

## Local Public Agency Construction Contract Administration Guidance

This Attachment is only to be used for Local Public Agency administered projects. For projects administered by the Iowa DOT, refer to Chapter 2 of the [Iowa DOT Construction Manual](#). The Appendices for this Attachment can be found in Chapter 2 of the [Iowa DOT Construction Manual](#).

Chapters 1 and 3 through 12 are available in the [Iowa DOT Construction Manual](#).

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## **2.00 PROJECT ORGANIZATION**

### **2.01 AUTHORITY OF ENGINEER**

Oversight responsibility for construction contracts on Local Public Agency (LPA) projects using Federal-aid rests with the Iowa DOT Administering Bureau, which is the Regional Local Systems Field Engineer or the Systems Planning Bureau. The Iowa DOT Administering Bureau also has oversight responsibility of LPA projects that utilize Federal-aid Swap, Farm-to-Market (FM) and State-aid funding, as detailed in various other Local Systems I.M.s. Responsibility for the actual construction inspection and the day-to-day contract administration is delegated to the public employee designated as the Person in responsible charge (PIRC), as defined in [I.M. 6.000](#), of the project on behalf of the LPA, and ultimately rests with the Project Engineer.

For county or city projects, Project Engineer decisions are subject to review and concurrence by the appropriate staff person from the Iowa DOT Administering Bureau. For projects overseen by Local Systems, this person is the Local Systems Field Engineer. For projects overseen by the Systems Planning Bureau, this person is the appropriate Grant Project Manager.

The Project Engineer has authority to administer construction contracts according to the contract documents and assign and supervise inspection personnel on construction projects. Project Engineer decisions pertaining to contract costs, time adjustments, or contractual agreements are subject to review and perhaps revision by the PIRC.

### **2.02 RESPONSIBILITY OF PROJECT ENGINEER**

The Project Engineer, who is assigned responsibility for supervision of roadway construction projects, is the key person in the field organization.

In assuming the responsibility for proper fulfillment of assigned construction work, the Project Engineer is also responsible for:

- Maintaining good relations with contractors, affected property owners, and the general public.
- Assigning personnel to inspection and survey operations on the project, along with providing the supervision and instructions necessary to assure proper performance of assigned duties.
- Keeping the Administering Bureau informed as to construction progress, status, etc.
- Maintaining complete project records and proper documentation.
- Assuring proper use of equipment and materials used in the performance of assigned duties.
- Keeping the PIRC informed as to the construction progress, status, and any issues that may need to be addressed.

While Project Engineers have responsibility for general supervision of the work, their main concerns are for compliance with specifications and project completion. It is not their responsibility to direct the everyday activities of the Contractor or their subcontractors.

## **2.03 DELEGATION OF RESPONSIBILITY**

The PIRC cannot and should not expect to retain all the duties and responsibilities. To have an efficient organization each employee, including the Project Engineer, should be delegated authority in line with their responsibilities and duties. The PIRC must check to see that delegated duties are properly performed.

All employees should accept delegated responsibility and make decisions within the authority delegated to them.

## **2.10 PRECONSTRUCTION**

### **2.11 PRECONSTRUCTION MEETING**

After award of the contract and prior to starting work on the project, the LPA shall schedule a meeting between the Contractor, Administering Bureau, PIRC, Project Engineer, and subcontractors. It is important to also invite any other affected or interested parties including utilities, railroad, emergency response, and businesses that may be affected by the construction. The meeting is generally conducted to discuss project requirements and administrative details. The items for discussion at the meeting and scheduling of the meeting will depend on the type and complexity of the project and the Contractor and their subcontractors' familiarity of Iowa DOT's procedures.

Minutes of the Preconstruction Meeting can be documented on the [Preconstruction Meeting Notes](#) form.

#### **Discussion Items**

The Project Engineer must consider the type of work, the experience of the contractor, and complexity of the project to determine the appropriate items for discussion.

Many contractors are experienced in working with Iowa DOT specifications and contract requirements. In these instances, the need for discussing administrative requirements and procedures in a meeting format may not be necessary and may be accomplished using a preconstruction questionnaire.

A comprehensive list of topics that may be discussed at preconstruction meetings or included in a preconstruction questionnaire is included at the end of this section. The guideline includes topics that may not be necessary or applicable to all contracts.

#### **Scheduling the Meeting**

Preconstruction meetings may be scheduled any time after the award of the contract and Iowa DOT Contracts and Specifications Bureau concurrence with the award. Often times, the meetings are scheduled well in advance of the time that the work will start in order to allow for coordination of utilities, work of other governmental agencies, or other construction contracts. While these meetings are productive in discussing the schedule of the project, key project personnel that will be directly involved with the project may not be available. In this situation the opportunity to

discuss critical quality issues between the project personnel that will have primary responsibility for the work may not occur.

Preconstruction meetings for projects that do not require detailed coordination efforts with other entities may be held on the project site just before the work begins. These meetings shall include the contractor and inspection personnel that will be involved in the project.

For complex projects that do require advanced coordination of the intended schedule, an earlier meeting should be held that would involve other appropriate people. These earlier meetings should focus on the planning efforts needed to achieve the intended schedule.

Assign the duties of taking minutes for the Preconstruction meeting to someone from the agency or consultant.

Prepare an [attendance list](#) to circulate at the meeting. This list should include columns for the attendees' name, organization name, telephone, cell, and email information. It is also recommended that columns for signatures and job titles be included.

## List of Discussion Topics

### A. Administrative Details

#### 1. Change Orders

Before commencing any work not covered by the contract, the Contractor and the PIRC must agree on the price or prices to be paid for the work. Extra work performed before this agreement cannot be considered for payment. The basis of payment for the cost of extra work follows four general categories:

- Contract unit prices
- Agreed unit prices
- Lump sum
- Force account

On force account work, the Contractor is required to record labor, equipment, and material furnished on a Statement of Force Account form ([Form 181213](#)). The form shall be signed by the inspector and Contractor's representative at the end of each day's work. Both the Contractor and inspector will retain a copy.

[Article 1109.10](#), Disputed Claims for Extra Compensations, of the Standard Specifications, details requirements for submitting Contractor claims. When the Contractor deems that extra compensation is due for work or materials not covered by their contract, they are required to notify the Engineer in writing before work begins on which the claim is based. The prior notice allows the Engineer an opportunity to evaluate the issue and, if necessary, consult with the PIRC, to address possible changes in the design when appropriate. The Engineer is to respond in writing to the Contractor's claim.

If Doc Express is being utilized for contract administration, the Change Orders will be made available in Doc Express.

2. Contract Documents

Contractors will see that copies of plans, specifications, and special provisions are available at all times to their representatives on the project.

Plan revisions will be mailed to the Contractor as soon as they are issued, or if Doc Express is being utilized for administration of the contract, the plan revisions will be made available in Doc Express. Contractors will be responsible for keeping their field representatives informed and supplied with such revisions. If the Contractor believes such revisions require extra work, they will immediately advise the Project Engineer.

3. Wage Rates (if applicable)

All wages paid must conform to wage and hour provisions prescribed for the contract. Crafts must be listed exactly as shown in the wage decision. Crafts not listed but needed shall be requested by the Contractor through the Project Engineer. Required payrolls must be submitted weekly and within seven days after the last day covered by the payroll.

The Contractor shall collect, sign, and submit all payrolls of approved subcontractors, as a group, to the Project Engineer, or if Doc Express is being utilized for administration of the contract, the payrolls should be submitted in Doc Express.

If the Contractor's payrolls are more than 2 weeks behind schedule, or more than 3 weeks behind schedule for subcontractors, the Project Engineer should advise the PIRC withhold progress payments on the items where payrolls are overdue or require corrective action.

4. Postings

Contractor shall be responsible for erecting and maintaining required postings as outlined in Sections 2.21 and 2.22 of this Attachment. Discuss methods and location of postings, especially for projects that are at multiple locations or are of short duration.

5. Materials

If the Contractor or their subcontractors want payment for stockpiled materials that have been fabricated for the project, they should provide a list of the types, quantity, and estimated cost of material expected to be stockpiled. For payment, refer to Section 2.51 of this Attachment.

The [Source of Materials List](#) is to be submitted to the Project Engineer, no later than the Preconstruction Meeting. The Project Engineer is to forward a copy of the list to the Iowa DOT District Materials Engineer.

It is suggested that the Contractor submits, or uploads to Doc Express, a list of the certified technicians that will be working on the project. This will allow the Project Engineer an opportunity to verify that the certifications are current.

#### 6. Subcontracting

On all contracts, the Contractor should have submitted subcontract requests electronically using the SiteXchange program as described in Section 2.25 of this Attachment." The Contractor is responsible for EEO and minimum wage compliance by all subcontractors in addition to fulfilling terms of the contract.

Details of subcontracts that have "Part Items" should be discussed at the preconstruction meeting. "Part Items" are those items that have a portion of the plan quantity subcontracted or a part of the work required for a contract item is subcontracted. It is especially important that "Part Items" subcontracted to DBE subcontractors be discussed so project personnel are informed of the work to be performed by DBE subcontractors (i.e. Commercially Useful Function).

For subcontract requests and requirements, refer to Section 2.25 of this Attachment.

#### 7. Project Supervision

The Contractor shall submit in writing, to the Project Engineer, the name of an authorized representative on the project. Representative will be empowered to coordinate with all operations of subcontractors and negotiate with the engineer any questions concerning extra work, including extra work performed by a subcontractor. If the Contractor wishes, this representative may be a subcontractor's employee that is present when work on the project is being performed.

#### 8. Weekly Report of Working Days

During the contract period, the Project Engineer will prepare and furnish the Contractor with a Weekly Report of Working Days form ([Form 830238](#)) showing working days charged that week or if Doc Express is being utilized for contract administration, the Weekly Report of Working Days will be made available in Doc Express. Objections to days charged must be submitted in writing to the Project Engineer within 10 calendar days after the receipt of the report. Objections based on delays due to unavailability of materials should be accompanied by copies of orders placed, acceptance of orders, and promised dates of delivery. Engineer will respond to the objection, indicating acceptance of the claim or reasons for rejection.

#### 9. Right of Way

All parties are reminded that roadway right-of-way adjoins private property. Any infringement or trespassing upon such private property could cause damage that would become a liability to the person or organization involved. Maintaining good relations with the public is also important.



## 10. Safety

Contractor must comply with provisions of the Federal and State Occupational Safety and Health Acts. Contractors are referred to [Article 1107.07](#) of the Standard Specifications regarding safety responsibilities on construction projects and the Iowa DOT [Construction Manual 12.03](#) regarding railroad company policies and agreements, if applicable.

## 11. Water Pollution

The Contractor's Erosion Control Implementation Plan (ECIP) and schedule for control of water pollution shall be submitted to the Project Engineer, or uploaded to Doc Express, prior to the preconstruction meeting. Storm water discharge requirements, if applicable, should be discussed. For projects regulated by NPDES storm water permit, identify the individual(s) that have completed the Iowa DOT Erosion & Sediment Control Basics (ESC Basics) web-based training and will be onsite daily and the Contractor's Erosion Control Technician (ECT). Additionally, the prime contractor's Water Pollution Control Manager should be identified.

Refer to [Section 2602](#) of the Standard Specifications and Iowa DOT [Construction Manual 10.30](#).

## 12. Payment to Contractor

For Secondary projects, the Contractor may request intermediate progress payments to be made on either a monthly or bi-weekly interval. Measurement of quantities may be based on contract quantities by a written Plan Quantity Agreement ([Form 830230](#)) ([Article 1109.01](#) of the Standard Specifications).

## 13. Contractor's Use of Social Media

Providing current information to local businesses and residents affected by a construction project is important. If a contractor intends to use social media (i.e. Facebook, Twitter, etc.), the project engineer is to notify the PIRC so they are able to view the information.

## 14. Contractor Furnished Sites

Contractor is responsible for identifying and obtaining all environmental clearances/permits and land-use permits required by federal, state, and local regulations for any contractor furnished sites used for obtaining borrow, depositing waste material, stockpiling or staging, or creating a haul/access road. These permits or clearances may include, but are not limited to 404 permits, NPDES permits, floodplain permits, and local land use permits. The contract may contain a requirement for the contractor to submit an Environmental Review Certification Form ([Form 536003](#)) for any contractor furnished sites/areas. On other projects, submittal of [Form 536003](#) is not required but encouraged.

Refer to Articles 1106.06 and 1106.07, Construction Manual 6.10 and 6.34, Environmental Review Certification Form User Guide ([Form 536004](#)), and FAQ's on "Environmental Considerations, Clearances, and Permits".

[https://iowadot.gov/construction\\_materials/FAQs/Environmental](https://iowadot.gov/construction_materials/FAQs/Environmental)

#### 15. Electronic Ticketing (E-Ticketing)

Will the Contractor be utilizing electronic tickets for any of the project materials? If so:

- a. What information will be required on the tickets?
- b. How will that information be displayed?
- c. Who will be responsible for ensuring the information is accurate and complete at the source?
- d. Who will be providing the information on the tickets in the field?
- e. Who will need access to the tickets and who will be responsible for adding those users?
- f. If a cellular signal on the project is not available, what provisions will be made so that the information will be available on the project site?
- g. Are any special devices necessary for accessing the E-ticket information? If so, who will provide them?

#### B. Project Details

On many projects it may be necessary for the Project Engineer to prepare and present an enlarged plan or map for showing location, special areas of concern, right of way restrictions, and staging.

Specific project information to be discussed includes:

- Anticipated work starting dates.
- Staging schedule ([Article 1108.02](#), J, or [Article 1110](#) of the Standard Specifications).
- Requirement for all employees to be wearing approved high-visibility apparel as per 23 CFR 655.603 and 6D.03.04 of the MUTCD.
- Signing and barricade responsibilities
  - State/county responsibilities ([Article 1107.09A](#), 1 of the Standard Specifications).
  - Contractor responsibilities ([Article 1107.09](#), A, 2 of the Standard Specifications).
  - Contractor's traffic control contact information, submitted if traffic to be maintained through construction areas ([Article 1107.09](#), A, 2, j of the Standard Specifications).
- Construction staking requirements.

- Discussion of items to be subcontracted and names of subcontractors. Commercially useful function of DBE subcontractors, suppliers, and manufacturers should also be discussed. (Section 2.25 of this Attachment).
- Equipment to be used – Contractor should identify equipment with greater than legal axle loads that is to be moved across bridges or pavements that will remain in place. Equipment with greater than legal axle loads ([Article 2001.01](#) of the Standard Specifications and Iowa DOT [Construction Manual 3.40](#)) must be either loaded on an appropriate trailer or specifically exempted. Requests for exemptions will be analyzed on a case-by-case basis by the Contracting Authority.
- Special notes on plans, proposals, and special provisions.
- Discuss advanced notification of pedestrian path closures as per [Article 2528.01](#), A, 10, of the Standard Specifications.
- Environmentally sensitive areas, including wetlands, mitigation areas, historical sites; and remind the Contractor that they must obtain necessary clearances for Contractor Supplied Borrow if they have not already done so.
- Pre-concrete conferences.
- Value engineering incentive proposals submitted by the Contractor ([Article 1105.14](#) of the Standard Specifications and Section 2.36 of this Attachment).
- **Railroad agreements and railroad flagging when applicable**

**C. Documents to be submitted by the Contractor:**

- Superintendent's name and contact information
- Foreman's name and contact information
- 24-hour Contact name and phone number
- Plant Inspector's name and contact information (if applicable)
- Traffic Control Technician's name and contact information (applicable only if the project includes an item for Traffic Control). Must be an employee of the Contractor and not the subcontractor.
- Erosion Control Technician's name and contact information (applicable only if the project includes a Storm Water Permit)
- [Source of Materials List](#) (see [Inspection Tools](#) website)
- Contractor's Co-permit for the Storm Water Permit
- Storm Water [Co-permittee Certification Statement \(Form 830215\)](#) for each subcontractors that will be performing work that could result in erosion or prevent erosion
- Borrow documents (applicable only if project includes Contractor Furnished Borrow)
- Example of Contractor's Daily Traffic Control Diary
- Staging schedule

- Traffic Control Plan (if applicable)
- Value Engineering proposal (if applicable)
- Erosion Control Implementation Plan

### **Utilities and Law Enforcement Attendance**

At preconstruction meetings, attendance of utilities and law enforcement personnel could be highly beneficial to all concerned. The Project Engineer should expend extra effort to assure attendance and open communication with utilities and appropriate law enforcement.

Relocation of utilities is of extreme interest to all concerned in the progress of the project. Meeting with individual utility companies prior to the preconstruction meeting to discuss their schedule for relocation is recommended. The appropriate time for this meeting to be most effective will depend on project specific circumstances (i.e. start date, letting date, extent of relocations required etc.) For safe control of traffic, the ability to discuss traffic control with all contractors and law enforcement could be highly beneficial. Local law enforcement officers (Local Police, Sheriff, or Campus Police) and Highway Patrol should be invited to attend preconstruction meetings when appropriate. Highway Patrol can be contacted through the Highway Patrol district office having jurisdiction over the area where the project is located. Communication and coordination with enforcement personnel regarding work zone staging changes is helpful in improving project safety.

It is beneficial to discuss utilities relocation, project staging and/or traffic control early in the meeting before more detailed and time-consuming construction matters are discussed. Discussion concerning drainage district tile locations and private tile locations should occur as both tile systems do not get located with the utility one-call system.

### **Other Preconstruction Meeting Attendees**

For Federal-aid projects, Representatives of the Civil Rights Bureau should be invited to preconstruction meetings to be available to answer questions about DBEs, AA/EEO, job postings, and any other questions regarding civil rights issues.

## **2.12 HAUL ROADS**

This section is usually not applicable for LPA projects. Negotiate between jurisdictions as needed.

## **2.13 STREAM CROSSINGS**

### **Permanent Structures - "Iowa Department of Natural Resources Notification of Completion of Construction" (DNR Form 37)**

When a permanent structure is to be constructed on a stream with a drainage area of 100 square miles in rural areas and over 2 square miles in urban areas, the DNR requires a permit to build the structure. The requirements are noted in the Iowa Administrative Code, Environmental Protection [567], Chapter 71, [567-71.1](#). The permit is obtained by the Bridges & Structures Bureau and issued to the Iowa Department of

Transportation. The permit will also cover a temporary stream crossing needed during bridge construction.

The DNR sends a [Notification of Completion of Construction card](#) with approval permit to the LPA. A copy of the permit should be forwarded to the Project Engineer. When the structure is completed, the Project Engineer will complete the copy of the [Notification of Completion of Construction card](#) and submit the original form to the Iowa DNR.

### **Temporary Stream Crossings**

Typically, if a temporary stream crossing is not permitted by the project's Section 404 Permit, the plans will contain a note indicating access is not allowed. However, the Section 404 permit should be reviewed to verify a temporary stream crossing is permitted on a project. For more information, refer to the Iowa DOT [Construction Manual 10.40](#) and Frequently Asked Questions at:

[https://iowadot.gov/construction\\_materials/FAQs/Environmental](https://iowadot.gov/construction_materials/FAQs/Environmental)

The requirements for Temporary Stream Crossings are specified in [Section 2547](#), Temporary Stream Access, in the Standard Specifications. Temporary stream crossings and causeways shall be constructed in accordance with [Standard Road Plan EW-401](#). Note that [EW-401](#) identifies the types of materials that are permitted to be used to construct temporary stream crossings and causeways and those materials **DO NOT** include soils.

## **2.14 WATER REGISTRATION AND PERMIT**

Any use of water which is a minor nonrecurring use, including roadway construction and maintenance, shall not require a permit. In lieu of a permit, this use may be registered with the Department of Natural Resources. Registrations usually extend for up to one year and may be extended by re-registration and re-permitting.

For any construction project requiring water amounting to 25,000 gallons or more per day, a "Registration of Minor, Nonrecurring Use of Water" (DNR Form 20) must be completed. An exception is made if the source is a city water supply; the Mississippi, Missouri, or Big Sioux Rivers; or the Des Moines River bordering Missouri.

The Contractor shall complete and submit the "Registration of Minor, Nonrecurring Use of Water" form (DNR Form 20) and a project location map directly to the Iowa DNR at the address listed on top of the form. A copy of the form is available in the Iowa DOT Construction Manual [Appendix 2-3](#). The Contractor shall provide a copy of the completed form to the Project Engineer.

Daily records or documentation of water usage do not need to be kept.

Duplicate copies of "Registration of Minor, Nonrecurring Use of Water" (DNR Form 20) can be made from blank sample in the Iowa DOT Construction Manual [Appendix 2-3](#).

## 2.15 WORKING AND SHOP DRAWING – SUBMITTAL & REVIEW

[Article 1105.03](#) identifies the contractual requirements for submittal and review of working and shop drawings including identification of the primary review office. All submittals of working & shop drawings shall be made to Doc Express, unless noted otherwise in the contract documents, for review by the Project Engineer.

Working and shop drawing signature requirements are clarified in the following:

1. In the case of the Contractor and their fabricator, working or shop drawing submittals do not need to be signed by a licensed Engineer if they are prepared from the information provided in the plans without any changes, and the contract documents (i.e. plans, specifications, etc.) do not state preparation must be by a licensed Engineer.

If the working/shop drawing preparer proposes design changes in their submittal, that would require them to have the submittal prepared and signed by a Professional Engineer licensed in the State of Iowa.

2. In the case of the reviewer who will approve the working/shop drawings; the same as above would apply. Also note that the review and approval does not relieve the submitter/Contractor from responsibility as to the overall correctness of the submittal as stated in [Article 1105.03](#).

## 2.20 CONTRACT ADMINISTRATION

This section provides instructions and guidance to the Contractor and Contracting Authorities for administration of construction contracts. Instructions include information on required reports or forms, equal employment opportunity, wage reports, training program, minority recruitment, and subcontracting. Copies of all Iowa Department of Transportation forms referred to in this section are included in the [Iowa DOT Construction Manual Appendix 2](#) and can be copied as needed. Electronic versions (Word, Excel or Adobe Reader format) of the forms are also available on the DOT's website: <https://iowadot.seamlessdocs.com/sc/> or on the Construction and Materials Bureau website: [https://iowadot.gov/construction\\_materials/Inspection-tool](https://iowadot.gov/construction_materials/Inspection-tool)  
Forms and Reports - Prepared by the Contractor:

<b>Form No.</b>	<b>Title</b>	<b>Reference Section</b>
<a href="#">102116</a>	Certification of DBE Accomplishment	2.25*
<a href="#">518002</a>	Certification of Subcontractor Payment	2.25*
<a href="#">830176</a>	Certified Transcript of Labor Payroll/Statement of Compliance	2.24*
<a href="#">830231</a>	Subcontract Request	2.25*
<a href="#">830215</a>	(Storm Water) Co-Permittee Certification Statement	<a href="#">10.33</a>
<a href="#">831240</a>	Change Order for Local Public Agency Projects	2.36*

**Forms & Reports - Initiated by Contractor, Prepared by Project Engineer**

[830230](#)

Contract Quantity Agreement

2.27\*

\* Indicates Section in the Attachment

**2.21 OCCUPATIONAL SAFETY AND HEALTH**

Occupational Safety and Health Act (OSHA) regulations (federal and state) apply to all construction projects. (Federal OSHA regulations are codified in 29 CFR, Sections 1910 and 1926.) Contractors are responsible for compliance with OSHA regulations and shall maintain a safe work site. Therefore, the Contractor, the subcontractors, and all of their employees must be familiar with the health and safety requirements of the act.

[Article 1102](#).19, E, 5 of the Standard Specifications require that a poster entitled "Job Safety and Health Form 70-8025" be displayed in a prominent place at all times.

Contractors can obtain OSHA forms and posters from:

Regional Director-OSHA	or	Labor Services Division
Federal Office Building		Department of Employment Services
210 Walnut		1000 E. Grand
Des Moines, Iowa 50309		Des Moines, Iowa 50319
515-284-4794		515-281-3606

23 CFR 634 addresses issues of worker visibility. The purpose of the regulations in this part is to decrease the likelihood of worker fatalities or injuries caused by motor vehicles and construction vehicles and equipment while working within the right-of-way on Federal-aid highways. The rule states that all workers within the right-of-way of a Federal-aid highway who are exposed either to traffic (vehicles using the highway for purposes of travel) or to construction equipment within the work area shall wear high-visibility safety apparel.

**2.22 EQUAL EMPLOYMENT OPPORTUNITY (EEO)**

**Contractor's Responsibility**

The Contractor, their subcontractors, and all of their staff who are responsible for the hiring, supervising, promoting, and discharging of employees shall be knowledgeable of their EEO/AA Policy. Their EEO/AA efforts will be reviewed on a company-wide basis rather than on project specific efforts.

1. Contractor's EEO Policy

The Contractor and their subcontractors shall have an EEO/AA policy approved by the Civil Rights Bureau, prior to awarding a contract or approving subcontracts which are \$10,000 or greater. The policy is to be reviewed and resubmitted each year.

The policy is to include:

- General operating statement

- Designation of EEO officer
- Definition of EEO & AA
- Company's recruitment policy
- Certification that the company does not possess segregated facilities
- Plan for employee training and promotion – If the Contractor or any of their subcontractors do not have a training program, their EEO/AA Policy shall state that there is no plan.

The Contractor and their subcontractors shall conduct periodic meetings with supervisory and personnel staff at least every 6 months to review and discuss the company's policy. All new supervisory and personnel staff shall be instructed of the policy within 30 days of being hired.

## 2. Postings

All required site postings shall be in a location that is easily accessible to all employees and applicants. The location should have been identified at the Preconstruction Meeting (see Section 2.11 of this Attachment). Postings may be fastened to a bulletin board, tool shed, or job office/trailer and protected from weather by glass or clear plastic. Postings that become soiled, faded, or otherwise illegible should be replaced. More than one posting may be necessary if there are multiple locations where workers report for work. Such cases typically occur on complex or long projects involving several different crews and/or subcontractors. The project bulletin board shall be in place before work starts and remain on the project until the project is completed and accepted by the Project Engineer ([Form 830435](#) is signed).

