

CHAPTER 12E – ADJUSTMENTS TO LUMP SUM AND OTHER ITEMS

12E-1 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 00195.20(a) and in [Chapter 15 - Change Orders/Force Account/Work by Public Forces](#). If no changes are ordered in writing by the PM, the Work shall be completed and accepted without measurement as addressed in 00190.10(h).

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 the lump sum Pay Item, or
- The Special Provisions include an estimated quantity for the lump sum Pay Item that allows a theoretical unit price to be calculated.

If the adjustment or change does not fit one of these two (2) categories, the PM must issue a CCO to implement the change.

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 listed in the Special Provisions

When the PM orders an adjustment to a lump sum Pay 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.

The following example 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.

OREGON DEPARTMENT OF TRANSPORTATION CONSTRUCTION MANUAL

Oregon Department of Transportation		INSTALLATION SHEET	
CONSTRUCTION MANUAL FORM EXAMPLE			
PROJECT:	C12345	EA:	CON012456
CONTRACT:		ITEM NUMBER:	6014
ITEM DESCRIPTION:	Additional Seeding, Mulching & Fertilizing		GROUP NO.: 011
METHOD OF QUALITY ASSURANCE			
SUPPORTING DATA			
T - TEST CERTS <input checked="" type="checkbox"/>	Q - COMPLIANCE CERTS <input checked="" type="checkbox"/>	Q - COMPL. CERT. W/MAT. # _____	
O - CMD <input type="checkbox"/>	E - EQUIP. LIST & DVG. <input type="checkbox"/>	L - ODOT LAB. REPORT # _____	
F - FIR # _____		BG - BLUE AND GREEN SHEETS <input type="checkbox"/>	
NO QUALITY DOCUMENTATION REQUIRED <input type="checkbox"/>		QUALITY DOCUMENTS SUBMITTED W/PAY/NOTE <input checked="" type="checkbox"/>	
QUANTITY DATA			
PREVIOUS QUANTITY:	0	UNIT:	Acres
INSTALLED THIS NOTE:	2.15	UNIT:	Acres
TOTAL TO DATE:	2.15	UNIT:	Acres
		FE-MEASURE <input type="checkbox"/>	
		MEASURED IN PLACE METHOD <input type="checkbox"/>	
		PARTIAL PAYMENT <input type="checkbox"/>	
		BI ITEM COMPLETE <input checked="" type="checkbox"/>	
		INSTALLATION COMPLETE <input checked="" type="checkbox"/>	
AS PER PLAN YES <input type="checkbox"/> NO <input type="checkbox"/> IF NO WHY? _____		UPDATED AS CONSTRUCTED PLANS <input type="checkbox"/> NA <input type="checkbox"/>	
LOC. / STA:	Sta. 35+00 to 42+50	CL <input type="checkbox"/>	Rt. <input type="checkbox"/> Lt. <input checked="" type="checkbox"/>
PLAN SHEET # _____	NOTE # _____	NOT ON PLANS <input checked="" type="checkbox"/>	
SKETCH / CALCULATIONS / REMARKS:		INSTALLATION DATE: 5/25/2009	
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p style="font-size: 8px; margin: 0;">NORTH ARROW</p> </div>			
<p>Contract estimated quantity for Seeding, Mulching and Fertilizing = 3.5 Acre</p> <p>Actual Seeding, Mulching and Fertilizing work performed = 5.65 Acre</p> <p>Lump Sum unit price for Seeding, Mulching and Fertilizing = \$13,000</p> <p>Unit price per Acre = \$13,000 / 3.5 = \$2,300.89 per Acre</p> <p>Additional work performed = 5.65 Acre - 3.5 Acre = 2.15 Acre</p> <p>Lump Sum Price Adjustment: 2.15 Acre x \$2,300.89/Acre = \$4,946.92</p> <p>Additional areas (2.15 Acre) of Seeding, Mulching and Fertilizing work not shown on original Plans were performed at the direction of the Agency to blend the newly seeded ground into established seeding ground from Sta. 35+00 to 42+50, Lt.</p>			
INSPECTOR SIGNATURE: <i>Phil Dist, Inspector</i>		DATE: 25-May-09	
SEE BACK <input checked="" type="checkbox"/>			
FOR OFFICE USE ONLY:			
CHECKED BY:	QUANTITY CHECKED <input type="checkbox"/>	QUALITY CHECKED <input checked="" type="checkbox"/>	DATE: 6/1/09
	<i>Dottie West, Contract Specialist</i>		
QUANTITY THIS NOTE:	2.15	UNIT: Acres	ESTIMATE # 8
			NOTE # 4
<small>734-2803 (6-2009)</small>		<small>http://www.oregon.gov/ODOT/THW/CONSTRUCTION/ManualForms/1.shtml</small>	

