

Division of Highways

Contract Number:	0923326	**Project Number:**	ACBI-0642(140)(S320- 64/ - 57.51 SEC 00)
Authoriztion Number:	XC2271W	**FEIN:**	33-0349226
Vendor:	PENHALL COMPANY		

Change Order Number: 001

This Supplemental Agreement, made this 22 May 2012, between the West Virginia Department of Transportation, Division of Highways, a corporation, hereinafter called "Department", and PENHALL COMPANY, PO BOX 4609 ANAHEIM CA 92801-0000 hereinafter called "Contractor".

WITNESSETH:

Whereas, Department and Contractor entered into a contract dated 30 November 2011 for the construction of Project(s): ACBI-0642(140) (S320- 64/ - 57.51 SEC 00) CARTER BRIDGE & BIGLEY AVE. BRIDGE LMC OVERLAY in Kanawha County : and

Whereas, it has become necessary for the reasons set out below to modify said contract:

Now, Therefore, in consideration of the hereinafter mentioned premises, Department and Contractor agree as follows:

(1) Department agrees to pay Contractor the price(s) mentioned in this agreement for quantities of work and material actually performed and ordered in the same manner as is provided in the contract herein above mentioned.

(2) Contractor agrees to furnish all materials and work necessary to perform the work hereinafter described, at the price(s) hereinafter set out, in accordance with the specification and requirements contained in the original contact and the order of the West Virginia Department of Transportation, Division of Highways.

(3) Contractor and Department agree that this supplemental agreement including Attachment 1 and Attachment 2 and Attachment 3 is to be attached and form a part of the contract between the parties dated 11/30/2011.

(4) Attached ATTACHMENT 1 consists of a list of item(s) of work and material and agreed prices.

(5) Attached ATTACHMENT 2 consists of reason(s) for the contract modification.

(6) Attached ATTACHMENT 3 consists of justification(s) for the quantities and unit prices.

Net Change in Authorization XC2271W Amount = ($1,088 567.00)

IN WITNESS WHEREOF the parties hereto have caused their respective names to be signed as of date hereof.

Recommended for Approval:

For District Engineer/Manager

6/21/12 By

Director-Contract Administration

West Virginia Department of Transportation, Division of Highways, a corporation,

By

Deputy State Highway Engineer-Construction

6/6/12

C. GEORGE BUSH
President/CEO

Dated

Approval of Surety: Arch Insurance Company
Three Parkway, Suite 1500, Philadelphia, PA 19102

Susan Lupski
Attorney - in - Fact

APPROVED: 7/9/12
DATE

FOR DIVISION ADMINISTRATOR

PRS:C005

West Virginia Department of Transportation
Division of Highways

Contract Number: 0923326 **Project Number:** ACBI-0642(140) (S320- 64/ - 57.51 SEC 0
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ATTACHMENT 1:

Add	000111	627016-001 REM AND REBLD EXP JOINT REM AND REBLD EXP JOINT					
	1122	LF	@	$2,028.85	=	$2,276,369.70	
Decrease Qty	000110	627016-001 REMOVE AND REBUILD EXPANSION JOINT REM AND REBLD EXP JOINT					
	-1122	LF	@	$2,080.00	=	($2,333,760.00)	
Add	000116	679001-001 CONCRETE DECK OVERLAY CONCRETE DECK OVERLAY					
	95892	SY	@	$138.74	=	$13,304,056.08	
Decrease Qty	000115	679001-001 CONCRETE DECK OVERLAY CONCRETE DECK OVERLAY					
	-95892	SY	@	$159.00	=	($15,246,828.00)	
Add	009000	104012-001 VALUE ENGINEERING,					
	1	LS	@	($176,971.78)	=	($176,971.78)	
Add	009010	104012-001 VALUE ENGINEERING,					
	1	LS	@	1,088,567.00	=	$1,088,567.00	

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ATTACHMENT 2:

5A. REASON FOR CONTRACT MODIFICATION (LOCATION & NECESSITY OF WORK):

627016-001 000110 See attachments

ELIGIBLE FOR FEDERAL FUNDS PENDING SUBMISSION AND EVALUATION OF COST DATA.
ADDITIONAL WORKING DAYS TO THE CONTRACT TIME ALLOWANCE ARE NOT APPLICABLE.

