



PROJECT: Dennis Avenue
Sewer Improvement

CLIENT: Dietrich, Davis, Dicus,
Rowlands, Schmitt,
& Gorman

LOCATION: Olathe, Kansas

CCL was retained by Dietrich, Davis, et al. counsel for the City of Olathe during an arbitration with the general contractor and excavating subcontractor. The contractor's claim was for additional costs incurred in the construction of the Dennis Avenue Improvement Project. The project consisted of the construction of sanitary sewers, storm sewers, concrete curb and gutter, and concrete sidewalks.

The contractor's claim alleged additional blasting and rock excavation was required which could not have been anticipated based upon subsurface and boring information provided when the project was bid. CCL was requested to audit the costs included in the contractor's claim. Other soils consultants were utilized to provide analysis and testimony to determine if the contractor's claim for differing subsurface conditions was justified.

CCL provided analysis of the costs included in the contractor's claim. The purpose of CCL's evaluation was to establish the appropriate amount of additional costs should the arbitration panel decide in favor of the contractor on the issue of differing subsurface conditions. CCL found the contractor did not have adequate documentation to establish excavation costs anticipated in the bid or the actual costs incurred on the project; unallowable costs were included in the contractor's calculation of extended and unabsorbed overhead; the Eichleay formula used to distribute home office overhead costs to various projects was incorrectly applied; and equipment rental and ownership costs were not supported by the contractor's cost records and exceeded accepted industry guidelines for equipment rates. CCL also identified areas where additional cost documentation would be needed to support the contractor's claim.

CCL reviewed its findings with Dietrich Davis and the City of Olathe and provided testimony at the arbitration hearing.