

The background is a gradient of dark blue and purple, speckled with small white dots. Overlaid on the left side are several concentric circles and a large circular scale with degree markings from 140 to 260. Some circles have arrows indicating a clockwise direction.

# CAS CONTRACT PROCEDURAL TRAINING

PROCESSING, MANAGING CONTRACTS, JUSTIFICATION LETTER & WARS

# SELECTION AND NEGOTIATION OF PE & CE CONTRACTS

I. After a firm is notified from CAS that they were selected for a project the negotiation will begin.

II. Firms will then submit to CAS a scope and fee for Phase I and their total project cost estimate.

- **NEGOTIATIONS;**
  - Firms will put together a cost estimate which will encompass all the Phases required for their particular project.
  - CAS will also put together a cost estimate for this project.
  - CAS will then review the firms estimate and compare it to the DOT's estimate.



# SELECTION AND NEGOTIATION OF PE & CE CONTRACTS CONT.

- If the estimates are fairly close then CAS will begin the writing up of the contract.
- If the estimate is significantly high, CAS may ask the firm to provide more information on how they came up with their numbers. At this time CAS has two options;
- Review firms documents and determine if the DOT's estimate needs to be revised or if the firm needs to revise their estimate.
- If the firm and DOT cannot come to a mutual total cost agreement the DOT may discontinue negotiations for this project.

# CONTRACTS

- Once the NDDOT and the consulting firm have agreed on a negotiated estimate CAS will begin writing up the contract.
- There are two important numbers in NDDOT contracts;
  - The Contract Maximum cost and the Authorized amount.

## CONTRACT MAXIMUM AMOUNT:

This will be the maximum amount the Director will agree to pay for the project. This is also the amount CAS and the consulting firm have negotiated.

## AUTHORIZED AMOUNT:

This is the amount the consulting firm has submitted for their Phase I scope and fee. This is also the amount that is displayed when doing the Progressive Estimates for billing.



# WORK AUTHORIZATION REQUEST (WAR)

- When does the consultant submit a Work Authorization Request (WAR)?
  - A WAR must be submitted to move a project along in it's Phasing.
  - A WAR must be submitted if the work performed exceeds the Authorized amount.
  - A WAR must be submitted if the consultant performs work outside of the original scope of work. This maybe a zero cost WAR noting the hours and cost to perform the out of scope task (This would be noted in the Justification box of the WAR document).
  - A WAR must be submitted if the consultant is doing added work not noted in their original fee's and scope.
    - Example;
      - Original fees have the consultant working 10 hour days, but for two weeks the consultant worked 14 hour days. This would be added work.
      - Contractor decided to work a day and a night shift. This would be added work.

# WORK AUTHORIZATION REQUEST (WAR) CONT.

## Very Important:

- A Work Authorization Request can never exceed the Contract Maximum Amount.
- The consultant must make every effort to work within the established Work Authorization Amount.
- As noted in the contract, “The contract total maximum cost includes all costs to complete all work contemplated by this agreement and cannot be exceeded without the Director’s written approval”.



# WORK AUTHORIZATION REQUEST (WAR) CONT.

- Since the NDDOT has started using the Work Authorization Request CAS has seen some of the following errors when filling out the form;
  - Incorrect “Work Authorization Number”
  - Incorrect “Authorization Group Number”
  - Incorrect request amount in the “Authorization Increase Requested box” and the “Total” on page two compared with their fee sheet. Amounts have to be the same.
  - On the second page top, this part will calculate and populate the amounts for you, but if you have the wrong ADOBE software it will calculate it incorrectly. You need to have a newer version then ADOBE 10.

CONTRACT WORK AUTHORIZATION REQUEST

North Dakota Department of Transportation, Environmental & Transportation Services  
SFN 60723 (Rev. 01-2015)

Work Authorization Number		Date	
PCN	Project Number	Contract Number	
Consultant		Telephone Number	
Address	City	State	ZIP Code
Authorization Group Number	<input type="checkbox"/> Less than \$10,000 <input type="checkbox"/> \$10,000-\$50,000 <input type="checkbox"/> \$50,000-\$100,000 <input type="checkbox"/> Greater than \$100,000		
Original Contract Date	Type of Work		
Contract Total Maximum	Authorization Increase Requested	Contract Previously Authorized	Total Authorized Amount To Date \$0.00

A contract work authorization is required because:

1. Description of Work

2. Justification:

Detailed work activities, staffing, hours, fixed fee, expenses, and subconsultants attached: ☐ Yes ☐ No

