



## **CHAPTER 12G**

# **EXTRA WORK PERFORMED ON A FORCE ACCOUNT BASIS**

Only Work not included in the Contract as Awarded but deemed to be necessary to complete the Project by the Resident Engineer (RE) will be paid as Extra Work. (See 00140.60.) Extra Work Orders (EWOs) are used to performed Work on a Force Account Basis. They are 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 on a Force Account basis, 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 control of, and responsibility for, all the portions of Work to be accomplished under the EWO.

The following steps must be followed to perform Extra Work on a Force Account basis:

1. The Resident Engineer (RE) needs to make the determination that Extra Work is necessary.
2. The RE must discuss the Extra Work with the Contractor, define the scope of Work, determine the time of performance of the Extra Work, and the means and methods for completing the Extra Work.

3. The RE must attempt to negotiate a Contract Change Order (CCO) with the Contractor to perform the Extra Work. If the RE 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 RE 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.
  - c. Reach agreement with the Contractor on when, how, and with what Equipment and labor the Extra Work will be completed.
5. For each day on which Extra Work is performed, the Agency (typically the Inspector) will complete a Daily Force Account Record (DFAR), form 734-3428.
  - 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.
  - b. If there is 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 RE 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 RE.
7. The RE will date stamp the invoice upon receipt. If the invoice is received on or before the 15th of the month, the RE will enter the amount due, as determined by the RE, on the progress estimate for the Work completed that month. If the invoice is received after the 15th of the month, the amount the RE determines to be due will be added to the pay estimate for the following month.
8. The RE will process the invoice according to the Steps for Reviewing Force Account Invoices in the Resident Engineers Office guide in Section 12G-8. Once the RE has completed a 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 RE must become familiar with the language in this Section.

Before ordering the Force Account Work, the RE 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 RE should only give direction through the Contractor's superintendent or supervisor assigned to the Work. The RE 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 RE 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 RE must develop an independent scope, schedule and estimate and track the Work.

At the time an EWO is written, the RE will prepare a cost estimate using Cost Estimate form 734-1877.

The Force Account Invoice for Labor – Actual Cost Calculation, form 734-1863 will be used for Labor cost estimates.

## 12G-2 Definitions

The following definitions are taken from FHWA 23 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 Subsection 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 Subsection 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 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 times the actual hourly wage (excluding fringe benefits, vacation, taxes, insurance, and markups, plus all other direct or indirect costs including subsistence). [See Subsection 00197.30(a).]

**Class Code** – The National Council on Compensation Insurance (NCCI) four 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 RE orders the Contractor to perform Extra Work on a Force Account Basis:

**A. STEP 1** – The RE 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 billings. If the Extra Work must be started prior to issuing the EWO, the RE must issue a written order to the Contractor 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.
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.



# EXTRA WORK ORDER

TO BE PERFORMED ON A FORCE ACCOUNT BASIS

NOTICE: THIS FORM MUST BE TYPEWRITTEN

PROJECT NAME (SECTION) I-84: Graham Road Bridges		KEY NO. 19763	REGION 1	CONTRACT NO. 15110
HIGHWAY Columbia River	PROJECT MANAGER Chris Aguon	AGENCY PM		F.A. PROJECT NO. S002(222)
CONTRACTOR NAME AND MAILING ADDRESS Carter & Company Inc. 5050 36th Ave. SE Salem, Oregon 97317		PM (CONSULTANT OR LOCAL AGENCY) NAME AND ADDRESS		EWO NO. 01
				SUBJOB 011

THE FOLLOWING FORCE ACCOUNT WORK TO BE PERFORMED AND PAID FOR IN ACCORDANCE WITH THE CONTRACT TERMS:  
DESCRIPTION AND LOCATION OF EXTRA WORK:

Added work to pothole for existing utilities as Directed by the Engineer.

☐ Attach copy of PM's written prior authorization to Contractor to perform work.

