

***CHAPTER 12G – EXTRA WORK PERFORMED ON A FORCE ACCOUNT BASIS (EWO)**

Extra Work performed on a Force Account Basis (EWO) is used to equitably and uniformly compensate the Contractor for Extra Work when a negotiated price cannot be reached. When the Agency orders Extra Work to be performed via Force Account, the Agency is assuming control for the portion of Work governed by the EWO. The Agency will make the determination regarding what Equipment shall be used, what manpower is necessary, and the work methods to be used to perform the Work (i.e., whether or not overtime is necessary to accomplish the Work). The Agency assumes all control of, and responsibility for, the portions of Work to be accomplished under the EWO.

The following steps need to be followed to perform Extra Work on the Force Account Basis:

1. The Project Manager (PM) will need to make the determination that Extra Work is necessary. Only Work not included in the Contract as awarded but deemed by the PM to be necessary to complete the Project will be paid as Extra Work (See 00140.60).
2. The PM must discuss the Extra Work with the Contractor, define the scope of Work, and discuss the options of means and methods for completing the Extra Work.
3. The PM must attempt to negotiate a Contract Change Order (CCO) with the Contractor to perform the Extra Work. If the PM is unable to successfully negotiate a CCO, the Extra Work will be completed on a Force Account Basis.
4. Before the Extra Work to be performed on a Force Account Basis can begin, the PM must:
 - a. Prepare and obtain approval of an Extra Work Order (EWO);
 - b. Provide the Contractor with a written order to begin the Extra Work; and
 - c. Reach agreement with the Contractor on when, how, and with what Equipment and labor the Extra Work will be completed (*Actual Cost or Standard Calculation*).
5. For each day on which Extra Work is performed, the Agency (*typically the Inspector*) will complete a Daily Force Account Record (DFAR):
 - a. Both the Inspector and the Contractor's representative must sign the completed DFAR at the end of the day. These signatures indicate agreement on the accuracy and completeness of the information recorded on the DFAR.

*** All Marked Text Updated October, 2010**

- b. If there are any disagreement regarding the information recorded on the DFAR, and the disagreement cannot be resolved the same day, the Extra Work must stop until the PM and the Contractor resolve the disagreement. Do not proceed with Extra Work without daily agreement on the DFAR.
6. On a monthly basis, the Contractor will send its Force Account Work Invoice, along with the required supporting documentation, to the PM.
7. The PM will date stamp the invoice upon receipt. If the invoice is received on or before the 15th of the month, the PM will enter the amount due, as determined by the PM, on the progress estimate for the Work completed that month. If the invoice is received after the 15th of the month, the amount the PM determines to be due will be added to the pay estimate for the following month.
8. The PM will process the invoice according to the Steps for Reviewing Force Account Invoices in the Project Managers Office guide in Section 12G-8. Once the PM has completed their review of the invoice, it will be submitted to the Contract Administration Unit (CAU) for final review and processing.

12G-1 BACKGROUND

Force Account Work is addressed in Section 00197. The PM must become familiar with the language in this Section.

As described in 00197.01, the Agency will solely determine the manner and method in which the Force Account Work is performed. Before ordering the Force Account Work, the PM will need to discuss the Work with the Contractor and seek the Contractor's input and advice on the manner and methods required to perform the Work.

In ordering the Extra Work, and in directing the Force Account Work, the PM should only give direction through the Contractor's superintendent or supervisor assigned to the Work. The PM should not give direction directly to any of the Contractor's employees, but should only answer questions or provide clarification requested by the employees.

If Force Account or added or Changed Work will modify the Work of any subcontract, the Contractor must submit an amended subcontract for PM review and approval. [[Refer to Chapter 14 – Subcontracts](#)]

Force Account procedures should only be used as a last resort when agreement cannot be reached on the price of a new Work item, or when the extent of the Work is unknown or of such character that a price cannot be determined to a reasonable degree of accuracy. The FHWA Headquarters memorandum dated September 8, 1982 (Appendix A-120) contains FHWA's policy on the use of Force Account.

The memorandum is available on the FHWA website at:

<http://www.fhwa.dot.gov/programadmin/contracts/cacc.pdf>

The intention of Standard Specification Section 00197.30 is to reduce the amount of work required to prepare Force Account billings on smaller Extra Work Orders.