627016-001 000111 See attachments

ELIGIBLE FOR FEDERAL FUNDS PENDING SUBMISSION AND EVALUATION OF COST DATA.
ADDITIONAL WORKING DAYS TO THE CONTRACT TIME ALLOWANCE ARE NOT APPLICABLE.

679001-001 000115 See attachments

ELIGIBLE FOR FEDERAL FUNDS PENDING SUBMISSION AND EVALUATION OF COST DATA.
ADDITIONAL WORKING DAYS TO THE CONTRACT TIME ALLOWANCE ARE NOT APPLICABLE.

679001-001 000116 See attachments

ELIGIBLE FOR FEDERAL FUNDS PENDING SUBMISSION AND EVALUATION OF COST DATA.
ADDITIONAL WORKING DAYS TO THE CONTRACT TIME ALLOWANCE ARE NOT APPLICABLE.

West Virginia Department of Transportation
Division of Highways

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Authoriztion Number:	XC2271W	**FEIN:**	33-0349226
Vendor:	PENHALL COMPANY		

Change Order Number: 001

ATTACHMENT 2:

5A. REASON FOR CONTRACT MODIFICATION (LOCATION & NECESSITY OF WORK):

104012-001 009000 See attachments

ELIGIBLE FOR FEDERAL FUNDS PENDING SUBMISSION AND EVALUATION OF COST DATA.
ADDITIONAL WORKING DAYS TO THE CONTRACT TIME ALLOWANCE ARE NOT APPLICABLE.

104012-001 009010 See attachments

ELIGIBLE FOR FEDERAL FUNDS PENDING SUBMISSION AND EVALUATION OF COST DATA.
ADDITIONAL WORKING DAYS TO THE CONTRACT TIME ALLOWANCE ARE NOT APPLICABLE.

West Virginia Department of Transportation
Division of Highways

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ATTACHMENT 3:

5B. JUSTIFICATION FOR QUANTITIES & UNIT PRICES:

627016-001 000110 See attachments

627016-001 000111 See attachments

679001-001 000115 See attachments

679001-001 000116 See attachments

104012-001 009000 See attachments

West Virginia Department of Transportation
Division of Highways

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ATTACHMENT 3:

5B. JUSTIFICATION FOR QUANTITIES & UNIT PRICES:

104012-001 See attachments
009010

Reason:

The contractor Penhall construction company, after discussions with the department of making changes to the contract working hours and MOT, submitted a "Practical Design" change. However, although not contained in contract documents, a request was made by the State Highway Engineer to resubmit as VEP and then run thru the VEP board established by the Secretary of Transportation/Commissioner of Highway's memo December 29, 2011. The Contractor agreed to the request and resubmitted as a value engineering proposal for this project (submittal attached). After receiving the submittal the department scheduled a VEP board meeting as outlined by the Secretary of Transportation/Commissioner of Highway's memo dated December 29, 2011. There were three meetings conducted by the VEP board for this submittal with a vote taking place on April 5th, 2012 approving the VEP. See attachments for a copy of the meeting minutes, traffic queue analysis, and final resolution of the contractor Value Engineering Committee.

