

November 30, 1999

Mr. Kevin M. Howe, President  
Juniper Construction Company  
4932-C Eisenhower Avenue  
Alexandria, Virginia 22304

Re: Contract # GS11P97MQD0036  
Garage Repairs at One White Flint North,  
Rockville Maryland

Dear Mr. Howe:

Reference is made to Dinesh Shah's May 25, 1999 letter advising you of an electrical short (and subsequent feeder damage) within the project's work area. We advised you that a preliminary evaluation suggested that the feeder damage was attributed to the activities performed by your forces, and requested that you respond to the report prepared by Central Armature Works Inc. Your representatives attend the May 26, 1999 on site inspection however, your firm has elected not responded to allegations identified in the previously submitted report.

The magnitude of this issue required that the government move forward with fact finding and initiate corrective measures. Our findings revealed the following:

- SPS Incorporated, damaged imbedded feeders during their slab repair activities. The area that the damage occurred was on garage level P-2.
- Electricians (from Juniper Construction Co.) inspected the damaged feeders, and determined that the internal circuits were not affected. Slab repairs proceeded on the basis of the sub contractor's assessment of the problem, and their decision to move forward without further tests or consultation.
- An electrical short occurred (OWFN garage level P-2) as attempts were made to energize disconnected switchgear components. Circuits were disconnected in conjunction with an equipment cleaning activity. The electrical shutdown, and subsequent cleaning was as a result of, and performed in conjunction with the Garage Repair activity. Equipment damage was significant, impacting the fire control cabinet, associated feeders, and transformers. The cost for system repairs is \$68,271.25.
- Separate investigations were conducted by GSA staff, and the using agency's repair contractor, Central Armature Works. Both concluded with similar findings as to the cause, (of the explosion) and the extent of damage.

I concur with the joint findings regarding this matter and advise you firm that the Government holds your firm responsible for the damages incurred in conjunction with garage repairs at the site. Instructions given to your field superintendent included a charge that electrical repairs were to be made **prior** to pouring the new concrete. Megger tests, in the presence of government personnel, were to be performed. The damages indicate that testing was not performed.

I propose to resolve this matter by withholding future payments until the total cost of \$68,271.25 is recovered. You can elect any of the contractual remedies available however, please be mindful that we expect full reimbursement for the damages that were incurred. The enclosed purchase orders will indicate the magnitude of costs required correcting this problem.

Please submit your response within 10 working days of the receipt of this letter.

Sincerely,

A handwritten signature in black ink that reads "Marisol Vargas-Busch". The signature is written in a cursive, flowing style.

Ms. Marisol Vargas-Busch  
Contracting Officer  
Maryland North Service Delivery Team

Enclosures as stated  
Cc: L. Fisher (NRC), D. Shaw (WPH)

September 20, 1999  
Rev. November 15, 1999

## **Memorandum for the Record**

Subject; Contract #GS-11P97MQD0036, RMD 75001 Garage Repairs at One White Flint North Rockville Maryland  
Contractor Juniper Construction Company

### *Problem*

A problem, involving components of OWFN's emergency generator, and fire pump will require the government to take appropriate administrative action. NRC representatives advised this Office that a short occurred as attempts were made to energize disconnected circuits. The circuits were disconnected to facilitate a scheduled switchgear cleaning activity. Equipment damage was significant, impacting the fire control cabinet, associated feeders, and transformers. NRC advised this Office that the cost (for system repairs) is \$68,271.25.

### *Investigation*

Separate investigations into this matter were conducted by GSA staff, and NRC's repair contractor, Central Armature Works. Both concluded with similar findings as to the cause (of the explosion) and the extent of equipment damage. The reports cited unrepaired feeder damage as the probable cause for the problem, and the activities (of the garage of the garage repair contractor) as the discipline causing the problem. The Using Agency and the contractor's representative confirmed feeder damage.