The following are required to be posted on the project bulletin board:

- Subcontractor Authorization and EEO Poster Notice provided by the Iowa DOT Contracts and Specifications Bureau that lists the name, address and phone number of the Contractor's and all subcontractors' EEO/AA officer. This form is considered the Department's written authorization of subcontractors for the contract.
- "Equal Employment Opportunity is the Law" (EEOC P/E-1)\*
- "EEO is the Law" Poster Supplement
- "La igualdad de oportunidades de empleo es La Ley" (Form EEOC-P/E-1) \*
- "IOE es la Ley" Cartel Suplementario \*
- Form FHWA 1022 – Notice of False Statement
- Form 70-8025 – Job Safety and Health
- WHD-1420 – Your Rights Under the Family Medical Leave Act of 1993
- WHD-1462 – Employee Polygraph Protection Act
- If predetermined wage requirements apply:
  - Current Pre-Determined Wage Rate Decision
  - Form WH-1321 Employee Rights Under the Davis-Bacon Act
  - Form WH-1321 SPA Derechos Del Empleado Bajo La Ley Davis-Bacon \*

\* The Spanish version of these posters is recommended where Spanish speaking employees or applicants are likely to occur.



Electronic files of the posters are available for printing by the Contractor on the Civil Rights website:

<https://iowadot.gov/civilrights/documents-forms-and-reports>

### 3. Reports and Records

The Contractor and their subcontractors are required to maintain records to document compliance with EEO/AA requirements for a period of 3 years following completion of the contract.

These records include:

- Number of minority/non-minority/females employed in each classification
- Progress and efforts made in hiring minorities and females

The Contractor and their subcontractors shall submit the following documents to the Civil Rights Bureau:

- Their company's EEO/AA Policy annually
- Annual report each July listing the number of minorities/females/non-minorities in each classification in July (FHWA-1391)
- When requested, documentation of periodic meetings, inspections, and investigations

The Contractor and their subcontractors who have not complied with the specification may be required to submit a plan for corrective action to the Iowa DOT Civil Rights Bureau. Failure to correct the deficiencies may result in suspension of that contractor's bidding privileges for a period up to one year.

### **Project Engineer's Responsibility**

While responsibility for complying with EEO requirements is solely the Contractor and their subcontractors, the Project Engineer's responsibility on contracts include:

#### 1. Subcontract Request

Refer to [I.M. 5.030, Attachment B](#), Iowa DOT Letting Process, for instruction on how to manage subcontractor requests before the contract is executed. For additional requests or modifications to existing requests, the Contractor and their subcontractors are to submit the forms to the Project Engineer. The Project Engineer should confirm that the subcontractor has an approved EEO/AA policy and that the amount subcontracted does not exceed 70% prior to approving the subcontract. The Project Engineer forwards the .CON file (before award) or [Form 830231](#), Subcontract Request, to the Contracts and Specifications Bureau for processing. A list of contractors with approved policies is available from the Civil Rights Bureau.

## 2. Review of Project Bulletin Boards

Inspection staff is to review the Contractor's bulletin board for required notices/posters. Progress payments may be suspended if the appropriate notices/posters are not displayed on the project site. Work may be suspended for continued non-compliance. At least one inspection shall be made on contracts of short duration (six months or less). If the contract exceeds 6 months, at the start of every 6 month period, a site inspection shall be performed to ensure that the documents are still correct and legible. If the project's bulletin board is damaged an inspection shall be performed after repairs have been made to ensure that it meets the requirements. Reviews shall be documented on [Form 650170](#), Project Engineer's EEO Project Site Inspection/Wage Rate Report.

## 3. "EEO Project Site Inspection/Wage Rate Report"

After reviewing the project's bulletin board, the inspector's findings should be documented on the "Project Engineer's EEO Project Site Inspection Wage/Rate Report." This report includes a checklist of the required postings. This report also serves to document the wage-rate interviews of the Contractor and subcontractors' employees. A copy of this report is provided in the Iowa DOT Construction Manual [Appendix 2-10](#). The completed report is to remain in the Project Engineer's file and a copy uploaded to Doc Express.

## 4. In-depth EEO Inspections

On selected contracts, staff from the Iowa DOT, Civil Rights Bureau may request that a more detailed EEO interview be conducted. The in-depth interview/report will coincide with EEO reviews of the home office conducted by staff from the Civil Rights Bureau. The Civil Rights Bureau staff will provide their request and instructions to the Project Engineer at the time of the in-depth review.

## 2.23 TRAINING PROGRAMS

Requirements for training of all contractors' employees are included in the EEO/AA specification, [Article 1102.19](#). The Contractor and all of their subcontractors are required to have a written training and promotion plan when their three-year average of all work contracted (including subcontracted work) with the Department equals or exceeds \$5,000,000. The required minimum number of trainees is dependent on the amount of work under contract.

Responsibility of the Contractor and all of their subcontractors

When required, the written training and promotion program shall include details such as:

- Designated crafts of trainees

- Maximum ratio of one trainee to 3 journey-workers (by craft)
- Methods for training and number of hours required for training
- Payment to trainees  
Rate of pay for trainees shall be described as a percentage of journey worker's rate of pay. Trainees' rate of pay shall be at least the appropriate rate that is specified in their approved training program. The Project Engineer should verify with the Civil Rights Bureau that the Contractor and all of their subcontractors have an approved training program if trainees are being paid less than full Davis-Bacon wage rates.  
Individuals enrolled in a training program shall be paid benefits as outlined in Section 2.24 of this Attachment.  
After a trainee has completed his/her training program, the trainee's base wage rate shall be increased to the Davis-Bacon's wage determination for that job classification.
- Records  
The Contractor and all of their subcontractors shall furnish a copy of the program to each trainee as well as a certification of satisfactory completion. All contractors shall submit an annual training report to the Civil Rights Bureau documenting their training efforts for the year.

## 2.24 DAVIS-BACON WAGE REQUIREMENTS

### Certified Transcript of Labor Payroll

#### A. Regulations

Regulations covering interstate, primary, secondary, and city projects financed in whole or in part with federal funds may require submission of a "Certified Transcript of Labor Payroll" ([Form 830176](#)) in accordance with "Required Contracts Provisions" (Form [FHWA-1273](#)). These requirements will be included on the proposal and shall be carefully studied and observed. A copy of [Form 830176](#) is provided in the Iowa DOT Construction Manual [Appendix 2-14.1](#).

Davis-Bacon regulations apply to laborers and mechanics employed by the Contractor and subcontractors on, adjacent or virtually adjacent to the "Site of the Work". "Site of the Work" includes the physical location of the work called for in the contract documents. Also included are tool yards, batch plants, borrow pits, etc. provided they are dedicated exclusively to performance of the contract and "provided they are adjacent or virtually adjacent to the site of the work".

The U.S. Department of Labor has interpreted "adjacent to the Site of Work" to indicate a common boundary, while "virtually adjacent" indicates a small separation between the project and temporary plant site.

Temporary plants, Contractor Furnish Borrows, or the Contractor's staging yard established for a project would be considered "Site of Work only when the site is:

- adjacent (common boundary between the project and plant site) or
- virtually adjacent (for example: plant site is separated from the project site by a narrow strip of land such as a local road between a project and a plant site)

Chapter 15 of the Department of Labor Field Operations Handbook describes Davis-Bacon and the Contract Work Hours and Safety Standard Act requirements. A link to the DOL Handbook is available under the Contract Administration/Davis-Bacon Information tab of the Construction and Materials Bureau webpage: <https://iowadot.gov/construction-materials/> A link to Chapter 15 of the DOL Handbook is available at <https://www.dol.gov/agencies/whd/field-operations-handbook/Chapter-15>.

Project engineers shall refer questions concerning Davis-Bacon coverage to the Administering Bureau. If necessary, the Administering Bureau will consult with the Construction and Materials Bureau so uniform interpretations can be provided.

Occasionally, Project Engineers receive requests from private sources for copies of certified payroll records. If the project is being administered by a consultant, the request for release of payroll records should be sent to the PIRC. The PIRC is the person responsible for all payroll records. Iowa's "Open Records Law" provides for the release of all information except social security numbers. Requests for payroll records must be submitted in writing. Copies of these written requests are to be provided by registered mail to the Contractor that initially submitted or will submit certified payrolls. If a request for subcontractor information is received, a copy of the request will also be sent to the Contractor. Requests are to be acknowledged in writing, confirming that information is available and indicating that social security numbers will be withheld. Payroll records must not be released until 14 calendar days after a copy of the request is received by the Contractor. This allows the Contractor an opportunity to obtain a court injunction to stop the release if they believed the information could affect the competitive bidding process. These procedures are to be followed for requests received from outside sources, such as labor unions.

Adherence to these procedures during investigations by the Department of Labor or FHWA is not required. Another exception has been made for representatives of the Iowa Labor Management Work Preservation Fund, who may obtain project payrolls for a given week without a written request provided it does not cause undue inconvenience for the Project Engineer's office (Iowa Administrative Code-[761 IAC 4.9\(31\)](#))

When contract provisions state that a certified transcript of weekly payroll is required, the Contractor shall submit to the Project Engineer or upload to Doc Express one copy of [Form 830176](#) or an alternate form which contains the information as required in [FHWA-1273](#), Section IV 3.

Project engineers must also ensure "Statement of Compliance" information is furnished with the payrolls and that the Contractor has signed all payrolls received from subcontractors.

If an individual works on more than one project during a period, payroll information shall include adequate data to verify correct computation and payment of fringe benefits.

## B. Postings

A copy of wage rates must be posted in a location easily accessible and visible to all employees and applicants. It should be attached or adjacent to the posted Wage Rate Information Federal-Aid Highway Project form (Form WH-1321). Supplemental wage rates requested and approved shall also be posted.

## C. Davis-Bacon Wage Requirements for Independent Truckers

Federal-aid construction contracts may include Required Contract Provisions ([FHWA-1273](#)) which governs Davis-Bacon wage rates and fringe benefits for the project. Therefore, all employees of the Contractor or subcontractor hauling on a Davis-Bacon covered project must be paid in accordance with [FHWA-1273](#) requirements.

When an independent trucking firm is engaged to haul materials to a Davis-Bacon covered site, Davis-Bacon coverage of drivers depends on the status of the material supply source. Department of Labor has consistently held that the following are construction activities covered by Davis-Bacon provisions [Code of Federal Regulations, 29 CFR, Section 5.2(j)(1) & (2)]:

- Employees working in situations where materials are produced from an operation, plant, or pit that is opened or installed "virtually adjacent" to a construction site for the exclusive purpose, or nearly so, of fulfilling contract material requirements, and
- Truck drivers who haul and deliver materials from those locations to the job site. The only exception is for bona fide owner-operators physically driving their own trucks. This exception does not extend to other drivers of independent trucks.

Truckers hauling from a commercial source are not covered by Davis-Bacon requirements except for the time spent on the project. This ruling applies to all trucking, whether it is by an employee of the Contractor, subcontractor, or an independent material supplier or transporter. A trucker employed by the Contractor/subcontractor may be covered when hauling from portable plant to project and not covered if hauling from commercial quarry to portable plant site. Commercial sources are not considered part of the "site of work." This includes permanent plants and quarries that are not established for a specific project.

Portable plant sites set up in a commercial quarry for a specific project are considered part of the site of work when the quarry is adjacent to or virtually adjacent to the project site.

For deliveries by a supplier or an independent trucking firm from a certain material supply facility to be considered outside Davis-Bacon coverage, the facility must be off the project site and 10% or more of sales must actually be made from the facility to the general public. (See Section 5.2(1)(3) of Regulations, Part 5.) Sales to the public must be more than token sales.

## D. Preparation of Certified Transcript of Labor Payroll

Use the Certified Transcript of Labor Payrolls form ([Form 830176](#)) when preparing and submitting payrolls.

### 1. Heading

The heading of a payroll transcript must include the information as shown in the Iowa DOT Construction Manual [Appendix 2-14.3](#). Subcontractors shall include name of the Contractor. Wage decision number must be listed, so there will be no confusion on minimum wage rates for the project.

### 2. Contracts with Multiple Projects

Typically, payroll transcripts are required from the Contractor and each subcontractor for a project. However, for multi-project contracts, the Contractor may prepare one "combined" payroll transcript if the projects have identical wage schedules and are worked more or less as one project with individuals used interchangeably between projects.

Therefore, the Contractor and subcontractors may combine multiple projects for payroll transcripts provided:

- the Contractor and each subcontractor prepares individual transcripts, and
- all projects included are listed on that "combined" payroll transcript.

#### 2a. Projects that cover multiple Wage Zones

Contractors are required to pay employees hourly wage rates and fringe benefits in accordance with the appropriate work classification and Wage Zone as specified in the Predetermined Wage Rate for the contract. Wage Zones are defined in the Predetermined Wage Rate by groupings of counties and cities.

If a project traverses two or more wage zones, the contractor may elect to pay employees either:

- Wage rates/fringe benefits based on the higher Wage Zone, or
- Wage rates/fringe benefits based on the Wage Zone where the employee performed work. This requires additional record keeping documenting the time employees worked in different wage zones.

### 3. Required Contract Provisions

The Required Contract Provisions (Form [FHWA-1273](#)) attached to contract documents show that at least the following items shall be observed:

- a. Payrolls shall only contain employee's full name and an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). Contractors and subcontractors are required to maintain complete social security numbers and addresses of employees and to provide such information to government agencies upon request.
- b. Employee's craft and classification must be listed exactly as shown in the wage decision. For example, it is not acceptable to simply use "Operator-Group 2" without listing the classification.
- c. If an employee works in more than one work classification during the pay period, the employee's hours may be assigned to one classification, provided the classifications are in the same Group (i.e. same wage rate and fringe benefit).
- d. Deductions must be itemized.
- e. No individual shall be employed as laborer or mechanic except on an hourly-wage basis.
- f. All Contractors shall comply with all applicable federal, state, and local laws governing safety, health, and sanitation.
- g. Overtime pay shall be computed on 40 hours/week. This means an employee must accumulate the initial 40 hours before overtime becomes reimbursable. This is computed at the base Davis-Bacon rate with fringe benefits being paid at the straight time rate.

Employee work hours accumulated on a contract where the Davis-Bacon Act applies shall be reimbursed at least Davis-Bacon labor rates. The Contractor and their subcontractors shall carefully track and document time for employees who charge time to different contracts in a single pay period, especially if these different contracts are not all subject to Davis-Bacon labor rates. For example:

**CASE 1:**

Employee "A" has charged labor time to two projects in week "X". Project 1 is subject to Davis-Bacon, project 2 is not. Employee "A's" time sheet shows:

Monday - Thursday, 4 days at 8 hours/day, project 1  
Friday, Saturday, 2 days at 8 hours/day, project 2

Employee "A" has accumulated 48 hours (6 days x 8 hours/day) in week "X."

Employee "A" is reimbursed:

- 4 days x 8 hours/day = 32 hours x project 1's Davis-Bacon wage rate
- 1 day x 8 hours/day = 8 hours x project 2's standard wage rate
- 1 day x 8 hours/day = 8 hours OT x project 2's overtime rate

**CASE 2:**

Employee "B" has charged labor time to the same two projects noted in Case 1. This employee's time sheet shows:

Monday - Thursday, 4 days at 10 hours/day, project 2  
Friday, 1 day at 8 hours/day, project 1

Employee "B" has accumulated 48 hours (4 days x 10 hours/day) plus (1 day x 8 hours).

Employee "B" is reimbursed:

- 4 days x 10 hours/day = 40 hours x project 2's standard wage rate
- 1 day x 8 hours = 8 hours OT x project 1's Davis-Bacon overtime rate

**CASE 3:**

An employer may elect to pay weighted overtime for overtime hours worked. Using the example from Case 2 above, overtime may be calculated as follows.

Calculate weighted overtime rate:

$(40 \text{ hours} \times \text{project 2's standard wage rate}) + (8 \text{ hours} \times \text{project 1's Davis-Bacon wage rate}) = \text{total base pay}$

$\text{Total base pay} / 48 \text{ hours worked} = \text{weighted pay rate}$

$\text{Weighted pay rate} \times 1.5 = \text{weighted overtime rate}$

**NOTE:** If the weighted overtime rate does not exceed the Davis-Bacon rate, the Davis-Bacon rate must be used.

As in Case 2, employee "B" has accumulated 48 hours (4 days x 10 hours/day) plus (1 day x 8 hours).

Employee "B" is reimbursed:

- 4 days x 10 hours/day = 40 hours x project 2's standard wage rate
- 1 day x 8 hours = 8 hours OT x weighted overtime rate

4. Work Assignments

The Contractor and their subcontractors shall acquaint their supervisors with crafts and minimum wage provisions, so employees are assigned



work that conforms to their classification. The correct classification and rate may be reported to Contractor's home office. Exceptions to the general rule include:

To establish a uniform procedure among contractors for future wage determinations, contractor shall show on payroll COMBINATION crafts for employees performing more than one type of work. However, all work classifications for that individual shall be listed. For example:

**CASE 1:**

Lower classification employee doing higher classification work.

- Shall segregate hours and pay at higher wage rate if individual is not being reimbursed the highest rate for class of work performed.

**CASE 2:**

Higher classification employee doing lower classification work.

- Not necessary to segregate hours performing separate tasks, provided individual continues to be reimbursed at the highest rate.
- Shall segregate hours and classifications if individual will have their wage rate reduced when doing lower classification work.

In Iowa, there is not an "Ironworker" classification for all zones. For these situations, employees erecting structural steel are to be classified as "Carpenters and Piledrivermen".

5. Working Supervisors

Supervisors who spend more than 20% of their time performing other "labor type" duties as a regular part of their activities at the job site must be so designated by having the "other" work classifications listed on the payroll transcript. For example: A supervisor who also does carpentry work, or operates a dozer, or drives a truck would have to have these duties listed on the payroll transcript.

This requirement confirms their hourly rate is for the highest work classification. Any premium pay received for supervision will be over and above the rate of pay for work performed.

6. Apprentices

Apprentices are permitted to work at less than the predetermined wage rate when all of the following conditions apply:

- They are individually registered in an approved apprenticeship program;
- They are paid the percentage of the hourly rate required by the

- apprenticeship program;
- They are paid the appropriate fringe benefits as discussed in the paragraph below;
- They are employed within the allowable ratio specified in the approved program for the number of apprentices to journeymen;
- Compliance with the apprentice-journeymen ratio is to be applied on the job site.
- Compliance with the apprentice-journeymen ratio is to be determined on a daily, not weekly, basis.

Apprentices shall be paid fringe benefits in accordance with provisions of the apprenticeship program. If a particular apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for applicable classification. If the Wage and Hour Division administrator determines that a different practice prevails for the applicable apprentice classification, fringe benefits shall be paid in accordance with that determination.

Refer to FHWA-1273 IV(4)(a) for more details.

#### 7. Trainees

In general, the same conditions for apprentices above apply for trainees. Refer to FHWA-1273 IV(4)(b) for more details.

Trainees shall be paid fringe benefits in accordance with provisions of the trainee program. The Project Engineer should verify with the Civil Rights Bureau that the contractor has an approved training program if trainees are being paid less than full Davis-Bacon wage rates. If a particular trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination for the work actually performed. The Wage and Hour Division administrator will determine if there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices.

#### 8. Owner-Operators of Hauling Equipment

Bona fide owner-operators of trucks and similar construction hauling equipment, who are independent contractors, are not subject to enforcement of contract labor standard provisions. Owner-operators of other non-hauling type equipment are considered as employees, not as subcontractors.

A ruling by the Department of Labor states in effect that:

- Because owner-operators usually work under payment arrangements based on a unit price [for example, so much per

- cubic meter (yard) hauled] rather than on an actual truck or equipment rental rate plus the driver's (or operator's) rate, and
- Because of difficulties that have arisen with respect to securing adequate data on rental arrangements in order to determine whether contract minimum rates are being paid, therefore,
  - As a matter of administrative policy, the provisions of Davis-Bacon and related acts will not be applied to bona fide owner-operators of trucks or other similar construction equipment used exclusively for hauling and who are independent contractors.

This policy, which is not intended to encompass other equipment such as bulldozers, scrapers, backhoes, cranes, drilling rigs, and welding machines, will be in effect until such time as it may appear practical to devise workable and easily enforceable procedures for obtaining compliance with respect to such owner-operators.

The Certified Transcript of Labor Payrolls form ([Form 830176](#)) including names of such bona fide owner-operators need not show hours worked nor rates allegedly paid, but only operator's name and the notation "owner-operator." In this way, such individuals can be recognized as bona fide independent contractors NOT subject to contract labor standard provisions and can be distinguished from equipment operators who ARE subject to such provisions.

A ruling by the Chief Counsel for the Federal Highway Administration requires that data for each driver employee of truck owner-operators, regardless of number of trucks owned, must be shown the same as for any other laborer or mechanic. This means all such employees shall be listed on the payroll with a complete breakdown of hours worked, hourly rate paid, and all other required information according to "Required Contract Provisions" (Form [FHWA-1273](#)). In those instances where truck "owner operators" drive their own truck, payroll notation shall list them as "owner operator" with no further information relative to hours worked or wages paid. However, during multi-shift operations when an owner may hire a driver for a subsequent shift, a complete breakdown of information relative to daily hours worked, hourly rate paid, etc., must be shown on the payroll for "employee of owner-operator." This same procedure shall be followed if owners have several trucks for which they hire drivers. The only exception to showing a complete breakdown of information is when "owner operators" physically drive their own trucks.

## 9. Flaggers

The Department of Labor has determined that duties of flaggers are clearly manual and physical in nature and as such they are laborers or mechanics within the meaning of the Davis-Bacon Act. Flaggers who perform a dual function, such as flagger and journeyman, have to be paid journeyman's rate.

## 10. Exempt Classifications

The Department of Labor has determined that classifications whose duties are generally not manual or physical in nature are not subject to Davis-Bacon regulations. The following classifications are considered exempt from Davis-Bacon regulations, provided that the employees are not engaged in other covered work:

- a. Ticket-taker
- b. Certified plant inspector, Quality Control technician
- c. Survey crew, except for survey crew members who perform primarily physical and/or manual duties.

## 11. Corrections

When errors or omissions are discovered, the Contractor or their subcontractors will be required to make necessary corrections and submit a supplemental payroll transcript. If a subcontractor has to make correction, it must be submitted to the Contractor for review before being submitted to the Contracting Authority. Original transcript will not be returned. A Supplemental transcript shall be so labeled (e.g., No. 15 Supplemental). Examples of supplemental transcripts are shown in the Iowa DOT Construction Manual [Appendix 2-14.4](#). Only employees affected by the errors or omissions are listed on the supplemental.

The Contractor or their subcontractors may be required to submit a notarized statement from the employee or a copy of both sides of a canceled check verifying that an adjustment has been made. Sufficient explanation shall be given to make any adjustment easily understood by all who may review a supplemental transcript.

## 12. Starting, Suspending, Completing Payroll Transcripts

Payroll transcripts shall be submitted as soon as the contractor starts any project activity at the site of work. Transcripts shall be in sequential order starting with the number "1." When work on a contract is suspended, the last payroll transcript should be labeled "suspend" (e.g. No. 14 Suspend). This procedure shall be followed when work is resumed or completed (e.g., No. 15 Resume and No. 24 Final). Contractors, if they choose, may continue payroll transcripts during the suspension period with a notation on the transcript "No work during this period."

If any of the contractors fail to submit required records or make them available, the Iowa DOT, FHWA, or DOL may, after written notice to the Contractor, take such actions as may be necessary to suspend further payments. Payment should be withheld to the Contractor for those items that are contracted to the contractor who is in violation. Payment to subcontractors who submit correct payrolls should not be withheld because of mistakes of another subcontractor. Failure to submit required records upon request or make such records available may be grounds for debarment action.

### 13. Records

Payrolls and basic records shall be maintained by the Contractor and each during the course of the work and shall be available for inspection at any time by authorized representatives of the contracting agency, DOL, or FHWA.

Regulations and contract provisions require all contractors to preserve employment records at least **3** years after completion and final settlement of the contract.

#### E. Completion of "Statement of Compliance"

A "Statement of Compliance" is printed on the backside of the Certified Transcript of Labor Payroll form ([Form 830176](#)) and relates to wage kickbacks, payrolls, apprentices, fringe benefits, and falsification penalties. A copy is provided in the Iowa DOT Construction Manual [Appendix 2-14.2](#). Those Contractors who have permission to use their own payroll form must attach a copy of the "Statement of Compliance" to their payroll transcript. The statement of compliance is certified by the dated signature of the Contractor or an authorized agent. The Contractor must also sign all Statements of Compliance submitted by their subcontractors. A scanned copy of the original "Statement of Compliance" and payroll transcripts may be submitted to the Project Engineer as email attachments, or by uploading to Doc Express, provided the Contractor retains the Statement(s) of Compliance with original signature(s) for the required retention period.

#### F. Fringe Benefits

Davis-Bacon prevailing wages are made up of two interchangeable components - basic hourly wages and fringe benefits. Under Davis-Bacon, fringe benefits must be paid for all hours worked. The fringe benefits may be paid:

- In cash
- To an approved plan, fund or program
- Any combination thereof

Example:

The wage decision requires:

Basic hourly rate	\$10.00
Fringe benefits	<u>\$ 1.00</u>
Total prevailing rate	\$11.00

The contractor can comply by paying:

1. \$11.00 in cash wages
2. \$10.00 plus \$1.00 in pension contributions or other "bona fide" fringe benefits
3. \$ 9.00 plus \$2.00 in pension contributions or any combination of "bona fide" fringe benefits. In this example, overtime must be paid at the basic hourly rate of \$10.00.

1. Payment of Fringe Benefits to an Approved Plan

All contractors who pay fringe benefits to approved plans, funds, or programs in amounts not less than determined in applicable wage decision shall show on the face of their payroll the basic cash hourly rate and overtime paid to employees. Such contractors shall check 4(a) to indicate they are paying to approved plans, funds, or programs not less than the amount predetermined as fringe benefits for each craft. Any exception shall be noted in 4(c). Details of the fringe benefit plan, fund, or program shall be submitted with the first payroll to the Project Engineer.

The submittal shall include description of the benefits, dollar amount contributed per hour, and if applicable, name of the Trustee or third person to whom the benefits were paid.

Included as "bona fide" fringe benefits, are benefits such as supplemental unemployment plan, life insurance, health insurance, pension, vacation, holidays and sick leave. Credit may be taken as Davis-Bacon fringe benefits for training, provided the training program is approved by the U.S. Bureau of Apprenticeship and Training and the amount is reasonable (i.e., less than \$0.50/hr). No credit may be taken for any benefit required by federal, state or local law (i.e., worker's compensation, unemployment compensation or social security contributions). Also, travel expenses, meals, lodging, per diem expenses, uniforms, administrative expenses, union administrative dues, union working dues or industry promotional funds (i.e., Heavy Highway Advancement Fund, Labor-Management Work Preservation Fund) are not considered bona fide fringe benefits within the meaning of Davis-Bacon regulations.