Pursuant to the VEP approval the following is established as part of the VEP:

1. The new completion date for the project will be July 15th, 2013. Time extensions and liquidated damages will apply to this date as set forth in Section 108.6.2 of the Standard Specifications.
2. The total net VE savings is $2,177,134.00. The savings will be shared by the Contractor and the Department on a fifty-fifty basis as outlined in section 104.12 of the Standard Specifications with each receiving $1,088,567.00.
3. The summary for the net savings of the VEP is detailed below:

COST COMPARISON - BID VS VEP							
Line	Item	Description	Quantity	Units	As bid price	VEP price	Savings
110	627016-001	Rem and Rebuild Exp. Joint	1,122.00	LF	$2,080.00	2,028.85	57,390.30
115	679001-001	Concrete Deck Overlay	95,892.00	SY	$159.00	138.74	1,942,771.92
Indirect Items (Project Overhead, Supervision, Etc.)				LS	$1,707,082.00	1,530,110.22	176,971.78
					TOTAL SAVINGS		$2,177,134.00

4. As part of the VE approval the contract working hours as detailed on sheet 26/30 (Eugene Carter) and sheet 76/136 (Bigley Ave) will be modified as follows:

   Weekday Hours shall be:
   Monday 8:00pm to Tuesday 6:00am
   Tuesday 8:00pm to Wednesday 6:00am
   Wednesday 8:00pm to Thursday 6:00am
   Thursday 8:00pm to Friday 6:00am

   Weekend Hours shall be:
   Friday 8:00pm to Monday 6:00am

During this weekend time frame the work zone shall allow traffic to flow in two continuous open lanes in each direction at all times except from the hours of:

Friday 8:00 pm to Saturday 10:00am

Saturday 8:00 pm to Sunday 10:00am

At which times the traffic flow may be reduced to one continuous open lane in each direction.

Ramp Work

All work on the ramps will take place on weekdays during times outlined above or weekends from Friday 8:00pm to Monday 6:00am. The Department will be given at a minimum of three weeks prior notice to closing any ramp. Plan notes on sheet 26/30 and 76/136 allow for only one ramp to be closed at any given time are still in effect.

The penalties as set forth in the project plans on sheet 26/30 and sheet 76/136 will be in full effect for the project anytime all lanes of traffic designated to be open are not as outlined in the above timeframes.

TRAFFIC CONTINGENCIES

The project will make every effort to schedule and coordinate work in a way to minimize impacts to motorists during major local events. Should the contractor be asked to not work on a scheduled weekend by the Department due to a local event, a time extension will be granted to allow an extra weekend of work.

For the purpose of this project a significant queue will be defined as stop and go or unstable traffic as determined by the Engineer measuring a distance of 1.5 miles or greater from the work area. Should a queue of this type develop contingencies in place to alleviate congestion are:

1. Move/reposition traffic control devices as needed.
2. Move/reposition/use additional traffic directors.
3. Inform media outlets and DOH communications so the public can be notified.
4. Contact TMC and display messages on DMS signs
5. Divert traffic onto US RT 60. The signals along RT 60 have a built in timing sequence which will automatically activate to help accommodate additional traffic through that area.
6. Should significant queues develop for 3 out of 4 consecutive weekend closures the Department will have the right to request closure times be modified to alleviate queuing for completing the remainder of the project. Should this occur the Department will negotiate with the contractor to determine a fair and equitable agreement to modify closure times or return to the original contract working hours.

Any work the contractor performs as part of the traffic contingency which falls outside the items set forth in the contract will be handled as extra work as outlined in section 104.3 of the WVDOH specifications.

Justification:

This VEP was accepted based on a vote by the Contractor Value Engineering Committee. The backup data has been reviewed by the department and appears reasonable.

AIC 0000037631

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON BLUE BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated. Not valid for Mortgage, Note, Loan, Letter of Credit, Bank Deposit, Currency Rate, Interest Rate or Residential Value Guarantees.

