

DISTRICT FIVE CONSTRUCTION CONTRACT ADMINISTRATION UPDATE TRAINING MINUTES

April 14, 2009 District Office, Cypress Room, 9:00-3:00

April 15, 2009 Leesburg Operations, Mockingbird Conference Room, 9:00-3:00

April 16, 2009 Oviedo Maintenance Training Room 9:30-3:00

Opening – Frank O’Dea

- Claims Specification - What claims need to be certified? –When does a contractor have to certify a request?
 - A strict interpretation of the specification is, “any request” should be certified. If the contractor comes to us for extra money they need to certify the request. If we make the request we do not expect them to certify. Anything under dispute we expect the contractor to certify. If we have a dispute and agree only with a portion of the issue we can accept that portion, and the contractor can claim for the remainder. If the contractor is required to certify it must be certified by someone that has the authority to bind the company which is usually an officer.
 - There is specific language in the specification regarding subcontractors. Do we treat them the same? Yes, if the subcontractor makes a request they should certify to the prime, the prime would certify to the department. Clarification from Tallahassee is that the prime could certify for the subcontractor. However, if the prime refuses to certify then the sub must provide the certification, then the prime would certify and submit to the department.
 - Do we have any specific certification language? Not at this time
 - If we do not have a dispute and you still pay, will an auditor come back at a later date and want to know why we don’t have a document certified from the contractor? We haven’t had a problem yet and that is the direction from SCO.
- Discussion of what is required for SA packages vs. Work order packages with regard to backup material for Engineer’s Estimate and premium cost. What do you need to have as back up? Frank does a QA review of all Supplemental Agreements and a percentage of work orders.
 - If you are preparing an Engineer’s Estimate what would you provide in the packet to get an A+ for every number you use make sure you can trace it back to where you got that number.
 - What do you use for labor cost?
 - Federal Projects: Certified payrolls, you get the payrolls; they can be used as back up.
 - Non-federal projects, you can use prior projects or a federal project the contractor is working on in the area; you can use a federal rate from another contractor working in the area or you can use Davis Bacon rates as a comparison.
 - Small work orders write what your basis is for the amount.

- Large SA's or work orders you should provide the actual back up.
- Labor Burden- What is Labor Burden?
 - Labor + Burden - cost contractor incurs for having employees working, contractors actual cost of insurance, fringe benefits, workers comp, FICA, FUTA/SUTA, retirement benefits, vacation, etc...
 - Certified burden should be submitted at Preconstruction Conference. Normal burden for a roadway contractor is 35-50%, bridge or painting 45-70%. If you think it is questionable; submit to the district office, they will have it audited. For a small work order just document it. On a large SA or work order submit the actual certified burden. If you use 35% for a contractor or sub; you would be safe if you didn't have a certified burden. Subcontractors are not required to submit certified burden at the Preconstruction Conference, they are required to submit if they are doing extra work and we are paying for it.
 - Bond memo 4-07, no bond on initial contingency work orders, contractor gets amount specified in contract----- surety page shows amount contractor paid for bond, do not use 1.5% as in the past. You pay bond on subs if they can provide clear and convincing proof.
- Equipment – Blue Book rates (Equipment Watch), contractually we only have to pay blue book, if contractor is providing an invoice for rental equipment we could pay more as a negotiated rate.
- Material – Invoice or receipt. If writing a work order you should be writing the work order prior to the work then it would be difficult to have the invoice. You can use catalog, internet or price quotes, call the company and write down the conversation. You can use previous stockpiled material documentation.
- Taxes- if the contractor pays taxes then we should reimburse him for the taxes.
- Statewide Averages- is an average of all the low bids, the statewide average includes everything, the labor/burden, equipment, materials, mark-up, overhead, etc..... Statewide averages are a good starting point. State will not support using statewide averages plus 20% as we have done in the past. Jonathan will modify the spreadsheet on the website.
- If you are using a combination of labor, equipment & materials you should add statewide avg. at the end since it already includes all of the mark ups.
- Time - how long will it take to do the work? This is not something that is easy for the department to calculate; it is easier for a contractor to determine how many days it will take to do the work. You can use the submitted schedule, use similar activity from the project, dailies from previous work or generic production rates. In order to grant time the critical path must be affected.
- Mobilization –It is a valid cost but it needs to be justified and backed up.
- MOT- we should pay for the devices used and we should be able to justify anything beyond that.
- Survey /QC Time– if using unit prices, the prices survey and QC should be included, otherwise it is overhead. If the contractor is paying Lump Sum QC and then we add work, if they can prove they are paying hourly, we should review, and in some cases, we may pay.

