



PROJECT: Long Beach/Signal Hill Business Center

CLIENT: J.A. Stewart Construction Company

LOCATION: Long Beach, California

CCL was retained by Great American Insurance and National Union Insurance, the surety for the J.A. Stewart Construction Co. to evaluate delayed completion and allegations of construction defects in the Long Beach/Signal Hill Business Center. Identified delays included rain and wet soil conditions; removal of unexpected buried debris; additional fill; stop work notice; tenant change orders.



The Long Beach/Signal Business Center project consisted of two building structures, a three-story office building and a large retail distribution center. In addition, the project included the rough grading and site work necessary to construct the buildings. J.A. Stewart's contract included the construction of the "shell" buildings with the tenant retaining other contractors to complete the finish work. At completion of the project, the tenants of the Business Center sued the developer, designer and J.A. Stewart for delays and defective work. The tenants of the Long Beach/Signal Hill Business Center claimed \$30 million for unexcusable delay, actual damages as the contract had no provision for liquidated damages, and a variety of construction defects.

CCL found that the delay period claimed by Long Beach/Signal Hill included days that had been granted to J.A. Stewart by time extension for weather, differing site conditions, and changes. CCL performed an independent calculation of the length of time of each of these delaying events. Although the CCL calculations did not exactly match the number of days identified in the time extensions, the analysis indicated excusable delays accounted for more than the number of delay time claimed by Long Beach/Signal Hill. CCL used the update impact method to determine delays.

In order to measure the construction progress and determine the impact of delays, an as-planned Critical Path Method schedule for the construction of the work was developed from the bar charts prepared by J.A. Stewart. The conversion of the J.A. Stewart bar chart to a CPM schedule was done in order to show the interrelationships among the various activities.

In addition to the considerable claim for delayed completion, the Long Beach/Signal Hill Business Center had claimed a substantial amount for defective work. CCL evaluated the completed work to determine whether or not it was defective; and, if so, whether the defect was caused by design, construction, or maintenance.