

THIS MEMO IS EXPIRED

November 29, 2000

MEMORANDUM NO. 33-00

TO: DISTRICT CONSTRUCTION ENGINEERS

FROM: Greg Xanders, State Construction Engineer

COPIES: Charles Goodman, Archie Montgomery, Clay McGonagill, Robin Naitove, Susan Laird

SUBJECT: CONTINGENCY WORK ORDERS NOT TO BE USED FOR CLAIMS

A question has recently arisen on the interpretation of "CPAM section 4.7.8.4 Costs" regarding the use of contingency work orders to pay contract costs associated with claims.

Contingency Pay Item Work Orders and Contingency Supplemental Agreement Work Orders are not be used to pay for the costs associated with claims.

Although this has occurred in the past and computer codes were provided to facilitate the practice, it is now our policy to pay the costs associated with claims by supplemental agreement or unilateral supplemental agreement. Contingency Pay Item Work Orders and Contingency Supplemental Agreement Work Orders shall not be used to pay for an issue if the costs required to settle that issue with the contractor exceed the maximum justifiable amount of the engineers estimate as outlined in Standard Specification 4.3. The computer tracking system for contact changes will be amended to prevent the entry of claim costs associated with all Contingency Work Orders in the near future.

If you have any questions regarding this change, please contact Randy Borgersen (SunCom 994-4168 or E-mail CN982RB).

GX/bc