### *Initial Incident (Damaged Feeder Inspection)*

We have learned the following:

- SPS Inc. sub contractor for Juniper Construction Co. damaged the feeders during their slab repair activities.
- Electricians (from the general contractor's staff) inspected the damaged feeders, and determined that the internal circuits were not affected. Slab repairs proceed on the basis of the contractor's recommendation. There were no repairs made to the damaged feeders.

It is unclear as to whether any testing (of the damaged circuits) was performed prior to proceeding.

### *Resolution*

Resolution may be accomplished as follows:

GSA staff will advise the contractor (in writing) of the preliminary findings; the contractor will be invited to respond to any allegation prior any final decision. .

GSA staff will request that the Contracting Officer proceed with the recommended sanctions

- Citing the contractor with the stated deficiency
- Deobligating the appropriate amounts of monies from the Work Order.

The resolution of matters is dependent upon our receipt of cost data from the Using Agency.

### *Finding*

The events and findings from separate sources were sufficient to determine that the general contractor (Juniper Construction Co.) was negligent in their activities after they damaged the feeders. There was only a cursory inspection of the damaged area and a gross underestimation of the impact of uncorrected activity. The contractor should bear the responsibility for corrective action. The remaining contract balance (\$48,922.00) will be withheld until this matter is resolved.

### *Timeline*

- Feeder damage on Level P-2
- 5/8 /99      An electrical short has occurred at OWFN.
- 5/10/99      NRC advises GSA of a problem on garage level P-2.  
The contractor was advised of the problem via telephone.
- 5/25/99      NRC provides GSA (via fax) copies of the site inspection report  
(submitted by Central Armature).
- 5/26/99      Joint staff survey of the feeder, and equipment damage at OWFN.  
The participants include NRC, GSA, Central Armature and Juniper  
Construction Co.
- 5/26/99      GSA formally advised the contractor of the feeder problem

Note; Construction monitoring is a shared responsibility. NRC (through their staff, and design consultant) monitors construction, and verifies the type and quantity of slab repairs. GSA provides limited staff support, and acts as the Contracting Officer's representative.

For purposes of clarification we offer the following:

- Juniper's sub contractor damaged the feeders in conjunctions with their slab repair activities. This has not been a disputed issue. Juniper's staff was present when the incident (short) occurred.
- Juniper determined that the damaged feeders were in satisfactory condition. Work proceeded without any repairs to conduits or feeders.

Submitted by

Norton B. Crichlow  
Project Manager WPH

**Attachments**

Incident report dated 5/11/99

Staff engineer's report dated 5/28/99

Report prepared by Central Armature Works dated 5/14/99

GSA letter dated 5/26/99.

April 5, 2000

Mr. David Wilkinson, Claims Adjuster  
The Kemper Group  
P.O. Box 3646  
Fairfax Virginia 22038

Re: Claim #254LE128816  
Juniper Construction Co.  
Recovery of costs for feeder  
damage. OWFN, Rockville Md.

Dear Mr. Wilkinson:

This letter is a follow up to recent communications between your company, and Ms. Betsy Ashworth, insurance agent, representing Juniper Construction Company of Alexandria Virginia.

The Government has decided to submit a liability claim against your policyholder for damages incurred at the Nuclear Regulatory Commission's One White Flint North, facility. The Garage Repair project (P1197MQD0036) was one of Juniper's commissions' under our multiple award procurement program. I have enclosed the pertinent data related to this issue. The enclosures include:

- A copy of the original purchase order
- Signed change orders
- Invoices

In addition, I have included copies of other documents that may assist you in the resolution of this claim.

Please contact Mr. Norton B. Crichlow (202) 219-3315 if you have any questions. You may contact me on (202) 219-2469. Our offices are located at 1099 14<sup>th</sup> Street NW, suite 200W, Washington DC 20005.

