



PE/PS Workshop

Session # 11

Contract Administration

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State Construction Engineer, Indiana DOT

Keep up Daily your project Paperwork

It is very important to keep good records and documentation:

1) Daily Reports:

Don't get behind.

Record needed information required by the form.

2) Pay Items:

Know the proper way to pay for an item.

Measure as soon as you can so you can pay the contractor.



Contract Administration (Cont.)

3) Final Construction Record:

A good Project Engineer/Supervisor will have his final in good shape at the end of the project.

4) Project Punch List:

Walk the project

Explain your findings



Communication is Key

- 1) Keep your staff informed.**
- 2) Meet with the Contractor's representative everyday.**
- 3) Discuss w/ Contractor what is expected from you and specifications.**
- 4) Work with the contractor when you can at times.**
- 5) Keep your AE informed.**
- 6) Back up your inspectors / field personnel.**



Claims, Claims, Claims

INDOT is receiving more and more claims from Contractors.

In 1984 INDOT had about 1 to 2 claims per year at a cost of \$30k to \$100k.

In 2000 INDOT had about 4 to 5 claims per year at a cost of \$75k to \$300k .

In 2008 INDOT had 96 claims on the books to deal with at a possible payout value of \$42,486,781.00.

Why ???



Claims (Cont.)

Knowing these facts , good documentation is a MUST.

Construction Memorandum 07-07, Dated March 2007.

Created to help get the needed documentation.

Please read and use the form.

It can be used to document Dollars and/or time delays.

Put your thoughts down on the form along with the contractor's comments.



Claims (Cont.)

INDOT has a new specification dealing with Claims & Disputes.

**See Standard Specifications 105.16 & 104.02
(Included in your workbook)**

Developed with the help of FHWA

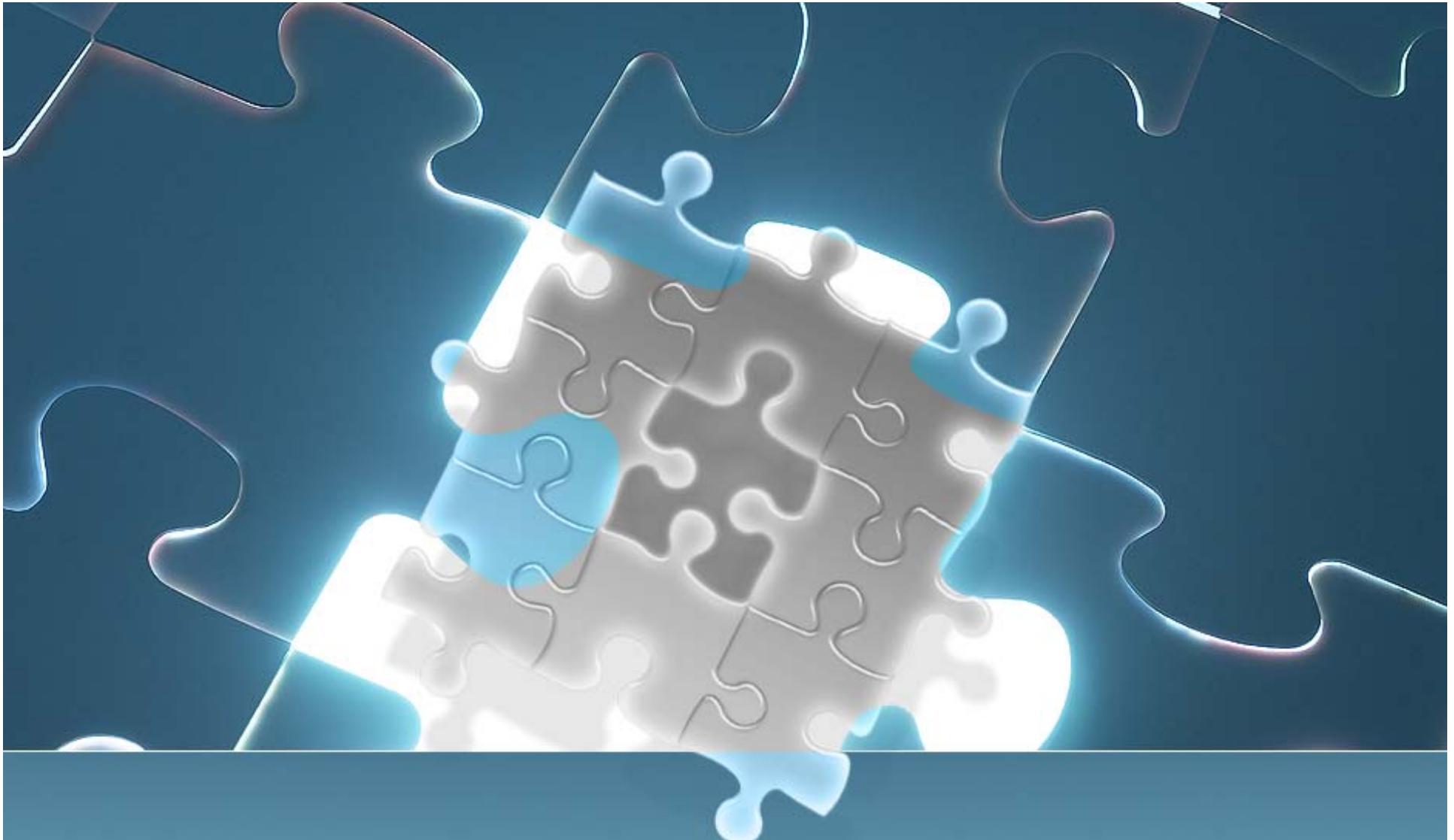
Contractor's Association (ICA) had input.