- If we make a plan change that changes their earthwork, the contractor may have to go back and revise their data, if we can justify, we should pay.
- Label the Engineers Estimate and Entitlement Analysis as such. The Engineer's Estimate needs to match what you pay, if not, you should have a reason for paying more. An Engineer's Estimate can be adjusted up based on the additional information that you receive. Keep the original estimate, initial it and date if you make the changes.

Jennifer Taylor & Steve Lange (See PowerPoint Presentation)

- Streamline Contracting – John Burnette spreadsheet
 - All contracts are the same regardless of funding source any contract \$2 million or less or 2,000 tons or less. Be sure your contract says it is a streamlined contract
 - Cost and time savings in contract administration, reduction in final estimates paperwork, consistency in contracts.
 - What is required for Final Estimates on a streamline contract? (See spreadsheet)
 - Concept is the contractor submits an invoice we review and pay. You need as-builts, final invoice, time folder and supporting documentation for any changes.
 - Contractor's process is still the same for QC. Under current specifications if you have 2,000 tons or less the material testing is reduced.
- Do we need VT roadway reports? No, we do not need the actual reports less than 2,000 tons would be visual inspection only. If you need to document something then you could do it on the Daily Work Report.
- NTP's
 - All NTPs will come from the district office regardless of the contract. Within 30 days for construction contracts and 60 days if maintenance. If you have a maintenance contract and you move the NTP you will need to contact DOCO and issue a work order to make the change.
- Notice of Beginning & Final Acceptance
 - Notice of beginning and final acceptance: everyone should use the shared e-mail address and send notification.
- Sublets
 - All sublets should come to the district office and they will input.
- Weather letter distribution/e-mail templates
 - By e-mail using the new e-mail templates.
- All dailies in sitemanager construction and maintenance – if you are having a problem contact DOCO.
- Zero dollar work orders / spec changes
 - On the website as generic for consistency. Enter your project information.
 - Make sure you notify Alida Schmitt on all work orders, you can send a copy; send her an e-mail with the hummingbird link or the spreadsheet.
 - <http://www.dot.state.fl.us/construction/DistrictOffices/d5web/files/pdf/Federal%20Aid%20NonParticipating.pdf> (Link to federal/non-federal participating CPAM)

- SA coding
 - Proper sequence for coding SA's the first numbers should be the reason code then, avoidability codes, Cost recovery code and then claim/extended limits code. The coding sheets will be scanned in order on the D-5 website to prevent any further confusion.
- Work orders – participating & non-participating amounts
 - DOCO will enter the federal information into Sitemanager and will then be pulled into CIM. See CIM to determine the federal status of you projects.
 - If it is premium then it is not federal aid participating.
 - Make sure the correct drop down types are selected in Sitemanager.
 - Use CPAM (7.3.11.10) as a guide for what the Feds will/will not participate in.
 - What if you have participating/non-participating on one work order?
 - With appropriate remarks in sitemanager breaking it out, you will be fine.
 - Full federal over site, all changes are approved by federal representative.
 - Exempt projects – the field makes the call for approval.
 - The feds rule of thumb, if it's not premium they will pay for it.
 - JPA's – feds do not participate. The money comes from the local agency.
- CPPR Category 1
 - On category 1 if the contractor's schedule shows them working a different work week other than 5 day, you should grade pursuit of work accordingly. Begin with jobs from this day forth. Base time on original accepted schedule per Tally. Suggestion to put a note in the comments noting what the work week is. We shouldn't be changing back and forth throughout the project. Contractor begins with 5 day work week then they change for a couple weeks to a 6 day work week we would continue with the 5 day work week. You can use the revised updated schedule.
- Electronic Distribution – Tallahassee is sending contracts electronically
 - DOCO will distribute accordingly.
 - District let contracts 2 copies.
 - Tallahassee let contracts 4 copies.
 - If you need more copies contact Jennifer Taylor.
- CIM Warranty Tracking
 - Go to CIM then to Value Added Features (See links in PowerPoint presentation)
 - ADHOC on Dashboard (See links in PowerPoint presentation)
 - You can go to dashboard directly from CIM
 - Run gas and diesel from dashboard. (See links in PowerPoint presentation)
 - Begin using the report for gas and diesel immediately. There have been some problems with consultants and their software.

