

Section 7.4

CONTINGENCY SUPPLEMENTAL AGREEMENTS AND WORK ORDERS

7.4.1 Purpose

To establish a uniform procedure for initiation, execution, and distribution of **Contingency Supplemental Agreements** and **Work Orders**.

7.4.2 Authority

Sections 20.23(3)(a), 334.048(3) Florida Statutes (F.S.)

7.4.3 Reference

334.185, 337.11(1), 337.11(9), 339.135(6)(a), Florida Statutes (F.S.)

FHWA Approved: April 16, 2015

Construction Project Administration Manual
Chapter 7, Section 3 - Supplemental Agreements and Unilateral Payments

Section 4 of the Standard Specifications for Road and Bridge Construction

Procedure No. 375-020-010, Errors, Omissions, and Contractual Breaches by
Professional Engineers on Department Contracts

Procedure No. 350-020-200 Contract Funds Management Funds Approval

7.4.4 Definitions

Refer to the Introduction section of this **Manual**.

7.4.5 Identifying the Need for a Contingency Supplemental Agreement or Work Order

Resident Level Responsibilities

The Project Administrator shall initiate a request for a **Contingency Supplemental Agreement** when it is determined that additional work is necessary and the amount of such work exceeds the amount not committed against the **Initial Contingency Amount Pay Item**.

The Project Administrator shall initiate a request for subsequent **Contingency Supplemental Agreements** when it is determined that additional work is necessary and the amount of such work exceeds the amount not already committed against any previously executed **Contingency Supplemental Agreement**.

The Project Administrator shall initiate a request for a **Work Order** when it is determined that additional work is necessary and the amount of such work is less than the amount not committed against the **Initial Contingency Amount Pay Item** or a **Contingency Supplemental Agreement**.

7.4.6 Funding

Work Orders may be funded through an **Initial Contingency Amount Pay Item (999-25)**; or a **Contingency Supplemental Agreement**. These funds shall not be used for **SUPPLEMENTAL AGREEMENTS** or **UNILATERAL PAYMENTS** except as shown in **CPAM Section 7.4.6.2**. Function (work activity) codes established by the Office of Comptroller for monitoring Department expenditures require these costs be identified separately.

7.4.6.1 Maximum Funding Limits

District Level Responsibilities

The following funding limits have been established for all **Contingency Supplemental Agreements** and the **Initial Contingency Amount Pay Item**.

- (1) If the Original Contract Amount* is \$5,000,000 or less, the amount authorized shall not exceed five percent (5%) of the Original Contract Amount or \$50,000, whichever is less.
- (2) If the Original Contract Amount is more than \$5,000,000, the amount shall not exceed one percent (1%) of the Original Contract Amount or \$150,000, whichever is less.

* When calculating the Original Contract Amount for the purpose of establishing maximum funding limits for **Contingency Supplemental Agreements** or the **Initial Contingency Amount Pay Item**, include only amounts programmed as Phases 52 and 56. Amounts programmed as other Phases (i.e. Phase 58) should not be considered as part of the Original Contract Amount.

In the event multiple projects are included in the contract, the funding limits referenced above would apply to the contract as a whole: therefore, the prorated amount of the funds encumbered to the individual projects on the contract under a **Contingency Supplemental Agreement** or the **Initial Contingency Amount Pay Item** will not exceed the funding limits set forth above with the following exception. The District Secretary may request an exception to these funding limits for a specific **Contingency Supplemental Agreement** as stated in **CPAM Section 7.4.8.2**.

In the event the contract is locally funded or is associated with a **Locally Funded Agreement**, contingency fund amounts from the local entities are allowed on the contract to the extent money is on deposit with the Department and not subject to the thresholds set above .

7.4.6.2 Funds Used for Expediting Unilateral Payments

In order to make timely payment to the Contractor via a **Unilateral Payment** in accordance with **CPAM Chapter 7.3**, the District may temporarily borrow funds, which have already been encumbered for a **Contingency Supplemental Agreement** on the same project, and have not yet been used to fund a **Work Order**. The following process will be applied:

- (1) The District Construction Engineer (DCE) or designee must obtain funds approval through the Contract Funds Management (CFM) System for the required amount of funds for the **Unilateral Payment**.
- (2) The **Contingency Supplemental Agreement** to be used must be in an executed status.
- (3) The DCE or designee will reduce the Florida Account Information Resource (FLAIR) "6"s line by the requested amount and re-encumber on a new FLAIR "6"s line with a Function Code/ Work Activity of 230 to indicate a **Unilateral Payment** through the Contract Funds Management (CFM)

system.

