

Chapter 12E - Adjustments to Lump Sum and Other Items

Adjustments to Lump Sum Items

Make adjustments to lump sum items only when the Project Manager (PM) has ordered, in writing, changes to the work included in those lump sum items. These changes are addressed in section 00195.20(a) and in Chapter 15 - Change Orders/Force Account/Work by Public Forces.

The PM can make adjustments or changes to payment for lump sum items without a Contract Change Order (CCO) only when:

- The contract specifies the method for paying for the change in that lump sum item, or
- The contract includes an estimated quantity of work under that lump sum item that allows a theoretical unit price to be calculated

If the adjustment or change does not fit one of those two categories, the PM must issue a CCO to implement it.

Examples of adjustments that can be made without a CCO are:

- Additional or less reinforcement in a box culvert or other structure
- Additional or less concrete in a box culvert or other structure
- Changes in metal sign supports or their footings
- Seeding, Mulching, and Fertilizing, when the estimated quantity is shown in the contract (See example Exhibit A, pages 1 through 4)

When the PM orders such an adjustment in a lump sum item, the PM must submit supporting documentation that clearly shows the method and computations that were used to determine the adjusted quantity and the theoretical unit price.

Exhibit A illustrates the documentation that is appropriate for this type of an adjustment. This simple example does not address if mobilization was included in the unit price for this work. If the entity performing that work did not receive separate payment for mobilization, the estimated value of mobilization should be deducted from the bid price before calculating the adjustment.

Enter these adjustments in the 6000 series of the Contract Payment System (CPS), including a reference to the pay item. Refer to chapter 25 - Payments to Contractors/Retainage section.

For questions about possible quantity adjustments, contact the Region Assurance Specialist (RAS) or the Contract Administration Unit (CAU) in the Construction Section.

Other Adjustment items (Fuel, Inspection, Force Work, Liquidated Damages)

The items covered in this section occasionally occur on ODOT projects. Some projects have a few, while many projects have none. Enter these adjustments in the 6000 series, with a reference to the pay item, in the CPS to adjust the payment to the Contractor.

Following is an explanation of each item, including the required documentation that needs to be maintained and submitted to adequately support the adjustment. When the PM makes one of these adjustments, the PM must prepare documentation to justify the adjustment and submit the supporting documentation with the final project documentation.

1. Fuel and Asphalt Escalation

If specified in section 00195 of the contract, ODOT will adjust the payment to the Contractor to reflect changes in the cost of fuel (diesel) or asphalt. Normally, an adjustment is made if the current price differs more than 25% from the price that was established at the time the contract was bid. The intent of this specification is to limit the risk to the Contractor or ODOT if the cost of these materials dramatically changes.

The CAU will compute these adjustments and adjust each progress payment as necessary. The CAU will maintain the original calculations and will electronically distribute them monthly to the appropriate PM. The PM should ensure that the changes are entered into the project office's personal computer CPS to keep it current.

2. Out of State Inspection-Section 00165.91

ODOT Provided Weigh Witness-Sections 00190.20(f) or (g)
Right of Department to Perform Work at Contractor's Expense-Section
00220.60(c)
Additional material testing done at Contractor's request

As specified in the contract, the PM will adjust payment to the Contractor to cover certain costs incurred by ODOT. These costs are generally for specific items identified in the contract. The PM must notify the Contractor that such adjustment will be made and the reasons for the adjustment. Maintain sufficient documentation, and submit with the quantity documentation, to justify the reduction in payment.

3. Closure Time-Section 00180

Liquidated Damages-Section 00180
Incentive (Early Completion)-Section 00198
Total Closure, Liquidated Damages-Section 00220
Lane Closure
Lane Rental
Additional Railroad Protective Services

When specified in the contract, the PM will adjust payment to the Contractor depending on when a particular portion of the work is opened or completed. It is important that these items are clearly documented so an accurate adjustment can be made to the payment.

The PM must have sufficient documentation, and submit it with the quantity documentation, to justify the increase or reduction in payment.

Normally, projects only have regular liquidated damages, which are discussed under Sections 00180.50 and 00180.85 (also discussed in the Contract Time section (13) of this Manual). The PM must issue Weekly Statements of Contract Time, as required by the contract, and must assess liquidated damages on each payment as appropriate.

Review Procedure

The PM must have one person prepare or calculate the adjustment to a lump sum or other item and have a different person review the adjustment calculations*.

The RAS will periodically review those calculations.

Refer to Chapter 37 - Submittal of Final Project Documentation for submitting this information with other project documentation.

* Revised July, 2001