PROJECT CASE STUDY / U.S. NAVY · NAVFAC SOUTHWEST

Child Development Center, Chollas Heights

P-772V · San Diego, California · Naval Facilities Engineering Command Southwest

Prime Contractor: T.B. Penick & Sons, Inc.



The completed entry at the Chollas Heights Child Development Center — electrically operated vehicle barrier arms, powder-coated post-and-chain perimeter barrier, pipe bollards and the fence line beyond. All of it In-Line's scope.

OWNER	CONTRACT	PRIME	BASE SUBCONTRACT
U.S. Navy — NAVFAC Southwest	**N62473-08-D-8612**	**T.B. Penick & Sons, Inc.**	**$39,500.00 · 22 June 2009**

FINAL VALUE	WAGE
$98,916.76 · seven change orders	**Davis-Bacon federal prevailing wage**

A $39,500 FENCE CONTRACT THAT BECAME THE WHOLE FRONT LINE

In-Line was hired in 2009 to build the fence at a Navy child development center. By the time the job closed in 2012, the Navy had also handed In-Line the vehicle barriers, the bollards, the post-and-chain perimeter and the force-protection hardware at the front entrance.

2.5×
Final contract against the base award

7
Change orders, all executed

$0.00
Retention withheld and disputed claims at close-out

T.B. Penick & Sons held the prime contract with Naval Facilities Engineering Command Southwest for **P-772V, the Child Development Center at Chollas Heights**. In-Line executed subcontract 2731-1-25 on 22 June 2009 for the fencing scope — a firm fixed price of **$39,500.00** covering pipe gates, security gates with operators, three-foot and five-foot chain link, gate hardware, all concrete for the fence posts, vine arbors, and every Davis-Bacon federal prevailing wage cost that came with them.

The final invoice, dated 12 June 2012, reads **$98,916.76**. Retention held: zero. Disputed claims: zero.

Nobody adds two and a half times the original scope to a subcontractor they are watching. They add it to the one they have stopped worrying about.

HOW THE SCOPE GREW

Every one of the seven change orders is in the file, priced, signed and dated. They are worth reading in order, because together they are a record of a general contractor progressively handing over the hardest part of the job.

EXECUTED CHANGE ORDERS — SUBCONTRACT 2731-1-25

- **CO 1 · +$947.66.** Prep four gates — one single, three double — for panic hardware. Panic hardware itself was excluded from the base scope; In-Line took the preparation anyway rather than leave a seam between trades.
- **CO 2 · +$3,327.00.** Upgrade from galvanized fabric to bonded green vinyl, 9-gauge core-8, and upsize the posts — terminal posts from 2⅔″ to 2⅞″, line posts from 1⅞″ to 2⅔″ — per the landscape architect's markups on In-Line's own submittals.
- **CO 3 · +$9,365.44.** The first vehicle barrier arm and controls, **less a $4,800 credit** for the security gate operator that came out of the original proposal. In-Line wrote the credit into its own change order.
- **CO 4 · +$22,228.66.** Barrier arms at the entry and the exit, complete — all labour, material and equipment for a working system, government training, submittals and samples. **In-Line charged zero overhead and zero profit on it.**
- **CO 5 · +$2,870.63.** One new tube steel walk gate, relocation of an existing pipe gate, trenching and concrete footings.
- **CO 6 · +$23,548.00.** The galvanized, powder-coated post-and-chain barrier along the front perimeter — 100 posts and ball caps, 135 welded eyes, chain connectors and fifteen yards of concrete. Overhead at 10%, **profit at zero.**
- **CO 7 · −$2,870.63. Delete change order 5. The work was not performed, so In-Line gave the money back.**

Read change orders 4, 6 and 7 together and you have the whole company in three documents. On the two largest additions — nearly $46,000 of force-protection work — **In-Line took no profit at all.** And on the one item that never got built, In-Line initiated the deduction itself.

Two change orders at zero profit, and one that handed money back. That is not a negotiating position. That is how you get invited back on a federal installation.



