



IN REPLY REFER TO:
CRCR-156772
1443C2011101051

United States Department of the Interior

NATIONAL PARK SERVICE
DENVER SERVICE CENTER
12795 W. ALAMEDA PARKWAY
P.O. BOX 25287
DENVER, COLORADO 80225-0287



Kraus-Anderson Construction Company
Attn: Rich Jacobson, Sr. V.P.
8625 Rendova Street NE
Circle Pines, MN 55014

September 25, 2012

Dear Mr. Jacobson:

Reference: Crow Creek Tribal School Replacement, Stephan, South Dakota, Contract No.
1443C2011101051, Package No. CRCR-156772

Subject: Project Close-out Settlement Proposal

Kraus-Anderson (KA) and the National Park Service (NPS) met on August 9, 2012 to discuss a settlement for closing-out the referenced project. As a result of these discussions, the NPS proposes the following final settlement terms incorporating all outstanding issues with KA. In summary, all punchlist items, outstanding change orders (CRXs), liquidated damages (LDs), and unresolved requests for equitable adjustment (REAs) will be considered resolved and closed with the acceptance of this agreement.

The negotiated topics are outlined within the spreadsheet below. The value of the listed items is based on an Independent Government Estimate that also served as the basis of the settlement negotiation.

The outstanding issues that were part of the resolution discussions between NPS and KA are listed as follows:

Letters of Rejection:

1. Running Track: KA will correct the track's length; the expected duration of the correction and surface application will be 6 – 7 weeks total. The track will be completed by September 21, 2012.
2. Parapet Cap: The NPS will accept the current installation.
3. Outdoor Turtle Shell Classroom: KA has completed the Outdoor Turtle Shell Classroom, per Detail 12, Sheet L1.2 under ASI-17R, as was verified by the NPS. The NPS considers this issue closed.
4. Buried Concrete: KA has removed the buried concrete, as was verified by the NPS.
5. Site Signage: KA has provided adequate sign posts, as was verified by the NPS.
6. Vertical Displacement: The NPS acknowledges that this issue is resolved under Modification No. 16 together with the drain tile repairs and installation, which are pending NPS verification.
7. High-Performance Coating: KA will provide documentation from the Paint Manufacturer and Painter affirming that the high performance coating applied to the exterior steel has 20-year durability, as required by the RFP.

Outstanding Change Orders (CRXs) included with Settlement:

1. CRX#56: 38 Evergreens Monument: The NPS agrees that KA should be compensated for the installation of the 38 Evergreens.
2. CRX#69: Acoustical Panels in Dormitory: The NPS has requested confirmation of NRC ratings for the proposed acoustical panels and has directed that the Dormitory Living Areas have a NRC rating of 0.18, per the RFP and contract documents.
3. CRX#79: Credits for Deleted Work: The Government estimates this work to be less than \$1,000 and will include this in the overall settlement proposal.
4. CRX#87: Energy Star at Housing: The NPS will be performing this service in-house; there is no additional effort required of KA.
5. CRX#96: Accessibility Alterations to Bathrooms 224 & 226: Additional accessibility alterations will not be required under this contract.
6. CRX#09C: Community Garden: The NPS acknowledges there are A-E costs associated with the re-design of the proposed location of the Community Garden. The NPS received a cost of \$1,100 from KA to re-design and relocate the garden, which will be offset by the credit for not completing the Community Garden. This is included below as part of the overall settlement proposal.

Outstanding Punchlist for K-12 School (Phase 1):

- KA has taken an active role in completing the remaining punchlist items, and all remaining punchlist items will be completed by September 21, 2012.

Outstanding Punchlist for Dormitory, Housing, FM/BS, and Sitework (Phase 2):

- KA has taken an active role in completing the remaining punchlist items, and all remaining punchlist items will be completed by September 21, 2012.

Liquidated Damages (May 2, 2012 through May 25, 2012): 22 days * \$2,000/day = \$44,000

- Although KA requested Substantial Completion to be retro-active to May 15, 2012, the NPS verified that the Dorm, Housing, FM/BS, and Site Work were not substantially complete the week of May 21 -- 23, 2012. The LD amount has been included within the overall settlement.

Spreadsheet Summary:

Settlement Summary	
NPS-BIA Settlement Negotiation Agreement	\$ 200,000.00
Modification No. 17	
CRX #68: Accessibility Parking at Bus Storage Building	
CRX #76: Added Flat Area East of the Running Track	
CRX #89: Relocate existing 2" waterline not shown on plans	
CRX #91: Additional South Security Fence	
Modification No. 18 (multiple change orders/REAs)	
CRX #56: 38 Evergreens Monument	
CRX #69: Acoustical Panels in Dormitory	
CRX #79: Credits for Deleted Work	
CRX #09C: Community Garden Re-design	
CRX #09C: Community Garden Credit	

REA: Gas Reheat to guarantee humidity levels in School & Dorm	
CRX #93: Reinforce Water Tower Penetration and Pipe removal	
CRX #23 (Revised): Complete Outdoor Turtleshell Classroom	
MISCELLANEOUS: Install Vapor Barrier in Garage	
CRX #95: Delete TV Brackets at School	
REA: Independent Quality Control Inspector	
REA: Revise Aluminum Doors and Windows	
Liquidated Damages	
Settlement Total	\$ 200,000.00

Summary and Proposal

In consideration of the benefits received by each party in entering into this settlement agreement:

- Kraus-Anderson acknowledges that it has no unsatisfied claims against the Government arising out of or resulting from this settlement/modification, and hereby remises, releases, and forever discharges the United States, its officers, agents, and employees, of and from all manner of debts, dues, liabilities, obligations, accounts, claims, and demands whatsoever, in law and in equity, under or by virtue of this settlement proposal.
- The NPS agrees to pay the total sum of \$200,000.00 as a complete and final settlement payment.

Please confirm the Kraus-Anderson agreement with the above settlement terms through a reply correspondence. Upon receipt of the KA acceptance of this agreement, I will formalize this settlement in a forthcoming contract modification to you for your signature.

If you have questions about this letter or the agreement terms, please contact Mr. Chris Lewis at (303) 969-2330 or Mr. Philip Lawrence (303) 969-2107.

Sincerely,



Steven G. Paul
Contracting Officer

cc:
DSC-CS (L. Irish, J. Ewalt)
DSC-DC (C. Lewis, P. Lawrence)
BIA (G. Rosby, B. Borgeson, E. Eskeets)
HDR (D. Johnson, E. Hill, D. Becker)