2. Cash Payment of Fringe Benefits

All contractors who do not pay any fringe benefits to an approved plan, fund, or program must make cash payment to an employee. Payment shall not be less than the predetermined fringe benefit amount plus minimum wage rate. When fringe benefits are paid in cash, the contractor shall check 4(b). Any exceptions shall be noted in 4(c). If part of the fringe benefits are paid to an approved plan, fund, or program and part in cash to an employee, then both 4(a) and 4(b) shall be checked.

3. Fringe Benefits and Overtime

Contracts covered by the Davis-Bacon Act are also subject to the Contract Work Hours and Safety Standards Act (CSHSSA) which requires overtime on covered projects at 1 ½ the hourly rate for hours worked in excess of 40 hours per week.

The overtime rate is computed at the sum of 1 ½ times the basic rate plus the designated hourly rate for fringe benefits. It is not required that the hourly cash rate for fringe benefits be multiplied by a factor of 1 ½.

For example:

Davis-Bacon rate	\$10.00
Fringe benefit	\$ 2.00

The overtime rate of pay may be calculated by 3 methods:

1. \$10.00 (base) + \$2 (fringe) +  $\frac{1}{2}$  \$10.00 (D-B rate) = \$17.00
2. \$12.00 (cash) +  $\frac{1}{2}$  \$10.00 (D-B rate) = \$17.00
3. \$ 8.00 (base) + \$4 (fringe) +  $\frac{1}{2}$  \$10.00 (D-B rate) = \$17.00

## Project Engineer's Involvement

### A. Field Procedure

Early and complete labor compliance inspections are essential to the development of a sound compliance pattern on all contracts. Inspections are required to be performed on the Contractor and each subcontractor performing more than \$10,000 of work (on any contract), unless they participate in the Associated General Contractors of Iowa Prevailing Wage Notification Program (see below). At least one inspection shall be made on the following:

- Contracts of short duration (six months or less).
- If the Contractor or a subcontractor works longer than 6 months on the project, at the start of every 6-month period, an interview shall be performed to ensure that the Davis-Bacon requirements are still being met.

Results of inspections shall be documented on the Project Engineer's EEO Project Site Inspection/Wage Rate Report form ([Form 650170](#)).

For contracts which extend over a longer period of time (greater than 6 months), inspections shall be made on approximate six months intervals. The Project Engineer is responsible to see that required labor compliance inspections are conducted and recorded. Whoever is assigned the compliance inspection needs to be thoroughly familiar with the regulations and instructions.

The Associated General Contractors of Iowa have implemented a Prevailing Wage Notification Program. All contractors participating in this voluntary program have established a proactive method for informing their employees of the Davis-Bacon wages and benefits to be paid on projects.

It is felt that these proactive measures by the contractor will allow the Project Engineer to eliminate the routine wage rate interviews and focus on complaints received from the employees. This procedure will not eliminate the need for posting the wage rate decision on bulletin boards or submittal of certified payrolls.

The list of contractors participating in the Prevailing Wage Notification Program is maintained on the AGCI's website (<http://www.agcia.org/pwnp.asp>). Any contractor wishing to participate should contact the AGC of Iowa.

The Project Engineer's office staff review certified payrolls that have been submitted. In order to ensure that certified payrolls have been received for all subcontractors whose employees worked during a given week, the office staff must be advised of the subcontractors that worked. The Project Engineer's office should develop a process to provide this information between the inspection staff and office staff.

Methods to accomplish this for FieldManager projects include:

- FieldManager query "ContractorsOnSite" lists which contractors worked during a week. FieldBook users must designate in the Inspectors Daily Report (IDR) which contractors were "On Site" during the week.
- Inspectors submit to the office a "Weekly Payroll Check" indicating which subcontractors worked during the week. The FieldManager inquiry, "Subcontractors Assigned to the Contract" can be used for the list of subcontractors.

If payrolls of the Contractor are not received within 2 weeks of the period covered, the Project Engineer's staff should advise the Contractor, in writing, which payrolls have not been submitted and that progress payments for the work will be withheld. If payrolls of subcontractors are not received within 3 weeks of the period covered, the Project Engineer should advise the Contractor, in writing, which payrolls have not been submitted and that progress payments for the subcontracted items will be withheld. In either case, communication with the Contractor sooner than these time limits may be appropriate to inquire on the status of payrolls.

#### B. Wage-Rate Interview

When conducting a wage-rate interview, the following questions shall serve as a guide:

1. Is the employee receiving at least the specified wage rate for type and class of work performed?
2. Is proper allowance being made for fringe benefits and have the plans been explained to the employees?
3. Is work performed within the proper classification?
4. Are additional classifications necessary?
5. Does the employee have complaints as to hours, wages, and fringe benefits?

The findings of the wage rate interview are to be documented on the EEO Project Site Inspection/Wage Rate Interview form ([Form 650170](#)). Names of employees interviewed and date of the certified payroll transcript used are to be recorded on the interview form. If no discrepancies are identified during the interview, this should be so noted. In some instances, employees may not be knowledgeable of the pre-determined hourly wage rates and fringe benefits to which they are entitled. Furthermore, they may not be aware of the hourly wage rates and fringe benefits they have been paid or what work classification they have been assigned. In these cases, the interviewer should document on [Form 650170](#) that



the findings of the interview were inconclusive because the employee was unable to respond to the questions. Interview forms are to be retained in the project files and uploaded to Doc Express. A copy of the EEO Project Site Inspection/Wage Rate Interview form ([Form 650170](#)) is included in the Iowa DOT Construction Manual [Appendix 2-10](#).

#### C. Violations and Complaints

Any violations discovered, or complaints received, shall be investigated promptly. The PIRC should be actively involved in the investigation. If the Contractor is found to be in violation of the contract's labor standard provisions, a complete report shall be written giving details of violation(s) and results of the investigation.

The report shall also include an amount of money, if any, found to be due to employees and the number of employees who shall receive these payments. A copy of this report shall be sent to the Administering Bureau. The Administering Bureau will review and forward to the Construction and Materials Bureau.

#### D. Office Procedure

##### 1. Payroll transcripts shall be checked to verify that:

- Information in the heading is correct and complete.
- Titles designating crafts correspond correctly with those in wage schedule for that particular contract. No others may be used unless a supplemental wage determination has been secured by the Contractor or subcontractor. If a listed craft is not included in the wage decision, the Contractor or subcontractor shall be advised that a supplemental wage rate must be requested.
- Rate per hour is not less than that shown for each craft in the wage schedule for that contract, and overtime rates (if any) are at least one- and one-half times the regular base rate, plus any fringe benefits. Exception: The Contractor and subcontractors have the option to reduce basic cash wage by the excess payment of fringe benefits. Fringe benefits may be in cash, by contribution into a bona fide fringe benefit program, or a combination of both.
- Fringe benefits (if any) have been provided and appropriate paragraph is checked on the Statement of Compliance.
- The Statement of Compliance is complete and properly signed. Multiple-sheet transcripts will be considered certified if the necessary information and dated signature are shown on the last sheet of that packet.
- Signature of the Contractor appears on all payrolls submitted from subcontractors.

- Transcript is submitted within one week after the end of a payroll period. ESTIMATES SHALL BE WITHHELD until such time as these requirements are fulfilled.
- An occasional spot check to determine accuracy of computations.
- Checking payroll transcripts can be time consuming. The primary objective is to ensure the proper wage rate is being paid. It is important to review the first 3-4 payrolls received from the Contractor and subcontractors carefully to be sure information is complete and accurate. Once it is apparent that wage rates used are appropriate, it is not necessary to check each line of each payroll. However, occasional spot checks should continue to be made, paying particular attention to new crafts listed. If problems are noted, subsequent payrolls must be checked until problems are resolved. Payrolls submitted to Doc Express that have been checked shall be indicated by adding "Checked by xxx" in the comment field in Doc Express.

2. Corrections

When errors or omissions are discovered on transcripts, the Contractor will be advised. Necessary corrections must be made on a supplemental payroll transcript (See example in the Iowa DOT Construction Manual [Appendix 2-14.5](#)). The original payroll transcript will NOT be returned to the Contractor or their subcontractors; however, copies indicating necessary corrections may be supplied.

3. Disposition

Retention of payroll transcripts by the Contracting Authority shall comply with the requirements in [I.M. 6.110](#), Final Review, Audit, and Close-out Procedures for Federal-aid, Federal-aid Swap, and Farm-to-Market Projects.

### **Supplemental Wage Rates**

If, after a letting, the Contractor determines that the wage decision for the contract does not include wage rates for one or more work classifications to be used, the Contractor must request additional classification(s) and wage rate(s). A letter to the Construction and Materials Bureau, with a copy to the Project Engineer, shall include wage decision number, contract ID number, work classifications requested, and intended rate of pay including fringe benefits.

Approval from the U.S. Department of Labor usually takes at least 30 days, so an early request by the Contractor is necessary. Final payment to the Contractor shall not be held up pending a response from the Department of Labor, if the Contractor has made timely submittals for additional wage classifications and there are no DOL investigations on file.

## 2.25 SUBCONTRACTS

### Subcontract Requests

#### Contractor's Requirements

Instructions for completing Subcontract Requests are available on the Contracts and Specifications Bureau website:

<https://iowadot.gov/contracts/lettings/subcontracting-instructions.pdf>

Note the additional guidelines on the administration of DBE subcontracts that follow.

Except for trucking by DBE firms, Subcontract Requests ([Form 830231](#)) are not required for trucking of materials. Trucking by DBE firms shall be documented on a Subcontract Request and Approval form, but the dollar value will not be used to determine the amount subcontracted. The Contractor or subcontractor shall advise the Project Engineer in writing, on a daily basis, the names of independent companies that will be hauling materials on the "site of work". This will allow the Project Engineer to monitor trucking companies for compliance with Davis-Bacon requirements. Similarly subcontract requests also are not required for concrete pumpers, but employees of concrete pumping companies are subject to Davis-Bacon wages and Certified Payrolls when employed on the site of work. The contractor (or subcontractor) should also advise the project engineer when concrete pumpers are on site to ensure compliance with Davis-Bacon requirements.

"Subcontract Requests" are not required for work performed by a "wholly owned" subsidiary of the Contractor. A list of wholly owned subsidiaries is maintained by the Contracts and Specifications Bureau and can be obtained from the Administering Bureau. NOTE: the Administering Bureau can obtain the list at [w:\Highway\Contracts\FieldInformation](#).

The Contracts and Specifications Bureau will upload a Subcontractor Authorization and EEO Poster Notice to Doc Express for placement on the project's bulletin board. This poster is considered the Department's written authorization of subcontractors for the contract.

#### Project Engineer's Responsibility

For all contracts, the Project Engineer must have the list of subcontractors and their associated items for proper administration. A ".CON" file is required to view the subcontractor list and the SiteXchange software is needed to view the .CON file.

For LPAs using FieldManager for administration of their projects, refer to Chapter 2.5 of the [FieldManager Users' Guide](#) for instructions on importing the SiteXchange file into FieldManager. The SiteXchange file will import all subcontractor information into FieldManager, including associating items with the appropriate subcontractor.

For most contracts, all subcontractors and their items are known at the time of the letting because the Contractor enters that information in the file that they send to the Contracts and Specifications Bureau and copies the Project Engineer.

- To download the SiteXchange software:
    - Go to <https://iowadot.gov/contracts/general-letting-information/bidexpress-utility-files> and click on "SiteXchange".
    - A box will appear "What do you want to do with SiteXchange.zip", click the "Save" button.
- NOTE: You only need to do this once to get the software on to your machine!

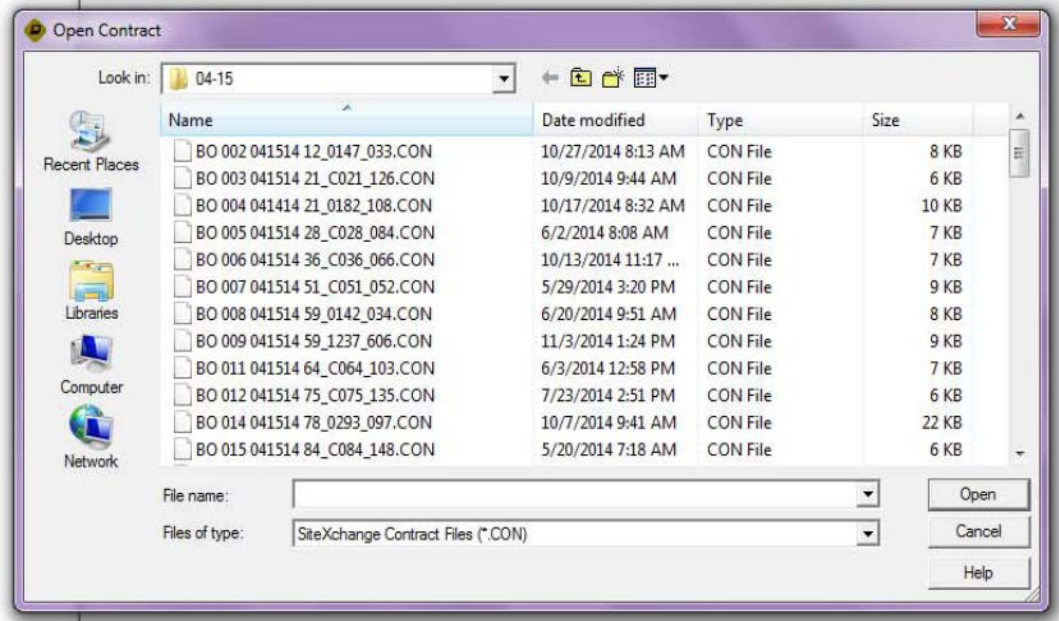
- Save the SubCon.exe file onto your computer.

NOTE: It is VERY IMPORTANT that you keep track of where it is saved, because when the Contractor sends you a ".con" file, you will need to save it in this same folder to be able to open it!!! To make this easier, create a shortcut to the SubCon.exe file on to your desktop so you won't have to find it in explorer every time you want to open a ".con" file.

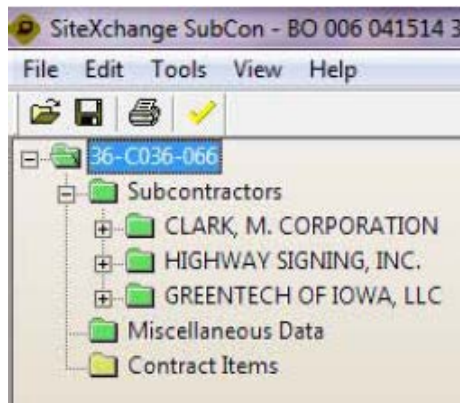
- To view the subcontractor list
  - Open SiteXchange.
  - Click on the File dropdown menu.
  - Click on Open...
  - Or click on the icon that looks like a file folder with an arrow showing that it is opening.



- The Open Contract dialog box will appear.



- Click on the contract that you need.
- Then click on the Open button.
- At this point, click on the printer icon to get the list of Subcontractors.



- If you want a hard copy for your files and inspectors to have in the field, select your printer.
- You will also need to print an electronic copy print to Adobe pdf.

**To print the subcontract requests –**

In order to print subcontract requests, you must have a C:\SUBCON folder that contains 3 files – SubCon.exe, vendor.bin, and the appropriate .CON file for the contract. The vendor.bin file is periodically updated, and it is critical to keep the most current copy of it in the C:\SUBCON folder so the appropriate contractor's name prints.

Once you have the 3 files in the C:\SUBCON folder –

1. Double click on the SubCon.exe

2. Click on Run
3. Click the Open icon
4. Highlight the appropriate .CON file and then click Open
5. Click the Print icon

All subcontract requests will be printed as well as a summary sheet

- Verify that the Subcontracting limit of 70% has not been exceeded.
- Verify that the subcontractor has a current EEO/AA Policy, they should appear on the Status listing as found at this website:  
<https://iowadot.gov/civilrights/documents-forms-and-reports>
- [Approved EEO AA Policy List.pdf](#)
- Send the “.con” file on to the Contracts and Specifications Bureau so they can prepare tax certifications & send a new EEO poster notice for the Contractor’s bulletin board.

While the Contractor submits subcontract requests to the Contracts and Specifications Bureau with the signed contract, additional request or modifications to existing requests are submitted to the Project Engineer.

#### **Existing items by subcontractor**

The Project Engineer is to check revised .CON files for accuracy (% subcontracted, current EEO/AA policy, items assigned to appropriate subcontractor) and forward the revised .CON file to the Contracts and Specifications Bureau as an email attachment. The email is sent to [dot.contracts@iowadot.us](mailto:dot.contracts@iowadot.us) with a subject line of “Revised Con File”.

#### **New items to be completed by new subcontractor and existing items by a new subcontractor**

If new items are added to a contract and will be completed by a new subcontractor, the subcontractor request must be submitted to the Project Engineer using the Subcontract Request form ([Form 830231](#)). The SiteXchange software is not able to generate a Subcontract Request form because the software does not support new items added by Change Order. A subcontract request is not required for new contract items to be completed by an existing contractor.

The Project Engineer is to check the Subcontract Request form for accuracy (% subcontracted and current EEO/AA policy) and forward the form to the Contracts and Specifications Bureau as an email attachment. The email is sent to [dot.contracts@iowadot.us](mailto:dot.contracts@iowadot.us).

However, if there was originally a .CON file but the revision is due to an item being added by contract modification or change order, the prime must submit a paper subcontract request and then you must add the sub’s new item(s) by hand into FieldManager (if applicable) and notify the Administering Bureau for addition of the subcontractor to Doc Express, in addition to forwarding it to the Contracts and Specifications Bureau. (The hard copy of the subcontract request can be scanned and e-mailed.)

If a subcontractor is to be linked to a new item, the Contractor will furnish you with a paper subcontract request. It is the Project Engineer's responsibility to authorize the subcontractor and then forward the request to the Contracts and Specifications Bureau.

- Once the Contractor submits the Subcontract Request to the Project Engineer as an attachment to an email, the Project Engineer is to review the Subcontract Request form to ensure that the percent subcontracted does not exceed the maximum threshold and that the subcontractor has a current EEO/AA policy. If all information is correct the Subcontract Request form should be attached to an email to the Contracts and Specifications Bureau at [dot.contracts@iowadot.us](mailto:dot.contracts@iowadot.us). The email, with attachment, should also be forwarded to the project inspector. The Subcontract Request can then be filed in the project file or uploaded to Doc Express.

**In summary:**

- All Subcontract Requests must be prepared using the ".CON" file and submitted electronically, except for new items added to a contract that will be completed by a subcontractor. In this instance, the SiteXchange does not support new items added by contract modification or change order. In this case, the request is submitted on hardcopy form of Subcontract Request (Form 830231) and submitted to the project engineer as an attachment to an email. A blank copy of the Subcontract Request ([Form 830231](#)) is provided in the Iowa DOT Construction Manual [Appendix 2-16.1](#) and [2-16.2](#). The Contracts and Specifications Bureau will provide a Subcontractor Authorization and may upload a new EEO Poster Notice to Doc Express for placement on the project's poster board. This poster is considered the Department's written authorization of subcontractors for the contract. If a corrected EEO Poster Notice is sent to the Project Engineer, it should replace the outdated form on the Contractor's Poster Board. If the Contracts and Specifications Bureau does not send a corrected EEO Poster Notice, the Project Engineer should verify with the Contracts and Specifications Bureau that the new Subcontract Requests were received, and the new subcontractors may be added to the document on the poster board by hand.

The additional/modified requests are submitted to the Project Engineer to minimize delays in providing the information to field staff.

The Project Engineer is responsible to make sure a subcontractor does not perform more work than described on the approved subcontract.

Occasionally, subcontractors may have to rent additional equipment and hire extra employees to complete their work. However, when the entire crew and equipment of the Contractor or another subcontractor is used to complete work, the Contractor is violating the intent of [Article 1108.01](#) of the Standard Specifications and is considered brokering a project. If the Project Engineer's staff observes work performed by anyone other than the approved subcontractors, the Administering Bureau should be notified. Assistance will be provided to investigate the circumstances.

At the preconstruction meeting, it will be beneficial to discuss methods of keeping subcontractors informed of the work status. Although the Contractor is responsible to make progress payments to a subcontractor, numerous incidents in the past have indicated a lack of timely progress payments from the Contractor to the subcontractor. Subcontractors may request the Project Engineer to furnish them a copy of a progress voucher for informational purposes.

### **Leased Employees**

The Contractor and approved subcontractors may utilize "leased" employees as part of their "own" work crew. In either case, the Contractor shall submit a Subcontract Request before leased employees can be on the job site. "Leased" employees shall be obtained from a firm that does not perform highway construction (i.e., a temporary employment agency).

When "leased" employees are used, they are considered part of the contractors "own organization" when the following requirements are followed:

- The Contractor maintains control over the supervision of the day-to day activities of the leased employees.
- The Contractor remains responsible for the quality of the work of the leased employees.
- The Contractor retains all power to accept or exclude individual employees from work on the project.
- The Contractor remains ultimately responsible for the payment of predetermined minimum wages and submission of payrolls on contracts that required predetermined wages.

The employee leasing company will appear on the list of subcontractors and under the EEO/AA list. The leasing company is responsible for all customary employer responsibilities including EEO/AA in hiring, training and promotions, and the submittal of required employee information to the Department, state, and federal agencies. If prevailing wages are required, the employee leasing company shall submit certified payrolls. The certified payroll will need to designate the Contractor that is using the leased employee(s).

A leased employee may be utilized by the Contractor or different subcontractors during a project; however, the individual employee may be used by only the Contractor or one of the subcontractors at a time.

DBE Contractors and DBE subcontractors may not use leased employees because Federal DBE regulations prohibit the use of leased employees and will not meet the commercial useful function towards DBE commitments.

### **Subcontractor - Disadvantaged Business Enterprise (DBE)**

#### **A. Contract Award**

On Federal-aid projects with predetermined goals, all bidders will be required to submit a Statement of DBE Commitment form ([Form 102115](#)) with their bid. This form identifies DBE subcontractors, suppliers, transporters, and/or manufacturers



that will be used to satisfy the DBE goal. [Form 102115](#) shall also include work or items to be subcontracted, cost of this work, percent applicable to DBE goal, and dollar amount committed to each DBE.

Upon execution of a contract, the Contractor becomes committed to those DBEs listed on [Form 102115](#). This commitment is therefore a contractual arrangement between the State and the Contractor with the same enforcement as any other provision specified in the contract documents. The Contractor is required to enter into a contractual arrangement with each DBE listed by formally executing a written subcontract agreement specifying the work to be performed and appropriate compensation for that work. This two-tier process, which contractually obligates the Contractor to both the State and each participating DBE, formalizes implementation of all DBE contract provisions.

The Contracts and Specifications Bureau will review the low bidder's Statement of DBE Commitments form ([Form 102115](#)) to assure that certified DBEs are being used. After review, the DBE commitment information will be mailed to the Project Engineer by the Civil Rights Bureau.

## B. Subcontract Requests

For added or modified subcontracts, the Project Engineer must compare the Subcontract Request form ([Form 830231](#)) submitted by the Contractor to the Contractor's DBE Commitment. The Contractor must subcontract the work to the certified DBE subcontractor. Any request to subcontract work for less than the total amount shown on the "DBE Commitment" document shall not be approved without written approval from the Civil Rights Bureau.

### 1. Temporary Employees and Leased Equipment

A DBE may lease equipment consistent with standard industry practice provided a rental agreement, specifying terms of lease arrangement, is approved prior to a DBE starting work. If equipment is of a specialized nature, the lease may include an equipment operator. If this practice is generally acceptable within the industry, then the operator can remain on lessor's payroll. For equipment that is not specialized, a DBE is expected to provide the operator and be responsible for all payroll and labor compliance requirements.

Operation of equipment shall be subject to full control of the DBE. Such an arrangement shall be short term and involve a specialized piece of equipment used at the job site.

The Civil Rights Bureau maintains an electronic roster of certified DBE trucks: <https://iowadot.gov/civilrights/Disadvantaged-business-enterprise-program-DBE/DBE-Program>

### 2. Commercially Useful Function

A commercially useful function exists when:

- A DBE is totally responsible for execution of a distinct element of work by actually performing, managing, and supervising the work involved in accordance with the contract documents, normal industry practice, and
- that DBE firm receives due compensation as agreed upon for the work performed.

To meet commercially useful function requirements of the regulations and contract, the following statements are applicable:

- DBE firm must manage the work contracted. Management shall include scheduling work operations, ordering equipment and materials (if materials are part of the contract), preparing and submitting payrolls and all other required reports and forms, as well as hiring and firing employees, including supervisory employees.
- DBE shall perform work with employees normally employed by and under the DBE's control. In all instances, the DBE shall be responsible for payroll and labor compliance requirements concerning all workers under their control. DBEs may use other means to perform work on a limited basis when the contract requires specialized knowledge, skills, or equipment. A DBE may be allowed to augment their work force with personnel which normally work for another firm, if requested and approved by the Civil Rights Bureau prior to commencing work.
- DBE must supervise daily operations of their portion of contracted work. The only two acceptable ways for a DBE to supervise daily operations are:
  - 1) The DBE owner may act as the superintendent and directly supervise work, or
  - 2) A skilled and knowledgeable superintendent employed and paid wages by the DBE must directly supervise that work.

If the latter is used, the DBE owner must be actively involved in making operational and managerial decisions of the firm. Basically, this means that all administrative functions shall be performed by personnel responsible to, or employed by, the DBE at facilities or locations under the DBE's control.

- DBEs shall supervise and perform contracted work with workers on their payroll and under their direct supervision. The DBE and their superintendent must, on a full-time basis, supervise and control contracted work. Supervision of contract work by personnel normally employed by the Contractor or another subcontractor, or by personnel not under the DBE's control constitutes failure to perform a commercially useful function.

The DBE Specifications includes minimum requirements for DBE manufacturers, dealers, transportation services, and subcontractors. DBE subcontractors that indicate work which will be performed by employees of another firm or with leased equipment should be questioned.

The Administering Bureau shall be notified in all cases where there is a question of commercially useful function before that subcontract is approved.

The Civil Rights Bureau will assist in determining requirements of a commercially useful function for DBE suppliers and manufacturers.

