



PROJECT: U.S. Sprint
Fiber Optic Network

CLIENT: U.S. Sprint Communications

LOCATION: Memphis, Tennessee to
North Little Rock, Arkansas

U.S. Sprint awarded a \$2.7 million contract to Haines Electric for the construction of 156 miles of fiber optic cable from Memphis, TN to North Little Rock, AR. The project was part of U.S. Sprint's nationwide fiber optic long distance network. Following project completion, Haines filed an arbitration demand of \$1.8 million alleging differing site conditions, delays due to unusually high amounts of rain, lack of adequate permits, railroad flagmen crews not working as anticipated, delays in receiving owner supplied fiber optic cable and responses to design clarification requests, and decreased productivity rates caused by work being pushed into rainy weather periods.

CCL was retained by U.S. Sprint to provide an evaluation and audit of Haines' claim. CCL reviewed contractor payroll, job cost accounting and supporting records. A line item cost analysis allowed CCL to identify portions of the project experiencing cost overruns. Schedules and daily logs were evaluated which enabled CCL to determine the status of the project on a daily and weekly basis. Manpower evaluations were completed to compare scheduled and actual production rates and to determine if adequate contractor and subcontractor manpower was working on the project. The cost and schedule analysis allowed comparison of as-planned versus as-built labor productivity and costs.

CCL found that the plans and specifications did not contain errors or omissions, only one permit was not available as-planned which affected only two miles of the route in Memphis, hours available to the contractor for work in the railroad right-of-way was adequately described in the contract documents and the pre-bid conference, owner supplied materials arrived in a timely manner, and the productivity rates during alleged wet conditions were actually greater than those during dry conditions.

A micro-computer data base was prepared using actual project records. This enabled an analysis which identified that Cable Installed Weekly Contractor Quantity Reports (CICWQ's) did not reconcile with the General Contractors superintendents daily logs. The reconciliation of the contractor logs and the CICWQ's enabled CCL to measure actual productivity for specific project periods and specific project work activities. CCL also found that some of the subcontractors invoiced and were paid for more lineal foot of plow-trench and cable pulling than was in the contract or more than Haines invoiced U.S. Sprint.

CCL's findings regarding the inadequacy of project management, accounting and cost controls on the project and the contractors performance was summarized in exhibits and written analysis. Following CCL's depositions and prior to arbitration U.S. Sprint reached a favorable settlement with Haines.