CONSTRUCTION MANUAL FORM EXAMPLE	
Contract C-12345	
BI 0014 - Seeding, Mulching & Fertilizing	
Extra work performed beyond quantity estimated in Section 00280.88	
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>AREA: $750 + 435.5 / 2 = 592.75 \times 158 = 93,654.5 \text{ sf}$</p> <p>$93,654.50 \text{ sf} / 43,560 \text{ sf / acre} = 2.15 \text{ Acre}$</p> </div>	
Calculations Prepared By:	<i>Phil Dist, Inspector</i>
Date Prepared:	May 25, 2009
Calculations Checked By:	<i>Dottie West</i>
Date Checked:	June 1, 2009
Attachment to Note #	4
Estimate #	8

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](#)]

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

12E-2 OTHER ADJUSTMENT ITEMS

The items covered in this section occasionally occur on Agency 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. The PM must prepare documentation to justify the adjustment and submit the supporting documentation with the final Project documentation at the completion of the Project.

(a) Escalation / De-escalation (Fuel, Asphalt, Steel)

Asphalt, fuel, and steel escalation/de-escalation will be addressed in the Special Provisions, Subsections 00195.10 through 00195.12 for each Project, if the Project meets the minimum qualifying quantities for eligible Pay Items. Asphalt and fuel escalation/de-escalation is automatically applied to each qualifying Project, and remains in effect for the life of the Contract. Participation in the steel escalation/de-escalation program by the Contractor is voluntary.

The intent of the escalation/de-escalation Specifications is to limit the risk to both the Contractor and the Agency, if the costs of these Materials changes dramatically during the life of the Contract.

1. 00195.10 – Asphalt Cement Material Price Escalation/De-escalation (AE)

During development of the Project Specifications, the Specification Writers will determine if the Project will use at least 150 Tons of liquid asphalt. If it does, the Project qualifies for asphalt escalation/de-escalation (AE). The Specification Writer will determine which Pay Items qualify for AE, and these Pay Items will be listed in Subsection 00195.10(d) of the Special Provisions.

The PM will adjust the payment to the Contractor each month to reflect changes in the cost of asphalt, if the current monthly price differs more than 5% from the base price established the month immediately preceding the Bid Opening date. The Monthly Asphalt Cement Material Price (MACMP) is established by the Agency and is posted on the Specifications Unit website at:

http://www.oregon.gov/ODOT/HWY/ESTIMATING/asphalt_fuel.shtml.

The AE process the PM office will need to follow and the forms required to make the monthly AE adjustments can be found on the Construction Section website at:

<http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/HwyConstForms1.shtml>.

AE payments will be posted in CPS as an adjustment to the Contract, using the 6700A – 6700Z series.

It is important to understand that the Contractor does not have the option of participating in the AE program. If the Project has at least 150 Tons of liquid asphalt, and there are eligible Pay Items in the Contract, AE will apply.

If at any time during the life of the Contract the PM identifies any Pay Items that are either not listed in Subsection 00195.10 of the Special Provisions, and either the Contractor or the PM feels the Pay Items should have been listed, or Pay Items are listed and the PM feels they should not have been included, the PM must contact the Specification Writer to identify the reason the Pay Item was, or was not, included.

Making Changes to Subsection 00195.10 After Contract Award:

Changes may be made to Subsection 00195.10 after the Contract has been awarded by CCO. However, if the Project contains any federal funds, these changes will be eligible for federal participation **only** under the following circumstances:

- a. If the Contract contains the 00744 – Minor HMAC Pavement Specification, and also includes the 00195.10 provisions with an estimated quantity for any of the eligible Pay Items, but is missing the list of eligible Pay Items, the Pay Items may be added to the Contract by CCO and will be eligible for federal participation.
- b. If the estimated quantity is less than the minimum qualifier of 150 Tons of liquid asphalt, the eligible Pay Item(s) may still be added provided that the 00195.10 provision and estimated quantity as noted above is in the original Contract.
- c. If an eligible Pay Item listed in 00195.10 does not match the Pay Item listed in the Schedule of Items, the Pay Item may be corrected by CCO and be eligible for federal participation.