### 3. Partial Subcontract of an Item

It is not unusual for DBE subcontractors to be involved in only part of a contract item. This is to be documented on [Form 830231](#) by clearly stating in the "Description" column exactly what portion of an item is to be accomplished by the DBE and the corresponding dollar amount. Details of subcontracts that have "Part Items" should be discussed at the preconstruction meeting so project personnel are informed of the work (i.e. Commercially Useful Function) to be performed by DBE subcontractors.

For conditions where a subcontract does not exist but a DBE firm is manufacturing, supplying, or trucking materials to the job site, terms of the agreements shall be described in [Form 830231](#). This information is documented on [Form 830231](#) so the Project Engineer can be assured that the Contractor is meeting commitments previously stated on the Statement of DBE Commitments form ([Form 102115](#)). The work documented on the form shall be assigned to a contract item. A typical example may be for trucking only of hot mix asphalt and should be included as: "HMA Surface-Trucking Only-Lump Sum"; Quantity =1; Unit Price= \$30,000. This dollar value will not be used to determine the percent subcontracted as specified in [Article 1108.01](#) of the Standard Specifications.

Inspection staff must monitor work performed and periodically inform the Project Engineer as to which individuals and equipment actually worked, so payrolls can be spot-checked.

### C. Construction Period

The Project Engineer and inspectors must routinely review work subcontracted to DBE subcontractors to assure work is being performed as intended and that DBEs are performing a commercially useful function. Where work is performed by the Contractor or any other subcontractor or with equipment not owned by the DBE, the inspector shall issue a non-compliance notice citing violation of the Specification for Disadvantaged Business Enterprises, of [Article 1102.17](#) of the Standard Specifications. This non-compliance shall be immediately reported to the Project Engineer, who will in turn notify the Administering Bureau.

The Contractor will be given credit toward the DBE contract goal only when a DBE performs a commercially useful function. The requirements for a commercially useful function are outlined in the previous section "Subcontract Requests."

A DBE may lease equipment consistent with standard industry practice provided a rental agreement, specifying terms of lease arrangement, is approved prior to a DBE starting work. If equipment is of a specialized nature, the lease may include an equipment operator. No credit will be given for the cost of equipment leased or rented from the Contractor.

DBEs shall negotiate cost, arrange for delivery, and pay for materials and supplies required for their portion of the contract work. Invoices for materials shall be invoiced to the DBE firm and not to the Contractor.

No credit shall be allowed toward the DBE goal for cost of materials placed by a DBE subcontractor when payment is made by deducting this payment from the Contractor's payment to the DBE.

Project engineers must document performance of the DBEs activity on all Federal-aid projects as part of the normal project contract compliance monitoring. On-site project monitoring by field personnel shall include employee assignments, equipment used, and supervision of the work as indicated on the subcontract form. The commercially useful functions shall be documented on the DBE Commercially Useful Function Checklist ([Form 517014](#)) once per DBE per contract. Even though this form is completed only once per DBE per contract, if any irregularities are observed any time that DBE is working on a project, it should be noted on [Form 517014](#). All irregularities must be documented on [Form 517014](#), and immediately reported to the Contractor and the Administering Bureau.

Project engineers shall not allow the Contractor or other subcontractors to perform work that has been committed to a DBE subcontractor without prior written approval from the Civil Rights Bureau.

In situations where a DBE subcontractor cannot (or is not) performing, the Contractor must follow all steps described in the specifications. Upon receipt of a signed statement from the DBE and documentation where the Contractor will satisfy the goal with other items or DBEs, the Project Engineer may recommend to the Civil Rights Bureau that the commitment be waived, and the required goal adjusted. The Civil Rights Bureau must provide written approval of all substitutions before any changes in subcontracted work are performed.

#### D. Post Construction

The Contractor shall submit a completed Certification of DBE Accomplishment form ([Form 102116](#)) with the final project documents for all Federal-Aid contracts and shall list the dollar amounts paid to all DBE firms on the contract. This form certifies the dollar amount paid to each DBE. If the contract had a DBE commitment, Project Engineers must compare the dollar amounts on [Form](#)

[102116](#) to dollar amounts committed to DBE's as shown in the "DBE Commitment" document.

If the contract contained a DBE commitment, the Project Engineer will verify that the Contractor has attained the DBE commitment specified to each DBE firm listed on [Form 102116](#). A price adjustment will be assessed for the amount of commitment not paid to each DBE firm used unless the DBE commitment to that DBE firm was reduced as allowed by [Article 1102.17, G, 3](#), of the Standard Specifications. The Project Engineer must include a written explanation describing situations, background, and findings which resulted in reductions of adjustments. This explanation shall be attached to [Form 102116](#). The Administering Bureau shall review these adjustments prior to signing [Form 830436](#), Final Payment; or [Form 640003](#), Certificate of Completion and Final Acceptance of Agreement Work.

When the Contractor is a certified DBE contractor, [Form 102116](#) is required to be submitted upon completion of a Federal Aid contract. The DBE contractor shall include the amount of work completed by their firm and DBE subcontractors. The Project Engineer will sign the form acknowledging receipt of the form and does not need to complete the amounts in the lower portion of the form.

Unique problems have been noted with the goals and variables of the DBE program. Documentation of any activity related to the program is important and must not be overlooked. Record all telephone or personal contacts noting time, place, and details.

### **Subcontractor - Traffic Control**

Traffic control items of a contract may require designation of a subcontractor to perform the work depending on how much of the total item is performed. Some guidelines are:

- A. A Subcontract Request ([Form 830231](#)) will NOT be required if:
1. Traffic control is a lump sum bid item and the traffic control supplier:
    - Furnishes the traffic control devices
    - Delivers materials to the "first use" location
    - Keeps equipment operational by being on call from the Contractor or through periodic visits to the site
    - Picks up devices when a project is completed
  2. Traffic control signals are bid as furnish and install and the traffic control supplier:
    - Furnishes the traffic control devices
    - Delivers materials to the "first use" location
    - Picks up devices when a project is completed

- B. A Subcontract Request ([Form 830231](#)) shall be required if:
- the traffic control supplier performs the entire item of traffic control (lump sum, furnish and install) and provides regular surveillance, cleaning, routine maintenance and repair of devices, or changes the system between stages.
  - The traffic control supplier performs contract work such as setting devices up at the "first use" location
  - Traffic control is bid as incidental to other work

### **Prompt Payment to Subcontractors**

Contractors are required to pay subcontractors for satisfactorily completed work within 7 calendar days after receiving payment (or should have received payment) from the Contracting Authority.

### **Certification of Subcontractor Payment**

The Contractor shall provide to the Engineer a Certification of Subcontractor Payment form ([Form 518002](#)) with the signed final voucher. The form shall include the names of all approved subcontractors. The Contractor shall provide an explanation for instances that exceed 30 days.

The Certification of Subcontractor Payment form ([Form 518002](#)) is not required to be submitted if there were no subcontractors on the contract.

## **2.26 USE OF PROPERTY OUTSIDE OF PROJECT RIGHT-OF-WAY**

Any proposed use of property outside of the project right-of-way by the Contractor or any subcontractor shall be submitted to the Project Engineer. Prior to any use of private property, the Contractor shall provide the Project Engineer a copy of the written agreement with the property owner that allows them access to the property and releases the Contracting Authority of all liability.

## **2.27 "CONTRACT QUANTITY AGREEMENT" ([FORM 830230](#))**

The Contractor may request final payment for an item based on contract quantities. When a contract quantity request is received from the Contractor, the Project Engineer shall verify that items included on the request are not items to be paid as contract quantity by [Article 1109.01](#) of the Standard Specifications.

If there are contractual conflicts, i.e. the Contractor does not agree with the quantities in the contract documents, these issues should be discussed at the Preconstruction Meeting. The method of measurement for those items that may have conflict should be identified at this time. For example, if the Contractor does not agree with the quantity of Class 10 excavation on the contract, the Contractor can request the actual measurements by providing written notice to the Contracting Authority. The preliminary cross-sections and the balance points shown in the contract documents will be used as the basis for payment of quantities. For further explanation of this example, see [Article 2102.04, A, 1, c](#), of the Standard Specifications.

If there are no contractual conflicts, the Project Engineer will prepare a Contract Quantity Agreement form ([Form 830230](#)) and upload it to Doc Express for it to the Contractor to sign. After the Contractor signs the form, the Project Engineer shall sign.

## 2.28 RETAINED FUNDS

Retained funds held by the Contracting Authority are for the purpose of satisfying 573 Claims. The term, "573 Claim", originates from Chapter 573 of the Code of Iowa that addresses claims on government contracts. Persons or companies may file a "573 Claim" with the Finance Bureau on Farm-to-Market funded projects, all others submit with the Contracting Authority, for unpaid labor and/or materials.

Retained funds are not intended to offset credit payments for deficient work, including price adjustments and liquidated damages.

When payment is needed to be withheld for price adjustments for deficiencies, item progress should be withheld on the appropriate contract item(s) for the amount to be withheld. Pay quantities for the Contractor items should be withheld to cover liquidated damages. These items will be increased to the final quantities after a Change Order for price adjustments and/or liquidated damages is processed.

### Release of Retained Funds

[Chapter 573](#) of the Iowa Code was amended, in part, by [Chapter 26](#) during the 2006 legislative session. The changes included new requirements for the release of retained funds. For contracts let after January 1, 2007, Contractors are required to certify that they have given notice to all subcontractors and suppliers of their intent to request early release of retained funds. The notice must be provided 10 calendar days before the release of contractor retainage is requested. [Chapter 26](#) allows the Contractor to request release of contractor retainage when the contract is substantially complete or after the contract is certified complete by the Engineer.

In consideration of these new Contractor responsibilities, the Contractor should initiate any request for release of contractor retainage. The Project Engineer should not initiate release of contractor retainage.

Procedure and assigned responsibilities:

### Contractor

- Submit a signed Request for Early Release of Retained Funds form (see ~~Appendix 2-22 LS at the end of this~~ [I.M. 6.000, Attachment G](#)) in the Estimates and Vouchers Drawer in Doc Express.
- The request shall include a sworn statement, signed by the Contractor, that the notice was given to all subcontractors and material suppliers at least 10 calendar days prior to the date of the request. The "Request for Early Release of Retained Funds" form shall be used (see ~~Appendix 2-22 LS at the end of this~~ [I.M. 6.000, Attachment G](#)).

- Shall provide a statement to every subcontractor and material supplier that the Contractor intends to request release of contractor retainage. In accordance with Iowa Code [section 573.28](#) the notice shall be similar to the following:

“You are hereby notified that [name of Contractor] will be requesting an early release of funds on a public improvement project or a highway, bridge, or culvert project designated as [name of project] for which you have or may have provided labor or materials. The request will be made pursuant to Iowa Code section 26.13. The request may be filed with the [name of governmental entity or department] after ten calendar days from the date of this notice. The purpose of the request is to have [name of governmental entity or department] release and pay funds for all work that has been performed and charged to [name of governmental entity or department] as of the date of this notice. This notice is provided in accordance with Iowa Code section 26.13.”

### **Project Engineer**

Acting on the Contractor's request the Project Engineer will:

1. Confirm criteria have been satisfied, including receipt of the signed statement from the Contractor.
2. Fill out center section of “Request for Early Release of Retained Funds” form using markup feature in Doc Express. Contact Finance Bureau for Farm-to-Market funded projects and the Contracting Authority for all other projects and inquire if any claims are on file. If 573 Claims have been filed, retain twice the amount of claims. If there are no claims, the entire amount of contractor retainage is to be released except for \$1.00 per project on the contract. This \$1.00 per project is required to be retained due to limitations in the Department's accounting system.
3. Sign Early Release of Retained Funds form (see [Appendix 2-22 LS at the end of this I.M. 6.000, Attachment G](#)) and upload to the Estimates and Voucher drawer in Doc Express. If using FieldManager, do not submit the FieldManager Retainage Release voucher (RR) at this time. The Local Systems Field Engineer will contact the Project Engineer for Farm-to-Market funded projects and advise when the appropriate amount of retainage can be released. For all other projects, the Contracting Authority will release the appropriate amount of retainage.
4. Provide the Contractor a written explanation, within 30 days of their request, for denying any amounts requested.

Other items to note for FieldManager projects are:

- No entries for item progress or working day charges or approval of Change Orders are allowed on the Retention Release voucher
- For multiple project contracts, each project must have a checkmark in the "create voucher" box in the voucher tab of the estimate screen.



## 2.29 Intentionally left blank

## 2.30 CONSTRUCTION PERIOD

## 2.31 ADMINISTRATION OF THE CONTRACT PERIOD

Administration of any contract period and determination of the controlling item of work requires a fair and equitable assessment of work performed (either working or calendar days).

- [Article 1108.02](#) of the Standard Specifications identifies how a contract period is identified in the contract documents and provides guidance for contract administration.
- [Article 1108.03](#) of the Standard Specifications supplements by outlining working days on non-Incentive/Disincentive (I/D) projects during holidays.
- [Section 1111](#) of the Standard Specifications provides direction for Incentive/Disincentive projects.
- Iowa DOT Construction Manual [Appendix 2-27](#) shows "Charging of Contract Time."

### Contract Types

Three types of working day contracts are:

- Approximate Start Date
- Late Start Date
- Specified Start Date

In addition, a contract may include an intermediate contract period for completing certain phases of work. In all cases, the contract documents will identify a maximum project duration, i.e., working days. Project durations, identifying the time allowed to complete work, are used to calculate dollar amounts of liquidated damages and incentive/disincentive assessments.

#### A. Approximate Start Date

It is expected that the site will be available by the approximate start date. If it appears a project site may not be available by the expected start date, the Project Engineer will notify the Contractor of a delay and, if possible, length of the expected delay. Contractors are expected to remain informed about site conditions and be prepared to start work with minimal delay when a site becomes available.

An approximate start date is designated for the purpose of allowing the Contractor some leeway in planning their work. The Contractor and Project Engineer should work with the Contracting Authority to develop an agreed starting date.

A Contractor may request to start work any time after execution of the contract and before the approximate start date. This request is subject to approval by the Project Engineer and the Contracting Authority. If approved, working days will be charged when work is actually started. If approval is given, the Contractor will be

required to sign a waiver giving up any right to claim extra compensation for damages due to delays related to their early commencement. If the Contractor requests to start early, they shall not interfere with operations of other Contractors who have first right to the site.

The guidelines for charging working days are explained in [Article 1108.02](#) and [Article 1108.06](#) of the Standard Specifications and in the following case:

Frequently a paving contract is let following a grading or structure contract which has not been completed when expected.

The policy on charging of working days in this situation is as follows: Whenever paving operations are in progress, working days are charged when paving is identified as the controlling operation, even though there may be a section of the project that cannot be paved because of some uncompleted work. If paving operations must be suspended or cannot start because of this uncompleted work, charging of working days should also be suspended. The Contractor and Project Engineer shall agree on a date for resuming paving operations.

The site is considered not available if the Contractor's operation would be restricted or curtailed to the extent that production is reduced because of insufficient or excluded areas. Examples of contracts often delayed are:

- Bridges delayed due to uncompleted berms
- Paving work delayed because of grading construction

Working days will be charged whenever the Contractor is working on the controlling operation, whether before or after the approximate start date. A "Notice to Proceed" shall be issued if the Project Engineer determines there are sufficient reasons and available areas to expect the Contractor to be working. In this case, the Project Engineer will contact the Contracting Authority and notify the Contractor that the site is available, and work should start. If the Contractor does not start on or before the 15th day following a "Notice to Proceed," charging of working days will begin on the 15th day.

Factors to be considered are amount of work available to the Contractor, safety, other contracts, other work, opening the road to traffic, etc.

Examples of this type of contract are fencing or signing. In either case, the Contractor will only be able to work as areas are completed and become available. The Contractor may be expected to work in somewhat confined or limited areas due to other Contractors or subcontractors on the site.

#### B. Late Start Date

When a contract includes a late start date, the Contractor may start work any time after execution of the contract if permitted by specifications and weather. If an early start is allowed, working days will be charged commencing when work is actually started. Otherwise, working days will be charged starting on the late start date.

Occasionally the Contractor will start a project, complete several items of work, and then request that working days be suspended. The charging of working days may be suspended only when the Contractor begins work on the project before the late start date and with the approval of the Project Engineer. Project suspensions should normally not be allowed after the late start date, unless the project has been opened to traffic. See "Project Suspensions" that follows.

Example of an intermediate project suspension:

Usually, the road will not be closed and construction work will be accomplished while maintaining traffic. Before work is suspended, the road must be left in a condition that is at least as safe as it was before the start of any preliminary work. (Refer to "Project Suspensions" in the following section.) After suspending work, a new late start date is calculated using the number of working days remaining at the time of suspension. A statement indicating work is suspended and the new late start date should be reported on the appropriate "Weekly Report of Working Days." The charging of working days would be resumed starting on the new date or when the Contractor resumes work, if earlier.

### C. Specified Start Date

When a contract includes a specified start date, the Contractor can expect the site to be available by the start date specified. The guidelines for charging working days are covered in the applicable specifications. Starting work after the specified start date, except as noted in the specifications, is unacceptable. Therefore, the Contractor is expected to have a sufficient work force available to start work not later than the specified date.

### Working Day

A working day, as defined in [Article 1101.03](#) of the Standard Specifications, assumes that work is able to be performed on the controlling item (or operation) of work and is defined as any calendar day except:

- Saturdays on non-accelerated projects, when inspection is not required.
- If not worked, Saturdays, Sundays and days defined in [Article 1108.03](#) of the Standard Specifications for state observed holidays on non-accelerated projects. (Refer to the note following this section.)
- If not worked, Sundays and state observed holidays when an accelerated work schedule (mandatory 6-day work week) is specified. If weather and specifications allow, a working day will be charged for all:
  1. Saturdays
  2. Days preceding and following a state recognized holiday, excluding Sunday (Refer to the note following this section.)
- Days where conditions identified in the contract documents require the Contractor to suspend construction operations.
- Days with inclement weather, site conditions, or other conditions beyond the Contractor's control, that prevent prosecution of the controlling item of work at least 25% of the daily hours routinely worked.

[Article 1108.02](#) of the Standard Specifications further refines this by charging 1/2 a working day for construction activities that occur for less than 75%, but more than 50% of the daily hours routinely worked.

**NOTE:** With the exception of Sundays, it is not intended to automatically restrict work on roadways where traffic volumes are not a concern. In fact, the Contractor should be allowed to work on activities that can be accomplished with minimal impact on traffic. The specification is intended to allow a Project Engineer work with the Contracting Authority to approve (or deny) the Contractor's request to work on normally excluded working days. Permission should be evaluated as to how the proposed work impacts traffic - based on site experience, Contractor's operation, and project schedule. Any decision to allow work during normally excluded times, shall be pre-approved by the Contracting Authority on non-primary road projects. For projects that impact a primary road the Administering Bureau must also pre-approve the request.

Working days (reference the Iowa DOT Construction Manual [Appendix 2-27](#)) will be charged when work actually begins on the contract, unless:

- A. The Contractor does not start work on the Specified Start, or Late Start, date required by the contract documents. In this case, working days will be charged commencing with the date specified.
- B. For Approximate Start date contracts, the Contractor does not start work on the date agreed to at the preconstruction meeting. In this case, the Project Engineer shall issue (or has already issued) a "Notice to Proceed." Working days will start on the 15th day following a "Notice to Proceed," or when the Contractor starts, whichever is earlier. (Refer to [Article 1108.02](#) of the Standard Specifications).
- C. The Contractor begins to work, or is working, during winter shutdown (November 15 to April 1) and:
  - working days remain for the contract, or
  - the contract does not require winter work.

### **Calendar Day**

Calendar days are typically used on Incentive/Disincentive projects. As the name implies, calendar days are every day shown on the calendar beginning at 12:01 AM and ending at 12:00 midnight.

There is clarification for charging calendar days noted in [Section 1111](#) of the Standard Specifications. It states in part: Additional closure days for weather delays will not be allowed for the first 5 consecutive closure days by adverse weather (i.e., rain, snow, extreme heat, etc.). The specification identifies non-weather-related extraordinary circumstances which will be considered provided they cause a delay.

**NOTE:** Additional closure days have to be authorized by writing a "Substantial" Change Order to the project.

### **Controlling Item of Work**

The controlling item (or operation), as defined in [Article 1101.03](#) of the Standard Specifications, of work is: Work that is (or could be) in progress at any given period of time, and would have the greatest influence on the duration of the contract.

Stated another way: at a given point in time, any task which has the greatest impact on completing the project on time will be considered the controlling item of work.

There can be only one controlling item (or operation) of work at any given time. Also, by definition: A controlling item (or operation) of work should change as the project progresses from start to finish, and the item (or operation) need not be completed to change. For example:

- Placement of reinforcing steel may be a controlling operation at some point in time. However, placing all reinforcing steel in a bridge need not be completed before another operation such as placing structural concrete would become controlling.
- Fabrication and delivery of tower lighting poles may be a controlling item of work. However, delivery of "all" towers and masts need not occur before construction of tower bases or erection of some towers would become the controlling operation.
- Placing granular subbase is a task which obviously needs to occur prior to placing pavement. However, once placing the subbase has advanced far enough to stay ahead of placing pavement, the paving operation would become controlling.

For contracts with a Critical Path Method (CPM) schedule, the controlling item (or operation) is identified by its appearance on the critical path. For contracts without a CPM, determining the controlling item (or operation) is not as straightforward and is decided by the Project Engineer. In these cases, the Project Engineer should include input from the Contractor and then decide:

- What task is, or should be, in progress (at that time) to keep the project on schedule?
- What task (at that time) has the greatest influence on completing the project on time?

Construction operations must be able to occur on the controlling item (or operation) before a working day will be assessed. A working day will not be charged unless work can be performed on the controlling item (or operation) of work, even if the Contractor is working elsewhere on the project. Factors considered outside the Contractor's control are:

- A. Adverse weather which results in site inaccessibility or non-workability of materials. Further, the Contractor will not be required to perform any task under unsafe conditions resulting from (or during) adverse weather. Suspension of working days is allowed only if the Contractor is working, or ready to work, on the controlling item (or operation). In the event of adverse weather, working days will not be charged during inclement weather, even if the Contractor has not mobilized to the project.

B. Insufficient survey stakes, late acceptance or testing of materials, or lack of inspection support could result in suspension of working days **PROVIDED** the item in question is a controlling item (or operation) of work **AND**:

- These delays were caused as a result of inaction by the Contracting Authority. For example: Insufficient survey will not be a reason for suspending working days, unless the Contracting Authority has not provided adequate preliminary survey staking or there is a plan error.
- The Contractor provided adequate advance notice indicating a specific need. Timely notice and communication between all project team members are of the utmost importance.

**Note:** There has to be a clear impact to completing the project on time before a suspension, or additional contract days will be considered.

C. Strikes which are not directed against the Contractor. For example: A labor strike against a material fabricator, after the project has started. Or a trucking strike which at a minimum affects all transportation in a particular region where materials or supplies must come from.

D. Legal stoppages are reason to suspend charging of contract time if they are a result of legal action:

1. against the Contracting Authority, or
2. against the Contractor and are not based on a specification interpretation or violation of the contract documents.

E. A controlling item (or operation) could be impacted for reasons such as:

- Delays resulting from redesign or a plan revision
- Redirecting traffic onto a project by State personnel due to some unforeseen emergency
- Awaiting contract pile lengths based on test pile results
- Awaiting a preceding Contractor to complete their work
- Delays associated with environmental problems

F. Late Delivery of Material. Procurement of material for a project is solely the Contractor's responsibility. Contract time credits for late delivery will be considered only when the Contractor documents:

- Orders were placed with a reliable supplier, in sufficient time for materials to be delivered on schedule.
- The supplier has made a reasonable attempt to secure equal materials elsewhere within the industry.
- A supplier has the capability and ability to provide materials at the rate promised.

Contract time credits (working or calendar days) may be allowed for the difference between promised and actual delivery dates. However, the promised

delivery date must have been realistic, acceptable, and fully documented to the satisfaction of the Project Engineer. Time credits could be allowed for late delivery if the problem developed after a project was let because of:

- An area or nationwide shortage of the material.
- A natural disaster.
- An industry wide strike.
- Transportation strike which delays the delivery of material.
- Delays due to a change in material commitments when caused by a federal emergency or order.
- Delays due to specially fabricated material which are damaged during shipment to the project.

- G. Redoing work that had been completed but was damaged or destroyed for reasons beyond the Contractor's control. For example: A grading Contractor is working on a project and rain occurs. The Contractor starts back to work and has to disk previously placed material to dry it out. Working days should not be charged until the site is back to "reasonably" the same condition it was prior to the rain. (Note: Drying borrow material, after a rain, would also be included in this scenario.)

RATIONALE: If the Contractor is willing to place special "early" effort into a project, or if the Contractor has to redo work which was damaged, the intent is not to penalize that effort by charging contract time until the site is back to its "original" condition.

Obviously, an alternate would be for the Contractor to wait until site conditions are perfect and then resume work. This is not beneficial to either the Contracting Authority or the Contractor.

- H. Change Orders and plan revisions could affect the controlling operation. Impacts on time should be considered for extra work and plan revisions and addressed when the impact is known. A Change Order for additional time may be executed when the impacts are quantified. For projects with a CPM schedule, simply providing an updated schedule, without substantiating information detailing changes, will be inadequate for a comprehensive review.

For large overruns, the magnitude and impact may not be readily known until the final quantities have been determined. In such situations, relative information should be included as notes on the Working Day Report.

- I. Natural Disasters are typically a result of storms which produce catastrophic results and supersede "adverse weather" described in "A" above. In Iowa, the Governor's office issues disaster proclamations.

A suspension order may be issued on any project in a declared disaster area. After consulting with the PIRC, recommendations for a disaster suspension will be initiated by the Project Engineer, sent to the Administering Bureau for final approval. Disaster suspensions will be considered for projects regardless of the Contractor's working status, i.e., actively working or not yet mobilized to the site. Time credits could also be considered for damages to plant

facilities, equipment, supplies, partially completed work, and completed work which must be redone.

- J. The Weekly Working Day Report form ([Form 830238](#)) or, alternatively, the Appia Time Limits Report, becomes a very important document in providing a historic record of events. This form should include notes about delays and other pertinent information that can be used later to assist in resolving disputes that may arise.