At the time a EWO is written, the PM will prepare a cost estimate according to the current Specifications using [Cost Estimate Form 734-1877](#). If the labor estimate is less than \$10,000, or the type of Work to be performed will result in a Workers Compensation rate less than 25%, the PM will need to discuss the billing method to be used for the EWO with the Contractor. The Contractor will be electing to use either the “Actual Cost” or “Standard Calculation” method for both themselves and all Subcontractors performing Work under the EWO.

The Cost Estimate and Contractor election shall both be documented on the [Extra Work Order form 734-3208](#). Labor cost estimates under \$10,000, or having industrial accident insurance rates of 25% or less, may use the Standard Calculation when billing labor costs (See Section 00197.30). The [Force Account Invoice for Labor – Standard Calculation, form 734-1863A](#) will be used.

Labor cost estimates over \$10,000, or having industrial accident rates over 25%, will use the Actual Cost Calculation when billing labor costs. The [Force Account Invoice for Labor – Actual Cost Calculation, form 734-1863B](#) will be used.

12G-2 DEFINITIONS

The following definitions are taken from [FHWA CFR 635.102](#):

Force Account – A basis of payment for the direct performance of Highway construction Work with payment based on the actual cost of labor, Equipment and Materials furnished and consideration for overhead and profit.

Per Diem – A daily allowance for expense generally prescribed by a labor contract. When reimbursement for Per Diem is requested, the Agency must obtain a copy of the labor contract which describes how the Contractor is paying Per Diem. Per Diem costs will be paid on an actual cost basis for the Force Account Work according to Section 00197.30(a-1) and (a-2), if the Per Diem is paid to workers for similar Pay Item Work.

Subsistence – Reimbursement for actual costs of invoiced and receipted expenses incurred as the direct result of the Force Account Work and must be agreed to in advance. Subsistence is not reimbursed under the Standard Calculation method, as described in Section 00197.30(a).

Standby Equipment Rates – The Contractor continues to incur certain ownership costs when Equipment is required to be on standby. 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. While an industry standard does not exist for standby rates, it has been the normal practice of the courts to reduce published ownership rental rates by 50 percent for standby rate usage. Therefore, FHWA will accept the use of 50 percent of the ownership rental rates of an approved guide as the standby rate in lieu of a Contractor’s actual standby costs. There should be no operating costs included in the rate used, and standby time should not exceed eight (8) hours per day, 40 hours per week, or the annual usage hours as established by the rate guide.

Base Hourly Wage – Interpreted to mean wages, regular hours and overtime hours calculated to one and one-half times the regular wage. For the purposes of the Standard Calculation, regular and overtime wages will be calculated at two (2) times the actual hourly wage (*excluding fringe benefits, vacation, taxes, insurance, and markups, plus all other direct or indirect costs including subsistence*). ([See Section 00197.30\(a\)](#))

Class Code – The National Council on Compensation Insurance (NCCI) four (4) digit code corresponding to each classification determined for the insured. The classification codes describe the business of the insured rather than the occupation of the employee.

Experience Modification Factor – A factor calculated by NCCI from actual case loss experience to adjust an insured’s annual premiums (up or down) based on the insured’s loss experience relative to the average underlying annual premiums. It compares the insured’s experience to the average class experience.

12G-3 PROCESS

The following process and documentation is required when the PM orders the Contractor to perform Extra Work on a Force Account Basis:

(a) STEP 1 – The PM must prepare an [Extra Work Order, form 734-3208](#). This form will formalize the proper approvals, defines the Work to be done by the Contractor, and identifies the EWO number to use on the billings. The form also documents the Contractor’s election of billing method (Standard Calculation or Actual Cost method). If the Extra Work must be started prior to issuing the EWO, the PM must issue a written order to allow the Work to start. The written order must include the following:

1. A description of the Work, the location, and when the Work must be accomplished; and
2. A statement identifying that the Work will be performed on a Force Account basis and notifying the Contractor of the EWO number to use on billings.

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EXAMPLE:

PAY ITEM		REASON CODE	TIME CODE	WORK TYPE	DESIGN (E or F)	PM (E or F)	DESCRIPTION	ESTIMATED AMOUNT
806		10(e)			I	I	Upgrade 300' of local access road to tie into new "B"-Line	\$74,599.24

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(b) **STEP 2** - A [Cost Estimate, form 734-1877](#) shall be prepared by the PM.