Example: 00195.10 lists PG 64-22 Asphalt in HMAC, but the Schedule of Items lists the Pay Item as PG 70-22 Asphalt in HMAC. The CCO would correct the Pay Item in 00195.10 to PG 70-22 Asphalt in HMAC.

- d. If an eligible Pay Item (PG 64-22), which was eligible for AE under 00195.10 is replaced via CCO by a similar Pay Item (PG 70-22), the new Pay Item will also be eligible for AE and federal participation. The condition for eligibility is

that the replacement Pay Item must be the same type of Work as the Pay Item being replaced.

- e. If **new Work** items are added to the Contract by CCO, and the Work items were not included in the original Contract, but the 00195.10 provisions are included in the Contract, the Work items being added by CCO will be eligible for AE **if** the Work items meet the minimum qualifiers and the Work will not be done in a short period of time. The new Work would be eligible for federal participation if all conditions are met, and could use either the existing Base Asphalt Cement Price (“Base Price”) or a new Base Price effective on the date of execution of the CCO, depending upon Project-specific circumstances.

Remember that AE is intended to adjust for the fluctuations in asphalt cement price between the time the Work is Bid and when the Work is completed. When providing quotes for CCO Work, the Contractor essentially Bids the Work at the time of the CCO. Assuming that the CCO Work will not be performed in a short time period, any AE that would apply to the CCO Work would need to start at the time the CCO is executed and stop when the CCO Work is completed.

The following changes to 00195.10 are **not eligible** for federal participation:

- a. If the original Contract does not include the 00195.10 AE provisions, and these provisions are later added to the Contract by CCO, none of the AE payments are eligible for federal participation. Alternate funding must be used for these payments.
- b. If an item of Work is typically eligible for AE, but is not listed in the Contract under 00195.10, the item of Work can be added to the Contract by CCO, but will not be eligible for federal participation. Alternate funding must be used to pay for any AE payments related to this item of Work.

Example: If the Pay Item “Recycling Agent” was included in the Schedule of Item, and the total estimated asphalt cement quantity for the Project met the minimum qualifier of 150 Tons, but the Pay Item “Recycling Agent” did not get listed under 00195.10, it can be added to the Contract by CCO, but must be coded as non-participating and paid for with State or local funds.

If you have any questions regarding whether or not a change made to 00195.10 will be eligible for federal participation, or if you encounter a situation that does not exactly fit one of the scenarios listed above, contact the Region Assurance Specialist (RAS), or the Contract Administration Unit for guidance **before** making the change.

2. 00195.11 – Fuel Cost Price Escalation/De-escalation (FE)

During Project development, the Specification Writer will determine if the fuel escalation/de-escalation (FE) program is applicable to the Project. This is done by determining if the Pay Items listed on the [Fuel Escalation Worksheet](#) meet the minimum qualifiers. If the individual Pay Items meet the individual minimum qualifiers and if the total of all Pay Items meets the Project minimum qualifier of 25,100 gallons, then the FE provisions apply and the applicable Pay Items will be listed in Subsection 00195.11 of the Special Provisions.

Making Changes to Subsection 00195.11 After Contract Award:

Changes may be made to Subsection 00195.11 after the Contract has been awarded by CCO. However, these changes will be eligible for federal participation **only** under the following circumstances:

- a. If a fuel factor for any of the eligible Pay Items listed in 00195.11 is incorrect, the factor may be corrected by CCO only if the Contract contains the 00195.11 provisions. This correction would be eligible for federal participation. The current fuel factors are shown on the [Fuel Escalation Worksheet](#).
- b. If an eligible Pay Item listed in 00195.11 does not match the Pay Item listed in the Schedule of Items, the Pay Item may be corrected by CCO and any FE payments made on this Pay Item would be eligible for federal participation.

Example: 00195.11 lists Level 3 HMAC, but the schedule of items lists the Pay Item as Level 4 HMAC. The CCO would correct the Pay Item in 00195.10 to Level 4 HMAC.

- c. If an eligible Pay Item (Level 4 HMAC), which was eligible for FE under 00195.11, is replaced via CCO by a similar Pay Item (Level 3 HMAC), the new Pay Item will also be eligible for AE and federal participation. The condition for eligibility is that the replacement Pay Item must be the same type of Work as the Pay Item being replaced.
- d. If **new Work** items are added to the Contract by CCO, and the Work items were not included in the original Contract, but the 00195.11 provisions are included in the Contract, the Work items being added by CCO will be eligible for FE **if** the Work items meet the minimum qualifiers and the Work will not be done in a short period of time. The new Work would be eligible for federal participation if all conditions are met, and could use either the existing base fuel price (“base price”) or a new base price effective on the date of execution of the CCO, depending upon Project-specific circumstances.

