

March 16th, 2024

Serial Letter 062.1

KPFF
1601 Fifth Avenue, Suite 1300
Seattle, WA 98101

Attention: Ed DeBroeck, Resident Engineer

Project: Ore Peninsula Redevelopment Project, Skagway, AK

Subject: Recovery Schedule Narrative and Proposal

Mr. DeBroeck,

Pacific Pile and Marine (“PPM”) provides the attached February CPM Update Schedule and Narrative, Recovery Schedule, and Recovery Proposal for your review. This letter serves to narrate and quantify the delays to the project thus far, forecast future delays, and propose an acceleration option to recover schedule.

Quantification of Schedule Delays

PPM is entitled to additional contract days beyond the 15 calendar days prescribed for weather and MMO delays. The project schedule has been impacted an additional 13.5 days by weather and MMO delays as of 3/15/24 and future impacts by weather and MMO delays are unknown at this time.

In addition to the above delays, the project was delayed by the following issues:

- **NOC 001 NTP Delay (SL 001) – 15 calendar days delay**
PPM notified MoS on 9/21/23 of impacts to the project schedule caused by the delay in issuance of Notice to Proceed with the contract. The NTP delay caused delay in issuance of a purchase order to Jesse Engineering (“Jesse”, steel fabricator) and thus Jesse was unable to hold the original delivery dates provided in the project Baseline Schedule. In the Baseline Schedule, steel packages 3a and Farwest fender package 3b were planned to mobilize together, and to align with the construction sequence on site. Delay to fabrication of steel package 3a delays the installation of cruise dock ramp steel, float frames, and architectural elements. Due to delayed receipt of NTP, the expected completion of fabrication is now 3/11/24, originally 2/25/24 (15 calendar days delayed).
- **NOC 002 Owner-Furnished Pile Delay (SL 005) – 14 calendar days delay**
PPM notified MoS on 10/25/23 of impacts to the project schedule caused by the delay in delivery of the owner-furnished piles beyond the 9/30/23 date. PPM accelerated delivery of Dolphin 3 and 6 templates ahead of the scheduled barge tow to resequence the critical path activities outside of the bid schedule. PPM completed all available work and the Redemption and Splice crews were on standby from 11/20/23 through 11/29/23. A second barge was

mobilized for concurrent loading of permanent piles and templates while waiting for final delivery of the owner-furnished piles.

The delay of delivery of the owner-furnished piles from 9/30/23 to 11/27/23 caused 58 days delay to the schedule before recovery options were exercised. Following mitigation options mentioned above, the critical path schedule through driving of the dolphin piles was delayed by only 14 days (See Activity DOL3010 Drive Piles in the November Update).

- **DSC Concrete Platform Beam (SL 016) – 27 calendar days delay**

PPM notified MoS on 11/26/23 of impacts to the project schedule caused by the differing site condition discovered at the soffit of the concrete ore loader platform. The beams under the soffit were delaminating from the soffit and thus caused an unsafe condition during wire sawing. PPM engaged a third-party engineer to design box beam brackets to support the beams. The wire saw activity was on standby during installation of the brackets (Act ID D1420). Once wire saw activity was complete, the Lifter hoisted the concrete sections for disposal, and prepared for driving piles at Dolphin 3.

The original baseline duration for ore loader platform demolition was 15 days (Act ID D1210). Additional activities to install beam supports and perform additional coring and sawcutting occurred from 11/18/23 to 12/15/23 (see actualized activities in December Update).

- **DSC Pile Embedment (SL 018)**

PPM notified MoS on 12/4/23 of impacts to the project schedule caused by the differing site condition during driving of the Dolphin 6 piles. The minimum pile embedment cannot be achieved with the approved driving system. Excessive pile length above the template required additional effort to drive the piles with the impact hammer and further caused damage to the D-62 and D-100 hammers which have since required repairs. The cruise dock trestle piles driven on 12/21/23 also hit early vibratory refusal, indicating that all piles at the cruise dock trestle and North of this location will not achieve pile embedment within 5 feet of tip per the design. As such, Field Order 3 was issued for procurement of a swinging leads system to capture the length of pile that remains high in the template following early vibratory refusal for the purpose of better controlling the pile during impact driving.

