



PROJECT: Whilshire Courtyard Office Complex

CLIENT: M.H. Golden Company

LOCATION: Los Angeles, California



M. H. Golden Company was the general contractor for the \$95 million Wilshire Courtyard Office Complex project. The project site incorporated two city blocks on Wilshire Boulevard in Los Angeles. M. H. Golden entered into a subcontract with Olympian Stone Company, Inc. to fabricate and install polished granite and glass curtain wall for the building exterior. Olympian Stone Company defaulted with approximately 35% of the work completed. United Pacific Insurance Company (UPIC), who had provided the performance bond for Olympian Stone, and M. H. Golden Company subsequently entered into multi-million dollar litigation concerning completion costs, delays, and corrective work required for the granite panels which were installed by Olympian.

CCL was retained by Augustini, Wheeler & Dorman (AWD), legal counsel for M. H. Golden Company to:

1. Prepare a CPM schedule analysis to determine the impact of delays in granite installation prior to and following Olympian's default on the project completion date. CCL also evaluated the impact of concurrent delays on project completion caused by design modifications to the building mechanical and life safety systems.
2. Review of time and material charges by Rockwin, the follow-on granite subcontractor, to determine completion costs associated with Olympian scope-of-work; costs incurred for corrective work to repair panels damaged or improperly installed; and to evaluate the reasonableness of costs incurred by M. H. Golden and Rockwin.
3. Review and audit of other subcontractor claims resulting from delays due to Olympian's default.
4. Assist AWD in the evaluation of technical engineering, architectural and schedule project documentation; and in the identification of the necessary job cost records and financial documents to prove actual costs and evaluate the reasonableness of costs incurred.

5. Evaluation of extra costs incurred due to out-of-sequence granite installation and the reasonableness of M. H. Golden's efforts in selecting a follow-on contractor to replace Olympian Stone.

6. Provide expert testimony.

CCL's schedule analysis was performed in accordance with guidelines established in the U.S. Corps of Engineer's Modification Impact Evaluation Guide. The schedule analysis was used to determine the number of days the project was delayed due to Olympian Stone's performance and default, and the number of days the project was delayed due to design modifications. The results of the schedule analysis were used to support M. H. Golden's delay damages.

The completion cost evaluation involved the review and assessment of approximately 5,000-6,000 source documents including work tickets, invoices, payroll documentation, accounting records including journals and ledgers, job cost reports, and other project records. A microcomputer data base was used to efficiently evaluate the vast amounts of financial and cost information, to record the source documents available to support costs claimed by M. H. Golden and their subcontractors, to assist in the analysis and assessment of the reasonableness of costs incurred, and to identify specific costs incurred as a result of numerous change orders and additional work tasks issued after Rockwin was on the job. CCL's expertise was also utilized to respond to interrogatories and requests for information from UPIC concerning accounting and financial documents, completion costs, and delay damages.

CCL's findings regarding project delays, completion costs, additional costs incurred by M. H. Golden due to changes and remedial work, and the reasonableness of costs incurred were summarized in several written reports. Pre-filed testimony and depositions were also completed.

M. H. Golden obtained a favorable out-of-court settlement.