Remember that FE is intended to adjust for the fluctuations in fuel price between the time the Work is Bid and when the Work is completed. When providing quotes for CCO Work, the Contractor essentially Bids the Work at the time of the CCO. Assuming that the CCO Work will not be performed in a short time period, any FE that would apply to the CCO Work would need to

start at the time the CCO is executed and stop when the CCO Work is completed.

The following changes to 00195.11 are **not eligible** for federal participation:

- c. If the original Contract does not include the 00195.11 FE provisions, and these provisions are later added to the Contract by CCO, none of the FE payments are eligible for federal participation. Alternate funding must be used for these payments.
- d. If an item of Work is typically eligible for FE, but is not listed in the Contract under 00195.11, the item of Work can be added to the Contract by CCO, but will not be eligible for federal participation. Alternate funding must be used to pay for any AE payments related to this item of Work.

Example: If the Pay Item "General Excavation" was included in the Schedule of Items, and was also included on the Fuel Escalation Worksheet as an eligible Pay Item (meeting the minimum qualifiers), but did not get listed under 00195.11, it can be added to the Contract by CCO, but must be coded as non-participating and paid for with State or local funds.

If you have any questions regarding whether or not a change made to 00195.11 will be eligible for federal participation, or if you encounter a situation that does not exactly fit one of the scenarios listed above, contact the Region Assurance Specialist (RAS), or the Contract Administration Unit for guidance **before** making the change.

Some common errors that can occur during Project development but may not be identified until after the Contract is awarded include:

- A Pay Item is listed in 00195.11 but is not listed in the Schedule of Items. This typically occurs when an item of Work is included in the Project early in development, and is added to the list of Pay Items, but the Pay Item is deleted before the Project goes to Bid.
- There are three separate Pay Items for HMAC (Level 2, Level 3 and Level 4), but only one Pay Item quantity is used to calculate the minimum qualifier on the Fuel Escalation Worksheet. If the single HMAC Pay Item quantity is not sufficient to meet the minimum qualifier, all HMAC Bid Items may incorrectly be excluded. The Specification Writer must total all three (3) HMAC Bid Items together to calculate if the HMAC meets the minimum qualifier shown on the Fuel Escalation Worksheet.
- Incorrect fuel factors or the incorrect type of structure (pre-cast vs. cast-in-place) fuel factor being specified.

If at any time during the life of the Contract the PM identifies any Pay Items that are either not listed in Subsection 00195.11 of the Special Provisions, and either the Contractor or the PM feels the Pay Items should have been listed, or Pay

Items are listed that the PM feels they should not have been included, the PM must contact the Specification Writer to identify the reason the Pay Item was, or was not, included.. The PM should request a copy of the Fuel Escalation Worksheet from the Specification Writer that was completed during Project development to assist in determining whether or not a Pay Item should, or should not, be included in 00195.11.

The PM will adjust the payment to the Contractor each month to reflect the changes in the cost of fuel, if the current monthly price differs more than 25% from the base fuel price (base price) published on the Agency website for the month immediately preceding the Bid Opening date:

http://www.oregon.gov/ODOT/HWY/ESTIMATING/asphalt_fuel.shtml.

The FE process the PM office will need to follow and the forms required to be used to make the monthly FE adjustments can be found on the Construction Section website at:

<http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/HwyConstForms1.shtml>.

FE payments will be posted in CPS as an adjustment to the Contract, using the 6600A – 6600Z series.

3. 00195.12 – Steel Materials Price Escalation/De-escalation (SE)

During Project development, the Specification Writer will determine if the Project has any eligible steel escalation/de-escalation (SE) Pay Items. If there are eligible Pay Items, they will be listed in Subsection 00195.12 of the Special Provisions. If there are no eligible Pay Items, Subsection 00195.12(d) will state: *“No Pay Items under this Contract qualify for the steel escalation/de-escalation program for this Project”*. The Specification Writer will use the [Steel Escalation/De-Escalation Worksheet](#) (“Table of Steel Escalation”) to identify which Pay Items will be listed in the Special Provisions.

The SE program is the only escalation/de-escalation program under which the Contractor can elect to **not** participate. The Contractor can choose to participate in the SE program by printing out the Steel Materials Pay Item list in 00195.12(d) of the Special Provisions, identifying which Pay Items they wish to select for participation in, signing, and submitting the list to the PM before or within seven Calendar Days after the Pre-construction Conference. SE can only be made on the Pay Items selected by the Contractor. The PM will need to keep a copy of the participation notice with the applicable Project records (6000 series adjustments), and submit a copy to the CAU.