(4) The FLAIR contract amendment file will be updated to indicate the change. The funds for the **Unilateral Payment** will be placed in a pending status (03).

(5) The DCE or designee's encumbrance request will be approved by the CFM system when the encumbrance is processed through FLAIR and then the **Unilateral Payment** can be executed.

The funds for the **Unilateral Payment** will remain in a pending status (03) (unable to pay) until an executed copy of the **Unilateral Payment** document is received by the appropriate Disbursement Operations Office/Financial Services Office (DOO/FSO) and the funds "borrowed" are re-encumbered against the original **Contingency Supplemental Agreement**. This re-encumbering of the "borrowed" funds is to be done through the standard encumbrance request process.

NOTE: The request to re-encumber the "borrowed" funds must explain that the funds being encumbered are to replace contingency funds that were used for an expedited **Unilateral Payment**. This information is to be in the brief description field and must reference the specific **Contingency Supplemental Agreement** number.

7.4.7 Initial Contingency Amount Pay Item

District Level Responsibilities

The Department has created an **Initial Contingency Amount Pay Item** that can be included in a contract prior to bid. The **Initial Contingency Amount Pay Item** has been established for funding additional work. The **Initial Contingency Amount Pay Item** is an alternate method of obtaining funds for performing additional work, as opposed to obtaining a funds approval from the Office of the Comptroller and executing a **Supplemental Agreement** or a **Contingency Supplemental Agreement**. The funds encumbered for this pay item will be available for **Work Orders** just as **Work Orders** are used on a **Contingency Supplemental Agreement**, but without the delay caused by obtaining funds approval and preparing and executing a **Contingency Supplemental Agreement**. When the funds made available by the **Initial Contingency Amount Pay Item** are at least 50% authorized for payment and the Project Administrator has determined that additional work is necessary in accordance with **CPAM Section 7.4.5**, a funds approval for the additional funds must be received from the Office of Comptroller, and a **Contingency Supplemental Agreement** must be prepared and executed to

provide additional contingency funds. An **Initial Contingency Amount Pay Item** quantity cannot overrun.

The **Initial Contingency Amount Pay Item** that has been established for use is 999-25. The **Initial Contingency Amount Pay Item** will be based on the Department's estimate for the construction contract subject to the limitations in **CPAM Section 7.4.6.1**.

Per the **Work Program Instructions**, the **Initial Contingency Amount Pay Item** should be shown as Federal-Aid non-participating in the Trns*port Proposal and Estimating System (PES). This pay item is to be used solely for **Work Orders** needed during project construction. The final FHWA participating or FHWA non-participating determination of funds associated with **Work Orders** issued against the **Initial Contingency Amount Pay Item** will be per **CPAM Section 7.4.9.7**. The designer must not associate any pay item notes or work items identified in the plans with this pay item.

The District Estimates Coordinator must enter an amount for this pay item in accordance with the limits established in **CPAM Section 7.4.6.1**. This pay item should be initiated at the same time that the contract duration is provided.

The **Initial Contingency Amount Pay Item** shall not be included in Fast Response and/or Push-button Contracts.

Before an **Initial Contingency Amount Pay Item** can be established on any Non-State Highway System, federally funded project to be constructed by the Department for a Local Government, the Design Project Manager shall obtain a Maintenance Agreement between the Department and the Local Government (Refer to **Financial Provisions For All Department Funded Agreements, Procedure 350-020-301**). The Maintenance Agreement shall establish that the Local Government is responsible for additional project costs determined to be Federal Aid Non-Participating.

