

Department of Veterans Affairs

Memorandum

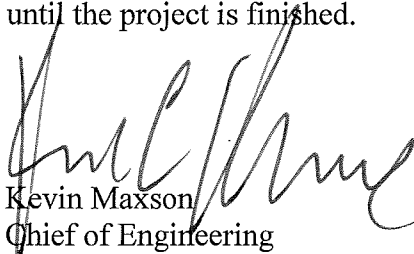
Date: June 28, 2016
From: Kevin Maxson, Chief of Engineering
To: Denise R. Groves, Contracting Officer

Project: Minor, 612-400 Construct Primary Care
Subject: Justification for Liquidated Damages

The following information presents justification for liquidated damages to the above-referenced project and details charges that the VA will incur should the duration of this project extend past contract end date based upon no fault of the Government.

1. The estimated daily cost of government inspection and oversight is (1) GS12-10 employee expending 3.5 hours/day which equates to $\$110.60/\text{hr} \times 3.5 = \$387.10 \times 5\text{days}/7\text{-day work week} = \$276.50/\text{day}$.
2. The estimated daily cost of supplemental government inspection and oversight is (1) contracted employee expending 4.5 hours/day which equates to $\$90.00/\text{hr} \times 4.5 = \$405.00 \times 5\text{days}/7\text{-day work week} = \$289.29/\text{day}$.
3. The cost for staff work inefficiency due to diverted handicap cap accessible parking around the construction site contribute the following estimated costs to the facility:
 - a. Nursing staff: 5 minutes total delayed time $\times 16$ patient visits/day $\times \$50/\text{hr} = \$66.67/\text{day}$.
 - b. General staff: 5 minutes total delayed time $\times 16$ patient visits/day $\times \$40/\text{hr} = \$53.33/\text{day}$.
4. An estimated cost of the miscellaneous cost incurred due to impacts on serviceability or existing equipment and systems is \$175.00 per day.

If this project is not completed on time, the VA will incur costs of approximately \$860.79 per day until the project is finished.



Kevin Maxson
Chief of Engineering