If the Contractor elects to not participate in the SE program, this will need to be documented in one of the following ways:

- Contractor can notify the PM in writing of its choice to not participate in the SE program, or
- The PM can notify the Contractor in writing that the required participation information was not received within the timeframe allowed, and that the SE program provisions in 00195.12 will not apply to the Contract.

The RAS will require the applicable documentation confirming either participation (participation form) or non-participation (letter to or from the Contractor) to be included in the Project documentation.

NOTE: Effective with all Projects Bid on or after May 6, 2010, Subsection 00195.12(a) was revised by Special Provision update. This revision provides the Contractor with an option to elect not to participate in the SE program for this Project. The SE participation/non-participation notice will still need to be submitted by the Contractor in writing before or within seven Calendar Days of the Pre-construction Conference. The SP195 document can be viewed on the Specification Unit website at:

<http://www.oregon.gov/ODOT/HWY/SPECS/docs/08specials/00100/SP195.doc>.

For all Projects Bid on or after May 6, 2010, the new participation/non-participation notice will satisfy the RAS requirements for documentation showing the Contractors option. All Projects Bid before this date, which do not include the 00195.12(a) update, will still be required to include confirmation documentation (either the participation form or a letter) in the Project documentation files. A copy of the confirmation documentation must also be submitted to the CAU.

The PM will adjust the payment to the Contractor each month to reflect the changes in the cost of steel Materials, if the current monthly price for steel Materials differs more than 10% from the Base Steel Materials Value (BV) published on the Agency website for the month of the Bid Opening:

<http://www.oregon.gov/ODOT/HWY/ESTIMATING/steel.shtml>

The BV and the Monthly Steel Materials Value (MV) are posted on the Agency website after the numbers are considered final. Preliminary numbers may be referenced for six months or more before they are determined to be final. This means that SE adjustments for Work completed in January are not made until the final numbers are posted in June (at the earliest), and will be posted on the July pay estimate. The Agency has no control over when the final numbers will

be posted, so SE adjustments may not be reflected on payments to the Contractor for up to two months after the final values are posted. The Contractor is not eligible for interest on these delayed payments [See 00195.12(b)].

The SE process the PM office will need to follow and the forms required to be used to make the monthly SE adjustments can be found on the Construction Section website at:

<http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/HwyConstForms1.shtml>.

SE payments will be posted in CPS as an adjustment to the Contract, using the 6800A – 6800Z series.

4. How Escalation/De-escalation Applies to Change Order Work

If the original Contract contains any of the escalation/de-escalation provisions (00195.10 – Asphalt, 00195.11 – Fuel, or 00195.12 – Steel), then any CCO's that affect any of the eligible Pay Items must also address the escalation/de-escalation in one of the following ways:

Scenario #1 – Increasing Original Bid Item Work: If the CCO is being written to increase the Pay Item quantity but does not modify the unit price of the Work, the original Contract base price and normal escalation/de-escalation would apply, regardless of when the Work identified in the CCO is actually performed.

Refer to [Chapter 15 - Contract Change Orders/Force Account/Work by Public Forces](#), for guidance on completing the Change Order forms when addressing escalation/de-escalation.

Scenario #2 – Adding New Work [*To be completed in a short time period*]: If the CCO is written to add new Work with a modified unit price (i.e. additional or new paving at a different unit price than the original Pay Item), it is assumed that the unit price is a “current price” which includes any real escalation incurred between the time the Contract was Bid and the time the CCO is executed. In this case, the CCO should state that NO ESCALATION applies to the Work covered by the CCO. This assumes the work identified in the CCO will be completed in a short time period.

Scenario #3 – Adding New Work [*Work will not be completed in a short time period*]: If the Work covered by the CCO will **not** be completed in a short period of time, then the CCO may need to include escalation/de-escalation with a new base price, which would be set at the month in which the CCO is executed. Escalation/de-escalation is intended to adjust for the fluctuations in price between the time the Work is Bid and when the Work is completed. When providing price quotes for CCO Work, the Contractor essentially Bids the Work at the time of the CCO. Any escalation/de-escalation that applies to the CCO Work

needs to start at the time the CCO is executed and stop when the CCO Work is completed.