7.4.8 Contingency Supplemental Agreement

7.4.8.1 General

A **Contingency Supplemental Agreement, Form No. 700-010-79**, authorizing commitment of funds for an amount not to exceed the limits defined above shall be executed for the encumbered funds designated for additional work after the funds approval has been received from the Office of Comptroller. Only the Secretary of Transportation can delegate authority for approval and execution of **Contingency Supplemental Agreements** by the Department. The Secretary

delegates the authority for Department approval of **Contingency Supplemental Agreements** and the authority for Department execution of **Contingency Supplemental Agreements**, in accordance with the limitations described in **CPAM Chapter 7.3.14**. A **Contingency Supplemental Agreement** shall not be executed until the DCE or designee has obtained funds approval for that **Contingency Supplemental Agreement** through the CFM system. **Work Orders** shall not be executed against the **Contingency Supplemental Agreement** until the **Contingency Supplemental Agreement** authorizing commitment of the funds has been executed.

Contractor execution of **Contingency Supplemental Agreements** shall be in accordance with **CPAM Chapter 7.3.14**.

In order to ensure that funds are readily available for additional work, a **Contingency Supplemental Agreement** for an additional amount not to exceed the limits defined in **CPAM Section 7.4.6** may be executed prior to executing **Work Orders** that deplete all funds committed by a previous **Contingency Supplemental Agreement or Initial Contingency Amount Pay Item** for that project. See **Contract Funds Management Funds Approval, Procedure No. 350-020-200** for restrictions.

All terms specified on the **Contingency Supplemental Agreement** shall apply; no additional terms or disclaimers concerning costs of additional work shall be accepted. The terms of the **Contingency Supplemental Agreement** shall not be modified. If an agreement for performance of additional work or a contract change cannot be obtained between the Department and the Contractor within the terms of the **Contingency Supplemental Agreement** or **Supplemental Agreement** then a **Unilateral Payment** document shall be prepared and executed (refer to **CPAM Chapter 7.3**).

Contingency Supplemental Agreements shall not be issued against Fast Response and/or Push-button Contracts.

Before a **Contingency Supplemental Agreement** can be issued against the contract, 50% of the **Initial Contingency Amount Pay Item** must be authorized for payment. Include with the request for **Contingency Supplemental Agreement** an **Initial Contingency Amount Pay Item** funds authorization summary.

Before a second or subsequent **Contingency Supplemental Agreement** can be issued against the project, 50% of the previous **Contingency Supplemental**

Agreement for the project must be authorized for payment. Include with each request for additional **Contingency Supplemental Agreement**, a commitment summary showing that a minimum of 50% of the funds associated with the previous **Contingency Supplemental Agreement** has been authorized for payment. As an exception; in the event a contract has local funds involved, and the local funding entity has placed the money on deposit with the Department, then the previous **Contingency Supplemental Agreement** must be in a status 10. However, the 50% authorization restriction for **Work Orders** issued against previous **Contingency Supplemental Agreements** will not apply to **Contingency Supplemental Agreements** funded solely by those local funds.

Before a **Contingency Supplemental Agreement** can be issued against any Non-State Highway System, federally funded project being constructed by the Department for a Local Government, the Project Administrator shall ensure that the Design Project Manager has obtained a Maintenance Agreement between the Department and the Local Government (Refer to **Financial Provisions For All Department Funded Agreements, Procedure 350-020-301**). The Maintenance Agreement shall establish that the Local Government is responsible for additional project costs determined to be Federal Aid Non-Participating.

7.4.8.2 Funds Approval from the Office of the Comptroller for a Contingency Supplemental Agreement

District Level Responsibilities

Funds approval from the Office of the Comptroller is required before executing a **Contingency Supplemental Agreement**. A funds approval from the Office of the Comptroller not to exceed the limits defined in **CPAM Section 7.4.6.1**, except as shown in this subsection, may be requested by the DCE or designee through the CFM system. Funds shall be encumbered using the project number for which the funds will be used. Funds may be encumbered separately and or concurrently for more than one project included in the contract. Where funds are encumbered on multiple projects within one contract, the limits stated in **CPAM Section 7.4.6.1** apply to the contract as a whole; so that the pro-rated amount of funds encumbered to the individual projects on the contract under a **Contingency Supplemental Agreement** will not exceed the limits set forth in **CPAM Section 7.4.6.1**. Funds encumbered for one project number cannot be used on a different project number included in the same contract.

The District Secretary may request an exception to the above limits by providing

the Comptroller with the reason(s) for the exception. The Comptroller must approve such exception prior to funds approval. The District Secretary may delegate authority to request an exception to the District Director of Operations.

