

**FY 2014/2015 QC Category No. 16A**  
**STATEWIDE INSPECTION GUIDELIST**  
**Claims**

***FOR ALL CLAIMS***

1. The Contractor must provide notification in writing to the Project Administrator, of the Contractor's intent to file a claim. [Spec. 5-12 and CPAM 7.5.4]
2. The Contractor's notice of intent must be given prior to work beginning on the item which the claim is based. [Spec. 5-12 and CPAM 7.5.4]
3. The notice of intent should contain a statement as to what changed, who directed or caused the change and how the change will impact the Contractor including the amount of damages if known. [Spec. 5-12 and CPAM 7.5.4]
4. If the claim involves a utility, the Project Administrator must immediately notify the utility owner by letter signed by the Resident Engineer. [CPAM 7.5.6.1]
5. Claim situations must be documented on the Daily Report of Construction, Daily Diary, (Form No. 700-010-13). [CPAM 7.5.7.1]
6. The following claim documentation is required as a minimum: Equipment type with identifying numbers; hours including idle time; the number of workers, their classification and hours worked; materials types and quantity of each material used. [CPAM 7.5.7.3]
7. The Project Administrator shall maintain a separate claim file of all documents related to the claim. [CPAM 7.5.7.4]
8. As soon as the Contractor's claim package is received, the Project Administrator shall review it for completeness, request further documentation if the package is incomplete and forward a copy to the utility owner if the claim involves a utility. [CPAM 7.5.9]
9. As soon as the Project Administrator determines the Contractor's claim package is complete, the Project Administrator shall compile all relevant documents and review the claim package. The Project Administrator shall then prepare an Entitlement Analysis and an Engineer's Estimate. [CPAM 7.5.9.2 and 7.5.9.3]
10. After reviewing the claim package the Project Administrator shall forward a copy including the Entitlement Analysis, the Engineer's Estimate and any relevant documents from the claim file to the Resident Engineer for review.

[CPAM 7.5.9]

**FOR ALL CLAIMS... continued**

11. The extent of compensation for labor, equipment and material costs shall be as specified in Section 4 of the applicable contract specifications. [CPAM 7.5.9.3]
12. Compensation for claims for extra work shall be as detailed in Specifications. [Specs. 4-3.2 and 5-12]
13. If the compensation includes markups, no additional compensation shall be allowed for profit and overhead. [Spec 4-3]
14. Profits and markups are not allowed on delay claims; the Contractor is only entitled to recoup delay costs in accord with Specifications 4.3 and 5.12. [CPAM 7.5.9.3]
15. Loss of anticipated profit should not be considered due to the difficulty in verifying whether or not such profits are under the realm of Contractor risk. [CPAM 7.5.9.3]
16. Compensation for interest shall not be added to the Contractor's claim except as provided in Section 9-9 of the specifications. [CPAM 7.5.9.3]
17. If a utility owner, having been given the appropriate notification, fails to reach an agreement with the Contractor by 60 days of receipt of the claim, the Resident Engineer shall schedule negotiations with the Contractor. [CPAM 7.5.10]
18. If the Department settles a utility claim, recovery should be pursued from the utility company. [CPAM 7.5.10]
19. FHWA participation shall be determined per normal procedures for all claim settlements less than \$200,000.00 on FAP projects. [CPAM 7.5.11.1]
20. For claim settlements greater than \$200,000.00 on FAP projects, the DCE shall prepare a formal request for participation. The request will be sent to the State Construction Office for concurrence. [CPAM 7.5.11.2]
21. The District Director of Operations' certification must be obtained for all claim settlements greater than \$500,000.00. [CPAM 7.5.11.3]
22. Unilateral Payments may be used if the Contractor refuses to accept a settlement offer. [CPAM 7.3.5.2]
23. The Contractor may appeal a claim to a DRB if it is included in the contract. If not, the Contractor should be advised to address an appeal to the Regional DRB. [CPAM 7.5]

## **CLAIMS ON CONTRACTS LET JULY 2000 OR LATER**

24. If the claim involves a delay, the notice must be given within 10 days of commencement of the delay. [Spec 5-12]
25. The claim must be submitted within 90 days of final acceptance on contracts of \$3,000,000 or less and within 180 days on contracts greater than \$3,000,000. [Spec 5-12]
26. Compensation for delays to non-controlling items of work is limited to the direct costs of idle labor and equipment only, and only if the Contractor could not reasonably mitigate the delay. [Spec 5-12]
27. The Contractor's claim package must include all of the information detailed in specification 5-12.3. [Spec 5-12]
28. Once a written claim package is received from the Contractor, it cannot be increased for any reason. [Spec 5-12]
29. The Engineer shall respond to all claims on contracts of \$3,000,000 or less within 90 days of receipt of the certified claim package, and within 120 days on contracts greater than \$3,000,000. [Spec 5-12]
30. Interest shall be included in claim settlements starting 60 days from receipt of the certified claim package and ending on the date of settlement. [Spec 5-12]
31. The Contractor shall be entitled to compensation for the actual direct costs of idle labor, equipment and materials in the event of a delay. [Spec 5-12]
32. The Contractor is only entitled to indirect costs for a delay if the total cumulative days granted for delays to controlling items of work exceeds 10 calendar days. [Spec 5-12]
33. Compensation for all indirect costs for a delay, including home office and job site overhead shall be calculated in accord with the formula provided in specifications [Spec 5-12]
34. In the event of a concurrent delay to two or more controlling items of work, one or more being caused by the Contractor and one or more being caused by the Department, the Contractor shall only be entitled to a time extension and direct costs of the delay. No compensation is allowed for any indirect costs. [Spec 5-12]
35. Both the Contractor and the Department must keep daily records of all labor, equipment and material costs for each operation affected by the extra work or delay claim and must make the records available to the other party on a weekly basis. [Spec 5-12]

***CLAIMS ON CONTRACTS LET JULY 2000 OR LATER ... continued***

36. No compensation will be considered for constructive acceleration of the work, unless the Engineer orders the acceleration, the costs are agreed to prior to the work being accelerated and a Supplemental Agreement has been executed. [Spec 5-12]
37. All claims submitted by the Contractor must include a signed binding certification by the Contractor as to that claim's accuracy and completeness. [Spec 5-12]
38. Loss of profit, incentives and bonuses, any claim for other than extra work or delay, consequential damages, acceleration costs, attorney fees and claim preparation expenses are all non-recoverable items. [Spec 5-12]
39. All claims filed, by the Contractor, against the Department are subject to audit at any time following the filing of the claim. [Spec 5-12]