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February 7, 2012

*Via E-mail to bb0272@att.com
Confirming Copy via Certified Mail*

AT&T Southeast
Attn: Bonnie Britton – Area Manager
2424 Williams Road
Columbus, GA 31909

**RE: STP00-0164-01(039) and STP00-0164-01(048)
SR 34 Bypass Widening and Reconstruction Project, Coweta County
Demand for Payment of Damages**

Dear Ms. Britton:

This letter presents Sunbelt Structures, Inc.'s ("Sunbelt") demand for payment of monetary damages due to AT&T's failure to complete their required utility relocations on the SR 34 Bypass Project ("Project") within the time-frame submitted on the approved UAS (Utility Adjustment Schedule). AT&T notified us on December 12, 2011 via e-mail that all of the required relocation work on the project was complete. Since, that time there have been one or two minor issues arise, such as the conflict at Station 283+25LT as noted in my January 10 e-mail. As the AT&T work is finally complete, this letter is being sent as the last step in the escalation process set out in Section 4.4.C. of the Georgia Department of Transportation's Utility Accommodation Policy and Standards Manual (UAPSM).

AT&T failed to fulfill their responsibility to GADOT and to Sunbelt to complete their necessary relocation work within the approved time-frame. Because of AT&T's failure to meet the schedule it submitted that was approved by GADOT in 2009, Sunbelt has been forced to rely on the process set out in the UAPSM. We initiated Step 1 of the escalation process on December 30, 2010, which prompted a brief flurry of AT&T activity on the project. This activity dropped off almost as quickly as it began after only a few weeks. We began Step 2 on April 6, 2011 because of AT&T's continued lack of progress on the Project.

On April 28, 2011 a meeting was convened by GADOT to investigate our concerns that AT&T was impacting our work and schedule to the point we could not finish the project on-time. On May 4, 2011 Jeff Baker, P.E., State Utilities Engineer, sent a letter to AT&T and Sunbelt which stated in part: "As a result of the failure of AT&T to complete their relocation work by the approved date, it is determined the proposal to cure

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the impact within 9 weeks from the date of the meeting is not satisfactory for the completion of the project on schedule. Thus, AT&T may be liable for delay costs.”

Even after GADOT concluded that AT&T had impacted the schedule of the Project, AT&T still continued to be non-responsive by withholding information regarding the status of various relocations. On several instances we had to ask GADOT to direct AT&T to respond to our requests for specific information. We also made several offers to provide field resources (either our own or from a subcontractor) to assist AT&T, but such offers were never accepted.

From the hearing with GADOT in April until AT&T finally completed its relocation efforts within the last few weeks, I sent dozens of e-mails asking for updates and for assistance from AT&T to get critical areas cleared. We sent a letter by certified mail on October 31, 2011 confirming that AT&T did not live up to the nine-week completion window it promised GADOT at that meeting. Had it done so, all of AT&T's work would have been done by July 1, 2011, which would still have been six months late. That letter also set out some of the types of damages AT&T would be expected to pay. Again, via certified mail, on November 30, 2011 we sent an additional letter to AT&T which included a letter from our paving sub-contractor that outlined asphalt and diesel fuel escalators for paving that takes place beyond the project completion date.

The most frustrating aspect of this problem is that AT&T did not seem to be the least bit concerned that its lack of effort was causing Sunbelt very real problems, including distracting our field management in our continuing effort to try to get AT&T to do its work as well as significant impacts to our field crews having to work around AT&T's incomplete areas. If AT&T had finished all of its relocation efforts in 2010 as it planned and promised, none of that would have been necessary. Now that all AT&T relocation work is complete (with the exception of one relatively small conflict that has recently been identified and two pedestals on a side road that are within the sidewalk limits) we are providing an itemization of our impact and delay costs.

As stated in our letters to AT&T on October 31, 2011 and November 30, 2011 we have incurred and will continue to incur substantial costs as a result of AT&T's choice to allow their utility relocations to finish nearly one full year after all of its work was supposed to be completed. The original completion date for our contract with GADOT was December 31, 2011. As of today we have a revised contract completion date of January 27, 2012 with GADOT. Due in significant part to the impact of the AT&T delay we are anticipating that this Project will finish on approximately June 1, 2012. Below, you will find a detailed list of the costs that Sunbelt is exposed to in large part because of the AT&T delay.

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1. For both field supervision time, coordination efforts and for Sunbelt's field crews that had to work in a hopscotch, sporadic manner during much of 2011 along significant portions of this project, Sunbelt has incurred roughly \$405,000 in additional field labor costs. Sunbelt's routine accounting practice is to multiply direct field labor by a ratio of 1.35 to account for labor burden, on-site equipment usage and all other field-related costs. This equates to an additional cost of approximately \$545,000, for a total 2011 field impact of \$950,000. Please note there could be additional impact costs in 2012 as we are finally able to complete work areas;
2. Four months of anticipated liquidated damages to GADOT at \$1,000.00 per calendar day (February 1 through June 1) – total, \$120,000.00;
3. Five months of Sunbelt's extended field operations in 2012 at an estimated cost of approximately \$40,000.00 per month – total, \$200,000.00;
4. An asphalt escalator cost currently projected to be approximately \$15.00/ton for 2012, which for the 55,000 tons remaining amounts to a total of \$825,000. This is outlined in detail on our November 30, 2011 letter.

Sub-Total of Damages - \$2,095,000.00

Items 1 and 3 total \$1,150,000.00. Applying a Sunbelt home office and administrative charge of 10% solely on our costs, AT&T's responsibility to Sunbelt for damages caused by AT&T's utility delays to this Project totals \$2,210,000.00.

As stated in the May 4, 2011 letter from GADOT, within 45 days from the date of this letter, please issue payment to Sunbelt Structures, Inc. in the amount of \$2,210,000.00 or request a mediation hearing as prescribed in the Official Code of Georgia Section 32-6-171 and the Department's Board Rule 672-19.

Sincerely,

SUNBELT STRUCTURES, INC.



Spencer Brooks
Project Manager

cc: GADOT State Utility Engineer – Jeff Baker – jbaker@dot.ga.gov
GADOT District Utility Engineer – Kerry Gore – kgore@dot.ga.gov
Sunbelt Structures, Inc. – President – Mike Williams – mgwilliams@sunbeltstructures.com
Sunbelt Structures, Inc. – V.P. – Mark Williams – mawilliams@sunbeltstructures.com