## Special Considerations

### A. Adjusting Liquidated Damages

Assignment of working days is based on the estimated value of the contract costs as found in Table for Proposal Guaranty and Liquidated Damages per Day in the [Iowa DOT Letting Guidelines](#). Any adjustments to Working Days, when calculating Liquidated Damages, should be based on costs accrued due to administration costs, user costs from either delays of the project or out of distance travel to get around the project should also be considered (see Section 10. Liquidated Damages in the [Iowa DOT Letting Guidelines](#).)

[Article 1108.09](#) of the Standard Specifications states in part that the Contracting Authority may waive liquidated damages which accrue after the work is in a condition for safe and convenient use by the traveling public. This specification also identifies conditions which must be met before considering any credit.

Further, the Contractor would be expected to retain or obtain sufficient equipment and work force necessary to complete the remaining work within a reasonable time. Normally 30 calendar days would be considered adequate time to allow for completing minor work under this provision. One method for administering working days on projects that are substantially completed with only clean-up / Punch List items remaining to be completed (typically in the following spring) is to advise the Contractor that charging of working days will resume in 31 days. This allows the Contractor to complete the project with no working days for clean-up work if it is completed with the 30-day period.

### B. Winter Work

Determination of contract days (working or calendar days) charged during winter shut down (November 15 through April 1) will be according to [Article 1108.02](#) of the Standard Specifications and [Section 1111](#) of the Standard Specifications, and the contract proposal. Unless otherwise noted, contract proposals allow the Contractor to work between November 15 and April 1 with no time charged. Regardless of whether working days are charged, Working Day Reports are to be issued whenever the Contractor is working on the project. The reports provide documentation of project status and the Contractor's progress.

However, a contract period ends when the Contractor has used all the specified number of working days. Therefore, if the Contractor has used all allowed working days and has not completed the project and continues (or is required) to work after November 15, working days will be charged.



This could also apply on intermediate completion dates. If all specified working days for an intermediate completion are used, but contract time remains for completing the project and the Contractor continues (or is required) to work after November 15, working days would be charged until the intermediate completion work is completed. But charging working days would then be suspended until April 1.

The two situations above assume work can be completed sometime after November 15. This is not always the case. Anytime working days are charged during winter free time because of uncompleted work, the Contractor will be required to work as long as conditions are favorable for work to occur. At the point where weather and/or site conditions prohibit acceptable constructive work to continue, a suspension will be issued, and work will be commenced at the first opportunity in the spring.

The Project Engineer may require the Contractor to place temporary materials prior to a suspension in the following situations:

- A project (or a required intermediate portion) is not completed within the allowed contract time, **and**
- work continues (or is required) after November 15, **and**
- due to weather conditions, work cannot be completed.

Typically, temporary materials will be required for safety or soil erosion considerations. All temporary materials shall be furnished, placed, and removed if required prior to start-up at the Contractor's expense.

If the Contractor wishes to start work prior to April 1 and the contract proposal allows winter free time, the Contractor is required to request authorization to commence work prior to April 1. If the Project Engineer and the Contracting Authority approve the request, a condition shall be imposed that the Contractor is not entitled to compensation for delays when not able to work during the winter free period. This condition shall also be used when the Contractor submits a CPM schedule indicating work performed prior to the contract period.

### C. Project Suspensions

The Project Engineer and Contracting Authority may approve a suspension when either of the following two conditions is met:

- when the Contractor starts work prior to the late start date
- when a project is substantially completed

However, if it is apparent the intended suspension would make it impossible for the Contractor to complete the project within the intended construction season, the Contractor will be advised that suspension of work will not be approved and charging of working days will continue.

If it is necessary, or required, that the road be closed to traffic because of the preliminary work, a suspension will not be allowed and working days will be charged unless there are extenuating circumstances or situations.

Charging of working days may be suspended on substantially completed contracts when only clean-up of the project site and/or completion of minor work remains. The specification that provides for this allowance depends on whether liquidated damages have accrued at the time of suspension.

For contracts that have not accrued liquidated damages at the time of suspension, [Article 1108.06](#) of the Standard Specifications, "Temporary Suspension of Work" is to be followed and working days will not be charged when the following conditions are met:

- Only minor work or clean-up of the project remains to be completed
- The Contractor submits to the Project Engineer a written request for suspension of work and a schedule for satisfactory completion of the work.

If approved, the Project Engineer will notify the Contractor that working days will be suspended. This may be accomplished by the Project Engineer noting on the weekly working day report that charging of working days is suspended. If the request is not approved, the Project Engineer must advise the Contractor in writing of the reasons the suspension is denied. The Contractor should be provided with a response to their request in a timely manner.

It is important to note that this procedure is not intended to allow a suspension for an indefinite period of time without a planned and approved schedule for completing the work. The Project Engineer may resume working day charges when the approved suspension expires if the Contractor fails to complete the work in accordance with the schedule submitted with the request for suspension.

On contracts that have exceeded the allowable number of working days allowed and are accruing liquidated damages, [Article 1108.09](#) of the Standard Specifications, "Failure to Complete Work Within Contract Period" is to be followed. In this case, working days should not be charged when the following conditions are met:

- Traffic must have complete use of the roadway, shoulder to shoulder, with no delays or one-way traffic and no obstructions except for signs warning of construction work ahead.
- The remaining work to be completed is confined to the areas outside the shoulder edge.
- Only minor work is left for completion such as clean-up or erosion control work if it is a small item, not part of an erosion control contract, and the erosion control work is completed during the first available seeding period.
- The remaining work is completed without excessive delay on the part of the Contractor.

#### D. Projects Behind Schedule

Typically, bar charts and Critical Path Method (CPM) schedules have been used as a means of relating construction progress versus time for various types of construction projects. The Project Engineer will monitor progress by using these schedules and the "Weekly Report of Working Days."

No mandatory acceleration action is required of the Contractor unless a project is 10%, or more, behind schedule. If the Contractor is more than 10% behind and an accelerated work schedule is expected, there should be no additional costs passed on to the Contracting Authority for any costs borne by the Contractor due to the requirement of the accelerated work schedule.

- **10% Behind Schedule**  
When the Contractor is 10% or more behind schedule, the Contracting Authority may issue a notice as provided in [Article 1108.02, I](#), of the Standard Specifications. Further action may be taken if it appears that the rate of progress is such that the contract will not be completed within the allowed time. Ten percent behind schedule may warrant written or verbal assurances from the Contractor of what they will do to bring the project back on schedule.
- **20% Behind Schedule**  
When the Contractor is 20% (or more) behind schedule, and it appears that completing the project on time is in jeopardy, the Contracting Authority (working with the Administering Bureau) will recommend actions described in [Articles 1102.03](#), [1103.01, B](#), and may take further action described in [Article 1108.02, I](#), of the Standard Specifications.

A letter to the Contractor will be required when a project is more than 20% behind schedule. This letter should reiterate the Contractor's obligation to expedite the work and remind them of the various provisions of [Article 1103.01, B](#), and [Article 1108.02, I](#), of the Standard Specifications. The letter should also request a reply from the Contractor on steps which will be implemented to improve work progress within the next two weeks, and to ultimately have the project completed on time.

The Administering Bureau should be notified at the end of 14 additional working days if:

- the Contractor has failed to respond to the letter, and/or
- the Contractor has not taken positive, measurable actions to improve project deficiencies.

#### 2.32 NOTICE TO PROCEED

Historically, the Notice to Proceed form ([Form 830237](#)) has not been widely used due in part to good coordination efforts and communication skills of project team members and use of the executed contract as the notice that the Contractor may begin work. The form was developed for Approximate Start Date contracts (where there is no specified starting date on the contract) to formalize Contractor notification relative to a project start

date. However, the form may be used for any special situation needing a formal time notice not imposed by the contract documents.

Generally, formal notification is not necessary if:

- A start date has been agreed to at the preconstruction meeting and the agreed date is recorded in the minutes. These minutes must then be distributed to all participants including the Contractor. A week will be allowed for comments and revisions. After that time, the minutes become documentation of agreements made during the meeting.
- The Contractor has started work prior to the critical time for issuing a Notice to Proceed.
- An early work waiver has been approved.

If the Contractor does not appear to be ready to start on the agreed date, or project conditions warrant an earlier start date, the Project Engineer may issue a Notice to Proceed form ([Form 830237](#)). Examples of these cases are:

- The Contractor agreed at the preconstruction meeting to mobilize and begin work on the second week in July. It is now the first week in July, the Project Engineer has been unable to reaffirm the start date or the Project Engineer has reason to believe the Contractor has no intention of starting as agreed.
- Assume: There is a contract for an HMA overlay. This contract includes some patching with an approximate start date of June 1. At the preconstruction meeting, the Contractor noted they would mobilize and begin patching work on July 15. Sometime after the preconstruction meeting, but before the Contractor starts to work, the Project Engineer or Contracting Authority becomes aware that the roadway in question is experiencing rapid deterioration and patching must begin earlier, say mid-June. In this case, the Notice to Proceed form could be used to require the Contractor to begin work.

NOTE: Cannot "mandate" the Contractor to begin work prior to the approximate start date. If the Contractor is agreeable and the site is ready, work can begin before that date but forcing the Contractor to start early could result in the potential for an acceleration claim.

In either case the Contractor should be contacted to discuss relevant issues and attempts made to redefine a new start date. However in the absence of an agreement, or if the Contractor is not amenable to starting work as needed, the Contracting Authority should issue a Notice to Proceed form ([Form 830237](#)).

NOTE:

1. In the absence of an agreement, the Notice to Proceed form must be issued before working days can be charged.
2. A starting date in the Notice to Proceed must not be less than 15 calendar days after date of issuance.
3. Working days will be charged beginning on the 15th calendar day after the Date Issued on the Notice to Proceed, or when the Contractor begins work, whichever comes first.

### 2.33 WEEKLY REPORT OF WORKING DAYS

The Weekly Report of Working Days (working day report) form ([Form 830238](#)) is an Iowa DOT form used to document time charged versus actual work completed. Two forms currently used for reporting of time charges are:

- The Weekly Report of Working Days form ([Form 830238](#)) is the standard form used for all construction and/or maintenance contracts.
- Incentive/Disincentive contracts require charging of calendar days during critical closure periods and should use the Weekly Report of Working Days for Incentive/Disincentive Clause form ([Form 830241](#)).

Except for tracking Critical Closure Days, the forms look about the same and their preparation is similar.

If using Appia, the Time Limits Report within the Appia application should be used instead of the Weekly Report of Working Days (working day report) referenced above. [Form 830241](#) will still need to be used for critical closure periods within a working day contract.

Instructions for completing the Appia Time Limits Report can be found in the Appia "Under Construction Instructions" on the Local Systems website. Use the methodologies explained below for [Form 830238](#) to determine how and when days should be charged and the appropriate reporting of multiple site times.

#### Preparation of [Form 830238](#)

The form is divided into two basic sections, one for reporting working days used and the other for reporting work progress. Instructions for preparation are as follows:

1. Late/Approx. Starting Date

If an approximate start date is designated, enter that date. If a specified start or late start date is designated, that date is entered and the abbreviation "Approx." is crossed out. (In FieldManager, the date that the Contractor starts work should be entered in the "Construction Start Date" field.)

2. Length of Project

Enter the length of the project in miles, if applicable. Note: Bridge, culvert, and other site-specific projects need not be included in this section.

3. Type of Work

Enter the type of work such as PCC paving, HMA resurfacing, shoulder stabilization, structures, etc. For structures, (bridge or culverts) enter the individual design number(s).

4. Days of Week

For reporting contract time, a day starts at 12:01 AM and ends at 12:00 midnight.

5. Controlling Operation

During the contract period, list the controlling item (or operation). If work is not progressing on the controlling item (or operation), note controlling item in appropriate column and actual work item in the "Remarks" column.

When work is stopped or suspended and working days are not charged, the reason for not charging time should be noted under "explanation of delays."

When the Contractor is not working and working days are being charged, give the reason why there is no work in progress, if known. For example, under "Explanation of Delays" and/or "Remarks" note something like: Waiting for subcontractor to mobilize.

6. Working Days Charged

If conditions allow work on the controlling item (or operation) of work, tabulate time charged for that day. (Refer to the Iowa DOT Construction Manual [Appendix 2-27](#) for charging of contract time.) Listed values will be either 1/2 or 1 for days where conditions allow work on the controlling item and 0 (zero) if days are not charged.

Refer to Section 2.34 of this Attachment for adjustment of time charged.

7. Work Progress

Three blanks are provided for major items or phases of construction. Items entered in this section are intended to provide a "quick reference" of progress for various major items. Since working day reports are continuous, it is easy to look back in a file to glean relevant data. Thus, it is preferable to allow a project inspector the flexibility to include various major phases rather than rigidly adhering to 3 items for an entire project. In so doing, anyone looking retrospectively can obtain a quick mental reference as to major work in progress at any given time. For example:

- On report #6 an inspector included Pier 2, North Abutment, and South Slope Protection.
- On report #7 the list changed to Piling, Pier 3 Footing, and Reinforcing Steel.
- On report #8 the list reverted back to report #6's items.

Report Number	Type of Work	% Complete
6	Pier 2	40
	North Abutment	60
	S. Slope Protection	20
7	Piling (Furnish & Drive)	90
	Pier 3 Footing	10

	Reinforcing Steel	30
8	Pier 2	70
	North Abutment	95
	S. Slope Protection	100

Such reporting may seem nonsensical; however, individuals using this report often need "quick" historical data that is unavailable elsewhere.

8. Percent Complete

Blanks are on the form for entering percent of the total contract completed, and percent of time used. All the percentages need only be approximate calculations, rounded to the nearest 1%. When the rate of progress on a project is behind schedule to the extent that there is danger work will not be completed on time, note such situations on the "Weekly Report of Working Days."

### Preparation of Incentive/Disincentive Form

As noted above, the Weekly Report of Working Days for Incentive/Disincentive Clause form ([Form 830241](#)) for projects specifying incentives and/or disincentives (I/D). This form tracks both working and calendar days on the same form.

Preparation of [Form 830241](#) for incentive/disincentive is generally the same as for Weekly Report of Working Days form ([Form 830238](#)) except:

1. Under "Controlling Operation" there are two columns, one for CPM and the other for "Actual". When charging contract time (working or calendar days), complete the CPM controlling column. An entry in both columns would be appropriate to document when the Contractor is working, but not working on the CPM controlling item (or operation) identified by a CPM.

NOTE: CPM schedules show a critical path. Any item (or operation) on this path is, by definition, a controlling item (or operation).

2. Columns headed "Working Days Charged" or "Critical Closure Days Charged" days are self-explanatory. NOTE: Working days are assessed when site conditions permit work on the controlling item (or operation) during noncritical closure time(s), and calendar days are charged every day during critical closure time(s).

### Multiple Sites on a Contract

A contract may consist of multiple "sites" in addition to the overall contract, which is known as Site 00. Multiple sites are used when smaller specific portions of the contract are required to be completed in a time frame that is different than the overall contract. The site numbers, site description, start date, and time allowed are described in the "Proposal Details."

Multiple site contracts include:

- Contracts with intermediate completion periods. Example: a grading contract with intermediate completion periods for completion of bridge berms.
- Multi-project contracts. Example: a contract consisting of more than one project.

For multiple site contracts, working days for each site, including the overall contract (Site 00), will be administered independently based on the controlling operation for the site. A working day will be charged to a site when work is done on the controlling item of that site.

An example of a proposal that includes multiple sites:

- The overall grading contract (Site 00 with 120 working days allowed)
- A hot mix asphalt paving project (Site 01 with 90 working days allowed)
- An intermediate completion period for constructing a bridge berm (Site 02 with 50 working days allowed)
- A RCB culvert project (Site 03 with 30 working days allowed)

A typical scenario may be that, due to wet weather, conditions allow work on controlling operations of Sites 01 and 03, but not on Site 00 or 02. In this example, time would be charged to sites 01 and 03, but not to the overall contract (Site 00) or Site 02.

Occasionally a proposal will include an intermediate construction period, have a liquidated damage clause, and a statement which paraphrasing states: Liquidated damages will not be charged for work prior to (XXX date) regardless of working days used. In this case, the "XXX date" will be the date (typically approximate start date) for a following contract. Use of this clause is intended to allow the Contractor flexibility and latitude in their schedule, while fixing a point in time that a future Contractor can reasonably assume a site will be available. If the first Contractor does not meet that date, liquidated damages will be assessed because a future Contractor/contract is impacted.

When intermediate construction period requirements have been met, the "Remarks" section on the Weekly Report of Working Days form ([Form 830238](#)) should be noted with "final" and:

1. Date intermediate work was complete or when contract requirements were met.
2. Total contract time charged to an intermediate construction phase of the work.
3. Total contract time charged in excess of the number of days specified, if an intermediate construction date is not completed on time.

## **2.34 LIQUIDATED DAMAGES AND EXTENSION OF CONTRACT TIME**

If the number of allowable working days is exceeded and it is later determined that previously charged days should not have been charged, the length of the contract period is to be extended. The number of allowable days is increased by processing a time extension modification to the contract.



Retained funds held by the Contracting Authority are not intended to offset credit payments for deficient work and/or liquidated damages.

When liquidated damages, as defined in Weekly Report of Working Days form ([Form 830238](#)) or Appia Time Limits Report, are anticipated, item progress of the Contractor's items shall be withheld to cover liquidated damages. These items will be increased to the final quantities after a Change Order for liquidated damages is processed.

If initial negotiations between the Contracting Authority and the Contractor fail to resolve differences, the Project Engineer shall request negotiation assistance from the Administering Bureau.

Should combined efforts described above fail to resolve dispute(s), the issue will be considered to have reached an impasse. At this point, a meeting with all affected parties shall be scheduled by the Administering Bureau.

If liquidated damages remain after considering possible working day credits or time extensions, a Change Order is to be written. The amount of liquidated damages shall be written as a non-substantial credit Change Order using the item number 6200-1108010. The Administering Bureau will not process a Final Voucher until all liquidated damage claims are settled.

For projects where construction engineering is Federal-aid funded, the Change Order for Liquidated Damages should be marked under the "Participating" "Federal-aid" column. For projects where projects are State funded, the Change Orders for Liquidated Damages should be marked under the "Participating" "State-aid" column. For all other situations, Liquidated Damages are non-participating so no marks should be made in either column under "Participating". However, it is required to note in the Justification for Costs that "the LDs on this project do not exceed the construction engineering costs."

## **2.35 EQUIPMENT RENTAL RATES**

On construction projects, unanticipated costs for equipment can arise as a result of work that was unforeseen at the time a contract was awarded. Such unforeseen work is often necessary in order to complete a project. Data on actual costs for equipment used for such additional, unanticipated work is usually not available, primarily because it is difficult to separate equipment costs from items bid in the contract documents. Preferably the Project Engineer and Contractor successfully negotiate a price that is agreed to by the Contracting Authority and concurred by the Administering Bureau for unanticipated work and execute a Change Order to the contract. In formulating the costs for such Change Orders, [Article 1109.03, B](#), of the Standard Specifications allows the Contractor to use EquipmentWatch's Cost Recovery Rates (formerly Rental Rate Blue Book) rate guides or actual lease invoices to calculate equipment costs. If using Appia, equipment usage can be tracked and documented in the Daily Report feature.

### **EquipmentWatch Cost Recovery**

EquipmentWatch Cost Recover is a recognized standard rate guide which can be used to determine rental, ownership and operating rates to be reimbursed to the contractor in

force account work, and to substantiate equipment costs for agreed price work. Typically, this method of determining rental costs is used when a contractor owns or has a long term lease for any equipment in question, but does not have an established rental cost per unit of time. EquipmentWatch updates all of these rates annually. EquipmentWatch Cost Recovery rates are available in either the Estimator Plan or the Equipment Manager Plan on the EquipmentWatch website at <https://equipmentwatch.com/>.

One of the greatest challenges in determining costs is finding a particular piece of equipment. It is important that Contractors provide complete, definitive, information relative to a particular piece of equipment, i.e., manufacturer, model number, type, size, horsepower, bucket or box capacity, equipment weights, and age. While the EquipmentWatch Cost Recovery database includes a vast array of heavy equipment models that are currently in the market, there may be particular models or types of equipment not included in the guide due to a lack of data. In the event that a piece of equipment is not found in the Cost Recovery product, contact EquipmentWatch customer service or your account executive in order to receive custom ownership and operating rates from the EquipmentWatch analyst team.

In order to determine accurate equipment costs, several adjustment factors must first be applied.

### **Invoiced Rental Costs**

There are times where the Contractor will obtain needed special or extra equipment at a rental facility. The Contracting Authority reimburses rental costs for providing equipment and highly specialized attachments, equipment operating costs, and costs for an operator, and if necessary, equipment support crew. Care needs to be exercised in checking how a rental arrangement is written. Sometimes operators are furnished in a rental agreement. In that case, the operator and/or support crew have to be removed from equipment rates and included on the force account form as hourly labor.

### **Equipment Time Charges**

Charging equipment project time will be as follows:

#### **A. Equipment on the Project**

This can be equipment on the project that is owned, leased, or rented by the Contractor. Rental time is charged when the equipment is physically working at the extra work site. Standby time will not be allowed for rental equipment which was on the project (prior to extra work) for work required by the contract. Further, rental time will not be charged when equipment is not working, no longer needed for the extra work, or not on the extra work site.

#### **B. Equipment not on the Project**

This can be equipment that is owned, leased, or rented by the Contractor and is mobilized to the extra work site specifically for extra work. Rental time is charged when the equipment is working or is on standby available for work. Rental or

standby time will not be charged when the equipment is no longer needed for extra work or not on the extra work site.

#### C. Standby Time

Standby time is that time a piece of equipment is at the extra work site, fully functional, and available for work. The use of a standby rate is appropriate when equipment has been ordered to be available for force account work but is idle for reasons which are not the fault of the Contractor.

Standby time will not be charged for:

- nonworking hours
- nonworking days (calendar or working days)

#### D. Set-up Time

Often equipment transported to a work site will have to be assembled (set up) prior to being fully functional and available for work. Set-up time will be charged (on a working day basis) after off-loading the equipment from a transporting vehicle and continue until it is assembled and available for work.

### Chargeable Project Costs

As previously noted, rental rates apply to equipment rented or leased for specific extra work items. Equipment often requires highly specialized (not common) attachments to functionally perform the work needed. Rental rates for these attachments will be calculated in the same manner as if they were a separate piece of equipment. Example: A dozer blade would not be considered a specialized attachment for a dozer. However, a special rock ripper for a dozer or a drill table for a crane (used to install drilled shafts) would be considered specialized attachments.

#### A. Equipment Watch Cost Recovery

The formula to calculate hourly equipment rate is:

$$\text{EQUATION 1: } W = \frac{RR \times RF \times RA}{HA} + HO$$

Where:

- W = Hourly Equipment Rate (reported as \$ per hour)
- RR = Equipment Rate (Use listed monthly rates)
- RF = Regional Factor (found in the front of each section)
- RA = Rate Adjustment Factor (found in the front of each section)
- HO = Hourly Operational Cost (as listed for each piece)
- HA = Hourly Adjustment (HA = 176, converts monthly to hourly)

Project cost is the hourly equipment rental rate (W), calculated above, and multiplied by the number of hours charged for that piece during the project. This

value is combined with any other extra work equipment costs and entered in the "Equipment" column on a Statement of Force Account. NOTE: Operator wages will be included with other "labor" costs on the Force Account sheet.

#### B. Standby Costs

Standby rates are calculated as 50% of rental rates, excluding operating costs. Using the EquipmentWatch Cost Recovery, standby rates are calculated as follows:

#### EQUATION 2

$$Y = \frac{RR \times RF \times RA}{HA} \times 0.50$$

Where:

- Y = Hourly Equipment Stand-by Rate (reported as \$ per hour)
- RR = Rental Rate (Use listed monthly rates)
- RF = Regional Factor (found in the front of each section)
- RA = Rate Adjustment Factor (found in the front of each section)
- HA = Hourly Adjustment (HA = 176, converts monthly to hourly)

#### C. Set-up Costs

Project set-up costs will be calculated and charged as standby time. (Refer to "B" above, and section "D" of Equipment Time Charges.)

#### D. Mobilization Costs

1. Mobilization and demobilization charges will not be allowed for equipment which was at the project for ongoing operations prior to the extra work.
2. Contractor owned (or long term leased) equipment which is brought to the extra work site from another project, or the Contractor's yard, will have mobilization costs reimbursed based on hauling time to the project. Rental rates as calculated in Equation Number 1, times the hauling time will be applied for mobilization costs.

NOTE: Only equipment needed for the extra work and not already on the project will be considered for mobilization reimbursement. Demobilization time (or costs) will not be included for payment.

3. Equipment leased specifically for extra work and transported by the Contractor will have mobilization time reimbursed as outlined in D. 2. above. Demobilization time (or costs) will not be included for payment.
4. Equipment leased specifically for extra work which is transported by the lessor, or a third party, will be reimbursed on an invoiced basis. Demobilization costs will be reimbursed if the equipment is returned to a lessor's yard.

### Statement of Force Account Form ([Form 181213](#))

The Statement of Force Account form ([Form 181213](#)) completed and signed by the Contractor and project inspector at the end of each day document hours charged to equipment for that day. After the ordered extra work has been completed, total hours charged for equipment can be combined and tabulated on a summary force account sheet.

### 2.36 CHANGE ORDERS ([FORM 831240](#) or Appia Change Order)

A Change Order is a written order to the Contractor for:

- Changing the authorized quantity of a contract item. This includes increases or decreases to contract quantities.
- Adding a new item or material to an existing contract. Often this is a result of plan revisions or a change in scope from what was originally envisioned at time of letting.
- A source document for the Finance Bureau to enter changes and additions into the Contractor Pay System or for the Contracting Authority to authorize extra work or changes in item quantities. Ultimate results of this endeavor are changes to items, or additional items, appearing on a Progress Voucher or Pay Estimate.
- Officially documenting changes to the contract documents. Change Orders are written orders to the Contractor (or consultant) which are initiated and prepared by the Project Engineer. Once signed by all parties, these orders become legally binding contract documents ordering a specific change to the original contract.

#### Policy for Change Orders

##### A. Contractor Markup

**Subcontracted Items.** Items added to a contract, and performed by a subcontractor, entitle the Contractor an allowance to cover administration expenses. This markup is not to apply to incentive payments or other specified items covered by specifications. The percentage allowed per [Article 1109.03, B](#), of the Standard Specifications is to be applied to each individual item of extra work which is performed by a subcontractor. The amount of mark-up shall be included in the unit price and not as a separate item such as "Contractor's Mark-up".