## ESTIMATE OF QUANTITIES AND COSTS

Labor = \$3,196

Equipment = \$1,184

Total = \$4,380

PAY ITEM	REASON CODE	WORK TYPE	DESIGN (E OR I)	PM (E OR I)	DESCRIPTION	ESTIMATED AMOUNT
EWO 801	21	C	I	I	Locate Existing Utilities	\$4,380.00

## SPECIFICATIONS AND OTHER PROVISIONS --

RECOMMENDED BY LOCAL AGENCY	DATE	AGENCY PM (ODOT only)	<input type="checkbox"/> RECOMMENDED <input type="checkbox"/> APPROVED	DATE
Print _____		Print _____		
Sign _____		Sign _____		
RECOMMENDED BY PM (IF EXTERNAL TO ODOT)	DATE	AREA MANAGER: <input type="checkbox"/> NOTED <input type="checkbox"/> RECOMMENDED <input type="checkbox"/> APPROVED		DATE
Print _____		Print _____		
Sign _____		Sign _____		
		CONSTRUCTION SECTION: <input type="checkbox"/> NOTED <input type="checkbox"/> APPROVED		DATE




## WORK OR CHANGE ORDER SUPPORTING DATA (Page 1)

PROJECT NAME (SECTION) I-84: Graham Road Bridges				CONTRACT NO. 15110	
HIGHWAY Columbia River			F.A. PROJECT NO. S002(222)		
NET EFFECT OF ORDER ON PROJECT <input checked="" type="radio"/> Increase <input type="radio"/> Decrease		AMOUNT \$4,380.00	CONSTRUCTION AUTH. \$16,230,368.00	EST. PROJECT COST W/ORDER \$16,234,780.00	OVERRUN % 0.03%
ESTIMATED STARTING DATE* 2/12/2019		OR DATE WORK WAS STARTED*	WORK/CHANGE IS MAJOR? <input type="radio"/> Yes <input checked="" type="radio"/> No		TO ACCOMPANY (ORDER TYPE & NUMBER) EWO 01
PREPARED BY Wayne Normand		DATE 2/11/2019	REVIEWED BY AREA MANAGER		
WORK OR CHANGE HAS BEEN DISCUSSED WITH					
Name	Title	Name	Title	DATE	
Wayne Normand	Asst. Project Manager	BY Colby Fleck, Carter & Co.	PM	2/8/2019	
Name	Title	Name	Title	DATE	
		BY			
Name	Title	Name	Title	DATE	
		BY			
Name	Title	Name	Title	DATE	
		BY			
PRIOR APPROVAL TO PROCEED WITH THE WORK OR CHANGE HAS BEEN OBTAINED FROM*					
Name	Title	Name	Title	DATE	
		BY			
Name	Title	Name	Title	DATE	
		BY			
Name	Title	Name	Title	DATE	
		BY			
WORK OR CHANGE HAS BEEN DISCUSSED WITH FHWA					
Name	Title	Name	Title	DATE	
		BY			
FHWA TENTATIVE APPROVAL OBTAINED FROM					
Name	Title	Name	Title	DATE	
		BY			
FOR CONTRACT CHANGE ORDERS THAT CHANGE A CONTRACT PRICE OR DETERMINE A NEW PRICE --					
PM's COST ESTIMATE IS ATTACHED:					
<small>ADDITIONAL INFORMATION THAT IS NOT INCLUDED ON ORDER (Additional Description; Who requested; Why necessary; Why cost is not a contractor responsibility; Parties other than State or FHWA that have agreed to share the costs; Emergency work prior to approval; Estimate effect on project time; Significant discussions; References to supporting and/or attached documents, including cost estimates for "Extra Work Orders" and "Force Orders"; Why contractor refuses to sign). List all previously approved overruns.</small>					
<p>All utility relocation was to be completed before the start of construction on the project. When our contractor was about to start the existing Frontier Fiber line was still in place where Carter &amp; Company wanted to start install their bridge shoring. It was decided to locate the existing fiber line to see if the shoring pile could be installed near the fiber conduit. This EWO is to locate the existing es Fiber and Gas utilities at approximately 5 locations as directed by the Engineer. Work includes traffic control, equipment and labor to locate and expose existing utilities as directed.</p>					