Know the details and time lines set out in the Specification.





2009 PE/PS Workshop



ChangeOrders



2006 Background Information on the New Change Order Policy

Guiding Criteria

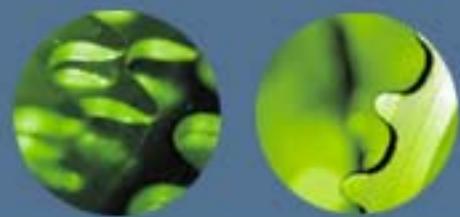
- Address report from IG Office
- Recognize new INDOT structure
- Streamline CO process
- Address scope & design change issues
- Use Change Orders as a management tool



Change Orders



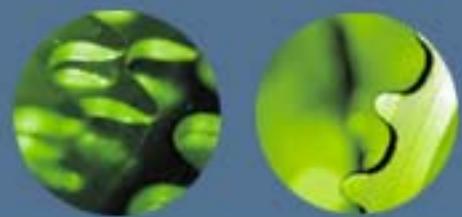
The purpose of a Change Order is to document an impact to a Construction Contract and to authorize the changes required to mitigate the impact.



INDOT Change Order Policy

CONSTRUCTION MEMORANDUM 06-18

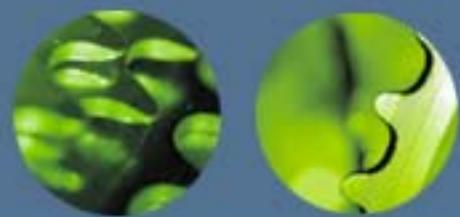
- Effective policy implemented on July 1, 2006
- Procedural instructions with several examples are provided in the GIFE (General Instructions to Field Employees)
- Documentation & Justification Requirements
- Change Order Reason Codes (Defined)



Change Orders

Document Impacts

- Identify causes of impacts
- Collect data on most frequent causes
- Make corrections to reduce impacts



Change Orders

Authorize Changes

- Protect integrity of the process
- Reduce scope creep
- Identify & manage fiscal impacts

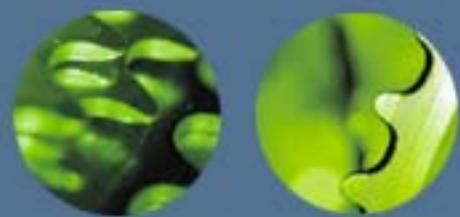
Change Order Comparison

Past & Present

	Old	New
Approval required prior to work ?	Y	Y
Clear & complete documentation ?	Y	Y
Design change requires prior OK ?	Y	Y
Purchase property for INDOT ?	N	N

Change Order Comparison Past & Present (Con't)

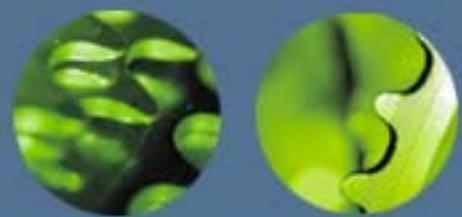
	Old	New
Maximum approval levels for \$	6	4
Maximum approval level at District	\$1M	\$750 K
Account for affect on DBE ?	Y	Y
CO reviewed when % exceeds	20%	5%