EXAMPLE:

ITEM DESCRIPTION		Unit	Materials, Equipment, and Special Services			Labor		
			Quantity	Unit Price	Amount	Quantity	Unit Price	Amount
1	Excavation and Backfill	LS	1	\$13,000.00	\$13,000.00			
2	Level 4 HMAC	Ton	299.8	\$100.00	\$29,980.00			
3	Pavement Striping	Foot	1200	\$1.00	\$1,200.00			
4	Pavement Markers	Each	6	\$18.00	\$108.00			
5	Equipment Operator, Group 4	Hour				40	\$107.25	\$4,290.00
6	Laborer, Group 1 (3 each)	Hour				120	\$26.45	\$3,174.00
7								
8								
9								
10								
11								
12								
ATTACHMENTS				A	\$44,288.00	B		\$7,464.00
<input type="checkbox"/> WAGE DETERMINATION, FORM 734-1870 <input type="checkbox"/> OTHER (EXPLAIN BELOW)			Subtotal Allowance (Ax17%)	C	\$7,528.96	Subtotal Allowance (Bx22%)	D	\$1,642.08
EXPLAIN			Total (A+C)	E	\$51,816.96	Total (B+D)	F	\$9,106.08
SUBCONTRACTOR SUPPLEMENTAL MARKUP (8%)		G	\$0.00			TOTAL MATERIAL EQUIPMENT, SPECIAL SERVICES, LABOR ALLOWANCE AND SUBCONTRACTORS MARK UP		
						\$60,923.04		

REMARKS: ASSUMED PRODUCTION RATES, SPECIAL CONDITIONS

(c) **STEP 3** – For each day on which Extra Work is performed under the EWO, the Inspector must complete a [Daily Force Account Record \(DFAR\), form 734-3428](#). The DFAR must list all labor, Equipment, Materials, and other resources used for each days Work on the EWO. Never request or allow the Contractor to complete the DFAR. Only list overtime hours ordered by the PM. The Inspector and the Contractor’s representative must both sign the sheet daily indicating agreement with the information shown on the DFAR. If both parties are unable to agree on any items listed on the DFAR, the PM and Contractor must resolve the issue(s) promptly.

The PM may also modify the DFAR form and use it to record information for any disputed items. [Refer to [Chapter 27 – Disagreements, Disputes and Claims](#)]

1. Labor Section of the DFAR – Record the first and last names of each employee working on the EWO, as well as the employee’s craft and group or grade level within that craft. Record the daily hours worked by each employee. The more detail recorded will assist in checking Force Account billings as you will need to check the DFAR information against the Contractor’s certified payrolls.

Pay for only one (1) level of supervision on the EWO. Do not pay for additional supervisors or Contractor administrative staff on the EWO. However, if more than one (1) crew is involved in the Work, it may be appropriate to pay for two (2) different supervisors. If this is the case, make a note on the DFAR to document the circumstance.

A supervisor can be paid less than a craft person only if the supervisor is performing supervisory duties at least 80% of the time. Otherwise, the supervisor must be paid at least as much as the craft the supervisor is performing.

The Agency can pay for travel and subsistence only if it can be documented that the Contractor pays those same expenses for other similar Work on the Project. The PM and Contractor must agree on this prior to the start of the EWO Work. Rates should be reasonable. Rates paid to Agency employees for travel and subsistence are generally considered to be reasonable

2. Equipment Section of the DFAR – Record each piece of Equipment, with identification, that is used for the EWO Work. For Equipment owned by the Contractor, record the Equipment type, model, year of manufacture, and type of attachments. This information is needed to determine the proper rental rate for the Equipment. Other information needed to determine the proper rental rates may include:

- Type of fuel (gasoline, diesel, etc.)
- Two (2) or four (4) wheel drive
- Horsepower rating
- Speed (RPM, etc.)
- Weight or capacity rating
- ROPS or EROPS (Rollover or enclosed rollover protection)
- Number of axels
- For Low-boys, is it a tilt-deck gooseneck, fixed gooseneck, or folding gooseneck

If the Contractor has rented the Equipment from an entity other than its own organization, note this on the DFAR. The Agency will pay the cost determined from the invoice submitted with the Contractor's billing. Also refer to Section 12G-5 – Force Account Invoice for Equipment and Materials.

If a piece of Equipment has multiple attachments, the Agency will only pay for the attachment with the higher rental rate, provided the attachment is needed for the EWO Work.

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The Agency will not pay for rental of small tools that have a daily rate of less than \$5, or for Equipment that has a fair market value of \$400 or less.

