Pipeline Project Claims Resolution Services

OVERVIEW
Long International, Inc. is a specialized consulting company whose primary focus remains the same today as it was in 1996 when the firm was founded—analysis and resolution of claims and disputes that arise from the design and construction of major capital projects worldwide. Our senior-level personnel utilize their extensive experience in pipeline projects, including installation, project and construction management, and cost and schedule control, to perform analyses of disputed change orders, requests for time extensions and schedule delay damages, and productivity loss claims.

Long International’s Claims Analysis Process
Our professionals are experts in contract, insurance, and surety bond-related claims and disputes including their evaluation, analysis, preparation, and resolution.

Our claims analysis process is:
• Performed in Phases for better definition and control of scope, time and cost;
• Systematic to ensure our analyses are thorough, our findings are credible, and our opinions are defensible; and
• Tailored to your specific needs regarding services provided and resources utilized.

A World of Experience
Whether it’s the tundra of Alaska, the deserts of the Middle East, the heights of the Rocky Mountains, or the depths of the oceans, Long International’s professionals have been there. We have the experience you can rely on for your claims analysis, preparation, and defense, as well as your pipeline project support needs.

Representative pipeline projects include:
• Alaska – Gas/Oil Pipelines
• Arizona – Water Pipeline
• Arkansas – Oil Pipeline
• Brazil – Gas Pipeline
• California – Gas/Product Pipelines
• Canada – Gas/Oil Pipelines
• Colorado – Gas/Oil/Product Pipelines
• Germany – Gas Pipeline
• Illinois – Gas Pipeline
• Kuwait – Gas Gathering System
• Montana – Product Pipeline
• North Carolina – Product Pipeline
• Oklahoma – Gas/Oil Pipelines
• Russia – Gas Pipeline
• Saudi Arabia – Oil Pipeline
• South Africa – Gas Pipeline
• Texas – Gas/Oil/Product Pipelines
• UAE – Dual-Flow Pipelines
• Utah – Gas/Oil/Product Pipelines
• Wisconsin – Gas Pipeline
• Wyoming – Gas/Oil/Product/Slurry/and Water Pipelines

Senior-Level Resources
Members of our select group of consultants typically have 20 or more years of experience in the construction industry and offer unique perspectives based on a combination of their claims consulting skills, technical expertise, and “mud-on-the-boots” practical experience on pipeline projects.

Our professionals’ diverse experience allows them to function as:
• Your Support Staff
• Your Technical Advisor
• Your Solutions Provider
• Your Expert Witness, or
• A Neutral Third-Party

Phased Approach
Long International’s standard work plan for providing engineering and construction claims analysis and expert testimony services on pipeline construction projects is to use a “phased approach,” as described on pages 2 and 3 of this brochure. Our task assignments are dependent on the work already performed by our client, the availability of project documentation, the issues in dispute, and the timing of required work products that are defined by the arbitration/litigation schedule. Therefore, we can make any necessary adjustments to our typical work tasks described herein.

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PHASE I:
Project Orientation, Preliminary Document Review, and Work Plan Development

During Phase I, we first review any pleadings, statements of arbitration, contractor claims, and owner statements of defenses and counterclaims. We then perform a preliminary review of the relevant project documents prepared prior to and during the execution of the project. Depending on the scope of our assignment, the documents that we often review include, but are not limited to, the following:

- Documents that Describe the Scope of Work and Basis for the Contractual Relationship that was Developed;
- Cost Estimates and Proposals;
- The Drawings and Specifications that were Used to Develop the Control Budget;
- Pre-contract Correspondence and Meeting Minutes;
- The Contract Terms and Conditions;
- Execution Phase Correspondence;
- Meeting Minutes;
- Monthly Progress Reports;
- As-planned Schedules and Schedule Updates in Native File Formats;
- Periodic Reports such as Manpower, Man-hours, Equipment Utilization, etc.;
- Job Cost Reports Including Control Budgets and Monthly Cost Reports;
- Photographs and Videos if Available;
- Pay Requests and Invoices;
- Change Orders;
- Requests for Information;
- Submittals;
- Material Delivery Records;
- Subcontracts; and
- Other Relevant Documentation.

In addition, we interview key project personnel and discuss more completely the project problems and issues. If possible, we also like to visit the project site.

It normally takes two to six weeks to perform this Phase I work. The Phase I duration, depends on the complexity of the case, the volume and availability of key documents, and the availability of client personnel, as well as any other tasks that our client requests to be performed during Phase I.

After we have performed a preliminary review of the available documentation, we prepare preliminary observations and recommendations regarding the claim and counterclaim issues, including our preliminary observations and opinions on the relevant issues. We also develop a Phase II work plan, schedule, and budget corresponding to the scope of work necessary to meet our client’s objectives. We then discuss our proposed tasks to ensure that our approach is consistent with our client’s needs.