Additional future impacts to the schedule, not quantified at this time are as follows:

- Additional time to redrive Dolphin 7 piles when obstructions are discovered during pile driving;
- Lead time for materials, refabrication, inspections and redelivery of Transpac float to Skagway;
- If required, resubmittal and review of tow plan for new delivery window of Transpac float;
- If required, additional time for inspection and punchlist corrections following completion of contract work including float and ramp installation;
- Final turnover of project following receipt of transfer of property from PPM to MoS for Beneficial Use and release of liability;
- Following all contract work and added scope, time for demobilization of laydown yards and equipment in preparation for tow off site.

PPM provides the attached February Update to include the float repair delay and the expected impact to the final completion date. PPM's CPM activities for installation of float were bid at a total of 12 calendar days. Assuming the Transpac schedule for float arrival in Skagway on 5/8/24, PPM would not be complete with installation of the float and final gangways until earliest 5/14/24. This does not take into account any delays for weather. The last day of installation of the final catwalk on 5/14/24 also does not

allow for time for punchlist inspection, punchlist corrections (as applicable), final inspection, and final turnover following a formal signoff of beneficial use of the facility to MoS.

The February Update also includes the PCO 029 header frame added scope activities.

The baseline schedule was submitted with an expected completion date of 4/21/24 and allowing for close out and demobilization by 5/8/24. The delays to the project described above have used all available float and have further delayed the project by 49 days calendar days (new completion date 6/26/24).

PPM requests MoS issues a Change Order for the extension of time for 13.5 weather days accumulated beyond the 15 days prescribed in the contract and for all days accumulated on a real-time basis following 3/15/24, pursuant to Contract Article 12.1E.

PPM requests a Change Order for the extension of time by the remaining 36.5 days attributable to the NOC and DSC issues listed above, pursuant to Contract Article 12.1C.

Acceleration Option

The following section will discuss cost impacts if no acceleration option is initiated; the acceleration option available; resulting completion dates; and remaining delay days following mitigation option exercised.

PPM has been acting in good faith performing work outside of the intended bid schedule sequence. Through the life of the project, PPM has expended administrative time to explore and initiate mitigation options to the various delays not caused by PPM. PPM is concerned that the project is losing opportunities to accelerate with a high density of critical activities remaining and requests contractual relief for time and compensation.

If no change to the contract end date is possible, an acceleration option must be initiated as the Contractor will be impacted for the following compensable impacts:

- Operational cost of equipment and labor for all days PPM equipment is on site past the 5/8/24 expected completion date (baseline schedule);
- Operational cost of equipment and labor if required to stage barges outside of the Ore Dock cruise ship mooring due to arrival of cruise ships;
- Additional tug moves if demobilization of landside laydown yards cannot be completed with one demobilization to the shore;

Find below proposal for mobilization of additional labor and equipment resources to mitigate immediate impacts to the project and accelerate remaining scopes of work.

Mobilization of additional labor and equipment would include the below, for a ROM cost of \$360,000 for 8 weeks (3/18/24 to 5/13/24):

- 1 Operator
- 1 Piledriver Foreman Welder
- 2 Piledriver Journeymen Welders
- Rental of 4100 Manitowoc crane, currently on site

Find attached Recovery Schedule which exhibits the allocation of the above resources to the following activities and allows these activities to occur concurrently to Lifter and Redemption activities:

- Cruise Dock Access Trestle (beginning with Act ID CDAT1040)
- Demobilization of Broadway yard prior to Cruise Ship Season
- Demobilization of facilities near Port Office and Temsco peninsula

Following the initiation of the acceleration option above, the projected completion dates for the remaining work activities and their allocated resources are as follows:

Landside Activities –

- Cruise Dock Trestle Buildout
- Prefabricate Header Frame
- Demobilize Landside Equipment and Laydown Areas
- Complete 5/8/24