**Contract Unit Price.** Change Orders covering overrun/underrun of items at contract unit price are NOT eligible for any additive. This includes work which was done by a subcontractor. The contract unit price should have already considered any necessary additives for administrative expenses.

A Contractor may request a price adjustment to recover lost administration expense for underruns amounting to more than 25% of the bid amount for a major item of work. A Contractor is allowed to recover that portion of lost administration expense represented by the difference between the actual quantity and 75% of the original contract quantity.

Price adjustment may be made to reduce the cost of major items of work which overrun by more than 25%, since the Contractor should have already included overhead expenses in their bid. Overrun price adjustments apply to only that portion/quantity which is more than 125%.

**Agreed Unit Price.** Change Orders, based on an agreed unit price, or lump sum, shall have overhead considered as a part of the negotiation. The agreed unit price may include the cost of overhead for handling subcontracted items. It may be included in lump sum items if justified. However, if negotiations specifically excluded markup, the item may be shown as a separate entry on a cost workup sheet.

**Force Account.** Specified force account percentages for labor, material and equipment are intended to cover all costs that the Contractor may incur due to the work, regardless of who does that work (Contractor or subcontractor). Force account work to a subcontractor will be authorized for additional administration percentage to the Contractor.

B. Situations that require processing a Change Order:

- Any change in the original scope or intent of the project, i.e. changing the project limits which results in overruns, underruns, or new contract items amounting to \$10,000 or more. (Contact the Administering Bureau before proceeding ANY TIME this situation arises. Before any changes to project limits can be made new NEPA clearances must be obtained.).
- Any overrun/underrun of items that are defined at to be paid at contract quantity according to the specifications.
- Overrun/underrun amounting to \$50,000 or more on any contract item.
- All price adjustments.
- Liquidated damages.
- Value engineering proposals.
- Incentive/Disincentive payments (if incentive/disincentive items are not included in the contract).
- Added items.
- Change in specification.
- Plan revision.
- Extension of contract time.

C. Price adjustments which reduce payment for an item are occasionally charged because material or quality of work is below minimum specified standard. These adjustments are applied when the Project Engineer has determined a problem that lacks a level of severity warranting removal and replacement. However, the problem does affect life cycle costs or could cause premature maintenance costs. For example: Rain damage, out of tolerance slump and/or air content, deficient smoothness, and insufficient pavement thickness.

On the other hand, price adjustments could provide an "incentive or reward" for exceptional work. In these cases, a project value is added due to increased diligence on the Contractor's part. Examples are exceptional smoothness and extra pavement thickness.

- D. Mutual benefit agreements require a Change Order to document changes.
- E. Reducing the final quantity of an item to zero requires a Change Order if the original contract item value is \$50,000 or more.
- F. Settlement of liquidated damages (See Section 2.34 of this Attachment). Contract proposals will list a daily rate (dollar value) for liquidated damages. Change Orders written for liquidated damage assessments are written as non-substantial. Refer to Incentive/Disincentive provisions below.
- G. Incentive/Disincentive (I/D) provisions are included to provide the Contractor with an "incentive" to complete a project early or a "disincentive" if the project is completed late. I/D provisions will list daily rates to be applied to "critical closure" times. Change Orders written for incentive/disincentive payments for early/late completion are considered non-substantial.
- H. Value Engineering proposals are encouraged for all aspects of contract work. (Refer to Value Engineering later in this section.) Change Orders for implementing value engineering proposals are Substantial and shall document the terms and changes being implemented.
- I. Intentionally left blank.
- J. Items NOT Requiring a Change Order:
  - 1. Deletion of a measured items with original contract amount less than \$50,000.
  - 2. Overruns and underruns of measured items less than \$50,000.
- K. Often, plan revisions result in Change Orders having to be negotiated due to new and/or changes to contract items. Processing Change Orders resulting from plan revisions is sometimes delayed due to disagreement on prices, lack of success in obtaining qualified subcontractor(s), or various other reasons.

It is imperative that the PIRC, in collaboration with the Project Engineer, actively pursue Change Order negotiations to an early conclusion, especially if proposed work involves public safety (guardrail, safety enhancement, etc.) or work related to a prolonged detour. Obviously, agreement on unit prices is desirable; however, there are times that work will have to proceed on a Force Account basis. In all cases, documented agreements on the Method of Measurement and Basis of Payment for items must be obtained before the Change Order is written. NOTE: No work can begin until the Contractor has either agreed to a Change Order or agreed to a basis of computing force account costs.

**Preparation of Change Order ([Form 831240](#) or Appia Change Order)**

Each contract, on single project contracts, or each project on multi-project contracts require preparation of separate Change Orders for changes or additions.

All Change Orders shall be agreed to by the Contractor and have all necessary approvals prior to commencing additional work. This does not necessarily mean a fully executed Change Order document, but rather a written agreement of the work to be performed, how it is to be paid, and justification of cost. The only exception to this rule is Force Account Work. If costs for work cannot be agreed upon, the extra work must be performed on a force account basis. In such case, the Statement of Force Account ([Form 181213](#)) is used. [Article 1109.03, B](#), of the Standard Specifications provides guidance and responsibilities for preparation of Force Account forms.

Currently, there are three systems for processing Change Orders:

- The FieldBook2/FieldManager programs initiate Change Orders and export the data to CPS for processing of the payment. Refer to the FieldBook and FieldManager User Guides for instructions for generating Change Orders.
  - The reason for proposed changes shall be included for existing and new items.
  - The justification for costs shall be included for new items (Refer to the following instructions in Section C for [Form 831240](#)).
- Change Order form ([Form 831240](#)) may be used for projects paid locally by the LPA or projects on the Farm-to-Market system utilizing paper Contract Construction Progress Voucher (sometimes referred to as 309's) for processing progress payments through the Contractor Pay System (CPS).
- The Appia program initiates Change Orders. Refer to the Appia User Guide ["Under Construction" Instructions](#) located in the Post-Letting Resources section of the Local Systems website.
  - The Accounting I.D. Number must be noted after the project number on the top of Page 1 of the change order. (This is populated automatically if the project is set up using a Local Systems provided .json file.)
  - Custom fields should be added to the Change Order section to mimic the fields found in [Form 831240](#). See the Appia ["Under Construction" Instructions](#) for directions on how to add these custom fields. Refer to the following instructions in Sections A-F for [Form 831240](#). The reason for proposed changes shall be included for existing and new item.
  - The justification of costs shall be included for new items (Refer to the following instructions in Section C for [Form 831240](#)). Refer also to the following instructions for determining whether the change order is Substantial or Non-Substantial.

The procedure for completing Change Order form ([Form 831240](#)) in the Contract Construction Progress Voucher system or locally paid projects follows:

- All information must be furnished (i.e., substantial/non-substantial).
- It is important that the information is in the standard format because the data is manually entered into the Contractor Pay System.



If Appia change orders are used, the local agency must take care to ensure all necessary information is included. Additionally, if the change order is adding new items to the contract, the user must ensure the correct “8000” numbers are input for the new items.

If a project is required to utilize Doc Express (let at the Iowa DOT after January 19, 2018 for counties or July 19, 2018 for cities) or utilizes Doc Express, upload the completed Change Order form ([Doc Express Form 831240](#)) in the Change Order Drawer, following the naming convention as outlined in I.M. 6.000 [Attachment F](#) for signature.

If a project is not required to utilize Doc Express (let at the Iowa DOT prior to January 19, 2018 for counties or July 19, 2018 for cities), one copy of the final Change Order form ([Form 831240](#)) should be printed and distributed for signatures.

Before uploading the Change Order to Doc Express, a draft of the Change Order must be submitted by email to the Regional Field Technician for review. The Field Technician will review and provide editorial comments. When these comments have been addressed, a second draft shall be submitted to the Regional Field Technician for approval. When the Change Order is ready to be published, the Regional Field Technician will notify the agency that the Change Order is ready to print to pdf and upload into Doc Express.

### Top of form

**No.:** Enter the Change Orders number. This should be a consecutive numbering system for each contract, but multiple projects on a contract must have their own Change Order. Example: a two-project contract and changes need to be made to both projects at the same time. There must be two Change Orders written. Changes to one of the projects will be made in Change Order 01 and the changes to the second project will be made in Change Order 02.

**Non-Substantial and Substantial boxes:** Check the box that is appropriate for this Change Order. The Administering Bureau shall be consulted if there are any questions concerning the determination. The following guidelines shall be used for determination.

#### Non-substantial

- a. Price adjustments made to the contract in accordance with prescribed guidelines in the Iowa DOT Construction Manual and/or contract documents, such as (not all inclusive):
  - Changes in piling length
  - Jetting pile
  - Heating and protection of concrete
  - Price adjustments (plus or minus) for smoothness, pavement thickness, fuel adjustment
  - Price adjustments for liquidated damages
  - Price adjustments for rain damaged pavement

- b. Lump sum agreements, force account, and agreed price settlements less than \$150,000.
- c. Change in contract quantity at contract unit price when variations from the estimated plan quantities are not due to a plan or design change and do not equal or exceed \$150,000.
- d. Total deletion of a measured item that has a bid amount greater than \$50,000.
- e. Extension of contract time. Refer to [CM 2.34](#).
- f. Other items for which the rate of pay is pre-established in the contract documents such as water for dust control or removal of anchor lugs

#### Substantial

NOTE: when a Change Order is classified as substantial, the Contracting Authority must obtain written pre-approval from the Administering Bureau.

- a. An extra work effort at contract unit prices, agreed unit prices, or force account methods that equals or exceeds a total cost of \$150,000. An extra work effort may include a single item or multiple items.
- b. Change Orders that include an overrun / underrun of an original contract item or overrun/underrun of group of items that are part of an extra work effort amounting to \$150,000 or more.
- c. Changes to the Method of Measurement or Basis of Payment of a contract item or changes to price adjustment schedules for defective work detailed in the Iowa DOT Construction Manual.
- d. Re-negotiation of a contract item's unit price.
- e. Value Engineering proposals in accordance with [Article 1105.15](#) of the Standard Specifications.
- f. Modifications to the terms of a contract, such as changes in contract periods (includes completion date changes).
- g. Adjustment in time of critical closure periods.
- h. Changes in limits of contract or scope of work.
- i. Prior to the work in the extended area, for federal-aid projects, the following items must be accomplished, regardless of the funding source for the extra work:
  - NEPA – Location and Environment staff have reviewed environmental documents and documented the extended area is clear.
  - Document the work to be performed is either cost effective or in response to an emergency.
  - FMIS – Request Administering Bureau to request a change in scope of work and project limits in FMIS (Fiscal Management Information System). Also, included are the dates for "revised NEPA clearance" and "cost effectiveness determination".
- j. Extra work effort associated with plan revisions

**Administering Bureau Concurrence Date:** This is the date that the Administering Bureau concurs with the Change Order so work may commence.

This concurrence can be through verbal communication or email and entered by the Engineer. This allows work to be performed without waiting until the Administering Bureau receives the form for their official signature at the end of the form. The Administering Bureau Concurrence Date must be noted for substantial change orders.

**Accounting ID No. (5-digit number):** This is the 5-digit accounting number for this project. This number is obtained from the Contract Project(s) section of the contract, typically found on the second page of the contract.

**Kind of Work:** This is the Project Work Type that is obtained from the Contract Project(s) section of the contract, typically found on the second page of the contract.

**Contractor:** Name of the Contractor's company on this contract.

**Project Number:** The project number in this contract that will be affected by this Change Order.

**Local Public Agency:** The Local Public Agency that is the Contracting Authority for this contract.

**Date Prepared:** The date this Change Order was prepared.

#### **Section A - Description of modification to be made**

Section A is used to provide a description of the work to be completed or the modifications to be made. All descriptions should be brief and to the point; and each should be preceded by the Line Number (xxxx) in Section F and/or the Change Number (8xxx) in Section G. For example:

xxxx Change	Increase item for "Class 10 Excavation, Roadway & Borrow".
8xxx Change	Add an item for "Silt Basins". Work shall be in accordance with the Pollution Prevention Plan provided for in the contract documents.
8xxx Change	Add an item for "Sealing Wells". Work shall be in accordance with <a href="#">Section 2538</a> , of the Standard Specifications.
8xxx Change	Add a new item for "Lime Green Boulders". This is not a current item; therefore, specifications for this work do not exist. The 5 parts of the specifications must be entered in this Section: <ol style="list-style-type: none"><li>1. Description</li><li>2. Materials</li><li>3. Construction</li><li>4. Method of Measurement</li><li>5. Basis of Payment</li></ol>

When new items are added to the contract by Change Order, an item code and item description will be added in Section G of the Change Order form. The item

code and item description are found in the [Index to English Bid Items](#). Existing Standard Specifications may or may not be able to be used for item codes starting with, but not limited to, 2590, 2595, 2599, 6100, and 6200. If an existing Specification can be used, identify the section of the Standard Specifications, or the number of the Supplemental Specification, Developmental Specification, or Special Provision, in this Section A (see example above). If there is not an existing Standard Specification, the Description, Materials, Construction, Method of Measurement, and Basis of Payment for that item must be included in this Section A.

### **Section B - Reason for modification**

Section B provides space for a brief narrative of reasons (or background) for ordering the modifications outlined in Section A.

The explanation should be in sufficient detail and clarity to provide reasons why the modification is necessary; and each should be identified by the Line Number in Section F and/or the Change Number in Section G. A statement such as "Extra Work ordered by the Engineer" or "As per plan revision" is not a sufficient explanation.

### **Section C - Settlement for cost(s) of modification as follows with items addressed in Sections F and G**

Section C provides space for an explanation of the basis for the cost(s) of the modification; and each should be preceded by the Line Number in Section F and/or the Change Number in Section G. The basis should be noted as one of the following: contract unit price, agreed unit price, agreed lump sum, force account, no-cost change, or mutual benefit.

### **Section D - Justification for cost(s)**

Section D provides space for the justification for the cost(s). The Project Engineer shall conduct an independent cost analysis for items added or changed by the change order prior to agreeing to those costs. An extension of contract unit price(s) and price(s) established in the contract documents do not need further justification. However, agreed unit price(s), lump sum, and force account basis do require justification; and each should be preceded by the Line Number in Section F and/or the Change Number in Section G.

Examples of justification could be:

- Original copies of material quotes.
- Comparable to item xxxx (a similar item) in the contract or a previous Change Order.
- Independent cost check of area suppliers.
- Rental Rate Blue Book values and attached to the Change Order.
- Invoiced price(s) and estimated labor cost (Davis-Bacon wage determinations) is comparable to item xxxx (a similar item).
- Certified payroll expenses, invoiced rental rate charges, and actual material invoiced.

- Davis-Bacon wage determinations.
- Summary of cost(s) and attached to the Change Order.
- Similar contracted items on previous project.
- Comparing the unit price to past bid prices published in the Iowa DOT Summary of Awarded Contract Unit Prices.

If all or part of the cost is based on an actual invoice from the contractor, attach a copy of the invoice to the Change Order.

If the Statement of Force Account ([Form 181213](#)) is used, attach copies of each day's form as justification for this Change Order.

### **Section E - Contract time adjustment**

Section E is to address any modifications that may need to be made to the Contract Period. Every Change Order must address working days whether or not an adjustment needs to be made to the Contract Period. Make sure to address working days by checking the appropriate box; "No Working Days added" if the change will have no impact to the time required to complete the controlling item of work, "Working Days added" and how many if the change will require additional days to complete the controlling item of work, or "Unknown at this time" if the impact to the progress of the controlling item is unknown at the time the Change Order is written. If the impact is unknown, it must be addressed in a future Change Order. Add an explanation to justify the Contract Time Adjustment that was selected.

Impacts on time should be considered when the Change Order for extra work is written. If the impacts can be quantified, the number of days may be addressed in the Change Order. But, in many situations, the impact on contract time may not be known until the work is performed. In those cases, when impact on contract time has been determined and the Change Order has not been fully executed, the time may be addressed on the Change Order. If the Change Order has been fully executed, another Change Order must be written to address the time.

Make sure to address working days by checking the appropriate box:

- 1) "No Working Days added" if the change will have no impact to the time required to complete the controlling item of work,
- 2) "Working Days added" and how many if the change will require additional days to complete the controlling item of work, or
- 3) "Unknown at this time" if the impact to the progress of the controlling item is unknown at the time the Change Order is written. If the impact is unknown, it must be addressed in a future Change Order.

**Note:** This option should only be used in cases where impacts to time are unknown until after the work is completed.

## Section F - Items included in contract

Section F provides lines for entering modifications to existing contract items. Change Orders written as "Mutual Benefit" or "No-cost Change" do not have entries in this section.

Section F is completed as follows:

- The first two columns indicate the "Participating" funding sources, if there is Federal-aid and/or State-aid. Communication with the Administering Bureau for their initial approval on Federal-aid and/or State-aid participation before entering an "x" in the column(s) that will indicate how the modification could potentially be funded. The Administering Bureau will review the Federal and State potential participation determination and make changes if necessary. If an "x" is not entered in either of the first two columns, the change will be locally or Farm-to-Market funded.

Remember to always ask for and obtain initial approval from the Administering Bureau before proceeding.

Most changes to items on Federal-aid projects are eligible for Federal-aid participation. Examples of items which may not be participating are:

1. Costs relating to field mistakes. These could be errors by the Contractor or inspection forces.
  2. Unincorporated material
  3. Added work that is considered "maintenance" in nature
  4. Hauling of salvaged materials
- The third column, Line Number, lists each modification to a contract item. The "Line Number" identifies the specific contract item affected by a particular change. The line number is the four-digit number identifying the specific contract item and can be found in the contract under "Line No". If making a change that has been added by a previous Change Order, use the 8xxx "Change Number" found on the Change Order in which it was added.
  - In the fourth column, Item Description, enter the name of the item being modified. This can be found either on the contract under "Item Description"; or for items that were added by previous Change Orders, it can be found on that Change Order.
  - In the fifth column, Unit Price, enter the contract unit price of the affected item. Unit Prices are entered to 2 decimals.

NOTE: Lump Sum items can be entered with a unit price of 1.00.

- In the sixth column, Quantity, enter the adjustment's quantity. (How much quantity is being changed?) All quantities should be entered to 3 decimal places. For example: Structural Concrete is being increased 53 CY. The "Quantity" would be entered as 53.000. If the change to the item will

result in a decrease to the quantity, add a negative sign before the quantity to indicate this decrease (-x.xxx).

**NOTE:** Lump Sum items have the agreed cost (in dollars) entered in the quantity column. For example: Assume some item of work will be deleted. That item was bid as lump sum with a unit price of \$500. Then 500.000 would be entered for the "Quantity."

- The seventh column, Amount, is typically a calculated amount (total dollars) represented by a single entry. The Amount is automatically calculated when using the electronic version of the Change Order form. For example: Structural Concrete is being increased by 53 CY at a unit price of \$250 per CY. The dollar amount of this change would be  $53 \times 250 = \$13,250.00$ . "Amounts" are entered to 2 decimal places. If the change to the item is for a negative price adjustment or other decrease in contract costs, add a negative sign before the number in this column also to indicate a decrease in cost, unless using the electronic form in which a negative sign will automatically be entered with the calculated amount.

**NOTE:** Care must be exercised to identify decreased and deleted contract items, and disincentives. Obviously, the amount is negative for these types of adjustments. To indicate "negative" values, a negative sign (-) must be entered before the numbers in either the "Unit Price" or "Quantity" column. Failure to correctly enter negative values could result in increased payments to the Contractor, when in reality reduced payments were required.

### **Section G - Items not included in contract**

Section G provides lines for adding new items NOT originally included in the contract. The Iowa DOT policy requires additional, or new, items to be sequentially numbered starting with 8001 for each project if the contract includes multiple projects. Items added by 8xxx will appear on the progress voucher or can be entered on the pay estimate as an 8xxx item after the Change Order has been processed. Once an 8xxx item has been added, changes to that item shall be considered as existing contract items. Future changes to these items shall be processed as changes to items included in the contract under Section F and will continue to carry the 8xxx line number.

**NOTE:** Change Orders written as "Mutual Benefit" or "No-cost Change" do not have entries in this section.

Section G is completed as follows:

- The first two columns indicate the "Participating" funding sources, Federal-aid and/or State-aid. Enter an "x" in the column(s) that will indicate how the modification could potentially be funded. See Section F above.
- The third column, Change Number, lists each new item being added to the contract. Change numbers begin with 8001 and continue sequentially

for each project, even on multiple project contracts. Currently there are two 8xxx items which have special significance. 8998 is used solely for indicating liquidated damages and 8999 is used for stockpile of materials.

- The fourth column, Item Number, can be obtained from the [Index to English Bid Items](#). Item numbers reference the appropriate section of the Specification Book, Supplemental Specifications, Developmental Specifications, or Special Provisions; and it is mandatory to check to see if an item number exists in the Index of English Forms for the work being added. If an item number specific to the work can be identified, use that item number. If a specification does not exist for the work being added, use the generic 2599 items and include the specification requirements in Section A.
- The fifth column, Item Description, identifies an addition by properly describing the item according to Index of English Forms. If it cannot be identified in the Index of English Forms, provide a brief description of the work being added. The item description should relate to the specification referenced in Section A.
- The last 3 columns (Unit Price, Quantity, and Amount) are used in the same manner as explained in Section F above. For price or quantity deductions enter the number as a negative (-x.xx or -x.xxx). An example of a deduction would be when reducing payment amount on the contract include a negative sign before the amount entered in the “Quantity”
- column. For a disincentive item, enter -1.000 in the “Quantity” column. The form will automatically calculate a negative dollar amount in the “Amount” column.

**NOTE 1:** The list in the "Summary of Awarded Contract Prices" book may also be used to identify item numbers and descriptions. This book is available at <https://www.bidx.com/ia/lettings>. On the “Lettings” tab, select the most recent letting and click on “Awarded Contract Unit Prices - ENGLISH” under “Downloads” on the right side of the screen. This shows the award summary for a one-year period ending with the letting selected.

**NOTE 2:** To indicate "negative" values, (i.e., price adjustments) a negative sign (-) must be entered before the numbers in either the “Unit Price” or “Quantity” column. Failure to correctly enter negative values could result in increased payments to the Contractor, when in reality reduced payments were required.

## Section H - Signatures

**Agreed:** This is for the Contractor’s signature that they agree with the Change Orders as written. The Contractor should be the first to sign the Change Order.

**Recommended:** This is for the Project Engineer’s signature and should be the second to sign the Change Order. For publicly owned projects, the Engineer is a



Professional Engineer licensed in the State of Iowa and authorized representative of the Contracting Authority and may or may not be an employee of the Contracting Authority. For privately contracted projects, with improvements that will become publicly owned, the Engineer is the authorized representative of the public entity ultimately accepting ownership of the improvements. For all other projects, the Engineer is the owner's authorized representative.

**Approved:**

- **Person in Responsible Charge (PIRC):** This may or may not be the same person as the Project Engineer. If it is the same person, they may sign on the "Project Engineer" signature line and this line, but their signature on the Project Engineer line is the only one required. If the LPA uses a consultant to perform construction inspection services, 23 CFR 635.105 requires the LPA to have a full-time employee who is in responsible charge of the project. For counties and larger cities, this person is typically the county or city engineer; however, they need not be a licensed engineer or architect to be the Person in Responsible Charge. For smaller cities that do not have full time employees, the mayor or city clerk may perform this function, with assistance from the Iowa DOT Administering Bureau. A consultant may not serve as the Person in Responsible Charge for a Federal-aid project. For future explanation of duties and functions of the PIRC, see [I.M. 6.000](#).
- **Contracting Authority and Other lines:** These lines are all optional. If the Contracting Authority and the PIRC is the same person, they only need to sign the PIRC line above. The Contracting Authority is the governmental body, board, commission, or officer having authority to award a contract. Some City Boards and County Commissions like to have their Chairs or Treasurers also sign financial documents. This gives them a place for other signatures as they desire or require themselves.
- **Iowa DOT Administering Bureau:** The Iowa DOT's representative who is responsible for oversight of the project. The representative may be a Local Systems Field Engineer, Local Systems Field Technician, or the Director from the Systems Planning Bureau.

NOTE: Change Orders for Farm-to-Market projects ~~do not~~ need to be reviewed and signed by the Administering Bureau.

- **FHWA Concurrence:** This is only required for Substantial Change Orders which FHWA has oversight, and that determination is the responsibility of the Administering Bureau.
- **NOTE:** For projects utilizing Doc Express, all signatures are to be obtained electronically through Doc Express after the document has been uploaded.

## Distribution

When all required signatures are obtained, the Iowa DOT Administering Bureau will distribute the form as listed in the "DISTRIBUTION" list. If FHWA concurrence is required, FHWA will return the document to the Iowa DOT Administering Bureau after it has been signed. The person who distributes the executed Change Order will date and initial the document that is retained in their Office.

## Multiple Pages of the Form

The Accounting I.D. No. and Change Order No. must be included in the upper right-hand corner of each subsequent page.

## Value Engineering

In accordance with [Article 1105.14](#) of the Standard Specifications the Contractor may submit a value engineering proposal to the Project Engineer with copies to the Administering Bureau. The purpose of value engineering is to encourage alternative, cost-effective measures which produce equal or better quality end products.

Value Engineering proposals will not be accepted for:

- Changes in basic design of a bridge or pavement type. For example: Value engineering a project from PCC to HMA will not be acceptable. Changing a designed bridge to a box culvert is not acceptable.
- Changes which the Contracting Authority may already be considering.
- Basing a value engineering proposal on, or similar to, existing standard specifications, special provisions, or design plans and standards adopted by the Contracting Authority. For example: A plan was let using 15 feet PCC joint spacing. A value engineering proposal would not be accepted changing this to 20 feet because "RH" standards have included this spacing as an acceptable standard.

The written proposal shall have sufficient detail to be evaluated for compliance with the requirements and limitations of [Article 1105.14](#) of the Standard Specifications. The detail provided must also allow for reviewing how a proposal impacts the entire project. It shall include:

- A description of existing requirements and proposed changes.
- All affected contract items, including new Change Order items and supporting justification for that extra work.
- Unit prices requested for the work.
- Effects on crew, equipment, and production needs for the project.
- Impact on the construction period.
- Schedule for obtaining all required materials.