POWER OF ATTORNEY

Know All Persons By These Presents:

That the Arch Insurance Company, a corporation organized and existing under the laws of the State of Missouri, having its principal administrative office in Jersey City, New Jersey (hereinafter referred to as the "Company") does hereby appoint:

Camille Maitland, Colette R. Chisholm, George O. Brewster, Gerard S. Macholz, Rita Sagistano, Robert T. Pearson, Susan Lupski and Thomas Bean of Garden City, NY (EACH)

its true and lawful Attorney(s)in-Fact, to make, execute, seal, and deliver from the date of issuance of this power for and on its behalf as surety, and as its act and deed:

Any and all bonds, undertakings, recognizances and other surety obligations, in the penal sum not exceeding Ninety Million Dollars ($90,000,000.00).

This authority does not permit the same obligation to be split into two or more bonds In order to bring each such bond within the dollar limit of authority as set forth herein.

The execution of such bonds, undertakings, recognizances and other surety obligations in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal administrative office in Jersey City, New Jersey.

This Power of Attorney is executed by authority of resolutions adopted by unanimous consent of the Board of Directors of the Company on September 15, 2011, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or the Executive Vice President, or any Senior Vice President, of the Surety Business Division, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them subject to the limitations set forth in their respective powers of attorney, to execute on behalf of the Company, and attach the seal of the Company thereto, bonds, undertakings, recognizances and other surety obligations obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the unanimous consent of the Board of Directors of the Company on September 15, 2011:

VOTED, That the signature of the Chairman of the Board, the President, or the Executive Vice President, or any Senior Vice President, of the Surety Business Division, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to the resolution adopted by the Board of Directors on September 15, 2011, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company.

ACKNOWLEDGMENT OF SURETY COMPANY

STATE OF .....New York.....
COUNTY OF ....Nassau..... } ss

On this June 5, 2012, before me personally came Susan Lupski to me known, who, being by me duly sworn, did depose and say; that he/she resides in Nassau County, State of ...New York....., that he/she is the Attorney-in-Fact of the Arch Insurance Company the corporation described in which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that is was so affixed by the Board of Directors of said corporation; and that he/she signed his/her name thereto by like order; and the affiant did further depose and say that the Superintendent of Insurance of the State of New York, has, pursuant to Section 1111 of the Insurance Law of the State of New York, issued to ..Arch Insurance Company..... (Surety) his/her certificate of qualification evidencing the qualification of said Company and its sufficiency under any law of the State of New York as surety and guarantor, and the propriety of accepting and approving it as such; and that such certificate has not been revoked.

.....
Notary Public

NY acknowledgement

MELISSA SARACINO
Notary Public, State of New York
No. 01SA6155895
Qualified in Nassau County
Commission Expires November 20, 2014

ARCH INSURANCE COMPANY
STATEMENT OF FINANCIAL CONDITION
December 31, 2011

Assets

Cash in Banks	$ 117,690,832
Bonds owned	1,258,246,334
Stocks	366,270,043
Premiums in course of collection	149,107,088
Accrued interest and other assets	321,772,587
Total Assets	$ 2,213,086,884

Liabilities

Reserve for losses and adjustment expenses	$ 856,214,624
Reserve for unearned premiums	282,067,655
Ceded reinsurance premiums payable	76,916,745
Amounts withheld or retained by company for account of others	143,263,809
Reserve for taxes, expenses and other liabilities	284,887,844
Total Liabilities	1,643,350,677
Surplus as regards policyholders	569,736,207
Total Surplus and Liabilities	$ 2,213,086,884

By: _____ Attest: _____
Senior Vice President, Chief Financial Officer and Treasurer — Senior Vice President, and General Counsel

State of New York)
) SS
County of Nassau)

Thomas James Ahern, Senior Vice President and Chief Financial Officer and Treasurer and Patrick K. Nails, Senior Vice President and General Counsel being duly sworn, of ARCH INSURANCE COMPANY, Missouri; and that the foregoing is a true and correct statement of financial condition of said company, as of December 31, 2011.

Subscribed and sworn to before me, this 14th day of March, 2012.

Notary Public

PETER J. CALLEO
Notary Public, State of New York
No. 02CA6109336
Qualified in Nassau County
Commission Expires 5/03/2012