**B. STEP 2** - A Cost Estimate, form 734-1877 shall be prepared by the RE.

EWO #1



### COST ESTIMATE

NOTICE: FORM MUST BE TYPEWRITTEN

Prepared by <b>Wayne Normand</b>		Project <b>I-84: Graham Road Bridges</b>		Contract No. <b>15110</b>	
Reviewed by		Highway <b>Columbia River Hwy</b>		County <b>Mult.</b>	
Description of Work				Sheet <b>Feb. 2019</b>	
Utility Locate				CHECK BOX IF SUBCONTRACTED <input type="checkbox"/>	

ITEM DESCRIPTION	Unit	Materials, Equipment, and Special Services			Labor		
		Quantity	Unit Price	Amount	Quantity	Unit Price	Amount
1 Operator (2)	hr				16	\$65.00	\$1,040.00
2 Laborer (3)	hr				24	\$55.00	\$1,320.00
3 Superintendent	hr				4	\$65.00	\$260.00
4							
5							
6							
7							
8							
9 Vac Truck	hr	9.5	\$75.00	\$712.50			
10 Pickup Trucks (2)	hr	12	\$25.00	\$300.00			
11							
12							

ATTACHMENTS <input type="checkbox"/> WAGE DETERMINATION, FORM 734-1870 <input type="checkbox"/> OTHER (EXPLAIN BELOW)		Subtotal	A	\$1,012.50	Subtotal	B	\$2,620.00
		Allowance (A x 17%)	C	\$172.13	Allowance (B x 22%)	D	\$576.40
		Total (A+C)	E	\$1,184.63	Total (B+D)	F	\$3,196.40

SUBCONTRACTOR SUPPLEMENTAL MARKUP (8%)	G	\$0.00		TOTAL MATERIAL EQUIPMENT, SPECIAL SERVICES, LABOR ALLOWANCE AND SUBCONTRACTORS MARK UP		\$4,381.03
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REMARKS, ASSUMED PRODUCTION RATES, SPECIAL CONDITIONS  
Contractor used his Vac truck to locate existing Utility as directed. Contractor had to relocate his equipment to 5 different locations. This EWO includes

**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 day's Work on the EWO. Never request or allow the Contractor to complete the DFAR. Only list overtime hours ordered by the RE. 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 RE and Contractor must resolve the issue(s) promptly.

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

DAILY FORCE ACCOUNT RECORD											
CONTRACTOR CARTER & CO.			PROJECT NAME (SECTION) T-24 GRAHAM RD. BRIDGES PROJECT					CONTRACT NO. 15110			
SUB-CONTRACTOR DIET & ASS.			HIGHWAY COLUMBIA RIVER HIGHWAY			COUNTY MULTNOMAH		EWO NO.		DATE OF WORK 2-12-17	
DESCRIPTION OF WORK FOR POT-HOLING CASING AT NE SWALE / FIBER OPTIC LINE (WEST BRIDGE UNDERPASS)											
REMARKS FOR INFORMATIONAL PURPOSES ONLY!											
LABOR	NAME	CRAFT GROUP NO.	HOURS ST OT	DESCRIPTION				QUANTITY	UNIT		
	JOHN LIES (D+A)	EG. OP.	9.5	PUMP SITE TICKET FOR INJURING VAC TRUCK							
	JUSTIN BUTLER (D+A)	LABORER	8	TWO UNDERGROUND ENT. TICKET #							
	DAVE SARGHERD (D+A)	FOREMAN	6	DO NOT LIST: 600039086 2,000 gallons "ALL" "LUMP SUM" OR "PER ATTACHED INVOICE"							
	DALE SAYLES (D+A)	EG. OP.	6								
	SIMMY BOWERS (CARTER)	SUPERINTENDENT	4								
JOE SMITH (CARTER)	LABORER	5.5									
EQUIPMENT	CONTR.	TYPE OF EQUIPMENT	MANUFACTURER	MODEL NO.	YEAR AND/OR SERIAL #	GAS	DIESEL	SIZE, CAPACITY, HP, CFM, AXLE CONFIG.	PAY ATTACHMENT	OPER	STOBY
	06-24	VAC TRUCK	FRANKLIN	VIN# 1FXTND80XHB2417	2007		X		NONE	7.5	
	01-98	UTILITY TRUCK	CHEVY	3500	2007		X		NONE	6	
	01-97	PICKUP TRUCK	CHEVY	2500 HD	2005	X		4WD	NONE	6	
<small>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.</small>											
CONTRACTOR'S REPRESENTATIVE SIGNATURE <i>[Signature]</i>								PREPARED BY SIGNATURE <i>[Signature]</i>			
PROJECT MANAGER											

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

A supervisor may 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 may 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 RE 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 or four wheel drive
- Cab type (regular, crew, etc.)
- Horsepower rating\
- Speed (RPM, CFM, 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, and the attachments are not considered "standard Equipment", the Agency will only pay for the attachment with the higher rental rate, provided the attachment is needed for the EWO Work.

