



**PROJECT:** Oil Optimization Project  
Lube Oil Manufacturing Facility

**CLIENT:** Huxtable-Hammond

**LOCATION:** Kansas City, Kansas

Huxtable-Hammond was awarded a contract by Mobil Corporation to remodel and refurbish a lube oil manufacturing facility in Kansas City, Kansas. Huxtable-Hammond added new pipes, rerouted existing pipes, exchanged equipment and modernized the facility to increase manufacturing capabilities so that the Kansas City plant could assume the production of the Omaha and St. Louis facilities which were to be closed. Huxtable-Hammond's original contract amount was \$1.6 million.



During the performance, additional work was discovered to be required to complete the project. Mobil has recognized some \$750,000 worth of additional work through change orders, but has refused to recognize an additional \$533,000 of additional Huxtable-Hammond costs. CCL was hired by Huxtable-Hammond to identify and calculate the increased costs caused by additional work necessary to complete the project. CCL calculated the value of the additional work and prepared the substantiation and explanation justifying payment for the unrecognized additional work.

Because many of Huxtable-Hammond's job records had been lost or destroyed CCL had to rely on combinations of cost accounting and scheduling information, along with standard industry estimating guides to calculate the value of the additional work. For instance, the value of additional demolition was calculated based on the weight of steel removed as indicated on haul tickets and estimating guides' labor units per pound.

Mobil refused to negotiate. The dispute has gone to litigation. CCL is currently working with Spencer, Fane, Britt & Browne, Huxtable-Hammond's attorneys.