

# OFFICE OF OPERATIONS CONSTRUCTION OVERSIGHT

NORTH  
**Dakota** | Transportation  
Be Legendary.™

# Fall 2019 – One to Remember (or not)

- **Untimely Fall Precipitation throughout the State**
- **Time Extensions granted for the Wet Weather**
- **Final Push to get Projects Completed**

# CONTRACTOR – ENGINEER COMMUNICATIONS

- **State Law and Standard Specification requires contractors to be paid at least once each month as work progresses.**
- **Standard Specification 109.04 B Intermediate Progressive Estimate and Payment.** The Department will make progressive payments to the Contractor at least once each month as the work progresses.
- **24-02-25. Payments made monthly to contractors.** Payment must be made monthly to the contractor for all work done or material furnished, in such amount as must be determined by the director, but in no event less than ninety percent nor more than ninety-nine percent thereof, and payment must be made in full upon the completion of the contract and acceptance of the work.

# CONTRACTOR – ENGINEER COMMUNICATIONS

- **Communicate with contractors when they are being paid.**
- **Be intentional about it, you need to continuously have those conversations.**

# CONTRACTOR – ENGINEER COMMUNICATIONS

- **NOI – What does it mean to you?**

# CHANGE ORDERS AND TIME EXTENSIONS

- **Don't give the contractor a change order to sign if the individual that needs to approve has not been notified and given verbal approval.**
- **Have conversations with Districts on Change Orders and Time Extensions. Don't expect that they are going to agree with your justification.**

Change Order Approval Process Chart

REASON FOR CHANGE ORDER	CHANGE ORDER PARAMETERS	FINAL APPROVAL AUTHORITY <sup>5</sup>
A. All reasons except those listed in items B. through E. including: <ul style="list-style-type: none"> <li>• Changes in contract documents.</li> <li>• Extra work within the scope of the contract.</li> <li>• For establishing the basis of payment or time adjustments for work affected by the changes.</li> </ul>	Costs up to \$10,000. <sup>1</sup> Time extensions up to 5 working days. <sup>2</sup>	Project Engineer
	Costs up to \$20,000. <sup>1</sup> Time extensions up to 5 working days. <sup>2</sup>	Team Leader <sup>3</sup>
	Costs up to \$100,000. <sup>1</sup> Time extensions over 5 working days up to 15 working days. <sup>2</sup>	District Engineer <sup>3</sup>
	Costs up to \$500,000. <sup>1,4</sup> Time extensions over 15 working days. <sup>2</sup>	Office of Operations Director <sup>3,4</sup>
B. Structural Design Changes.	All	Office of Operations Director <sup>3</sup>
C. Changes in specifications, including materials specifications.	All	Office of Operations Director <sup>3</sup>
D. Changes that affect the “Environmental Commitments” where the environmental action needs to be reassessed.	All	Office of Operations Director <sup>3</sup>
E. Emergency Relief (ER) Projects	All	NDDOT approval in accordance with A.
	Scope Change	Federal Highway Administration <sup>3</sup>

- Cost thresholds can be an increase or decrease to the original cost. The costs are cumulative, not net:
  - (An increase of \$80,000 and decrease of \$70,000 = \$150,000 final approval authority required)
- Calendar to working days conversion:  $[\text{working days} = (\text{calendar days requested}) \times (\text{working days specified to be charged per week}) \div 7]$ .
- Verbal approval of the final approval authority is required prior to the start of change order work and prior to obtaining the Contractor’s signature on the Change Order.
- Change Orders over \$500,000 will be signed by the Office of Operations Director but will require verbal approval from the Deputy Director for Engineering.
- If not authorized to sign as final approval authority, need to sign “Approval Recommended” before going to the next authority.

# CHANGE ORDERS AND TIME EXTENSIONS

- **Justifications, do the work to dig into the issues.**
- **You don't have to accept a contractor's first offer, negotiate.**
- **Address Time when dealing with Change Orders.**
- **You don't have to justify the CO for the contractor.**

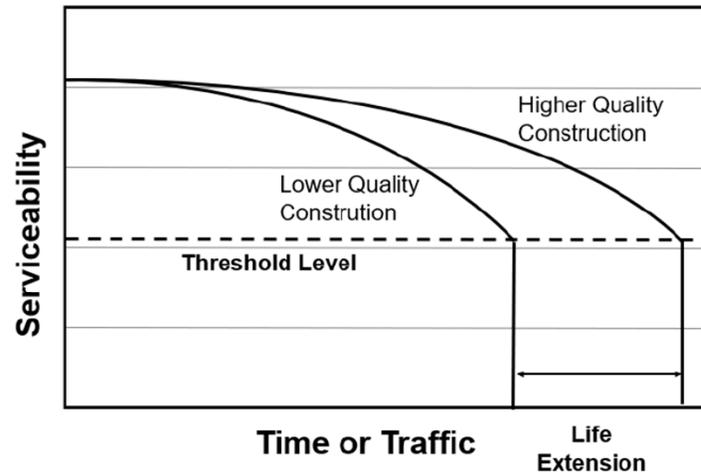
# QUALITY INSPECTIONS

- **Very important that we do quality inspections!**
- **If the only reason to have an inspector on a project was to make sure that the contractor is paid for the work completed, we would make all projects lump sum.**
- **You are there providing value in making sure what we are paying for is quality.**



## Sustainability Impacts from Construction

- Overall pavement performance:
  - Functional
  - Structural
  - Longevity



Construction quality impacts overall pavement performance

# CIVIL RIGHTS TRAINING

- **Hope everyone was able to attend the training.**
  - 1. Labor Compliance**
  - 2. Contractor Compliance**
  - 3. DBE**
  - 4. Timely Payrolls**

# CLOSERS

- **We need you all to be closers on projects.**

QUESTIONS?

Wayde Swenson  
Operations Director