PE/PS Authority

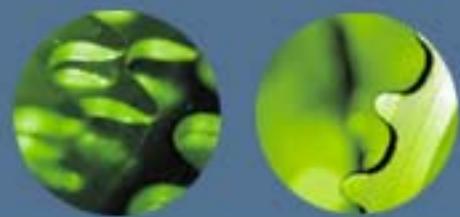
PE/PS authorized to build contract as originally intended. No Change Order required for overruns within limits:

- \$20 K sum total change per existing pay item
- \$250 K sum total for Contract
- Greater of \$20 K sum total for all original items or a 2% of the original contract amount



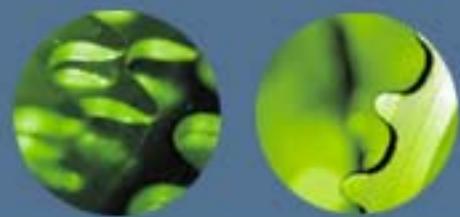
Other Change Order Requirements:

- Federal Highway Administration (FHWA) approval is needed on an oversight project.
- Local Public Agency (LPA) approval is needed on projects with local funding
- INDOT program budget manager approval is needed for contracts that will exceed 5% of the original contract amount



Monetary Approval Authority

<u>Approval Authority</u>	<u>Maximum CO Amount</u>
• Area Engineer	\$250,000
• District Construction Engineer	\$750,000
• State Construction Engineer	\$2,000,000
• Director, Division of Construction Management	Over \$2,000,000



Change Order Summary

- Approved Change Orders become part of the Contract documentation and are included in the Final Construction Record.
- Change Orders to a contract must have documented approval by the appropriate authority level before any extra work may proceed on the contract.

Contract Time Extensions



Contract Time Extensions

- A Time Extension may be granted when conditions beyond the control of the Contractor result in the Contractor's inability to complete a contract within the original contract time.

Contract Time Extensions

CONSTRUCTION MEMORANDUM 06-18

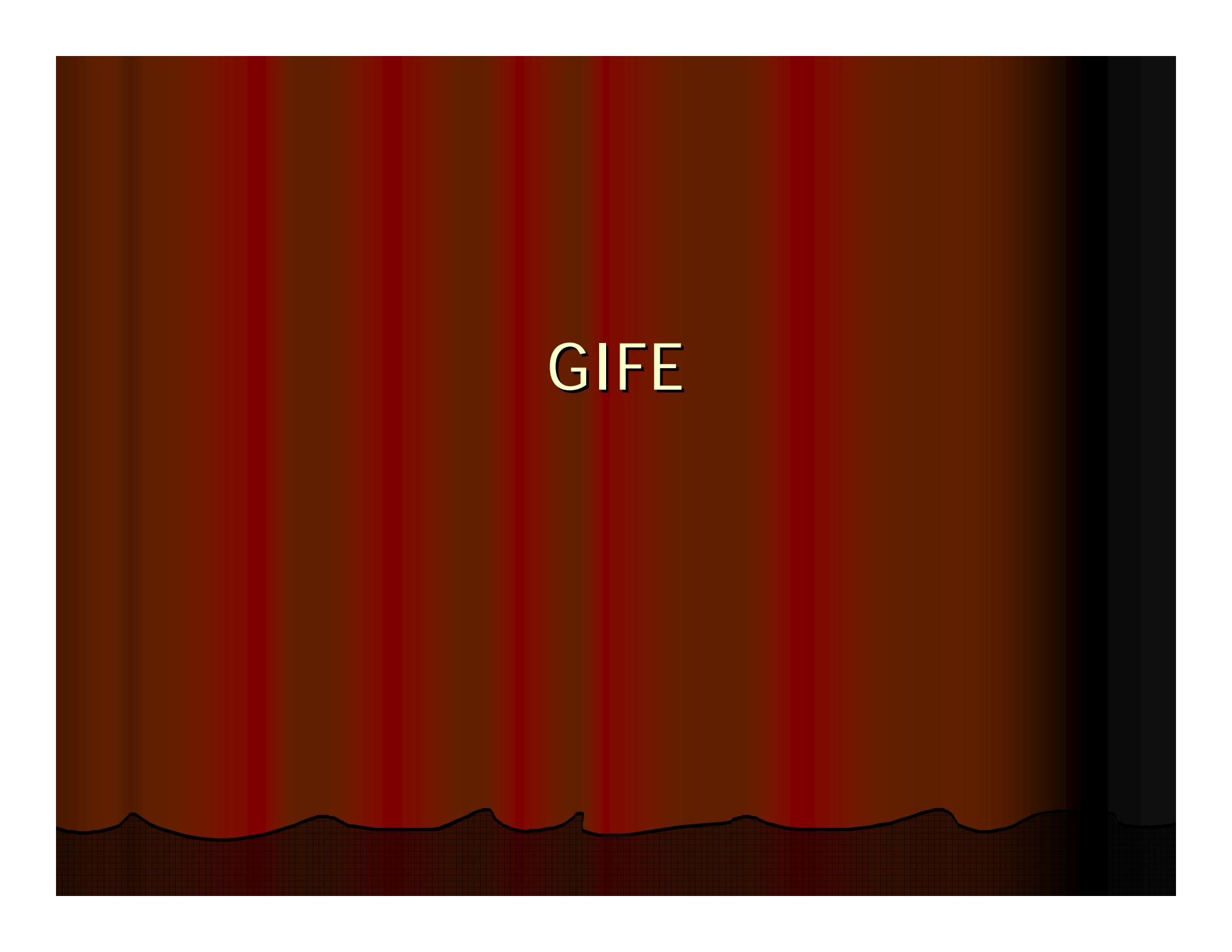
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- Documentation & Justification Requirements