Redemption Activities –

- Dolphin 2 Cap
- Dolphin 1 Cap
- Dolphin 7 Cap
- Remove Dolphin 7 and 6 Templates and Pile
- Prepare Redemption for Tow
- Tow Redemption on 5/10/24 (Activity ID DEQ1132, Baseline Completion 4/28)
- Redemption additional days on site 4/28 (Baseline) – 5/10 = 12 calendar days

Lifter Activities –

- Dolphin 7 Piles
- Catwalk Piles and Caps
- Float Piles and Reaction Frames
- Header Frame Piles
- Remove Template Piles at Dolphins 2 and 1
- Dolphin 5 Fender
- Dolphin 4 Fender
- Install Header Frame, complete 4/30

Lifter Float Activities –

- Following installation of header frame, Lifter is on standby awaiting float delivery from 4/24 – 5/8 = 14 calendar days
- Position Cruise Ship Float
- Install Pile Hoops
- Install Ramp in Final Position on Float
- Install Catwalks, by 5/14
- Prep Lifter for Tow
- Final Cleanup, Punchlist, Final Survey Submittal, As-Builts
- Total Lifter additional days on site 5/8 (Baseline) – 5/30 = 22 calendar days

Remaining Days Delay

PPM will work as expeditiously as possible to meet or exceed the planned schedule dates as shown in the attached Recovery Schedule. However, the recovery schedule does not negate all delays to the project.



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The Lifter is planned to be complete with all scope activities including the header frame and will be on standby awaiting the arrival of float. The Lifter will then complete all remaining activities associated with the float. This delays the Lifter demobilization from the baseline planned date of 5/8 to 5/30. The cost of these delay days is shown in the below table.

The Redemption will complete all scope activities by 5/10, which is 12 days beyond the baseline planned demobilization date of 4/28. The cost of these delay days is shown in the below table.

Projection of Remaining Days Delayed and Cost to MoS							
Act ID		Baseline Completion Date	February CPM Completion	Recovery Schedule Completion	Remaining Days Delayed	Day Rate	Cost Not Incl. Markup
DEQ1132	Redemption Completion	4/28/2024	6/26/2024	5/10/2024	12	\$35,478.42	\$425,741.04
M3000	Lifter Completion	5/8/2024	6/16/2024	5/30/2024	22	\$54,780.35	\$1,205,167.70
DEQ1264	Landside Crew Completion	5/8/2024	-	5/8/2024	0		\$0.00
							\$1,630,908.74

PPM reserves its right to recover all costs and schedule impacts including those that are incurred by installation of the delayed float as there are still unknowns associated with this Changed Condition.

Please provide direction to proceed or provide an alternate solution to mitigate further delay to completion of all project scope activities. Additionally, please provide direction as to the plan to allow time for the contractor to allocate its resources to perform final punchlist, cleanup, and demobilization of laydown yards, and demobilization of equipment prior to final completion of the contract. The dates shown in the draft schedule are approximate and further coordination is required to confirm that PPM and KPFF can meet these dates.

Please contact the undersigned at (206) 640-6578 or at Nicolee@pacificpile.com with questions regarding this issue.

Sincerely,

Pacific Pile & Marine

Nicole Egli
 Project Manager

Attachments:

1. PCO 036 Landside Crew Acceleration Option ROM Pricing
2. PCO 036 Recovery Schedule

Ore Peninsula Redevelopment Project

OWNER: Municipality of Skagway
DESC: PCO 036 - Landside Crew Acceleration Option

START DATE: March 18, 2024
FINISH DATE: May 13, 2024

COST SUMMARY

DESCRIPTION OF WORK	COST TYPE	QUANT.	UNITS	UNIT RATE	LABOR (LAB)	SUPPLIES (SUP)	PPM EQUIP (PPM)	RENT EQUIP (RENT)	SUBCONT (SUB)	PERM MAT'L (PM)
Four (4)-Man Crew: 1 Oper + 1 PD Foreman + 2 PD Journeymen		8.0	WK	\$ 38,639.19	\$ 309,113.50					

There is a high density of remaining critical activities due to compounding project delays and delays by weather and MMO shutdowns. The current resources are fully allocated to driving the remaining piles and to dolphin construction. The February CPM Update Schedule projected final completion date is 6/26/24, if no acceleration option is initiated.