Scenario #4 – Adjusting Lump Sum Pay Items: Adjustments to lump sum Pay Items can be made using either a 6000 series price adjustment or with a CCO. Refer to Section 12E-1 for guidance on determining which method to use. If a CCO is used to adjust a lump sum Pay Item (increase), then the original Contract Base Price and normal escalation would apply.

However, if the CCO is reducing a lump sum Pay Item at the direction of the PM, then the appropriate adjustment must also be made to any escalation/de-escalation applied to the lump sum Pay Item.

Scenario #5 – Adjusting Unit Priced Pay Items: In some cases, an adjustment to a unit priced Pay Item, which is eligible for escalation/de-escalation, will need to be made. In this case, the original Pay Item will need to be deleted, and a new Pay Item with the new unit price will need to be established. The original escalation/de-escalation provisions apply to the Work using the adjusted unit price.

NOTE: Under this scenario, if any escalation/de-escalation payments have been applied to the original Pay Item Work using the original unit price, these payments need to be deleted and reapplied using the adjusted unit price established in the CCO.

If all work on a Structure has been identified in the Special Provisions as being eligible for fuel escalation, any CCO adding or modifying Work on that structure needs to include language addressing escalation. Clearly state in the CCO if the original language of the Contract still applies to the Work in the CCO, or from what date a new base price/value for the fuel escalation is being established, or if there will be no escalation for this CCO Work.

(b) Fabrication Inspection Expense

As required by Subsection 00165.91, if the Agency is required to perform shop and/or plant inspection outside of the State, the cost of the inspection will be charged to the Contractor. The Agency will bear the cost of inspections performed within the State, and those portions of adjacent states within 50 airline miles of the Oregon border.

This inspection expense reimbursement applies to all fabricated items or manufactured Materials that are inspected by Agency personnel, including but not limited to:

- Structural Steel fabrication.
- Pre-stressed concrete members.
- Signs.
- Precast concrete.

The PM will calculate the charges to the Contractor for fabrication inspection, and post them to the progress estimate under the 6000 series as an adjustment to the Contract. The PM must notify the Contractor that such adjustment will be made and the reasons for the adjustment. Provide sufficient documentation to clearly justify the adjustment and submit the documentation with the final quantity documentation.

(c) Agency-Provided Weigh Technician

As provided for in Subsection 00190.20(g), the Agency will provide a weigh technician at the Contractor's expense if the Contractor provides vehicle weigh scales without a weigh technician. The hourly cost for the Agency-provided weigh technician will be listed in Subsection 00190.20(g) of the Special Provisions.

The PM will calculate the Agency's time performing the weigh technician duties, and post the charges to the progress estimate under the 6000 series as an adjustment to the Contract. The PM must notify the Contractor that such adjustment will be made and the reasons for the adjustment. Provide sufficient documentation to clearly justify the adjustment and submit the documentation with the final quantity documentation.

(d) Right of Agency to Perform Work at Contractor's Expense

Subsection 00220.60(d) covers the Agency's right to perform Work at the Contractor's expense if the Contractor fails to provide adequate accommodations for traffic and to maintain the traveled ways and connections as provided for in the Contract.

The PM will calculate all Agency costs to perform the Work, including labor, Equipment and Materials, and post the charges to the progress estimate under the 6000 series as an adjustment to the Contract. The PM must notify the Contractor that such adjustment will be made and the reasons for the adjustment. Provide sufficient documentation to clearly justify the adjustment and submit the documentation with the final quantity documentation.

(e) Additional Materials Testing Performed at Contractor's Request

Subsection 00165.04 states that when the Contract requires the Agency to perform testing, the testing will be at the Agency's expense. However, if the Contractor requests the Agency perform testing in excess of the limits stated in 00165.04, then the additional tests are at the Contractor's expense.

The PM will calculate all Agency costs to perform the extra testing, and post the charges to the progress estimate under the 6000 series as an adjustment to the Contract. The PM must notify the Contractor that such adjustment will be made and the reasons for the adjustment. Provide sufficient documentation to clearly justify the adjustment and submit the documentation with the final quantity documentation.

(f) Liquidated Damages

As specified in Subsection 00180.85(b), the Contractor agrees to pay the Agency, not as a penalty but as liquidated damages, the amount specified in the Special Provisions for each Calendar Day the Contractor performs Work on the Contract in excess of the Contract Time or adjusted Contract Time.