Labor Cost Increase Requested	Indirect Rate %	Indirect Labor Cost \$0.00	Total Labor Cost Requested \$0.00
Fixed Fee Rate %	Requested Total Labor x Fixed Fee Rate \$0.00	Total Fixed Fee Amount Requested \$0.00	
DIRECT EXPENSES	RATE	UNITS	COSTS
Meals			\$0.00
Lodging			\$0.00
Mileage			\$0.00
Supplies			\$0.00
GPS			\$0.00
Miscellaneous			\$0.00
			\$0.00
			\$0.00
Sub Total			\$0.00
*SUBCONSULTANTS			
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
Sub Total			\$0.00
TOTAL			\$0.00

\*Attach SFN 60233 Prime Consultant Request to Sublet. When adding subconsultants please coordinate with CAS to obtain indirect rate information.

Signature

Authorized Consultant	Date	Division/District Technical Representative <input type="checkbox"/> Approval Recommended <input type="checkbox"/> Approved	Date
Contract Administrator <input type="checkbox"/> Approval Recommended <input type="checkbox"/> Approved			Date
Office Director <input type="checkbox"/> Approved			Date

FINAL APPROVAL SIGNATURE REUIRED BY WORK AUTHORIZATION GROUP:

GROUP	AUTHORIZATION APPROVAL LEVEL
1. Less than \$10,000	Designated Division or District Technical Representative
2. Equal to \$10,000-\$50,000	Contact Administrator - Division or District Engineer
3. Equal to \$50,000-\$100,000	Office Director
4. Greater than \$100,000	Office Director After Review with Deputy Director

NDDOT Distribution: Submit original copy to Environmental and Transportation Services, Consultant Administrative Services, one copy to Consultant, and project file.



# JUSTIFICATION LETTER

So, what happens if the consultant is approaching their contract maximum amount?

- The firm will have to submit a letter to CAS Justifying the need to increase the contract maximum amount.

THE LETTER MUST CONTAIN BULLET POINTS OF REASONS WHY ADDITIONAL WORK OR ADDED WORK MUST BE REQUESTED TO COMPLETE JOB.

ADDITIONAL WORK EXAMPLES INCLUDE BUT NOT LIMITED TO;

- EXTENDED HOURS/DAYS NEEDED TO COMPLETE THE PROJECT
- ADDED SUBCONSULTANTS
- CHANGE IN THE CONTRACTOR'S SCHEDULE

# JUSTIFICATION LETTER CONT.

- **NEW WORK/CHANGE IN SCOPE;**
  - A new centerline pipe was added to the project that was not in the original plans.
  - New Survey was needed beyond the existing ROW for added widening.
  - A one year project turned into a two year project.



# JUSTIFICATION LETTER CONT.

Some of the issues when submitting a Justification letter;

- Example 1:

The contractor's work schedule submitted at the Pre-Construction meeting had a start date of 5-2-16 and a completion date of 7-1-16 for a total of 9 weeks. The WAR for phase II was based on a construction time of 9 weeks. The Contractor worked a total of 15 weeks from week ending 7-1-16 thru 8-13-16.

- This states what happened but not why the need for the number of staff, the number of hours and the additional cost for this increase.

- Example 2:

- When writing up the bullets for each occurrence in your justification letter you need to account for the following;
  - What occurred
  - Why did this occur
  - What did it take to complete this task

# JUSTIFICATION LETTER CONT.

- An important note, a justification letter is used to increase the contract maximum amount. A supplement will be used to write up this request and submitted to the Director for approval. This is the only process for a firm to increase the contract maximum amount, you cannot use a WAR to do this.
- Justification letters are not scopes, so don't write one like it.
- Supplements are no longer used to increase the contract maximum amount, it is a Justification letter stating facts why an increase is needed.



# JUSTIFICATION LETTER CONT.

- Once a justification letter has been reviewed and accepted by CAS, a supplement will be developed and sent to the consultant for signature, returned by mail (not sent by email) and sent to the Director for approval.
- Once the Director has signed the supplement, the consultant will be notified by email from CAS along with a copy of the signed supplement. At this time the consultant will have to submit a WAR to utilize the added funds. A signed supplement does not authorize the funds, you still have to submit a Work Authorization Request.
- CAS will not allow firms to absorb all of the funds any longer. CAS nor the firm can predict what or how a project will move along, so WARs will be submitted as the project progresses.

# QUESTIONS & ANSWERS

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Visit Our Website to RSVP:

[www.dot.nd.gov/LunchandLearn.htm](http://www.dot.nd.gov/LunchandLearn.htm)

March 16 (Thursday)

Cultural Resources: Project Requirements