It is very important to pursue these requests quickly to maximize potential savings. Once a proposal is received, the Project Engineer should discuss merits of VE proposal with the Administering Bureau. If appropriate, the Administering Bureau will coordinate the review with other offices, including selected section leaders

(Design and/or Bridges & Structures) and FHWA if appropriate. Following this review the Administering Bureau will notify the Project Engineer of approval or disapproval, and any special considerations or requirements.

The Project Engineer will notify the PIRC to prepare and send a written notification to the Contractor outlining the review and conclusions of that review.

If a proposal is acceptable, this notification will form the basis for issuing a Change Order to implement conditions of the value engineering proposal. Therefore, a notification should include:

- A restatement of any changes.
- All costs involved, and how costs will be addressed.
- Any specification requirements as a result of changes or modifications to the existing contract.
- Details pertaining to special requirements for materials inspection and testing, if applicable.
- Any other special considerations or conditions.

If a proposal is not approved, the notification needs to include reasons for rejection.

The Iowa DOT has established a goal of 10 days to complete the entire review and notification process.

## **2.37 PROJECT ACCEPTANCE AND AUTHORIZATION FOR FINAL PAYMENT**

See [I.M. 6.110](#), Final Review, Audit, and Close-out Procedures for Federal-aid, Federal-aid Swap, and Farm-to-Market Projects.

## **2.38 CONTRACTOR EVALUATION REPORT**

For FieldManager contracts, a Contractor's Performance Evaluation (CPE) must be completed and approved for the Contractor and all subcontractors before the final voucher can be created. If using FieldManager, refer to the FieldManager User's Guide Section 6-5 for instructions on completing Contractor Performance Evaluations.

For all other projects, use the instructions on the [Evaluation Report Instructions](#) web page.

The intent of an evaluation is to report strength and/or weakness of the Contractor Contractor's project related activities including paperwork, material documentation, attitude, and cooperation. Special attention should be given to the Contractor rating below 50 points. Remarks are required for any individual item(s) that is rated less than 50%. Remarks are also required when the Contractor is given a 100% rating.

The Contracts and Specifications Bureau maintains a database of Contractor evaluation ratings, reacts to low evaluations, and seeks to improve Contractor project administration. Evaluations are also used as a factor to establish bidder qualifications. Therefore, it is very important that Contractors are evaluated realistically, factually, and without bias.

It is anticipated that lower than average ratings would have been discussed at a meeting between the Project Engineer and Contractor representatives prior to form submittal. A Contractor should have an opportunity to discuss and understand why a low rating was given. Further, the Contractor should be given (if requested) a critique of corrective actions which would prevent reoccurrence of low rating(s).

See [I.M. 6.110](#), Final Review, Audit, and Close-out Procedures for Federal-aid, Federal-aid Swap, and Farm-to-Market Projects for additional instructions.

## **2.40 PROJECT REVIEW AND AUDITS**

### **2.41 RESERVED FOR FUTURE USE**

### **2.42 PROJECT ENGINEER'S PRE-AUDIT**

See [I.M. 6.110](#), Final Review, Audit, and Close-out Procedures for Federal-aid, Federal-aid Swap, and Farm-to-Market Projects.

### **2.43 ADMINISTERING BUREAU AUDIT**

See [I.M. 6.110](#), Final Review, Audit, and Close-out Procedures for Federal-aid, Federal-aid Swap, and Farm-to-Market Projects.

### **2.44 RESERVED FOR FUTURE USE**

### **2.45 FORMS FOR FINAL PAYMENT PACKET**

See [I.M. 6.110, Attachment F](#), Final Form Packet Checklist ([Word](#))

## **2.50 CONTRACTOR PAYMENTS AND PRICE ADJUSTMENTS**

### **2.51 PAYMENT FOR MATERIAL ALLOWANCE (STOCKPILED MATERIALS)**

[Article 1109.05](#) of the Standard Specifications allows for payment of material stored at the project site or, under certain conditions, at other locations. NOTE: The phrase "material allowance" is also referred to as "stockpiled material."

Payment for stockpiled material may be allowed for materials that will be incorporated in the project. For Federal-aid projects, it is Iowa DOT policy ~~is~~ that all payments for stockpiled materials are non-participating. Payment will not be considered for contracts with an award amount less than \$10,000. When reimbursement is allowed, payment will be based on:

- 100% of invoice cost for material properly documented and properly stored at the project; or,
- 90% of invoice cost for material properly documented and stored elsewhere. Storage locations must facilitate routine inspection by Project Engineer.

Payment of materials allowance will not exceed 80% of the authorized amount of the associated bid item.

When material is stockpiled off-site and inspection of the material is not possible by the Project Engineer or Iowa DOT Materials personnel, if Iowa DOT Materials inspection has been requested and approved, the material may be paid for at 90% provided the following information has been submitted by the Contractor:

- Invoice cost of the material,
- Description and quantity of the material,
- Inspection reports, test reports, mill certifications, and approved shop drawings,
- Location of the material, and
- Material clearly marked for the County, Project Number, and Contractor as reserved for that project, including photo(s) of stockpiled materials and photo(s) of product identification tags.

Material allowances could be extended to "raw" structural steel provided:

- "Raw" as used in this context means steel products that have been processed by a steel mill into plates, sheets, or shapes of standard mill dimensions. "Fabrication" is then taking these mill run products and fabricating them into usable structural shapes as specified in the contract documents.
- Mill Certifications and Heat Numbers have been submitted and approved by the Construction and Materials Bureau.
- All shop drawings have been submitted and approved, including development of a fabrication shop "cutting diagram".
- Iowa DOT shop fabrication inspector has verified and inspected all "raw" steel as being delivered, properly marked for the project, and properly stored at the fabrication shop.

#### **Pre-conditions for Material Allowances**

- Payment for material allowances is based on actual invoiced cost. This means the Contractor has ownership and/or control of any stockpiled material. Checking or verification of payment by the Contractor may be required in instances where a Project Engineer deems it necessary. In lieu of checking, certification that the Contractor owns or controls the material may suffice.
- Off-site material should be secured and clearly identifiable to the project.
- Material considered for material allowances shall be specifically fabricated or processed for that project. By definition, fabricated items will require shop drawings or shall be fabricated from standard Iowa DOT detail sheets. NOTE: Aggregate is obviously not "fabricated," but is "processed" and can be considered unique as long as the material meets other applicable requirements of this pre-condition section and has been certified by the producer.
- The Project Engineer shall confirm the following items before payment is made:
  1. Inspection or certification reports, test reports, and invoices are included in the project file or in the Construction and Materials Bureau.

2. Processed or fabricated material is satisfactorily stored, correctly identified, reserved for the project, and available for inspection to verify existence and quantity.
3. Provisions should be made for inspection to verify that quality has not deteriorated and that material has not been utilized for other projects. This inspection can be arranged through the Project Engineer.

The preconstruction meeting is a good place to identify items for, or begin the discussion of, potential stockpiled material. Potential items can be identified, but no action needs to be taken until the material is available at the project or at other agreed locations.

### **Stockpile Documentation Work Sheet**

Payment for material allowances must be documented and monitored. It will be necessary to maintain a project level work sheet covering:

- value and quantity of material being stockpiled
- location of stockpile (not on the project)
- dates of the Project Engineer's inspections
- basis for material approval

The work sheet must show a running total for materials delivered and those used in construction of the project, including the total quantity and value of the remaining stockpiled materials. As materials are placed into "the stockpile," payment may be made by properly including the new amount to Item 8999 on the progress voucher or pay estimate.

If using Appia, use the Stockpiles module to track stockpile advances and recoveries. See the Appia ["Under Construction" Instructions](#) for direction on how to use the Stockpiles module. Appia will automatically deduct the appropriate quantity from the stockpile when that item is recorded in an "Item Posting" (when the item is placed in the field).

Federal-aid reimbursement is not allowed until the materials are incorporated in the project.

### **Voucher Entries**

An 8999 item number will be preprinted on the Contract Construction Progress Voucher for Stockpiled Material. (If an 8999 item number is not provided, one can be added by writing a Change Order to the contract for Stockpiled Material.) For locally paid projects, a Change Order may be processed for payment of stockpile materials, but it is not required.

For those agencies using FieldBook/FieldManager for project administration:

- Instructions for processing material allowances in the FieldBook / FieldManager systems are detailed in their respective FieldBook or FieldManager Users Guide.
- Field entries (dollars) in this item number authorize Contractor payment for stockpiled materials. Payment will be based on the actual cost as shown by an invoice.
- Value of the 8999 item will be decreased as stockpiled material is incorporated in the project and included as an appropriate contract pay item. The value of 8999 may fluctuate up or down during the project because of:
  - Increased value as more material is stockpiled, or
  - A decreased value as material is used on the project, i.e., stockpile is being depleted.
- The final entry made concerning stockpiled material must:
  - Zero (0) Item 8999 on the final voucher **AND**
  - Zero (0) all stockpile quantities documented on the project work sheet.

### Miscellaneous

The term "material allowance" is used to designate material which will later be incorporated in the project and ultimately paid at contract unit prices. The term "unincorporated material" is used for material ordered for use on the project, but not used. Payment for material ordered, but not used and taken over by the Contracting Authority must be paid by Change Order. (Refer to Section 2.36 of this Attachment for procedure used to process a Change Order.)

## 2.52 PAYMENT FOR UNEXPECTED CLASS 12 ROCK EXCAVATION

When Class 12 excavation is unexpectedly encountered and there is no contract item for Class 12, the quantity of Class 12 will be paid for as extra work through a Change Order. (Refer to Section 2.36 of this Attachment for procedure used to process a Change Order.)

Approval for Work:

CASE I (Contract has an item for Class 10.)  
[Specification 2102.05, A, 1](#) establishes a price of ten times the Class 10 contract unit price for unexpected Class 12 excavation.

CASE II (Contract does not have an item for Class 10.)  
In this case a new price will have to be negotiated.

NOTE: When the contract contains items for special categories of Class 12, such as Class 12 (channel) or Class 12 (boulders), these items are not considered as representing normal Class 12 roadway and borrow excavation work.

## 2.53 PRICE ADJUSTMENT GUIDE FOR REASONABLY CLOSE CONFORMING, REASONABLY ACCEPTABLE, AND DEFICIENT WORK

Every effort should be made to prevent substandard work and/or non-complying material from being incorporated into the project. However, when work and/or materials are deemed to be non-complying, Sections [1101](#) and [1105](#) of the Standard Specifications give authority to the Project Engineer for determining if construction work or materials are acceptable and/or within reasonably close conformity to the plans and specifications. Therefore, the Project Engineer must decide whether deficient work is to be removed and replaced or left in place with a price adjustment. Unusual situations or circumstances may warrant consultation with the Administering Bureau.

NOTE: A price adjustment is no substitute for specification compliance and "unacceptable work" shall always be removed and replaced with acceptable work. Further, Contractors need to be given an option of removing deficient work and replacing with acceptable work in lieu of a price adjustment.

### Guide Schedules for Price Adjustments

#### A. Gradation

Unless otherwise specified, variations in the gradation of aggregates shall be price adjusted as prescribed by Price Adjustment for Aggregate Gradation Test Deviation (see Iowa DOT Construction Manual [Appendix 2-34\(A\)](#)). These adjustments apply to variations in gradations for:

- Portland Cement Concrete

#### B. PCC Slump, Air Content, Rain Damage, and Edge Damage

1. Concrete Slump Price Adjustments are prescribed in the Iowa DOT Construction Manual [Appendix 2-34\(B\)](#). Concrete Air Content, Water Cement Ratio, Vibrator Frequency, Certified Plant Inspection, and Late Curing Application Price Adjustments are prescribed in the Iowa DOT Construction Manual [Appendix 2-34\(C\)](#).

2. Rain Damaged Portland Cement Concrete

When rain damage occurs, removal and replacement may be required by the Project Engineer in accordance with [Article 2301.03, K, 4](#), of the Standard Specifications. However, damage must be determined to be severe enough to warrant such action. Contact the Administering Bureau for assistance, if needed.

If work is allowed to remain, [Article 1109.03, C](#), of the Standard Specifications requires the Project Engineer to determine "... a modification of the contract unit price." The following CASES shall be used for determining rain damage price adjustments.

NOTE: Price adjustments are applied to an entire area encompassing the damage. (This means full width placed when damage occurred, beginning at the first transverse joint before any damage and ending at the first transverse joint after damage.)



## ADJUSTMENT SCHEDULE

### **CASE I - (Payment is 95% of contract unit price.)**

Texture is absent from practically all of surface area. Surface appearance may have a "sandy" appearance or may be "pock" marked from the rain droplets. An occasional edge repair may be required due to excess edge slump or from edge rounding. Small areas along edge may have coarser particles of fine aggregate exposed. Surfaces finished in the rain or after a rain are also included in Case I. This includes any manipulation of the pavement surface including mopping of the surface to attempt to remove rainwater or retexturing while rainwater is present.

### **CASE II - (Payment is 90% of contract unit price.)**

Texture is totally absent from the surface and cement mortar has been eroded to an extent that coarser particles of the fine aggregate fraction are generally exposed. Some slight troughs or depressions are apparent; exposing coarse aggregate particles, but this damage is confined to a limited area or randomly spread intermittently throughout damaged area. Some edge repairs may be required to restore eroded edges. Surface mortar that was removed by rainwater, but later replaced or supplemented with plastic concrete is included in Case II since a cold joint or sand lens with minimal Portland cement paste contact may have been inadvertently incorporated into the slab.

### **CASE III - (Payment is 85% of contract unit price.)**

Surface mortar has been practically all removed to an extent that coarse particles of the coarse aggregate fraction are visible. Considerable erosion of edges has occurred, but not to an extent that pavement width is affected. Intermittent edge repair may be required as well as some surface patching of slight troughs or depressions that may have formed in pavement surface due to flowing water.

Severe rain damage may require "localized area" repair by bridge deck overlay procedures. Full depth removal and replacement may be required if edge damage is severe. Severe cases of rain damage should be referred to the Administering Bureau for review prior to determination of repair or replacement.

In addition to above-described price adjustments and repairs, slab surfaces with missing, omitted, or damaged texturing shall have macrotexture re-established by grooving prior to acceptance by Project Engineer. As an alternative to price adjustment and grooving, for CASE I and CASE II corrections, the Contractor may elect to diamond grind the entire affected area to remove questionable surface mortar and re-establish texture. When this option is chosen, payment for CASE I rain damage will be 100% of the contract unit price, and the payment for CASE II rain damage will be 95% of the contract unit price.

### 3. PCC Pavement Edge Damage

Price adjustments and recommended repairs for PCC pavement edge damage are included in the Iowa DOT Construction Manual [Appendix 2-](#)

[34\(N\)](#). Typically, PCC pavement edge damage does not affect the structure of the pavement, but it is unsightly and a result of substandard workmanship. Therefore, in moderate cases, a price adjustment is warranted over repair. In severe cases, price adjustment and repair may be appropriate.

C. Steel Products

Certificates for steel products should be reviewed for compliance with the federal Buy America requirements before it is incorporated in the project or paid as stockpiled material. The intent of the Federal requirements is not to utilize foreign steel in a Federal-aid project. If the Contracting Authority permits the minimum usage as allowed by the Standard Specifications, the Contracting Authority must track and report the usage of foreign steel to ensure the minimum usage is not exceeded.

If it is discovered after-the-fact that foreign steel has been incorporated into to the project exceeded the minimum usage, the Contracting Authority must contact the Administering Bureau for guidance. All after-the-fact discovers of foreign steel must be reported to FHWA who will determine the resolution on a case-by-case basis and will vary depending on the circumstances. If the Contracting Authority has chosen to allow the minimum usage, and exceeds the minimum usage, their risk of losing federal reimbursement is increased.

D. "L" Joint Tie Steel Deficiencies

Tolerance problems with "L" joint tie steel shall be corrected according to procedures established in the Iowa DOT [Construction Manual 9.26](#). (Note: ""BT" and "KT" deficiencies usually require field correction.)

An adjustment in the contract unit price shall be made for out of tolerance "L" joint tie steel areas. This price adjustment should be a reduction of 5% to the contract unit price per square yard for affected areas. It should be calculated based upon the length of the area with deficient tie steel multiplied by the width of the placement. The price adjustment is not intended to apply to individual out of tolerance tie steel.

E. Bridge Floor Overlay price adjustments are prescribed in the Iowa DOT Construction Manual [Appendix 2-34\(D\)](#).

F. Macro texture adjustments will be determined by the Project Engineer on a case-by-case basis depending on severity and amount of surface area involved.

For texture depth measurement criteria, refer to the Iowa DOT [Construction Manual 9.43](#). Texture depths less than 1.5 mm (1/16 inch) shall be corrected by sawing in grooving or diamond grinding. Texture depth exceeding 4.5 mm (3/16 inch) may require price adjustment as directed by the Project Engineer. Price adjustments for over depth grooving are found in the Iowa DOT Construction Manual [Appendix 2-34\(E\)](#).

## G. Traffic Control

1. Price adjustments may be applied for failure to comply with traffic control requirements in the contract documents. Contract price adjustments will be determined by the Project Engineer, based on magnitude and frequency of violations. A suggested sliding scale is \$500 for the first violation, \$1,000 for the second violation, \$2000 for the third and subsequent violations. See flowchart in the Iowa DOT Construction Manual [Appendix 2-15](#) for further guidance. After the third violation has occurred, work may be suspended. If the traffic control violation is serious, a higher price adjustment may be used based on the Contracting Authority's discretion as recommended by the Project Engineer and/or Administering Bureau.

If the traffic control noncompliance requires the Local Agency to provide other resources, the costs for these other resources can be added to the price adjustment.

Price adjustment violations will be counted from first violation through last violation for an entire contract. It is the Contractor's responsibility to ensure a safe work zone for all construction activities regardless of work in progress or who is doing that work. Therefore, violations will accumulate against the "contract" and not be separated or individualized by subcontractor.

Examples of situations where a price adjustment would be appropriate include:

- Failure to maintain traffic control devices (costs incurred by the Contracting Authority may be recovered against this item).
- Working without proper traffic control setup.
- Unauthorized crossing of multilane divided roadway median.
- Use of unauthorized, substandard, or non-standard traffic control items such as incorrect sign sheeting or unapproved floodlights.
- Violations of, or failure to comply with, traffic control requirements in the contract documents.
- Failure to maintain and keep functional any PDMS unit.

It is not intended that minor deficiencies be price adjusted if corrected in a timely manner.

In addition to price adjustments, Project Engineers may suspend work for irresponsible and/or repeated failure to conduct construction activities using proper traffic control procedures.

It is acceptable for Contractors to work beyond the specified work hours when all of the following conditions are met:

- Contractor is working behind temporary barrier rail.
- Inspection is not required.
- No vehicles are entering the work area.

- Traffic control is in accordance with the Night Work Lighting requirements ([Section 2550](#) of the Standard Specifications).
- The work continues only for a short time frame to complete a specific work task.

Copies of traffic control non-compliance notices should be provided to both the Contractor and Subcontractor if the Subcontractor was issued the non-compliance notice.

2. Failure to maintain traffic control devices and signs on a daily basis continues to be a concern of the Project Engineer and/or Contracting Authority. Price adjustments are appropriate for failure to adequately maintain these devices and signs. To determine an appropriate daily price adjustment for lack of maintenance, the total bid price for the traffic control item should be divided by the number of working days allowed on the contract. This calculated amount should then be divided in two to determine an appropriate daily maintenance value. This daily maintenance value would be the appropriate price adjustment for failure to maintain traffic control devices and signs.

The daily maintenance price adjustment calculated below is in addition to other traffic control price adjustments.

An example calculation to determine this daily maintenance value follows:

$$\begin{aligned} \text{Traffic control bid item amount (TC)} &= \$25,000 \\ \text{Number of contract working days (WD)} &= 100 \\ \text{Daily maintenance price adjustment (PA)} \\ \text{PA} &= (\text{TC}/\text{WD})/2 \\ \text{PA} &= (\$25,000/100)/2 = (250)/2 = \$125 \\ \text{PA} &= \$125 \end{aligned}$$

3. Occasionally Contractors fail to provide the required traffic control technician or have the daily traffic control diary completed during the construction of the project.
  - An appropriate price adjustment for failure to provide a traffic control technician is 20% of the traffic control bid item price or \$500, whichever is greater.
  - An appropriate price adjustment for failure to provide a traffic control diary that is supervised by a trained Traffic Control Technician for review during construction activities is an additional 10% of the traffic control bid item or \$500, whichever is greater. This price adjustment can be issued multiple times throughout the duration of the project and may even be issued on a daily basis for gross failure to have an up-to-date completed Traffic Control Diary each day.
  - An appropriate price adjustment for failure to submit to the Project Engineer upon project completion a traffic control diary that is supervised by a trained Traffic Control Technician is an additional 20% of the traffic control bid item price or \$500, whichever is greater.

- These price adjustments are independent of each other and are also in addition to other traffic control price adjustments.
4. When a flagger is incorrectly flagging according to the Flagger's Handbook, as referenced in [Article 2528.03, K](#), of the Standard Specifications, the project should have the Flagger bid item price adjusted. This price adjustment should be one half of the daily unit bid price for the Flagger item.

Examples of situations where a flagger price adjustment would be appropriate include:

- Incorrect flagging procedures
- Nighttime flagging without a correctly lighted flagger station or without appropriate nighttime flagging equipment or apparel
- Incorrect, inappropriate, or incomplete flagger attire
- Use of incorrect STOP/SLOW paddle
- Failure to carry their flagger training card

When an untrained flagger is used in violation of the specifications, the flagger shall not be measured and paid. The flagger shall continue to flag for the remainder of the day and a trained flagger shall be substituted the next day. Unattended flagger stations are not allowed by specifications. Any unattended flagger station is considered a severe violation of the specifications and should be price adjusted per Item 1 price adjustments.

When an untrained flagger is used in violation of the specifications, the flagger shall not be measured and paid. The flagger shall continue to flag for the remainder of the day and a trained flagger shall be substituted the next day. Unattended flagger stations are a severe violation of the specifications and should be price adjusted per Item 1 price adjustments.

These price adjustments are also in addition to other traffic control price adjustments.

## G. Asphalt

### 1. Liquid Asphalt

#### a. Viscosity or Penetration

When non-complying tests occur, determine the quantity affected. Average all non-complying quality control tests and use that average in conjunction with the Iowa DOT Construction Manual [Appendix 2-34\(F\)](#) to determine if, or how much, price adjustment is warranted.

#### b. Residue

The determination of compliance for emulsions used as tack coats shall be based on residue percentage. Undiluted emulsion contains a minimum of 57% asphalt residue. Emulsion diluted with one part emulsion to one part water shall contain a minimum of 28.5% residue.

When non-complying tests occur, determine the quantity affected. Average all non-complying quality control tests and use that average in conjunction with the Iowa DOT Construction Manual [Appendix 2-34\(G\)](#) to determine if, or how much, price adjustment is warranted.

## 2. Asphalt Binder - Viscosity

When a non-complying viscosity test occurs, establish the quantity of material affected. This quantity may be the total asphalt binder used that day, unless intermediate quality measurements have been made during the day. The quantity affected shall be in relation to the proportion of non-complying samples to the total number of asphalt binder samples obtained that day.

Example:

Total samples taken during the day	=	5
Number of failing samples for the day	=	2
Total asphalt binder used that day	=	200 tons
Quantity affected = $(2 \div 5) \times 200$	=	80 tons

Non-complying test results for the day shall be averaged to determine the amount of deviation from specification requirements. This average will be used to apply the appropriate percent of payment for the quantity affected. Use the Price Adjustment schedule in the Iowa DOT Construction Manual [Appendix 2-34\(H\)](#) and [Appendix 2-34\(I\)](#) to obtain the applicable payment adjustment.

The materials, both liquid asphalt and asphalt binder, are used on the basis of certification. The follow-up acceptance testing is performed to verify the compliance so work will not be delayed pending the test results. However, if the material has not been incorporated and acceptance tests indicate non-compliance, the material will be rejected.

Unless indicated otherwise in the contract documents, the Contractor must use performance graded (PG) asphalt binders. If a PG asphalt binder is used but the properties do not comply with specifications, consult with the Administering Bureau and the District Materials Engineer for appropriate resolution. A price adjustment may or may not be appropriate depending upon the circumstances involved in each situation.

## 3. Asphalt Binder Content

The determination for compliance with the specifications of the asphalt binder content control shall be made for periods not exceeding one day in length. Determinations shall be made for shorter time intervals when non-compliance for the shorter intervals has occurred.

The specifications for asphalt construction require the Contractor to maintain the asphalt binder content within plus or minus 0.3 percentage points of the percent intended. The percent intended is given on the job-mix formula sheet. No payment will be made for asphalt binder used in a mixture in excess of tolerance specified. Please note that the Price Adjustment for

Deviation in Asphalt Binder Content (see Iowa DOT Construction Manual [Appendix 2-34\(J\)](#)), is only for use in situations when no hot box samples are taken for a given day of asphalt paving.

Excessive asphalt binder content can result in low lab voids which can, in turn, result in a high potential for pavement failure due to flushing and rutting. When the deviation from intended asphalt binder content is greater than 0.3% and the lab voids for the lot are extremely low, the District Materials Engineer should be consulted regarding the rutting potential of the pavement. In cases where severe rutting or flushing develops or is likely to develop, removal and replacement of the non-complying asphalt pavement should be considered. See [Materials I.M. 511 Appendix D](#) for troubleshooting asphalt binder content issues.

When the asphalt mixture quantity involved is 200 tons or less, tank-stick measurements lack precision and cannot be used as a basis for determining asphalt binder content. In this case, the average of tank-stick measurement results from the day before and the day after may be used to provide further verification.

Measurement of asphalt binder content is made using calibrated in-line flow meter readings, per [Materials I.M. 509](#). Yield checks are made either by using a calibrated tank-stick or by comparing the quantity of material delivered with the quantity used. Perform yield checks a minimum of once per week or as otherwise required by the Engineer. The procedures listed in the Iowa DOT [Materials I.M. 508](#) and [I.M. 509](#) and [I.M. 509 Appendix A](#) should be followed closely in making tank-stick measurement calculations.

The Contractors are cautioned to observe the following procedures in order to help ensure accuracy of the determinations:

- a. Keep the storage tank level and in good condition
- b. Make sure that the asphalt binder in the surge tank is exactly the same level each time that measurements are made
- c. Try not to drain the asphalt binder level in the tanks into the heater coil area when measurements are made
- d. See that rail cars and transport trucks are completely unloaded or any unused asphalt binder returned is weighed or measured

To eliminate misunderstandings and uncertainties, it is strongly urged that an authorized representative of the Contractor observe all asphalt binder sampling and quantity measurements and check all calculations. A Contractor's representative should also be requested to initial or sign the field book or record sheet containing the measurements and results as they are made.