Sincerely,



Marisol Vargas-Busch  
Contracting Officer  
Maryland North Service Delivery Team

Enclosures: as stated

Cc: Juniper Construction Co, L. Fisher (NRC), D. Shah, N. Crichlow (WPH),

September 19, 2000

**CERTIFIED MAIL**

**Mr. Kevin M. Howe, President  
Juniper Construction Company  
4932-C Eisenhower Avenue  
Alexandria, Virginia 22304**

**Re: Contract # GS11P97MQD0036  
Garage Repairs at One White Flint North  
Rockville Maryland**

**Dear Mr. Howe:**

Reference is made to our November 30, letter advising you of an electrical short (and subsequent feeder damage) within the project's work area. I have attempted to resolve this matter by encouraging communication between of respective Offices; unfortunately, repeated efforts to communicate with you were unsuccessful.

My review of this matter confirmed earlier allegations that the equipment damage at the One White Flint North's jobsite was a result of deficient performance by your firm.

I have authorized the removal of the remaining funds from this work order. The deducted amount (\$48,922.00) will cover a portion of the \$68,271.25 damage claim.

Please contact me on (202) 219-2469 if you have any questions.

Sincerely,

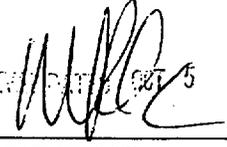
*Marisol Vargas - Busch*

(202) 219 2469

**Ms. Marisol Vargas-Busch  
Contracting Officer  
Maryland North Service Delivery Team**

**Cc: David Wilkenson (Kemper Insurance Co.) ✓ L. Fisher (NRC), D. Shah (WPH)**

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>			1. CONTRACT ID CODE	PAGE OF PAGES
2. AMENDMENT/MODIFICATION NO. PCO#4	3. EFFECTIVE DATE 09/20/2000	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable) RMD75001 / RMD77001	
6. ISSUED BY General Services Administration MD North Service Delivery Team 1099 14th. Street, NW, Rm. 200 West Washington DC 20005	CODE WPH	7. ADMINISTERED BY (If other than Item 6) CODE		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, country, State and ZIP Code) Juniper Construction Co. 32-C Eisenhower Avenue Alexandria VA. 22304		(X)	9A. AMENDMENT OF SOLICITATION NO. MOD # 4	
			9B. DATED (SEE ITEM 11) 09/20/2000	
			10A. MODIFICATION OF CONTRACT/ORDER NO. 2-11P97MQD0036 GS-	
			10B. DATED (SEE ITEM 13) 09/20/2000	
CODE	FACILITY CODE			

  
 PREPARED BY: [Signature] 5 2000

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended,  is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:  
 (a) By completing Items 8 and 15, and returning 3 copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)  
 192X.00.54. P11B0001-NK1.25-576.MDO199ZZ. RMD75001.0022 A/N 66294847

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

<input checked="" type="checkbox"/>	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. <u>Clause 88 (Adjustments)</u>
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103 (b).
<input type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

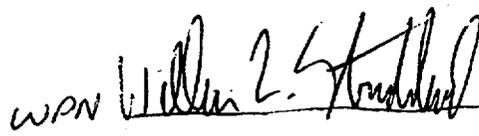
E. IMPORTANT: Contractor  is not,  is required to sign this document and return \_\_\_\_\_ copies to the issuing office.

**14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)**

Garage Structure Repair and Improvements. White Flint North, 11555 Rockville Pike, Rockville, MD  
 De Obligate the remaining balance in the project: This action is attributed to deficient contractor performance.

The summary of the project as under:

BASE CONTRACT	\$474,000.00
MOD PCO # 1	\$109,504.24
MOD PCO # 2	\$ 50,428.12
MOD PCO # 3	\$ 22,842.12
MOD PCO # 4 (Delete)	\$ (48,922.08)
<b>Total</b>	<b>\$ 607,852.40</b>


 DATE 10/10/2000

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Marisol Vargas-Bush Contracting Officer
15B. CONTRACTOR/OFFEROR	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)
15C. DATE SIGNED	16C. DATE SIGNED <u>10/12/00</u>