Time Extension Approval Authority

<u>Approval Authority</u>	<u>Contract Days</u>
● Area Engineer	50
● District Construction Engineer	100
● State Construction Engineer	200
● Director, Division of Construction Management	Over 200

Time Extension Summary

- A request for change in Contract time submitted by the Contractor to the Project Engineer/Supervisor (PE/S) must include documentation justifying the extension. The documentation should include the Contractor's original and revised schedules.



GIFE

GIFE

- General Instructions to Field Employees
- Available on CD Publication - See INDOT Construction and Design Reference Guide (September 2007)
- Available on Hard Copy - See INDOT Publications List \$15.00 (2002 Edition)
- Other Construction Memorandums – See INDOT Internet - Doing Business with INDOT – Contractors – Construction Memorandums

INDOT PUBLICATION SEPTEMBER 2007

Effective from September 1, 2007 through August 31, 2008

Documents

ctions Book

New Updates

Drawings

New Updates

Indiana Design Manual

Temp. Erosion & Sed. Control

Work Zone Traffic Control

Other Resources

General Instructions

Construction Memos

Partnering Handbook

Environmental Manual

INDOT Safety Manual

Helpful Information

Links to Latest Updates

Text Search

Important

This CD contains the latest information available but it may become out of date.
Please check the INDOT Home Page on the internet for the latest information for your specific time period.

Administrative information,
please contact:

Customer Management

For Technical Assistance,
please contact:

Customer Service



INDIANA
DEPARTMENT OF TRANSPORTATION

GENERAL INSTRUCTIONS

TO

FIELD EMPLOYEES

CONTRACTS AND CONSTRUCTION DIVISION



2002



Questions ?



Contract Administration

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Construction Schedules

- Why have them?
 - Plan and schedule the work for Contractor and INDOT - efficiency
 - Respond to public inquiries
 - Basis for evaluating the effects of changes; claims resolution
- The schedule should be used in the preparation of the bid and the management of the project.