If the Contract Time is expressed in Calendar Days (e.g., all Work completed within 90 Calendar Days), the PM will be required to issue [Weekly Statement of Contract Time Charges, form 734-3483](#) each week beginning on the date specified in the Contract. If the Contract Time is expressed as a specified completion date (e.g., all Work completed by May 1, 2009), the PM is required to begin issuing Weekly Statement of Contract Time Charges beginning on the date the Contract Time or adjusted Contract Time expires. [Refer to [Chapter 13 – Contract Time](#)]

The Weekly Statement of Contract Time Charges Form will act as the pay document for assessing the liquidated damages charged against the Contract. The liquidated damages will be posted to the progress estimate under the 6000 series as an adjustment to the Contract. The unit shown should be either “Day”, or the unit specified in the Contract (“Hour”, “Minute”, etc.). Keep in mind that liquidated damages are always posted as a negative unit so that the adjustment is assessed against the Contract, and not shown as a payment to the Contractor.

**OREGON DEPARTMENT OF TRANSPORTATION
CONSTRUCTION MANUAL**

DAY OF WEEK		DAY OF MONTH	PREDOMINATE WEATHER	CONTRACT TIME UNITS (All, A, B, C, etc.)	BEGINNING DATE OF TIME CHARGE	REASONS FOR NOT CHARGING TIME
SUN.	8			1.0		
MON.	9			1.0		
TUE.	10			1.0		Specified Completion Date: 2-10-09
WED.	11			1.0		
THU.	12			1.0		
FRI.	13			1.0		
SAT.	14					
DAYS CHARGED THIS WEEK				6.0		NOTICE TO CONTRACTOR If you are in disagreement with the number of "Days Charged This Week", you have 7 days after delivery of this statement to file written protest with the Project Manager, setting forth in detail the facts upon which the protest is based. See subsection 00180.50 in the contract specifications for additional instructions.
DAYS CHARGED ON PREVIOUS STATEMENT				86.0		
REVISIONS OR ADJUSTMENTS (+ or -) (explain below)						
DAYS CHARGED TO END OF CURRENT WEEK				92.0		
LIMITING NUMBER OF CALENDAR DAYS						
DAYS REMAINING						
FIXED DATE (Specified Completion Date)				02/10/09		
EXCESS DAYS USED				3.0		
COMMENTS: (INCLUDE CHANGES TO SPECIFIED COMPLETION) LD's = \$200/day Total of 3 Days LD ✓ 2-17-09 Stacy Harper, CAS Sam Snead, Inspector 2-16-09 6001 - 3 Days Est #7 Note #1 Entered 2-21-09 Stacy Harper, CAS						
					PROJECT MANAGER SIGNATURE	DATE
					Rhodes Head, PM	2-10-09

(g) Incentive/Disincentive (Early Completion)

Some Contracts may have provisions included covering incentive/disincentive, or early completion. These provisions will be included as Section 00198. The PM will need to follow the provision requirements for determining incentive/disincentive payments. Contact the RAS or the CAU for assistance in calculating or posting adjustments for incentive/disincentive.

(h) Lane Closures

Some Contracts may include provisions for lane closure, lane rental or total closures. These provisions will be included in Section 00220 of the Special Provisions. The PM will need to follow the provision requirements for determining charges against the Contract for the various types of lane closures. Contact the RAS or the CAU for assistance in calculating or posting adjustments for lane closures.

(i) Railroad Protective Services (Flagging)

Railroads provide protective flagging for trains, or will install other protective devices if the Contractor will be working on Railroad property. The Agency generally must pay the cost of these protective services or devices.

Provisions for paying for Railroad flagging will be covered by Subsection 00170.01(e) of the Contract and will specify the maximum time (hours) or dollar amount the Agency will pay for Railroad protective services. This section will also identify the per hour dollar amount the Contractor will be charged for any flagging hours required in excess of the hours listed in 00170.01(e). An example of 00170.01(e) language is as follows:

When railway flagger services are required, the Agency will pay the flagger services costs up to a total of 20 hours. If this value is exceeded and additional flagging services are needed, the Contractor shall pay the Agency an amount of \$100 per hour for each hour in excess of the total value identified above.

If the PM determines the Contractor is responsible for flagger services costs in excess of the hours shown in the Contract, a 6000 series negative price adjustment will need to be processed.