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.

Before the EWO Work begins, the RE 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.
- 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 for the remaining cable, agree on the value used; 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.

Use the Force Account Invoice for Labor – Actual Cost Calculation, form 734-1863.

[illegible]

### Force Account Invoice for Labor – Actual Cost Calculation

(as defined by § 00197.30(b) of the 2008 Oregon Standard Specifications for Construction)

Darcy Hesselgesser  
Prepared by

03.15.19  
Date

I-84 Graham Rd BR  
Project Name (Section)

801

15110

Extra Work Order No. \_\_\_\_\_

Contract No.

Reviewed by

Date \_\_\_\_\_

Carter & Company  
Contractor

Dirt & Aggregate  
Subcontractor (if appl

02.12.19

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Period of Work

TO

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02.12.19

Labor			Dates																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
Name of Employee		Craft	Group No.	Month	2																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

Travel, Subsistence, Expense, Etc.				Taxes and Insurance on Payroll				Vacation		Craft			
List Number from Above	Days or Hours	\$ Rate	\$ Amount			Computed Rate %							
				Class Code	5222	11.51%							
				Assigned Risk Base Rate	12.12								
				Experience Modification Factor	0.95								
				Social Security - FICA	7.65%								
				Oregon Unemployment	3.6%								
				Federal Unemployment	0.6%								
				TriMet Tax	0.76%								
Other Expenses (attach receipts if appropriate)								Total for Labor and Vacation				C	\$1,219.16
								Total for Taxes and Insurance (Line B x Line C)				D	\$294.16
								<b>Fringe Benefits</b>	Craft				
								(Health and welfare, pension, education, or training, etc.)	Laborer Fringe Paid in Amt Above Operator				
										21.5	14.68		315.62
								Total for Fringe Benefits				E	\$315.62
								Total Travel, Subsistence, Expenses, Etc. (From Line A)				F	
								Total of Lines C, D, E, F				G	\$1828.94
								Contractor's Percentage Allowance (Line G x 22%)				H	\$402.37
Total to Line F		<b>A</b>		Total Percentages for Taxes and Insurance	<b>B</b>	24.13%		Total Amount Due (Line G & Line H)					\$2231.31

**Submit the Original and one copy to Project Manager.**

734-1863B (10-22-15)

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

1 of 1

The RE 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, for example, 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 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.

2022 CLASSIFICATION CODES & RATES			Social Security/Medicare	7.65%
			Oregon Unemployment	2.40% Base Rate (5.4% Max Rate)
			Federal Unemployment	0.60%
			Transit District Taxes:	
			Lane County	0.77%
			TriMet	0.7937%
			We DO NOT pay for the Oregon Hourly Assessment, the State of Oregon Assessment, Medicare Tax, SDI or other Liability Insurance. These are covered in the Assigned Risk Rate.	
Work Year	Assigned Risk Rate	Class Code	DESCRIPTION OF WORK: <i>(For rates not posted contact ODOTContractSvc@odot.oregon.gov)</i>	
2022	8.23%	5222	CONCRETE CONSTRUCTION (BRIDGES OR CULVERTS)	
2021	8.85%			
2020	9.61%			
2019	12.12%			

#### A. Risk Modification Factors

Risk modification factors (risk reduction rates) are unique to each Contractor and reflect the occupational risk associated with the type of Work performed by the Contractor and the safety history of the Contractor. Use the rate for the Contractor or Subcontractor who performed the EWO Work.

- Risk Modification Factor - Internal Agency users can access the list of [risk modification factors](#). External users, and internal users in cases when the Contractor is not listed, will need to contact [ODOTContractSvc@odot.oregon.gov](mailto:ODOTContractSvc@odot.oregon.gov) to request that information.