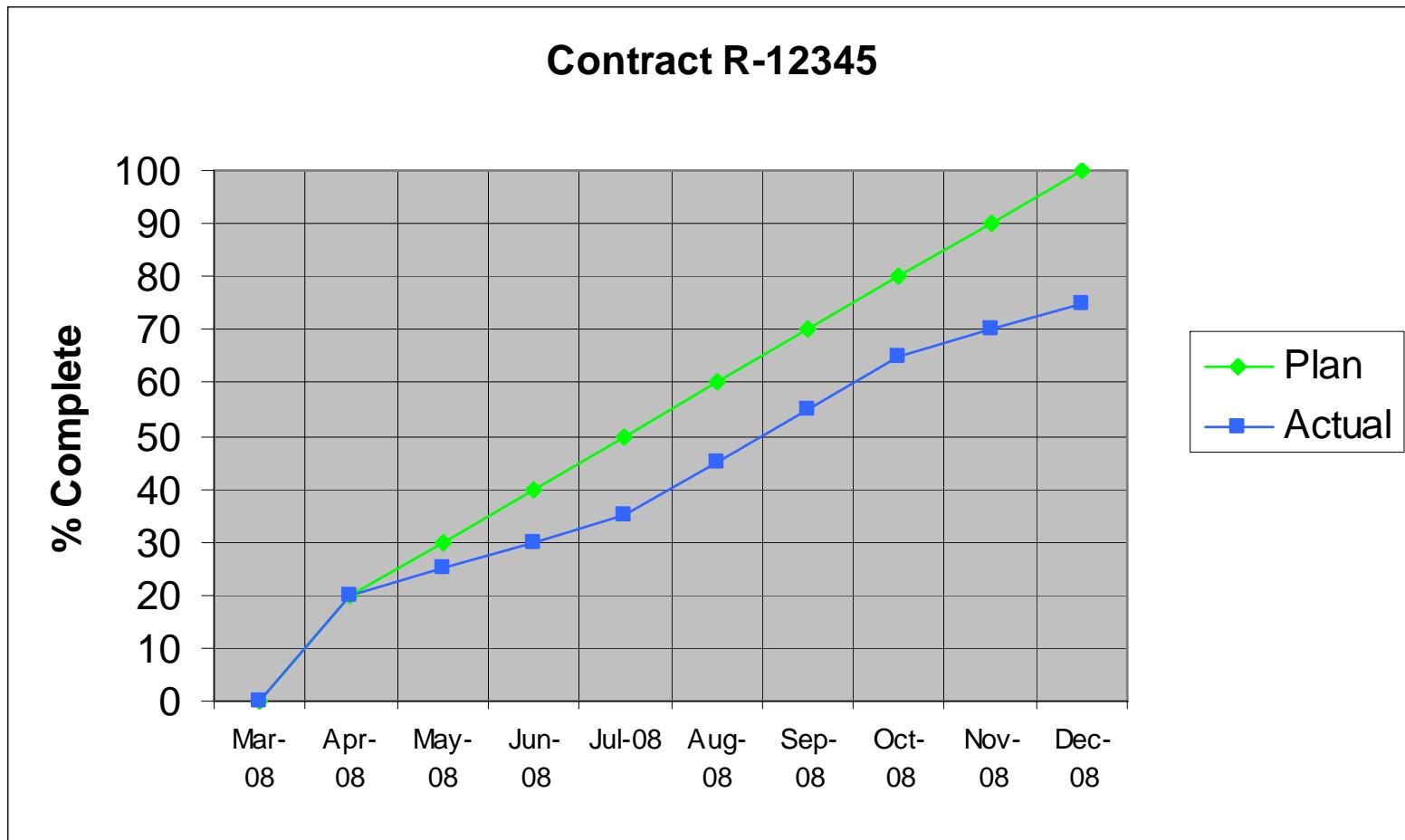


Construction Schedules

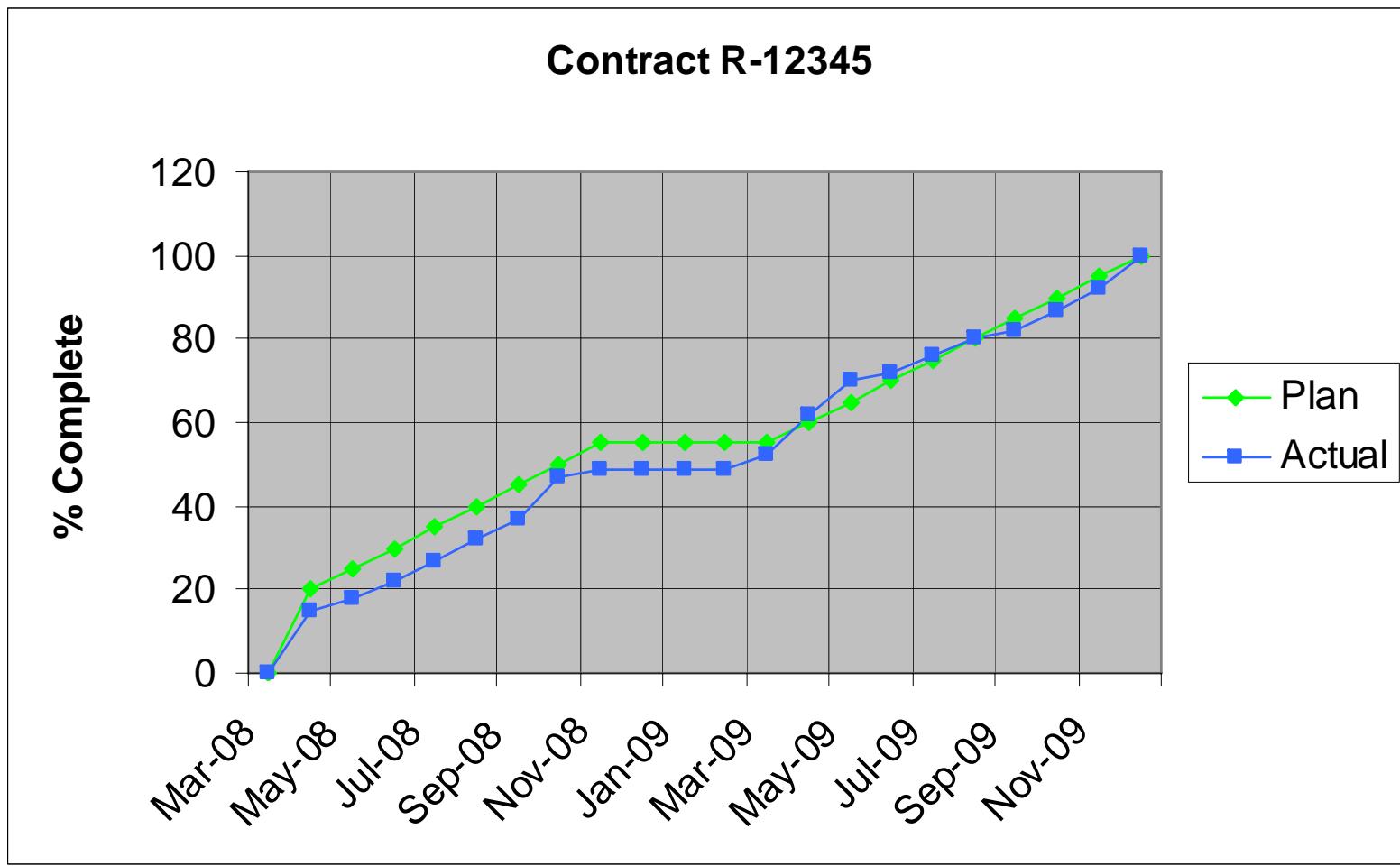
- SS 108.04 (Contracts > 60 calendar days)
- Due at Pre-con
- Work activities, dates
- Accept not approve
- Review monthly
- Revise when requested
- A current **ACCEPTABLE** schedule is req'd for progress payment