3. Materials Section of the DFAR – List enough detail so that invoices can be supported by the information on the DFAR. Do not list items such as safety goggles, hammers, etc. Such items are reusable and are not eligible for reimbursement.

Before the EWO Work begins, the PM and Contractor must negotiate how to pay for expendable items, or items that are only partly used on the EWO Work. For example:

- For teeth on a pavement grinder, determine how you will agree on how much of the life of the teeth will be used up on the EWO Work; or
- If the Contractor purchased a spool of cable for the EWO Work, but only used a portion of it, and the Agency has no use the remaining cable, agree on the value used and the Contractor retains the remainder of the cable.

Do not use words such as “All”, “Lump Sum” or “Per Attached Invoice” in the Materials description section.

EXAMPLE:

DAILY FORCE ACCOUNT RECORD											
CONTRACTOR Prime Construction			PROJECT NAME (SECTION) Construction Manual Form Example				CONTRACT NO. C12345				
SUB-CONTRACTOR			HIGHWAY Main Highway		COUNTY Marion		EWO NO. 6		DATE OF WORK 1-10-09		
DESCRIPTION OF WORK Replaced Energite III Barrier Modules damaged by traffic											
REMARKS											
LABOR	NAME	CRAFT GROUP NO.	HOURS	DESCRIPTION			QUANTITY	UNIT			
	Peter James	Laborer GP 1	4	Energite III Inertial Barrier Modules			8	EA			
				DO NOT LIST: "ALL" "LUMP SUM" OR "PER ATTACHED INVOICE"							
EQUIPMENT	CONTR.	TYPE OF EQUIPMENT	MANUFACTURER	MODEL NO.	YEAR AND/OR SERIAL #	GAS	DIESEL	SIZE, CAPACITY, HP CFM, AXLE CONFIG.	PAY ATTACHMENT	OPER	STORY
		Pickup	FORD	F150	2006	X		1/2 Ton 4x2			1
SEE THE INSTRUCTIONS ON THE COVER. The Daily Force Account Record is prepared each day by the Inspector and signed by the Contractor's Representative. Original to the Contractor Representative, copy one to Construction Contract Services with Contractor's billing, copy two to Project Manager, copy three to Originator.				CONTRACTOR'S REPRESENTATIVE SIGNATURE Samuel James			PREPARED BY SIGNATURE Steven J. Smith			CERT NO. 02963	

12G-4 FORCE ACCOUNT INVOICE FOR LABOR – ACTUAL COST CALCULATION

Use the [Force Account Invoice for Labor – Actual Cost Calculation, form 734-1863B](#).

The PM must:

- Ensure that the proper group is used for the craft required to perform the Work.
- Ensure that the wages paid are no less than required by the Contract. This is done by comparing the Force Account Invoice for Labor against the Special Provisions and the Contractor's certified payrolls.
- Verify that the craft, group, wage rate, fringe benefits, and hours being billed on the Invoice are accurately shown.

If Ironworkers and Painters are both working on the same day, doing types of Work that are classified differently, they should be billed on separate Invoices for Labor, charging the appropriate rates based on the class of Work for Workers Compensation Insurance.

Check the hours and rates billed against the Contractors certified payrolls. Use the certified payroll rates if there is a discrepancy between the Invoice and certified payrolls. Use the hours listed on the DFAR if there is a discrepancy between the Invoice and DFAR.

The Agency will only pay for one (1) level of supervision. The costs of other Contractor personnel are included in the markup on the Force Account Work.

Use the following guidelines for verifying information provided on the Invoice:

(a) Workers Compensation Class Codes and Assigned Risk Rates

Workers Compensation class codes and assigned risk rates are published yearly by the ODOT Contract Administration Group and published on the Agency website at:

<http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/docs/ClassCodes.xls>

EXAMPLE:

CLASSIFICATION CODES			
WORK YEAR	ASSIGNED RISK RATE	CODE	DESCRIPTION OF WORK: (PLEASE CALL 503.986.3029 FOR RATES NOT POSTED)
2002	16.37%	5403	CARPENTRY WORK. Includes building and remodeling with wood or light gauge steel.
2003	16.98%		
2004	15.51%		
2005	15.83%		
2006	15.78%		
2007	15.69%		
2008	14.45%		
2002	9.17%		
2003	9.78%		
2004	8.81%		
2005	10.17%		
2006	10.57%		
2007	11.89%		
2008	10.18%		

When reimbursing the Contractor for Force Account Work, the Agency is reimbursing the Contractor for their actual costs. At certain times the Contractor's governing class code will have a higher rate than the class code for the time period in which the EWO Work is performed. If the actual rate can be verified, the Agency should reimburse the Contractor for their actual cost.