Entry and exit barrier arms with pedestal controls, and the powder-coated post-and-chain barrier separating the drive from the landscape. Access control configuration is not published here — that is the client's business, not our marketing.

WHY IT WAS HARD

A child development center is the most protected building on any installation

Force protection around a facility full of small children is not the same problem as force protection around a warehouse. The barrier has to work every time, be operable by staff, be survivable in weather, and be entirely safe for a two-year-old walking past it holding a parent's hand. Nothing sharp, nothing pinching, nothing at toddler height that a child could get a hand into.

Federal work, federal paperwork

Davis-Bacon federal prevailing wage, certified payroll, DAS 140 and 142 apprenticeship filings, fringe benefit statements, wage-rate breakdowns and a full labour compliance package — every one of them in the project file. In-Line also carried the cost of submittal re-review and re-testing in its own scope.

Signed Activity Hazard Analyses before any definable feature of work

The Navy requires an AHA for each activity, reviewed and signed before the crew starts. In-Line's signed AHAs are in the file. That discipline is the same one the company still runs every morning on every site — see *Safety: No Plan, No Work*.

LEED, in 2009

The subcontract required In-Line to meet all LEED requirements in the specifications, recycle everything possible for LEED points, separate all discarded materials into the prime's dumpsters, and put recycled content information into every relevant submittal. That was not routine for a fence contractor sixteen years ago. In-Line signed for it.

Three years, two site mobilisations, one relationship

The base fence work ran in 2009. The force-protection package came back in late 2011 and finished in 2012. The crew that came back was the same company with the same paperwork and the same superintendent relationship — which is exactly why the second scope was handed over without a rebid.

$39,500
Base subcontract, June 2009

$98,917
Final contract value, June 2012

$0
Profit taken on the two largest change orders

0
Disputed claims at final release

Owner: Naval Facilities Engineering Command Southwest, FEAD San Diego. Contract N62473-08-D-8612. Davis-Bacon federal prevailing wage. Signed Activity Hazard Analyses. LEED compliance required by subcontract. Closed with a conditional waiver and release on final payment, June 2012.

WHAT IN-LINE DELIVERED

- **All pipe gates** — furnished and installed.
- **Security gates with operators** — furnished and installed.
- **Chain link fence and gates** at three-foot and five-foot heights, upgraded by change order to bonded green vinyl fabric on upsized posts.
- **Electrically operated vehicle barrier arms** at the entry and the exit, complete and commissioned, with government training delivered.
- **Powder-coated post-and-chain perimeter barrier** — 100 galvanized posts with ball caps, welded eyes, connectors and footings.
- **Pipe bollards** at the drive.

- **Tube steel walk gate** and relocation of an existing pipe gate.
- **Vine arbors** — two, fabricated in the Ramona shop.
- **All concrete for fence posts**, all field measuring, fabrication and installation, all submittal and shop drawing costs, and all Davis-Bacon compliance.

SCOPE AT A GLANCE

Force protection | **Vehicle barrier arms** | **Post & chain barrier** | **Pipe bollards** | **Security gates & operators** | **Chain link & pipe gates** | **Vine arbors** | **Davis-Bacon**

WHY FEDERAL PRIMES CALL IN-LINE

- **We take the force-protection scope.** Barrier arms, bollards, post-and-chain, security gates and operators — furnished, installed, commissioned and turned over with training.
- **We are already cleared to work.** Davis-Bacon payroll, signed AHAs, submittal discipline and federal close-out documents are how we operate, not something we learn on your job.
- **We price the credit as carefully as the extra.** Scope that comes out gets written up and given back.
- **We finish clean.** Zero retention held, zero disputed claims at final release on this contract.
- **Four armed services and the FAA.** Navy, Marine Corps, Air Force, Coast Guard and the Federal Aviation Administration — four of them contracted directly with In-Line as prime.

NAVFAC Southwest, USACE, the FAA, the Coast Guard, the County of San Diego, the County of Los Angeles, Caltrans, SANDAG, MTS, the University of California and a dozen school districts. One standard.

HAVE A PROJECT LIKE THIS?

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