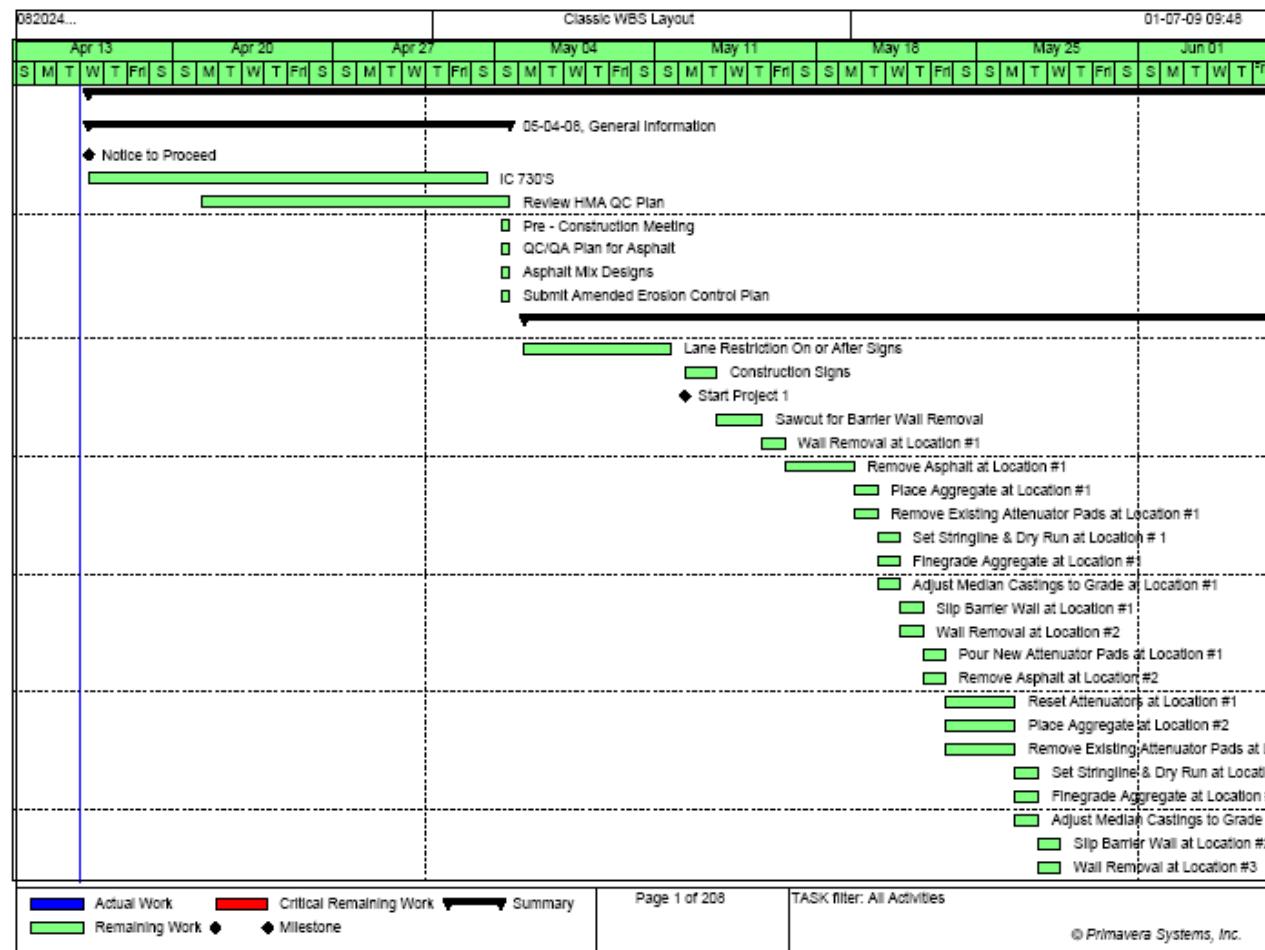
Construction Schedules – Old



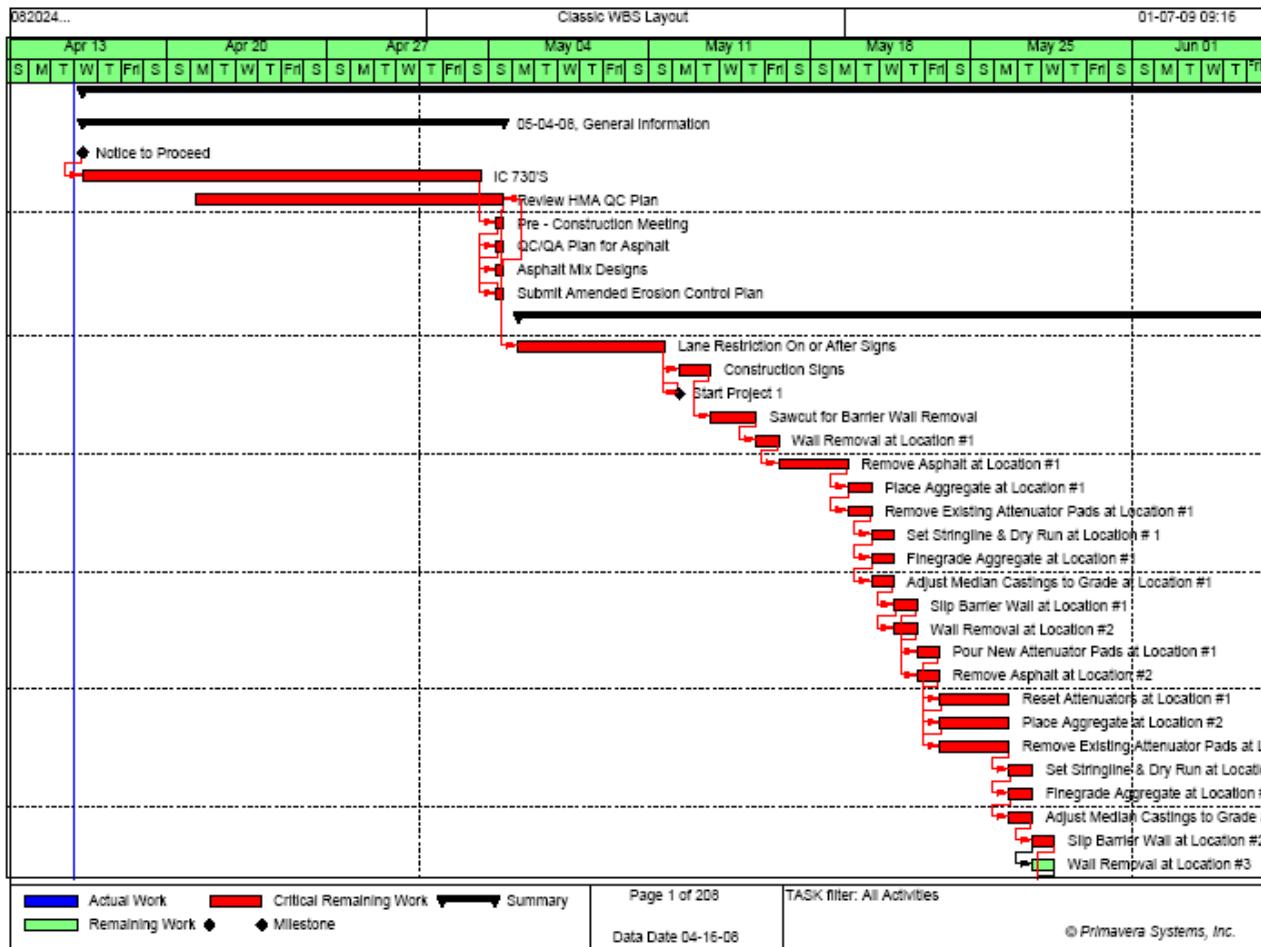
Construction Schedules - Old



Construction Schedules – Bar Chart



Construction Schedules - CPM



Construction Schedules

Required:

- Account for all major activities
- Start/end dates for each activity
- Contract dates
 - Early start dates, closure periods, ICD's, CCD
 - Special Provision dates – environmental, construction schedule, utility allotment
- Reasonableness
- Weekly work schedule should be discussed



Construction Schedules

Original Review Tips:

- Identify controlling operation / critical path
- Maximum activity durations
- Include owner activities



Construction Schedules

Monthly Review Tips:

- 2 or 3 wk look-ahead schedules should only be more detailed versions of the master schedule
- Revise schedule monthly even for delays with undetermined endings
- Request revision (recovery) if more than 2 weeks behind schedule
- Maybe show progress on schedule





Controlling Operation & Inclement Weather

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Controlling Operation Inclement Weather (IC-124)

- SS 108.08: A weekly statement will be furnished [by the Engineer] to report the past week's controlling operation
 - Criteria for determining controlling operation
 - Construction Memos 06-26 & 07-22
- Fraction of day workable: See SS 101.02: Above normal inclement weather
 - SS 101.73 DOES NOT APPLY – PE/PS will need to evaluate Sat/Sun/Holidays.
- Contractor has 1 week to protest; must include an explanation or protest will be rejected



Controlling Operation Inclement Weather (IC-124)