(b) Reduction Rates

Reduction rates are unique to each Contractor and reflect the accident record of that Contractor. Contact the Contract Services Specialist in the CAU to verify this rate. Use the rate for the Contractor or Subcontractor who actually performed the EWO Work.

The Agency will reimburse the Contractor for the following taxes and insurance:

- Social Security (Combination of Social Security at 6.20% and Medicare)
 - Average Between 1.45 and 7.65%
- Oregon Unemployment Compensation
 - Average between 1.0 and 5.4%
- Federal Unemployment Compensation
 - 0.8%

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- Transit District Taxes
 - Tri-Met in the Portland area
 - LTD in the Eugene area
 - Chariots in the Salem area

The Agency **does not** pay for:

- Oregon Hourly Assessment
- State of Oregon Assessment (WBF)
- Medicare Tax (included in Social Security)
- SDI or other liability insurance

(c) Fringe Benefits

Fringe benefits must be the benefits shown in the Contract.

(d) Markup

The Contractor is allowed a 22% markup on labor as specified in Section 00197.80. Be sure that the Invoice does not include any other unacceptable markups.

Once the Invoice review has been completed, the Agency person completing the review will sign and date the Invoice.

EXAMPLE:

Labor		Travel, Subsistence, Expense, Etc.		Taxes and Insurance on Payroll		Vacation		Fringe Benefits	
Name of Employee	Craft	Group No.	List Number from Above	Days or Hours	\$ Rate	\$ Amount	Craft	Days or Hours	\$ Rate
1 Peter James	Laborer	1					Laborer Group 1	1	13.05
2									
3									
4									
5									
6									
7									
8									
9									
10									
Total to Line F		A		Total Percentage for Taxes and Insurance		B		Total Amount Due (Line G & Line H)	
								44276.33	

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12G-6 FORCE ACCOUNT INVOICE FOR EQUIPMENT & MATERIALS

(a) Rental Rates

The Contractor must bill for Equipment and Materials using the [Force Account Invoice for Equipment and Materials, form 734-1864](#).

EXAMPLE:

PREPARED BY		DATE	CONTRACTOR		PROJECT NAME (SECTION)												CONTRACT NO.																	
Joe Smiley		5/6/2009	PRIME CONTRACTOR		CONSTRUCTION MANUAL FORM EXAMPLE												C12345																	
			SUBCONTRACTOR (WHEN APPLICABLE)		PERIOD OF WORK (FROM - THROUGH)												EXTRA WORK ORDER NO.																	
					4/6/2009 4/30/2009												EWO #6																	
EQUIPMENT DESCRIPTION				"BLUE BOOK"	DATES (MONTH/DAY)												TOTAL	MONTHLY	RATE ADJ.	OPER.	HOURLY	\$ UNIT												
TYPE	MANUFACTURER	MODEL NO.	YR.	SECTION PAGE CODE	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	HOUR	RATE		EXP.	RATE	COL. 1 X COL. 2
Ford Pickup	F150	- 2006	20	7	OPR.	1.0	1.0		4.0	4.0			1.0		8.0	8.0	8.0											31.00	475.00	1.010	4.20	6.93	214.70	
					SBY.																													0.00
Chevy PU	3500	- 2006	22	9	OPR.			4.0	2.0				8.0							4.0	1.0	1.0						20.00	535.00	1.080	4.20	7.42	148.44	
					SBY.																													0.00
					OPR.																													0.00
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Be sure to use the proper volume of the Blue Books for the Equipment rates. Contact the Contract Services Specialist in CAU if you need assistance.

