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.
• 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

<table>
<thead>
<tr>
<th>REASON FOR CHANGE ORDER</th>
<th>CHANGE ORDER PARAMETERS</th>
<th>FINAL APPROVAL AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. All reasons except those listed in items B. through E. including:</td>
<td></td>
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<tr>
<td>• Changes in contract documents.</td>
<td>Costs up to $10,000.1</td>
<td>Project Engineer</td>
</tr>
<tr>
<td>• Extra work within the scope of the contract.</td>
<td>Time extensions up to 5 working days. 2</td>
<td></td>
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<tr>
<td>• For establishing the basis of payment or time adjustments for work affected by the changes.</td>
<td>Costs up to $20,000.1</td>
<td>Team Leader 3</td>
</tr>
<tr>
<td>•</td>
<td>Time extensions up to 5 working days. 2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Costs up to $100,000.1</td>
<td>District Engineer 3</td>
</tr>
<tr>
<td></td>
<td>Time extensions over 5 working days up to</td>
<td></td>
</tr>
<tr>
<td></td>
<td>15 working days. 2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Costs up to $500,000.1</td>
<td>Office of Operations Director 3, 4</td>
</tr>
<tr>
<td></td>
<td>Time extensions over 15 working days. 2</td>
<td></td>
</tr>
<tr>
<td>B. Structural Design Changes.</td>
<td>All</td>
<td>Office of Operations Director 3</td>
</tr>
<tr>
<td>C. Changes in specifications, including materials specifications.</td>
<td>All</td>
<td>Office of Operations Director 3</td>
</tr>
<tr>
<td>D. Changes that affect the “Environmental Commitments” where the environmental action needs to be reassessed.</td>
<td>All</td>
<td>Office of Operations Director 3</td>
</tr>
<tr>
<td>E. Emergency Relief (ER) Projects</td>
<td>All</td>
<td>NDDOT approval in accordance with A.</td>
</tr>
<tr>
<td></td>
<td>Scope Change</td>
<td>Federal Highway Administration 3</td>
</tr>
</tbody>
</table>

1. 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)
2. Calendar to working days conversion: \[(\text{working days} = \frac{\text{calendar days requested}}{7} \times \text{working days specified to be charged per week})\]
3. 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.
4. 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.
5. 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