- Note: Run your estimates this way this month.

Jonathan Duazo

- CFL Roads <http://www.cflroads.com/>
- Economic Stimulus <http://fdotd5stimulus.com/>
 - Design Build

- **Lunch 11:45 – 12:45**

Frank O'Dea/Abel Sierra (See PowerPoint Presentation)

- Review of Scheduling specification (See PowerPoint Presentation)
 - This is the second part of a three part training
 - Bids are coming in lower than the engineer's estimate
 - If contractor is delayed and we owe time; we want to give that time at that time.
 - CPM schedule is in jobs \$5 million and greater and not a milling and resurfacing project.
 - Specification 8-3.2 Review (See PowerPoint presentation)
 - The specification says submit schedule at the Precon or within 30 days after execution. When do you really need the schedule? By the time you begin work and within time to review it. If the contractor doesn't provide the schedule at the preconstruction conference you should at least agree on a date that is acceptable to both. If the contractor does not provide the schedule by the deadline agreed upon then you could write deficiency letters.
 - Schedule should follow the MOT Phases, contractor could change the MOT phases but he would need to submit a signed and sealed changed TCP.
 - Utilities need to be shown in the schedule. How do you know if the utilities in the schedule are correct? Compare with utility schedules, check with utility coordinator.
 - Give schedule to utilities for review get their buy in. Give them a deadline.
 - Engineer will withhold monthly estimates – if you make the recommendation Frank will back you.
 - Provide monthly updates - the new specification version will read within 7 days after cut off provide monthly update. The current specification does not give a time frame.
 - Consultants- we expect you to have the resources within your company to review and accept schedules. Direct specific questions to Jonathan or Abel. In-house should also use Jonathan and Abel as a resource.
 - Phase is what? MOT phase
 - Is the schedule required to be cost loaded? Yes, per the specification.
 - Prominently identify the critical path – normally in red.

- What is a near critical item? Critical zero float or no float is critical activity. Pipe is the critical, but another item has 3 days of float so the secondary activity is the near critical item.
- If you are on a CPM job you do not need the controlling item of work plan, it only complicates issues.
- A schedule narrative is very important. Will point out logic changes, report will tell us why and how he is organizing his work.
- Schedule Content – show shop drawings, procurement, stockpiled materials.
- Durations not longer than 20 days, break it down into smaller pieces. It becomes more realistic when you break it down.
- More detail will be covered on logic override and out of sequence operations in Session 3 of scheduling training.
- Resource Leveling – can't use it.
- Weekly Meetings – set up by engineer and agreed upon by the contractor. Use the schedule as a tool to bring things forward.
- At the weekly meeting pull out the two week look ahead and discuss with the contractor what he did/did not accomplish the previous week.
- What do you use the two week look ahead for? To schedule staff, notify materials to schedule staff and to track progress. Provide a copy of the two week look ahead to your inspector.
- ~~If the contractor submits a schedule that shows he will finish early and we delay he we could potentially owe him- See CLARIFICATION below.~~
- ~~Can you grant time when you still have float? Yes (Will discuss float in Session 3 of scheduling training) See CLARIFICATION below.~~
- Check your contract; is it a CPM project.
- Session 3 of the scheduling training will discuss more advanced CPM.

From: O'Dea, Frank

Sent: Monday, May 04, 2009 9:58 AM

Subject: CLARIFICATION regarding April 2009 Contract Administrator Update Training Minutes

At some of the sessions, we had a good discussion about how to deal with requests for time and money when dealing with an “Early Completion Schedule.” After discussing my thoughts and interpretations of the current specification with the DCE’s statewide, I want to clarify what the specs say (and mean.)

Two important spec sections (in regard to dealing with a time or money request on an “early completion schedule”;

8-3.2.6 includes the statement: An extension of time for performance shall be considered only to the extent that a delay to an activity or activities exceeds the total float along the project critical paths.

8-3.2.7 includes the sentence: Any costs associated with meeting milestones and completing the project within the authorized Contract Time will be borne solely by the Contractor.

In other words, if a contractor has an early completion schedule, they will not get time or money compensation until they are delayed BEYOND the allowable contract time. The minutes have been revised to reflect this. If you have any questions, please call.

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