- Fraction of day workable considers site conditions within R/W only [not borrow sources]
- Considers rain, wet soil, cold temp, high winds
- Handle Acts of God, i.e. floods, tornados, etc. separately



Controlling Operation Inclement Weather (IC-124)

- PE/S to evaluate inclement weather at each contractual date upon Contractor's request.
- Second evaluation upon actual completion of work pertaining to the contractual date.





Inspection Priority

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Construction Inspection Priority

- Assure INDOT, LPA, FHWA and the public that the work is done properly.
- Efficient and economical utilization of inspection resources



Construction Inspection Priority

All of below assessed by PE/S:

- The type of work being performed
- Availability of inspection resources
- The experience/skill level of contractor doing the work



Construction Inspection Priority

The major risks associated with the construction of any project are:

- Safety or inconvenience of the public
- Cost to repair unacceptable work – bridge deck
- Structural integrity – piling, retaining walls
- Effects on longevity
- Environmental impacts
- Possible delays
- Potential claims



Construction Inspection Priority

What does this exclude?

- Most removals, clearing
- Excavation for pipes
- TESC
- Bridge painting
- Guardrail, fence, R/W markers, etc.
- Incidental concrete
- Most signs, lighting, pavement markings
- Landscaping – seed, sod, mulching, plantings
- Others?



Construction Inspection Priority

What happens to incomplete tasks?

- Measurement
- Sampling & Testing