PPM proposes mobilization of an additional standalone 4-man crew, independent of the marine labor and equipment, to complete the following remaining activities:

1. Buildout of access trestle (approx. 4 weeks)
2. Approach slab (2 weeks)
3. Demobilization of Broadway yard prior to Cruise Ship Season (1-2 weeks)

	LABOR	SUPPLIES	PPM EQUIP	RENT EQUIP	SUBS	PERM MATERIAL
SUBTOTALS:	\$309,113.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Taxes @: 0.00%						
OH and Fee	15.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Markup Totals	\$46,367.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ITEM TOTALS	\$355,480.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

TOTAL AMOUNT	\$355,480.53
Bond	1.0% \$3,554.81
SUBTOTAL	\$359,035.33
GRAND TOTAL	\$359,035.33

Activity ID	Activity Name	Resp	Start	Finish	Week1							Week2							Week3							Week4							Week5							Week6							Week7							Week8							Week9							Week10							Week11													
					Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat							
					17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8
Skagway																																																																																								
PCO 036 - Landside Crew Acceleration Option																																																																																								
Closeout - Punchlist/Cleanup/Demobe																																																																																								
	Punchlist - Concurrent Coordination of Punchlist of Dolphins and Catwalks	KPFF	3/18/2024	4/30/2024																																																																																				
	Punchlist - Allow Tidal Cycle Observation of Float and Ramp, Final Inspection and Signoff	KPFF	5/13/2024	5/13/2024																																																																																				
	Beneficial Use Signoff & Release of Liability	MoS/KPFF	5/13/2024	5/13/2024																																																																																				
	Breakup Ore Loader Concrete in Broadway Yard (As operators are available)	PPM	3/18/2024	4/11/2024																																																																																				
	Demobe Laydown Yard @ Broadway (As operators are available)	PPM	4/8/2024	4/21/2024																																																																																				
	Tow Redemption		5/10/2024																																																																																					
	Demobe Landside at Port Office		5/26/2024	5/28/2024																																																																																				
	Lifter Load Materials from Broadway Yard Over Seawall		5/15/2024	5/21/2024																																																																																				
	Prepare Barges for Tow		5/22/2024	5/28/2024																																																																																				
	Tow Material Barges		5/29/2024																																																																																					
	Tow Lifter		5/30/2024																																																																																					
Mobilization																																																																																								
	Loadout Barge and Tow to Skagway (Ramp, trestle handrail steel, D6/7 fender panels) - Send back Materials Barge		3/25/2024	4/5/2024																																																																																				
	ACD Divers Install Anodes and Touch Up Coating	ACD	3/11/2024	3/27/2024																																																																																				
	ACD Divers Required to Demobe for Transpac Float in Ketchikan	ACD	3/28/2024	4/21/2024																																																																																				
Float																																																																																								
	Float Repair & Delivery to Skagway	Transpac	2/13/2024	5/8/2024																																																																																				
	Position Float	PPM	5/9/2024	5/9/2024																																																																																				
	Install Pile Hoops on Float Piles	PPM	5/10/2024	5/11/2024																																																																																				
	Lower Ramp	PPM	5/12/2024	5/12/2024																																																																																				
	Install Catwalk - South Catwalk Support to Float	PPM	5/13/2024	5/13/2024																																																																																				
	Install Catwalk - D6 to Float	PPM	5/14/2024	5/14/2024																																																																																				
PCO 036 Landside Crew - Accelerated Activities to Occur Concurrently with Marine Work																																																																																								
	Trestle Pile Layout/Cutoff (When Welders Avail)	PPM	3/18/2024	3/23/2024																																																																																				
	Weld Trestle Pile Caps	PPM	3/24/2024	3/31/2024																																																																																				
	Set Panels	PPM	3/27/2024	4/2/2024																																																																																				
	Weld Angle Couplers	PPM	3/29/2024	4/4/2024																																																																																				
	Pour Cap Closure Pours	PPM	4/5/2024	4/5/2024																																																																																				