#### 4. Segregation in Asphalt Pavement

When mixture segregation occurs in the pavement such that the composition and quality of the mixture required by specification are not uniformly attained, the sections judged deficient may be required to be removed and replaced as

defective work. An adjustment in contract price may be made for deficient work for the cases described in the following schedule.

a. Pavement Surface

The adjustments in contract price are to be applied to the entire paver lane width and lift thickness between extreme areas of segregation. Price adjustment shall apply only to the payment for the asphalt mixture. Price adjustments are defined in the Iowa DOT Construction Manual [Appendix 2-34\(K\)](#).

### ADJUSTMENT SCHEDULE

**Case I** (Payment is 80% of contract unit price.)

When uniform surface texture and mixture composition is evident (by visual observation) except for occasional and random areas of segregation, the mix shall be subject to price adjustment if the area determined segregated equals or exceeds 1 square yard per station per paver width (length determined by longitudinal distance both directions from segregated area).

**Case II** (Payment is 50% of contract unit price.)

When a non-uniform surface texture and mixture composition is evident (by visual observation) and there is a regular interval of numerous areas of segregation connected or nearly connected with longitudinal traces of segregation, the mix shall be subject to price adjustment if the total area segregated equals or exceeds 3 square yards per station per paver lane width (length determined by longitudinal distance both directions from the extreme ends of areas of segregation).

**Case III Longitudinal Streaks** (Payment is 80% of contract unit price.)

When a non-uniform surface texture and mixture composition is evident (by visual observation) and in the form of longitudinal streaks of 3 inches or more in width, the mix shall be subject to price adjustment if the segregation occurs at a rate that exceeds 1 square yard per station. The rate is determined by multiplying approximate width by length of the streaks to determine area and dividing by the length of the streaks (in stations). Longitudinal streaks most commonly occur with the windrow-pickup process, particularly when resurfacing superelevated curves. Streaks are typically seen in the wheel path areas and occasionally in the center of the lane. Streak widths typically vary from 3 to 12 inches and may be continuous or intermittent. This type of segregation results in longitudinal cracking.

More severe surface and mixture segregation may require corrective procedures as:

- full width thin layer 1-inch-thick resurfacing or



- removal of asphalt mixture course with no extra payment and replacement with construction that fully complies

Note: Determination of segregation in asphalt pavement is by visual examination in accordance with current specifications. The engineer may consider further verification through coring and extraction tests. Segregation case examples, with corresponding price adjustment calculations, are illustrated in the Iowa DOT Construction Manual [Appendix 2-34\(K\)](#).

b. Fillets & Runouts

This price adjustment procedure does not apply to fillets, bridge runouts, or other hand-worked areas outside of the normal paver lane width.

c. Base & Intermediate Courses

The price adjustment percentages shall be reduced as indicated in the Iowa DOT Construction Manual [Appendix 2-34\(K\)](#) for all base or intermediate courses, except when such mixture is specified and used as the surface course.

d. Procedure for Determination of Price Adjusted Quantities

The segregation case examples shown in the Iowa DOT Construction Manual [Appendix 2-34\(K\)](#) illustrate a concept that may be used to define the severity of segregation and appropriate price adjustment factor. It is not required, however, to physically measure each area of segregation to determine a quantity of HMA mixture that is subject to price adjustment. The intent is to define the quantity subject to price adjustment by identifying the number of truckloads in which segregated areas are evident. This obviously takes some judgment to decide how large or severe an area must be before it is price adjusted. The 1 square yard area shown in examples is a "rule-of-thumb." Most importantly, segregated areas that exhibit an obvious concentration of coarse aggregate resulting in a non-uniform open texture should be price adjusted.

Whenever segregation is observed, the Contractor shall be advised immediately, and the inspector must document the deficiency with a Non-compliance Notice. The notice should reference the applicable specification and indicate the Project Engineer will review the work to determine the acceptability of the work. It is recommended that a Non-compliance Notice be issued when segregation is initially observed with final evaluation and price adjustment determined later but prior to project acceptance.

Timeliness is important for two reasons. First, the Contractor must take corrective action immediately. Failure to do so should result in suspension of work. Secondly, early identification of unacceptable work allows for

resolution of any disputes before there is an "implied" acceptance. The Iowa DOT [Construction Manual 1.12](#) discusses the enhancement of working relationships by timely notification of unacceptable work.

For streak type segregation, it will be necessary to identify and tabulate the location and length of the segregated streak areas subject to price adjustment and base the price adjustment on the mix quantity within the beginning and ending station limits of the streaks.

Normally this procedure should be repeated for each day from header to header on the day following placement. Each day's run can be tabulated showing a summary of affected tons of HMA mixture subject to price adjustment.

#### 5. Asphalt Binder Film Thickness

Film thickness, as calculated in the Iowa DOT [Materials I.M. 501](#), provides a general indication of an asphalt pavement's potential long-term durability. When asphalt binder content changes are considered to adjust air voids, caution must be used to assure that adequate film thickness required in the Iowa DOT [Materials I.M. 510 Appendix A](#), Table 1 is maintained. When the resulting film thickness is outside the specified range, procedures given in the [Specification 2303.05, A, 3, c](#). should be used to determine the appropriate price adjustment or alternate course of action.

#### 6. Laboratory Voids and Field Voids

Production control and compaction requirements are covered in the current specifications for Asphalt Mixtures. Price adjustment is made through use of Pay Factors for laboratory voids and field voids determined for the lot. The Pay Factors are applied to the unit price for asphalt mixture only.

#### 7. Defective Field Voids in Asphalt Pavement

When Percent-Within-Limits (PWL) falls below 50 for field voids, the lot may be declared defective. Use the following guidelines to determine if the material shall remain in place or be removed. These guidelines are to be used with engineering judgment. The resulting pay factor at the completion of review should be between 0 and 0.75.

First, determine if there is a testing issue by reviewing Gmm for consistency and correlation. If it is determined the Gmm is not reliable due to testing concerns, re-calculate the field voids using the Engineer's test results and compare. It may be necessary to proceed through the guidelines below with both initial results, and re-calculated results. If Gmm is valid, use the following guidelines:

- a. Randomly core the defective area. The cores shall be for information only and not be included in the acceptance decision.
- b. Re-calculate the voids for each core using the nearest Gmm value instead of the average Gmm value.

c. Evaluate the initial set of cores as well as the additional cores as follows:

- If Field Voids are High (risk of long-term durability and strength issues)

If all of the following are true or for a non-surface lift, consider leaving in place with a price adjustment:

- No core exceeds 10% voids
- Film thickness  $\geq 10$
- Average field voids  $< 9\%$

If all of the above are not true, consider removal.

- If Field Voids are Low (risk of rutting)
  - If low traffic and high speed, then consider leaving in place.
  - If high traffic, consider removal.
- If the average thickness is less than the intended, consider removal.

H. Adjustments for All Contract Administration Issues

Price adjustments for non-complying work are occasionally appropriate when the issue relates to other incidental items in the contract documents. Price adjustments shall not be considered unless there is willful or repeated reoccurrences indicating lack of due consideration on the Contractor's part. In such cases, the following will apply:

- Provide a clear and concise notification to all parties involved with the incident. (This could be a verbal notification or a written non-compliance without price adjustment.)
- Subsequent violations would result in additional non-compliances and could be reason for price adjustments starting at \$100, then \$250, \$500 etc. (progressively doubling the amount of each following violation).

NOTE: It is NOT intended that minor deficiencies be price adjusted if corrected in a timely manner. Situations and circumstances will dictate how this portion should be applied.

I. Steel H-Pile Weight Deficiency

The Iowa DOT [Materials I.M. 467](#) specifies a mass tolerance of 2.5% on steel H-pile weight deficiency. Steel H-piles that are deficient by more than 2.5% of theoretical weight should not be accepted for incorporation into the work except when:

- The need for the steel H-pile is immediate and considered critical by the Project Engineer.
- Replacement of steel H-pile is not reasonably possible due to short supply and availability.

In the above cases, the Project Engineer may decide to approve the use of deficient steel H-pile and apply a price adjustment in contract unit price for the material as prescribed by "Steel H-Pile Weight Deficiency Price Adjustment" in the Iowa DOT Construction Manual [Appendix 2-34\(L\)](#).

#### J. Erosion Control or Other Environmental Issues

1. Occasionally Contractors fail to provide the required erosion control technician (ECT) or an Erosion & Sediment Control (ESC) Basics trained individual during the construction of the project.

An appropriate price adjustment for failure to provide an ECT or ESC Basics trained individual during construction activities anytime during a month is \$250. This adjustment would be issued on a monthly basis. Price adjustments will not exceed \$1,000 per year.

These price adjustments are in addition to other erosion control price adjustments.

2. Price adjustments may be applied for failure to comply with erosion and sediment control requirements in the contract documents. Contract price adjustments will be determined by the project engineer, based on magnitude/severity and frequency of violations. A suggested sliding scale is \$500 for the first violation, \$1,000 for the second violation, \$2000 for the third and continuing to double for each subsequent violation. See flowchart in Appendix 2-34(O) for further guidance. If the erosion control violation is serious, a higher price adjustment may be used based on the Engineer's discretion.

The same sliding scale is suggested for other environmental issues.

It is not intended that minor, non-recurring deficiencies be price adjusted if corrected in a timely manner.

#### K. Railroad Safety Violations

Projects that affect railroads will include Contractor safety and flagging requirements. The provisions may specify amounts for price adjustments for safety violations. If the provisions do not include amounts for price adjustments, the Project Engineer and/or Contracting Authority should consult with the Local Systems Bureau to determine the appropriate amount.

Copies of non-compliance notices for railroad safety violations should be forwarded to the Administering Bureau.

#### L. Use of Non-Domestic Steel Products

Certificates for steel products are to be reviewed for compliance with the contract documents before the material is incorporated in the project or paid as stockpiled

material. The intent of Specification 1107.06, B and I.M. 107 is not to utilize foreign steel. If the Engineer permits the minimum usage as allowed by the Standard Specifications, the Engineer must track and report the usage of foreign steel to ensure the minimum usage is not exceeded.

If it is discovered “after-the-fact” that foreign steel has been incorporated into the project exceeding the minimum usage, the Engineer must contact the Administering Bureau. All after-the-fact discoveries of foreign steel incorporated into a federal-aid contract must be reported to FHWA who will determine the resolution on a case-by-case basis.

## 2.54 PRICE ADJUSTMENT CHANGE ORDERS

Price adjustment deductions are processed by Change Orders using an 8xxx Change Number. (Refer to Section 2.36 of this Attachment for information about processing Change Orders.)

If using Appia, do not use the “Adjustments” feature to assess payment adjustments. Instead, use Change Orders as described above.

## 2.55 FINAL PAYMENT TO CONTRACTOR

Iowa Code allows a maximum of 5% to be retained until a contract is completed. Iowa DOT specifications require that 3% will be retained on the first \$1,000,000 paid on a contract.

This retainage is specifically withheld to cover:

- Unpaid creditors who file claims against a contract. The Contracting Authority is obligated by Iowa Code Section 573, to withhold at least double the amount of any claims on file from the retained funds. The amount of retained funds is the maximum amount available for 573 claims.
- Iowa Code also requires payment of interest on retained contract funds.
- Refer to [I.M. 6.130](#), Interest Payment Procedures, for the applicable interest payment requirements.
- 573 Claim  
A "573 Claim" is a term used to signify an [Iowa Code Section 573](#) that establishes procedures by which unpaid subcontractors, material suppliers, etc. may file a claim for payment against the contract. These claims are formally filed with the Finance Bureau for contracts paid through the Contractor Pay System (located on Farm-to-Market routes), or with the Contracting Authority for contracts paid using local funds.

If a claim is filed, Iowa Code mandates that the Contracting Authority shall withhold, from the retained funds, an amount of 2 times any claim. The amount of retained funds is the maximum amount available for 573 claims. Following

resolution of a "573 claim" or 60 days after the final (if no lawsuit has been filed), the Contracting Authority issues payments as required.

### **Recommended Guidelines**

At the preconstruction meeting, Contractors should be advised that all required forms, documents, and certifications must be properly prepared and forwarded to the Project Engineer before a final progress voucher can be processed. Forms required for Contractor submittal are explained in Section 2.20 of this Attachment and the Contractor is expected to read and be knowledgeable of these requirements.

It is important that required forms, documents, and certifications are dated when received from the Contractor. Every effort should be made to have all documentation and Change Order issues resolved on, or soon after, accepting the project.

For more information, see [I.M. 6.110](#), Final Review, Audit, and Close-out Procedures for Federal-aid, Federal-aid Swap, and Farm-to-Market Projects.

### **Interest Payment Information for County and City Projects**

See [I.M. 6.130](#), Interest Payment Procedures. ([Form 830236](#))

## **2.56 FUEL ADJUSTMENT**

The specification for Fuel Adjustment, [Section 2120](#) of the Standard Specifications, applies to a contract only when specified in the Proposal with the appropriate note.

The Current Price Index (CPI) is available at the Contracts and Specifications Bureau website: <https://www.iowadot.gov/contracts/lettings/FuelAdjustment.pdf>. The Base Price Index (BPI) for fuel adjustment calculations will be the CPI listed for the month prior to the letting date of the contract.

### **Fuel Adjustment Calculation**

Standardized Fuel Adjustment work sheet (Form 105) is available in electronic format under the "Inspection Tools" tab on the Construction and Materials Bureau "Contract Administration" webpage:

[https://iowadot.gov/construction\\_materials/Contract-administration/fuel\\_adj](https://iowadot.gov/construction_materials/Contract-administration/fuel_adj)

Form 105 is usable as either a preprinted form for manual usage or as EXCEL applications. Only raw data inputs are required for those who choose to utilize the EXCEL spreadsheets. Once raw data is entered, the computer calculates adjusted fuel payment from formulas and the user can print a completed monthly adjustment report. Refer to the Iowa DOT Construction Manual [Appendix 2-35](#) for a completed adjustment work sheet.

Payment for fuel adjustments is to be calculated at the end of each month for all qualifying work accomplished that month.

The Contractor shall provide to the Project Engineer, on a monthly basis, a spreadsheet with quantities and the calculated amount of fuel adjustment.

**Instructions for [Fuel Adjustment Worksheet](#)**

Following instructions also available at:

[https://iowadot.gov/construction\\_materials/contract-administration/fuel-adj](https://iowadot.gov/construction_materials/contract-administration/fuel-adj)

1. Download the [Fuel Adjustment Worksheet](#) and save file to user's computer.
2. Complete contract information in header of spreadsheet.
3. Obtain Base Price Index (BPI), from the [Contracts and Specifications Bureau](#) by selecting Price Index for month previous to month of the letting. (For example: Letting Date is October 18, select CPI for September).
4. Enter the BPI in the designated space.
5. Enter the contract quantity of the items in the designated rows in the "Estimated Project Quantities". Other items included in the contract, but not listed, shall be added.
6. Obtain the Current Price Index (CPI) for a month from the [Contracts and Specifications Bureau](#).
7. Enter the CPI in the column "CPI" for the designated month.
8. Enter the quantities that have been hauled in the appropriate item columns and month row. For example, Selected Backfill and Class 10 Excavation were hauled in June. In the June row, the Selected Backfill quantity is entered in Cell E35 and Class 10 Excavation quantity in Cell F35. The total quantity for the month will be automatically computed and shown in the column labeled "Total CY".
9. When adding an item not already shown in the spreadsheet, use one of the columns designated for the applicable Fuel Usage Factor (FUF). The spreadsheet uses yellow shading for items which use a FUF of 0.20 and green shading for Embankment-in-Place items which use a FUF of 0.27.
10. The fuel adjustment amount for the month will be automatically computed and shown in the column "FA" (Fuel Adjustment).
11. Submit a copy of the completed form to the Project Engineer. Payment or credit will be made by processing a Change Order. The form shall be completed and submitted on a monthly basis. The monthly quantities shall be added to the previous month's spreadsheet.
12. The Contractor and Contracting Authority shall agree upon the frequency of payment or credit.

## Fuel Adjustment Payment

Payment shall be by a Change Order form ([Form 831240](#)) using the item number 6200-5000171. With the Contractor's approval, one Change Order may be executed at the end of the project or at intervals agreeable to both the Project Engineer and the Contractor. Regardless of payment intervals, calculations on Form 105 shall be made at the end of each month with a copy forwarded to the Project Engineer for their files.

## 2.60 CONSTRUCTION FORMS

Most forms can be found on the [Iowa DOT's Forms](#) webpage, but if difficulty is encountered in locating forms, contact the Administering Bureau.

<u>FORM NUMBER</u>	<u>TITLE</u>	<u>MANUAL LOCATION</u>
<b>General Construction</b>		
<a href="#">830301</a>	Audit of Final Pay Estimate	2.43*
<a href="#">640003</a>	Certificate of Completion and Final Acceptance for Agreement Work	<a href="#">12.04</a>
<a href="#">518002</a>	Certification of Subcontractor Payments	2.25*
<a href="#">830176</a>	Certified Transcript of Labor Payroll/Statement of Compliance (WH-348)	2.24*
<a href="#">831240</a>	Change Order	2.36*
<a href="#">830230</a>	Contract Quantity Agreement	2.27*
<a href="#">102008</a>	Contractor Concept for Value Engineering Incentive Proposal	2.36*
<a href="#">830215</a>	Co-Permittee Certification Statement	<a href="#">10.33</a>
<a href="#">830436</a>	Final Payment	2.37*
<a href="#">820193</a>	Identification of Sample for Test	<a href="#">3.21</a>
<a href="#">830236</a>	Interest Payment Information for County and City Projects	2.55*
<a href="#">830245</a>	Noncompliance Notice	<a href="#">3.21</a>
<a href="#">830216</a>	Notice of Discontinuation of a Stormwater Discharge	<a href="#">10.31</a>
<a href="#">810036</a>	Notice of Suspension or Resumption of Work	<a href="#">3.06</a>
<a href="#">830237</a>	Notice to Proceed	2.32*
<a href="#">830435</a>	Statement of Completion and Final Acceptance of Work	2.37*
<a href="#">181213</a>	Statement of Force Account	2.35*
<a href="#">830214</a>	Storm Water Site Inspection	<a href="#">10.33</a>
<a href="#">830231</a>	Subcontract Request	2.25*
<a href="#">830238</a>	Weekly Report of Working Days	2.33*
<a href="#">830241</a>	Weekly Report of Working Days (I/D)	2.33*



**EEO and Employee Training**

<a href="#">102116</a>	Certification of DBE Accomplishment	2.25*
<a href="#">650170</a>	Project Engineer's EEO Project Site Inspection / Wage Rate Report	2.22*
<a href="#">102115</a>	Statement of DBE Commitments	2.25*

**Grading**

<a href="#">650014</a>	Preliminary Estimate for Clearing Right-of-Way	<a href="#">6.11</a>
<a href="#">830214</a>	Storm Water Site Inspection	<a href="#">10.33</a>
<a href="#">830215</a>	Co-Permittee Certification Statement	<a href="#">10.33</a>
<a href="#">830216</a>	Notice of Discontinuation of a Storm Water Discharge	<a href="#">10.31</a>

**Structures**

<a href="#">830209</a>	Log of Piling Driven with Wave Equation	<a href="#">11.25</a>
<a href="#">830210</a>	Log of Piling Driven by Formula	<a href="#">Appendix 11.22</a>
800240E	PCC Plant Page (English)	<a href="#">11.51</a>

**Hot Mix Asphalt and Flexible Bases and Subbases**

800241	Daily HMA Plant Report (English/Metric)	<a href="#">8.02</a>
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**Portland Cement Concrete Paving**

830212	Ready Mix Concrete Ticket	<a href="#">9.03</a>
<a href="#">830213</a>	Project Information/Paver Inspection	<a href="#">9.69</a>
800240E	PCC Plant Page (English)	<a href="#">9.02</a>

\* Indicates Section in the Attachment

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**2.71 BRIDGE INVENTORY REPORT**

See [I.M. 7.020](#), Bridge Inspections.

**2.72 PREPARATION OF AS-BUILT PLANS**

It is recommended practice to generate as-built plans on all projects for historical records, but it is not required; however, for projects that go over, under, or intersect with an Interstate or Primary highway, ~~three copies~~ of as-built plans must be submitted to the Administering Bureau.

When revising information on the plan with As-built information, the voided information should be lined out.

The As-built plan shall include the actual quantities included in the project, as well as items added to the project by Change Order that change physical features of the project.

It is not necessary to change wording in the As-built plan from future tense to past tense.

The title page of all as-built plans should include the certification block ([Form 520003](#)) with the name of the Contractor, year of project completion, Project Engineer's signature and certification.

Samples are included in the Iowa DOT Construction Manual [Appendix 2-37](#).

### **Types of Work**

The following work types will not require preparation of as-built plans unless safety items such as guardrail or barrier rail are included in the project:

- Landscaping/Wildflower planting
- Erosion Control/Seeding/Slide Repair
- Signing/Statewide Signing/Delineator & Milepost Projects
- Spot Overlays
- Patching
- Joint and Crack Sealing
- Slurry Seal
- Bridge Painting
- Bridge Deck Repairs/Bridge Deck Overlays
- Bridge Beam Repairs
- Paved Shoulders
- HMA Resurfacing
- Bridge Washing

Changes in the following types of work may include the listed items in the As-built plan:

- A. Grading, Paving, Subdrains, Fencing, and Erosion Control

The As-built plan may include the following:

1. Control points - marked and referenced.
2. Land section corners - marked and referenced.
3. Vertical and horizontal alignment.
4. Corrections and adjustments in stationing.
5. Elevation of final benchmarks and deletion of abandoned benchmarks.
6. Planned drainage including pipe location, sizes, and flowlines; subdrains; backslope and letdown drains; etc.
7. Field Tile Crossings including size and location.
8. Subgrade treatment areas.
9. Locations, type, and width of accesses, driveways, and street connections.
10. Include location of overhead and underground utilities, if known.

11. Utility permit number and filing location.
12. Planned location, sizes, and flow lines of storm and sanitary sewers and intakes.
13. Location and type of fence.
14. Erosion control ditch treatment and let-down treatment.
15. Guardrail and other safety appurtenances.

**B. HMA Resurfacing**

Wedge and strengthening courses and other items such as guardrail, culvert extensions, etc.

**C. Structures**

Items to include for structures and bridges converted to culverts:

1. Flow line and footing elevation
2. Elevation of benchmark
3. Log of piling
4. Excavation limits (Class 21, 22,23, and 24)
5. Weep hole locations

**D. Lighting, Signing, and Traffic Signals**

Lighting, Signing, and Traffic Signal projects may include:

1. Location of underground conduit
2. Location of pole and handhole
3. Mounting heights and lengths of mast arms
4. Log of piling for tower lighting projects
5. Location of sign footing, post size and length
6. Vertical clearance of sign truss
7. Detector Loop type, size, and location

**E. Bridge Deck Repairs and Pavement Patching**

As-built plans are not required for bridge deck repair and pavement patching projects, unless safety items such as guardrail or barrier rail have been changed. The repair projects for replacing bridge beams do not require an As-built plan.

**Wetlands**

Corps of Engineers' Section 404 Permits require that "Wetland Mitigation As-Constructed Drawings" be submitted to the Corps within 30 days of the completion of the mitigation sites. These drawings are separate from the usual Contracting Authority As-built plans. "Wetland Mitigation As-Constructed Drawings" are more detailed site maps that are used to confirm compliance with mitigation agreements and to monitor future performance of the wetland. The information varies with the permit, but typically includes before/after cross-sections, location and elevation of water control structures, monitoring sites, final boundary of constructed wetlands, list

of plant species, photos, depth of transplanted topsoil, geometry and treatment of buffer areas, ditch plugs, drain tiles, and boundary markers.

### **Right of Way**

All right-of-way lines may be darkened and the station and offset included for all right-of-way breakpoints. Location of right-of-way corners may be identified. If the plan and profile sheets become too crowded when the right-of-way information is included, this information may be included on a separate plan sheet.

Information regarding access may be included on the As-built plan, including the limits of access rights purchased and location of constructed and deleted entrances.

The parcel information may include the owner's name and parcel number. Temporary easements do not need to be shown on the As-built plan.

### **Land Section Corner Ties**

During As-built plan preparation, the final land section corner ties information shall be reviewed with the District Land Surveyor. A plan sheet of the corrected land section corner ties shall be included in the As-built plan.

### **Tied Projects**

Tied projects may include references on the As-built plan title sheet that list other projects included in the contract. Project quantity item numbers should correspond to the item numbers shown in the contract, by plan. As-built plans for each project should be completed separately.

### **As-Built Plans Checklists**

See the Iowa DOT Construction Manual [Appendix 2-37.5](#) for checklists to use in developing As-built plans.

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## ~~Request For Early Release of Retained Funds~~

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(This section to be completed by the Contractor)

Contract I.D. \_\_\_\_\_ County \_\_\_\_\_

Contractor \_\_\_\_\_ Letting Date \_\_\_\_\_

In accordance with Code of Iowa Chapters 26 and 573; I hereby request early release of retained funds on this contract. I certify that on \_\_\_\_\_, 20\_\_\_\_ written notice was provided to all subcontractors and suppliers associated with this contract, that early release of retained funds will be requested.

\_\_\_\_\_  
Contractor \_\_\_\_\_ Date

*Contractor shall submit signed form to Project Engineer*

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(This section to be completed by Contracting Authority)

Twice the Amount of Claims on File \_\_\_\_\_

Total of retention to continue \_\_\_\_\_

Contract Acceptance Date (435) \_\_\_\_\_

(Retained funds will be paid not sooner than 30 days after the Contract Acceptance Date)

**OR**

% Contract Complete (must be  $\geq 95\%$ ) \_\_\_\_\_

(Retained funds will be paid not sooner than 30 days after DLSE Approval date)

Recommended by: \_\_\_\_\_

Project Engineer \_\_\_\_\_ Date

Approved by: \_\_\_\_\_

Iowa DOT Administering Bureau \_\_\_\_\_ Date

Disposition: Project Engineer — Submit completed form to Iowa DOT Administering Bureau

Iowa DOT Administering Bureau — Forward approved form to Finance Bureau