**OREGON DEPARTMENT OF TRANSPORTATION
CONSTRUCTION MANUAL**

INSTALLATION SHEET										
PROJECT: CONSTRUCTION MANUAL - CHAPTER 12E EXAMPLE										
CONTRACT: C12345	EA: CON012345 ITEM NUMBER: 6001									
ITEM DESCRIPTION: Railroad Protective Services (Flagging)	GROUP NO.: 011									
METHOD OF QUALITY ASSURANCE										
SUPPORTING DATA										
T - TEST CERTS <input type="checkbox"/>	Q - COMPLIANCE CERTS <input type="checkbox"/>	L - ODOT LAB. REPORT # _____								
O - CMO <input type="checkbox"/>	E - EQUIP. LIST & DWG. <input type="checkbox"/>	BG - BLUE AND GREEN SHEETS <input type="checkbox"/>								
F - FIR # _____	SQ - SMALL QUANTITY <input type="checkbox"/>	QPL Approved <input type="checkbox"/> Qualified <input type="checkbox"/>								
NO QUALITY DOCUMENTATION REQUIRED <input checked="" type="checkbox"/>		QUALITY DOCUMENTS SUBMITTED W/PAYNOTE <input type="checkbox"/>								
QUANTITY DATA										
PREVIOUS QUANTITY: _____	UNIT: Dollar	RE-MEASURE <input type="checkbox"/>								
INSTALLED THIS NOTE: -500	UNIT: Dollar	MEASURED IN PLACE METHOD <input type="checkbox"/>								
TOTAL TO DATE: -500	UNIT: Dollar	PARTIAL PAYMENT <input type="checkbox"/>								
		BID ITEM COMPLETE <input type="checkbox"/>								
		INSTALLATION COMPLETE <input type="checkbox"/>								
AS PER PLAN: YES <input type="checkbox"/> NO <input type="checkbox"/> IF NO WHY? _____		UPDATED AS CONSTRUCTED PLANS <input type="checkbox"/> N/A <input type="checkbox"/>								
LOC. / STA.: _____	PLAN SHEET # _____	NOTE # _____								
		NOT ON PLANS <input checked="" type="checkbox"/> CL <input type="checkbox"/> RL <input type="checkbox"/> LL <input type="checkbox"/>								
SKETCH / CALCULATIONS / REMARKS:		INSTALLATION DATE: May 22 - 24, 2010								
<p>Per Section 00170.01(e) the Agency will only pay for Railroad flagger services costs up to a total of 20 hours.</p> <p>The Contractor required a total of 25 hours of RR flagging to complete the paving work on the "B" Line:</p> <table style="margin-left: 40px;"> <tr><td>May 22, 2010:</td><td>10 hours</td></tr> <tr><td>May 23, 2010:</td><td>10 hours</td></tr> <tr><td>May 24, 2010:</td><td>5 hours</td></tr> <tr><td>TOTAL:</td><td>25 hours</td></tr> </table> <p>Per Section 00170.01(e) the Contractor is assessed a negative price adjustment of \$100/hour for each hour over the 20 hours:</p> <p style="text-align: center;">25 hours - 20 hours = 5 hours x -\$100/hr = -\$500</p> <p>The Union Pacific Railroad submitted their invoice for flagging services performed between May 22 and May 24, 2010: Total 25 hrs x \$38/hr = \$950.00 (attached) This invoice was paid on June 4, 2010 (SFO #2).</p>		May 22, 2010:	10 hours	May 23, 2010:	10 hours	May 24, 2010:	5 hours	TOTAL:	25 hours	<p>NORTH ARROW</p>
May 22, 2010:	10 hours									
May 23, 2010:	10 hours									
May 24, 2010:	5 hours									
TOTAL:	25 hours									
INSPECTOR SIGNATURE: <u><i>Jana M. Sprath</i></u> DATE: <u>6-16-10</u> SEE BACK <input type="checkbox"/>										
FOR OFFICE USE ONLY										
CHECKED BY: <u><i>Amy Spears, CTS</i></u>	QUANTITY CHECKED <input checked="" type="checkbox"/>	QUALITY CHECKED <input checked="" type="checkbox"/>								
QUANTITY THIS NOTE: <u>-500</u> UNIT: <u>Dollar</u>	ESTIMATE # <u>3</u>	DATE: <u>6-17-10</u>								
		NOTE # <u>1</u>								
<small>734-2005 (8-2009)</small>		<small>http://www.oregon.gov/ODOT/HTML/CONSTRUCTION/How/CompForms1.zhtm</small>								

12E-3 REVIEW PROCEDURE

The PM must have one person prepare or calculate the adjustment to a lump sum Pay Item, or other adjustment items, and have a second, different person review the adjustment calculations.

The RAS will review and sign off on all adjustment calculations/payments as part of the periodic Project documentation review process.

Refer to [Chapter 37 - Submittal of Final Project Documentation](#) for guidance in submitting adjustment documentation at the completion of the Project.