	Pour Topping Slab	PPM	4/7/2024	4/7/2024																																																																																				
	7-Day Cure	PPM	4/8/2024	4/14/2024																																																																																				
PCO 029	PreFab and Coat Header Frame on Landside	PPM/DAMA	4/8/2024	4/26/2024																																																																																				
	Site Grading / Approach Slab Panels / Topping Slab	PPM	4/15/2024	4/21/2024																																																																																				
	Cure Approach Slab	PPM	4/22/2024	4/28/2024																																																																																				
	Demobilize Landside Equipment and Laydown Areas	PPM	4/29/2024	5/8/2024																																																																																				
Removal of Temp Fuel Header and Fuel Lines																																																																																								
	Drain & Isolate Temp Fuel Lines	Haskell	4/8/2024	4/9/2024																																																																																				
	Reconnect Existing Fuel Lines and Partially Remove Temp Fuel Lines	Haskell	4/10/2024	4/17/2024																																																																																				
	Store Temp Fuel Line Piping	MOS/Haskell	4/18/2024	4/19/2024																																																																																				
	Punchlist - Fuel Line Change Over	KPFF/Haskell	4/20/2024	4/24/2024																																																																																				
Pacific Lifter																																																																																								
	Drive Dolphin 7 Batter Piles	PPM	3/9/2024	3/17/2024																																																																																				
	Float and Catwalk Piles (Incl. Set Frames and Caps)	PPM	3/18/2024	3/27/2024																																																																																				
PCO 029	Drive Piles 30 & 31 for Header Frame (30")	PPM	3/22/2024	3/24/2024																																																																																				
	Remove Template Piles at Dolphin 2	PPM	3/28/2024	3/31/2024																																																																																				
	Remove Template Piles at Dolphin 1	PPM	4/1/2024	4/4/2024																																																																																				
	Dolphin 5 Demo & Install New Fenders	PPM	4/5/2024	4/11/2024																																																																																				
	Dolphin 4 Demo & Install New Fenders	PPM	4/12/2024	4/18/2024																																																																																				
PCO 029	Install Temp Brace at Piles 30 and 31	PPM	4/19/2024	4/19/2024																																																																																				
	Install Ramp Bearings and Install Ramp in Stowage Position	PPM	4/20/2024	4/26/2024																																																																																				
PCO 029	Install Header Frame (Incl. temp brace, touch up coating)	PPM/DAMA	4/27/2024	4/30/2024																																																																																				
Redemption																																																																																								
	Dolphin 2 Cutoffs / Cap / Coat	PPM/DAMA	3/10/2024	3/17/2024																																																																																				
	Dolphin 1 Cutoffs / Cap / Coat	PPM/DAMA	3/18/2024	3/24/2024																																																																																				
	Dolphin 7 Cutoffs / Cap / Coat	PPM/DAMA	3/25/2024	4/3/2024																																																																																				
	Dolphin 6 Stiffeners and Support Coaters	PPM/DAMA	3/26/2024	3/31/2024																																																																																				
	Dolphin 7 Fenders and Remove Template	PPM	4/4/2024	4/9/2024																																																																																				
	Dolphin 6 Fenders and Remove Template	PPM	4/10/2024	4/13/2024																																																																																				
	Demo Dolphin J Cap	PPM	4/14/2024	4/15/2024																																																																																				
	North Catwalk Piles and Cap	PPM	4/16/2024	4/20/2024																																																																																				
	Float Frames and South Catwalk Support	PPM	4/21/2024	4/25/2024																																																																																				
	Finish D3 / D2 / D1 Ladders and Capstans	PPM	4/26/2024	5/5/2024																																																																																				
	Prepare Redemption for Tow	PPM	5/6/2024	5/10/2024																																																																																				
Fuel Barge Schedule																																																																																								
	Petro Marine Fueling Op #9 Time 0800	MOS	3/17/2024	3/17/2024																																																																																				
	Petro Marine Fueling Op #10 Time TBD	MOS	4/5/2024	4/5/2024																																																																																				
	Petro Marine Fueling Op #11 Time TBD - AT ORE DOCK	MOS	4/25/2024	4/25/2024																																																																																				