

KAISER ENGINEERS
INTER-OFFICE MEMORANDUM

PLAINTIFF'S
EXHIBIT
KEN-113

TO R. J. Wolf
AT Oakland

DATE May 22, 1970

FROM G. A. Zwissler

COPIES TO L. H. Oppenheim
J. E. Hughes

AT Chicago

JOB NO. 6606-2

SUBJECT Youngstown Sheet & Tube Co.
BOF Plant, Indiana Harbor Works

I reviewed with Ralph Shankland this morning the present status of the subject job, which is as follows:

- o Operating personnel will be brought out on the 8 to 4 turn on May 31st to make the final check-out and burn-in of the first operating vessel. The second crew will be scheduled from 9 P.M. to 5 A.M. on the same day to start up and produce the first heat. Everyone seems to be of the opinion everything will have been checked out adequately in order to permit this program to proceed.
- o Contract work will continue for another 30 days after this to finish up minor work. The only pieces of equipment which will not have been installed at the end of May are the lead alloy fume collection system on the pouring platforms which are only required when they make the occasional lead alloy heats. The other piece of equipment will be the dust handling equipment which has been tied up because of the truck strike. Provisions have been made to handle the dust by dumping it into trucks.
- o It is anticipated that all other equipment will be operating as planned with the exception that the total computer process control system will require additional calibration and check-out under actual operating conditions before it can be relied upon fully to control the processes.
- o Present indications are that the portion of Kaiser Engineers work will overrun approximately \$1,000,000 from the last cost report figure (January 1970) of \$63,772,540. It is anticipated that the total job will overrun approximately \$3,000,000 with the balance of the overrun occurring in the Youngstown Sheet & Tube portion of the work. This will raise the total cost of \$70,338,099 in the January 1970 report to approximately \$73,500,000.
- oo The major item of expense creating the overrun is a charge of approximately \$1,600,000 on sheet piling which was installed at the ore docks. It has been charged against this project and was not included in the original scope of work.

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- oo An additional plant steam line has been added to the scope of work at an approximate cost of \$500,000.
- oo An additional ground level fluorspar storage facility has been added at the L-D at an approximate cost of \$100,000.
- oo It is anticipated that extras in excess of \$500,000 will be paid with the majority of the payment going to Eichleay for mechanical erection.

You will recall that we have had several of our engineers out there the last month involved in the actual checking out of all of the production systems. We feel confident that the plant when it is finally turned over to Youngstown will be an excellent plant that we can say has been completely checked out and will be ready for operations.

GAZ:ss

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