#### B. Taxes and Insurance ([Classification Codes and Rates](#))

When reimbursing the Contractor for Force Account Work, the Agency is reimbursing the Contractor for its actual costs, including certain taxes and insurance. CAU publishes an updated list of these rates annually by the end of January.

Use the rate for the Contractor or Subcontractor who performed the EWO Work. It is possible the Contractor's governing Work classification code will have a higher rate than the classification 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 its actual cost.

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

- [Classification Codes and Rates:](#)
  - Workers Compensation
  - Social Security (combination of Social Security and Medicare)
  - Oregon Unemployment Compensation
  - Federal Unemployment Compensation
  - Transit Districts
    - » Tri-Met in Portland area
    - » Lane Transit District in Eugene area
    - » Salem Area Mass Transit District (Cherriots) in Salem area

As the following are already covered in the Assigned Risk Rate, 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 Subsection 00197.80. The RE shall ensure 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.

## **12G-5 Force Account Invoice for Equipment and Materials**

A. Rental Rates

The Contractor must bill for Equipment and Materials using the Force Account Invoice for Equipment and Materials, form 734-1864.

## FORCE ACCOUNT INVOICE FOR EQUIPMENT AND MATERIALS

[illegible]

For Equipment owned by the Contractor, verify the rental rates from the rates shown in the Rental Rate Blue Books for Construction Equipment ("Blue Book"). Refer to Subsection 00197.20 for the procedure.

Contractors may have several sub-entities within their organization that may perform specific Work, or provide specific services, such as leasing Equipment. Use only the rates from the Rental Rate Blue Books to determine rental rates for any Equipment owned by the Contractor, or any of their sub-entities. Do not pay different rates if the Contractor leases or rents Equipment within its own organization, and do not pay any additional markup on such usage.

Additional items to consider when reviewing the Contractor's Invoice for Equipment and Materials:

1. Verify that the rate used applies to the period when the Work was performed. Historical Equipment rates are available through the Rental Rate Blue Book application, available as a link from each of the CPS pages. 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 the model years available for that Equipment in the Rental Rate Blue Book application, use the oldest rate for that type of Equipment.

3. 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.
4. The Agency does not allow a Regional Adjustment Factor.
5. Pay standby time only when the RE has ordered the Contractors Equipment to remain on site. Payment for standby time should be according to 00197.20(e).
6. 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.



## Force Account Summary

I-84 Graham Rd Br Project

Project Name (Section)

Carter & Company

Contractor

Dirt & Aggregate

Subcontractor

15110

Contract No.

2

Estimate No.

801

Extra Work Order No.

1

Note No.

		Contractor	Subcontractor	Remarks
1	Labor Invoice (734-1863B)	\$710.87		Carter & Company Invoice for Labor
2	Labor Invoice (734-1863B)		\$2,231.31	Dirt & Aggregate Invoice for Labor
3	Labor Invoice (734-1863B)			
4	Labor Invoice (734-1863B)			
5	Equipment and Materials Invoice (734-1864)		\$1,189.80	Dirt & Aggregate Invoice for Equipment and Materials
6	Equipment and Materials Invoice (734-1864)			
7	Equipment and Materials Invoice (734-1864)			
8	Equipment and Materials Invoice (734-1864)			

<b>Subtotals</b> (Sum of 1-8 for each column)	9	\$710.87	\$3,421.11
		8% Markup	\$273.69
	10		\$3,694.80
<b>Total Force Account Payment this Estimate</b> (Sum of 9 & 10)			<b>\$4,405.67</b>

Darcy Hesselgesser

Prepared by (print)

03/18/2019

Date

Reviewed by (print)

Date

Approved by Project Manager (print)

Date

Reviewed by Contract Administration (print)

Date

**Distribution:** Project Manager submits the original and supporting documents to Construction with copies to the Contractor and Subcontractors.

734-3385 (10-7-2015)

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

## **12G-7 RE Review Process for Force Account Invoices**

The RE will need to have access to the Contract Payment System for this process. All forms mentioned in these instructions on the [Construction Forms website](#).