Additional items to consider when reviewing the Contractors Invoice for Equipment and Materials:

1. Verify that the rate used applied to the period when the Work was performed, since the Blue Books are updated frequently. Historical Equipment rates are available through the web based version of the Blue Books. Select the appropriate effective date for the rates based on when the Work was performed.
2. If an Equipment year goes below the low end of Table 2 on the Rate Adjustment Table, use the oldest rate for that type of Equipment.
3. If a piece of Equipment has a date in parenthesis this means that the Equipment was discontinued during the year in parenthesis. To calculate the correct rate adjustment for discontinued Equipment, divide the rate for the year that the Equipment was manufactured by the rate for the year that it was discontinued. Show the calculation on the Invoice for auditing purposes.
4. It may be helpful to compile a list of the Contractor's Equipment with the appropriate rental rates and codes to facilitate quicker checking of EWO Invoices. If requested, CAU can verify the rates. Be sure to update the listing if the rates change due to a periodic rate revision.
5. The Agency does not allow a Regional Adjustment Factor.
6. Pay standby time only when the PM has ordered the Contractors Equipment to remain on site. Payment for standby time should be according to 00197.20(e).
7. Invoices for rented Equipment or Materials must include the vendors name, date, quantity, rate, and extended amount for Materials or rented Equipment. Quantities must be sufficient to cover the quantities shown on the DFAR and billing. Dates must match those on the DFAR.
8. Do not accept Invoices for Equipment that the Contractor has obtained from within its own organization, since that Equipment would be paid as determined for Equipment owned by the Contractor.
9. Do not accept Invoices on the Contractor's letterhead.
10. Unless requested by the PM, the Contractor does not need to submit Invoices for \$10 or less.

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11. The Agency will pay for the operating expenses on Equipment at the rate listed in the Blue Books only when the Invoice states that the rental charges does not include fuel, lubricants, or field repairs.

12. The Contractor is allowed a 17% markup on all Equipment and Materials actual costs. In addition, if the EWO Work is performed by a Subcontractor, the Contractor will be allowed a supplemental markup of 8% on each EWO.

Once the Invoice for Equipment and Materials review has been completed, the Agency person completing the review will sign and date the Invoice.

12G-7 FORCE ACCOUNT SUMMARY

The [Force Account Summary form 734-3385](#) will be completed by the PM. The PM will use this form as the basis for payment for the EWO Work on the progress estimate. The form will then be submitted to the CAU, along with the Contractor's invoice and all supporting data.

CAU will perform the final review of the Invoices and provide any relative feedback to the PM regarding needed corrections. The PM must notify the Contractor of any corrections, as well as correcting the progress estimate. No corrections will be made if further review identifies the corrections to be less than \$10.

Force Account Summary			
Project Name (Section) <input type="text" value="CONSTRUCTION MANUAL FORM EXAMPLE"/>		Contract No. <input type="text" value="C12345"/>	
Contractor <input type="text" value="Prime Construction Company"/>		County <input type="text" value="Walheur"/>	Estimate No. <input type="text" value="4"/>
Extra Work Order Number	6	(A) Prime	(B) Subcontractor
1	Labor Invoice	\$5,218.48	
2	Labor Invoice		
3	Labor Invoice		
4	Labor Invoice		
5	Equipment and Materials Invoice	\$2,484.08	
6	Equipment and Materials Invoice		
7	Equipment and Materials Invoice		
8	Equipment and Materials Invoice		
9	Total Current Force Account (Add Lines 1 through 8)	\$7,702.56	
10	Prior Total Force Account for A or Prior Subcontracted for B (Total from Line 11A or 11B Prior Summary)	\$7,215.95	
11	Total Force Account (Add Lines 9A and 10A or 9B and 10B)	\$14,918.51	
12	8% Allowance		\$0.00
13	Performed to Date (Add Lines 11A, 11B and 12B)		\$14,918.51
14	Prior Total Force Account (Total from Line 13B Prior Summary)		
15	Enter on Progress Estimate and Cost Report (Subtract Line 14B from Line 13B)		\$14,918.51
Remarks: <div style="border: 1px solid black; height: 100px; width: 100%;"></div>			
Prepared by:	<input type="text"/>	Date:	<input type="text"/>
Reviewed by:	<input type="text"/>	Date:	<input type="text"/>
Approved by: Project Manager:	<input type="text"/>	Date:	<input type="text"/>
Distribution: Project Manager submits the original and supporting documents to Construction with copies to the Contractor and Subcontractors.			