PHASE II:
Document Database Development and Preliminary Analysis

During Phase II, we perform tasks required by our client as part of the arbitration/litigation schedule. In addition, other potential Phase II tasks often include the following:

1. Develop Document Database
2. Analyze Contract
3. Review Invitation to Bid, Job Instructions, Procedures, and Contractor's Proposal
4. Review Drawings and Specifications
5. Review and Prepare (as required) a List of Problems and Issues for Claims and Counterclaims
6. Review Approved and Unapproved/Outstanding Change Orders
7. Prepare a Preliminary List of Alleged Delays
8. Identify, Organize, and Review Schedule Data
9. Identify any Schedule Software Conversion Requirements
10. Review Schedule Analysis Methodology in any Submitted Claims
11. Identify and Review Key Schedule Information
12. Identify, Organize, and Review Contractor's Man-hour Data, including Control Budget Planned Man-hours and Actual Man-hours
13. Identify, Organize, and Review Bulk Material Quantity Data
14. Identify, Organize, and Review Cost Data
15. Develop Summary Schedule Variance Comparisons
16. Develop Macro Man-hour Variance Analysis
17. Develop Macro Quantity Variance Analysis
18. Develop Macro Labor Productivity Analysis
19. Develop Macro Cost Variance Analysis
20. Evaluate and Select Schedule Analysis Methodology Options
21. Develop Phases III and IV Work Plans, Budgets, and Schedules
22. Provide an Overall Assessment of the Strengths and Weaknesses of Issues

Engineering and Construction Claims Analysis

Experience You Can Rely On...
Pipeline Project Claims Resolution Services

PHASE III: Detailed Analysis

After performing preliminary analyses of the documentation and technical, schedule, and cost issues, Long International then performs detailed analyses that support opinions expressed in our expert reports. The task descriptions that are listed below are definitive analyses that substantiate the preliminary findings, but they may be tailored to the needs of our client, the actual scope of work and opinions required, and the deadlines of the arbitration/litigation.

1. Prepare Issue Packages for Contractor’s Claim Issues and Owner’s Counterclaim Issues
2. Prepare Issue Summaries/Proof Charts
3. Prepare Detailed Narratives with Document References
4. Develop Cause-Effect Relationships
5. Prepare Detailed Schedule Analysis
6. Prepare Detailed Productivity Loss Analysis
7. Prepare Detailed Damages Analysis

Our Detailed Damages Analysis provides adequate detail and supporting spreadsheets to fully explain the amount of the claim and/or counterclaim. Damages may arise from a variety of problems, and we endeavor to calculate specific damages for each problem if possible from the data available. The cause-effect relationships linking the damages to the entitlement for each problem are demonstrated, if possible. We often develop a Damages Analysis Matrix for both man-hours and costs. This matrix delineates work activities and cost types on one axis and variances between budget/contract values and actual/projected values along the other axis. These man-hour and cost variances are then allocated to approved change orders, pending change orders, potential contractor bid error, contractor performance problems, compensable owner-caused problems, delay, and loss of productivity, as applicable.

It is Long International’s standard practice to communicate frequently and clearly regarding the status of our work throughout the analysis process.

PHASE IV: Report Preparation

The work products resulting from our detailed analyses may take many forms, including but not limited to claims/requests for equitable contract adjustments, reports supporting the defendant’s positions against claims, PowerPoint presentations, or expert reports. One or more expert reports may be required for arbitration or litigation. Rebuttal reports may also be required to critique the reports of other experts. In addition, some arbitrations require that opposing experts meet to attempt to narrow the issues. Reports may be required to document this effort. For each claim document, presentation, or expert report, our work plan is as follows:

1. Prepare Draft Claim Documents/Presentations/Reports
2. Review with Client our Draft Claim Documents/Presentations/Reports
3. Prepare Final Claim Documents/Presentations/Reports

PHASE V: Arbitration/Litigation Testimony

For each phase of arbitration or litigation, expert testimony may be required. Our work to perform this testimony includes the following:

1. Prepare for Testimony
2. Provide Expert Testimony at Depositions
3. Provide Arbitration/Litigation Expert Testimony

Our consultants offer unique perspectives based on a combination of their claims consulting skills, technical expertise, and “mud-on-the-boots” practical experience in pipeline projects.
Schedule Delay Analyses

The contemporaneous and retrospective schedule delay analyses performed by Long International typically focus on comparing as-planned, updated, and as-built project schedules to identify and quantify delays to the critical and near critical paths of the project. These delays may include either variances in the duration of an activity or variances in the planned and actual relationship lag durations between predecessor and successor activities. Concurrent delays are also analyzed to properly understand the Owner’s and Contractor’s liability for delay and impact damages. On Pipeline projects, a progress chart is often plotted on a time scale to demonstrate the impact of lower than planned progress on the completion date, such as shown in the graphic above.

Loss of Productivity Analyses

To determine the Contractor’s entitlement to construction labor productivity loss claims, a detailed assessment of contemporaneous man-hours, crew progress, and pipeline length installed, the timing of changes, delays and impacting events affecting the work, and an allocation of responsibility for the various causes of delay and disruption is often necessary. Delays and impacting events often cause the Contractor to work overtime, perform work out of its planned sequence or in parallel rather than in series, work in weather conditions that are less favorable than it reasonably planned, employ multiple shifts, etc., all in an effort to make up time to mitigate delay and disruption. Then, loss of productivity analyses can be performed using methods such as measured mile, earned value, overtime studies, other industry studies, and the impact of changes.

Damage Analyses

Long International employs numerous methods to analyze, demonstrate or disprove the Contractor’s entitlement to recovery of increased costs as a result of engineering and/or construction labor productivity loss caused by delays and impacting events for which the Owner and/or the Contractor may be responsible. After the Contractor’s various types of damages are identified, evaluated for entitlement, and quantified, Long International may utilize various methods of presenting such damages, depending on the contract terms, legal issues, and availability of data and documentation.