- A. Ensure all the documents needed to perform the review are present:
  - 1. A copy of the Extra Work Order, form 734-3208. If there is none, check with the RE. It may not be completed yet, or it may be that this work will be paid under a Contract Change Order, form 734-1169.
  - 2. Invoice(s) from the Contractor for labor, on the Force Account Invoice for Labor – Actual Cost Calculation, form 734-1863.
  - 3. Invoice(s) 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 (DFAR), form 734-3428 for each Day or shift Work was done; all the original copies with all the original 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, the RE's first step is to contact the Project Inspector to locate it.
  - 5. Certified payrolls from the Contractor for the workers used and the time the Work was done. These should be in the RE 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, the RE should remind the Contractor that its organization should have supplied it.

- B. Check the Force Account Invoice for Labor – Force Account Invoice for Labor - Actual Cost Calculation form 734-1863:



1. Verify that each of the workers on the labor invoice are being paid at the correct hourly rate and for the correct amount of 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.
2. Do not pay for more than one level of supervision.
3. Check the reimbursement and reduction rates based on the time period of the work for these allowable items:
  - Taxes and Insurance ([Classification Codes and Rates](#)):
    - » Workers Compensation
    - » Social Security (combination of Social Security and Medicare)
    - » Oregon Unemployment Compensation
    - » Federal Unemployment Compensation
    - » Transit Districts
      - \* Tri-Met in Portland area
      - \* Lane Transit District in Eugene area
      - \* Salem Area Mass Transit District (Cherriots) in Salem area
  - Risk Modification Factors- Internal Agency users can access the list of [risk modification factors](#). External users, and internal users in cases when the Contractor is not listed, will need to contact [ODOTContractSvcs@odot.oregon.gov](mailto:ODOTContractSvcs@odot.oregon.gov) to request that information."
4. Unless the Work requires a specific mobilization and is a long way from a large town, travel costs are not normally paid. Check to see if regular Contract work was happening at the same time as the Extra Work. Only consider payment of travel costs if the Contractor is paying travel costs to regular Contract employees.
5. If applicable, verify vacation and fringe against the Contractor's certified payrolls.
6. Check the calculations to ensure that they are accurate.

- C. Check the Force Account Invoice for Equipment and Materials, form 734-1864:
1. Compare the Equipment listed on the invoice(s) with the Daily Force Account Record(s) (DFAR), form 734-3428. They should match. They should also roughly match what was agreed to on the Extra Work Order or Contract Change Order.
  2. Verify that the billed equipment hours and dates on the invoice match what is on the DFAR(s). Ensure that operating hours for equipment do not exceed operator labor hours per the Contractor's certified payroll. Ensure standby hours comply with the requirements of Section 00197.
  3. Using the Rental Rate Blue Book application, available as a link from each of the CPS pages, the RE shall verify the Equipment rental rates. Make sure that the invoice does not request a higher amount for monthly rate, rate adjustment or operating expense than the Equipment indicates. No regional adjustment is allowed.
  4. Ensure that attachments listed were approved as necessary for the Work and are not considered "standard" for that Equipment. If multiple attachments are included, only the attachment with the higher rental rate will be eligible for payment.
  5. Attached should be suppliers invoices for Materials, rental Equipment, or specialty services (such as pavement sawing) for any of these items listed on the bottom section of the form. Verify that the amounts, dates and suppliers match the invoice and the Daily Force Account Record, form 734-3428.
  6. Check the calculations to ensure that they are accurate.
- D. There should be a Contractor's contact person listed on the invoices. If any amounts are higher than they should be, call the contact person and go over each discrepancy. If discrepancies cannot be resolved, discuss the issues with a supervisor. Minor differences may be ignored since it is hard to predict in advance exactly how much the Extra Work will cost.
- E. Record the results of the RE review by completing the Force Account Summary sheet, form 734-3385. 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.

- F. Assemble all documents in a neat and organized packet. Submit the packet to a supervisor or RE for review and signature of the Summary Sheet. Upon approval by the RE, the Summary Sheet will act as the paynote for entry (payment) into the Contract Payment System. Forward original documents to the CAU, mail a copy to the Contractor, and retain a copy for the RE files.