12G-8 STEPS FOR REVIEWING FORCE ACCOUNT INVOICES IN THE PROJECT MANAGERS OFFICE

(a) Make sure you have all the documents to perform the review. You will need:

1. A copy of the [Extra Work Order, form 734-3208](#). If there is none, check with the Project Manager (PM). It may not be completed yet, or it may be that this work will be paid under a [Contract Change Order, 734-1169](#).
2. Invoices from the Contractor for labor. This may be either:
 - [Force Account Invoice for Labor – Actual Cost Calculation, form 734-1863B](#); or
 - [Force Account Invoice for Labor – Standard Calculation, form 734-1863A](#)The Extra Work Order form has a check box to indicate which one is used.
3. Invoices from the Contractor for any equipment, materials, and subcontracts, on the [Force Account Invoice for Equipment and Materials, form 734-1864](#).
4. [Daily Force Account Record\(s\), form 734-3428](#) for each day or shift work was done. All the copies with all the signatures. These documents are the source for everything else. Check the records for blanks. There must be enough information to identify the workers and the equipment accurately. If there isn't, your first step is to contact the Project Inspector to find it.
5. Certified payrolls from the Contractor for the workers used and the time the work was done. These should be in the PM office with the Office Coordinator.
6. A copy of the prevailing wage rates for the project. These are found very near the beginning of the Project Special Provisions.

The contractor is supposed to prepare the invoices using only the official ODOT forms. The forms have been automated to perform many of the calculations. Using the official ODOT forms ensures that all calculations are performed consistently. The form number should appear on the bottom of the form. If in doubt, re-enter the data on an ODOT form, as a check. In some instances, the Contractor may not submit an invoice for all equipment. If an item is shown on the Daily Force Account Record(s), in the interest of fairness and expediency, we may prepare one. However, tell the Contractor that their organization should have supplied it.

(b) You will need to have access to a computer and to the Contract Payment System. The Rental Rate Bluebook application is available as a link from each of the CPS Pages. You will verify the equipment rental rates billed using the lookup features from the Rental Rate Bluebooks. You will also need the computer to fill out the [Force Account Summary, form 734-3385](#), which is where you record the results of your review. All the forms mentioned in these instructions are available at:

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

(c) First of all, verify that each of the workers on the labor invoice is being paid at the correct hourly rate and for enough hours on the dates given. The billings should be at least the rate shown in the prevailing wage rate of the Special Provisions, and at hourly rate shown on the Contractor's payrolls.

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- (d) If it is on the [Standard Calculation form 734-1863A](#), check the calculations enough to see that they are accurate.
- (e) If it is on the [Actual Cost Calculation form 734-1863B](#), check that the reimbursement rate for taxes follow these ODOT guidelines:
- [Social Security](#) (combination of Social Security at 6.20% and Medicare--Average rates between 1.45%) 7.65%
 - Oregon Unemployment Compensation--Average rates 1.0 to 5.4%
 - Federal Unemployment Compensation--0.8%
 - Transit District Taxes--Tri-Met in Portland area, LTD in Eugene area (Current Tri-Met tax rate is 0.6418%, according to Tri-Met.)
 - Workers Compensation Insurance rate is calculated correctly. go to <http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/docs/ClassCodes.xls> to check the class code and assigned risk rate; and to
 - Go to the ODOT Intranet site [Resources & Links](#) to find the Contractor risk modification factor. Then check the calculations enough to see that they are accurate.
- (f) Unless the work requires a specific mobilizationⁱ, and is a long way from a large town, we do not normally pay for travel costs. Check to see if regular Contract work was happening at the same time as the Extra Work. We would only consider payment of travel costs if the Contractor is paying travel costs to regular Contract employees.
- (g) We also do not pay for more than one level of supervision.
- (h) Next, check the [Invoice\(s\) for Equipment and Materials, form 734-1864](#). There should be suppliers' invoices for materials, rental equipment, or specialty servicesⁱⁱ (such as pavement sawing) attached, for any of these items listed on the bottom of the form. Verify that the amounts, dates and suppliers match the invoice and the Daily Force Account Record(s).
- Compare the equipment listed on the invoice(s) with the Daily Force Account Record(s). They should match. They should also roughly match what was agreed to on the Extra Work Order or Contract Change Order. Then, using the Rental Rate Blue Book link, make sure that the invoice does not request a higher amount for monthly rate, rate adjustment or operating expense than the equipment indicates. Make sure that attachments listed were actually needed for the work. Check the calculations enough to see that they are accurate.
- (i) There should be a contact person listed with the invoices. If any amounts are higher than you determine they should be, call the contact person and go over each discrepancy. If you can't resolve them, discuss the issues with your supervisor. Minor differences may be ignored, since it is hard to predict in advance exactly how much the extra work will cost.
- (j) Complete the Force Account Summary sheet. If some of the work has already been paid for, note it in the remarks section, along with any discrepancies and their resolution. Sign and date the form.