A funds approval from the Office of the Comptroller not to exceed the limits defined in **CPAM Section 7.4.6.1** may be requested for not more than one additional **Contingency Supplemental Agreement** prior to the complete depletion of all previous encumbrances for **Contingency Supplemental Agreements** on that contract by executed **Work Orders**.

Uncommitted **Contingency Supplemental Agreement** funds and **Initial Contingency Amount Pay Item** funds should be unencumbered after Final Acceptance.

Upon Final Acceptance, the District Final Estimates Engineer (or delegate) shall submit a statement by e-mail to the Contract Funds Payment Section, with the following certification: "I certify that the contract is in Final Acceptance status; that the funds are not needed for the Regional Disputes Review Board, and that the uncommitted contingency amount is \$ _____."

7.4.8.3 Numbers, Dates, Codes

District Level Responsibilities

The first **Contingency Supplemental Agreement Item Number** on a contract shall be **Item No. 9999 21**; the second **Contingency Supplemental Agreement** Item Number on the contract shall be **Item No. 9999 22**; etc.

No two (2) **Contingency Supplemental Agreements** to any construction contract shall be dated with the same date. No **Contingency Supplemental Agreement** shall be dated with the same date as a **Standard Supplemental Agreement** or **Unilateral Payment** to the contract. **Contingency Supplemental Agreements**, **Standard Supplemental Agreements** and **Unilateral Payments** will incorporate the same numbering system used for the SiteManager program contract modification number.

No **Contingency Supplemental Agreement** can have the same number as a **Standard Supplemental Agreement** or **Unilateral Payment** to that contract. A **Contingency Supplemental Agreement** must not be dated prior to the date of funds approval from the Office of Comptroller.

All executed **Contingency Supplemental Agreements** shall be entered into the **Contract Change Tracking System** and the CES/TRNS*PORT program per the requirements of **CPAM Section 7.3. Supplemental Agreement Description Code No. 850** shall identify all **Contingency Supplemental Agreements**.

7.4.8.4 Contract Time

No additional contract time shall be granted on a **Contingency Supplemental Agreement**.

7.4.8.5 Document Distribution

District Level Responsibilities

When a **Contingency Supplemental Agreement** has been executed authorizing funds for additional work, the executed document with all supporting documentation shall be immediately distributed as follows:

- (1) **Disbursement Operations Office /Financial Services Office*** – One (1) copy.
- (2) **DCE*** - One (1) original.
- (3) **Contractor** – One (1) original.
- (4) **Resident Engineer*** – One (1) copy.
- (5) **Director, Office of Construction*** - (ONLY projects with an original contract amount exceeding \$10 million.) One (1) copy.

***Note:** distribution should be made by either submitting an electronic copy of the documentation or by submitting the Electronic Document Management System Document Number via email.

7.4.9 Work Orders

7.4.9.1 General

A **Work Order** shall not be executed before the **Contingency Supplemental Agreement**, which that **Work Order** is a part of, has been executed.

The **Work Order for Unforeseen Additional Work** form (**No. 700-010-80**) shall be used to document additional work or contract changes in accordance with **CPAM Section 7.3.5.1** with the following restrictions:

- **Work Orders** shall not be written to include normal overruns of existing contract items for work at established contract unit prices shown in the contract documents.
- **Work Orders** shall not be used to settle certified claims or certified requests for equitable adjustment.
- **Work Orders** shall not be used to reconcile any agreement made with the Contractor subsequent to the completion of work related to a previously executed and processed **Unilateral Payment** document.
- **Work Orders** shall not be used to settle costs associated with unforeseen utility work during construction, unless the Utility Agency/Owner has funded the contingency item upon which the **Work Order** will be drawn.
- **Work Orders** should not include lump sum items without a detailed itemization stating the quantities and unit prices the lump sum item was based on.
- **Work Orders** may be used to document the Department's reimbursement to the Contractor for the Contractor's fee payments made to the individual board members of a Regional Disputes Review Board (RDRB) for those board members participation in RDRB meetings held to resolve disputes related to the contract.
- **Work Orders** may be used, along with the appropriate approvals from the Director, Office of Construction, and the FHWA as documentation to effect a specification change or extend the physical limits of a project (see **CPAM Section 7.4.9.6**).

The terms of the **Work Order** shall provide for full and complete settlement of all issues described therein.

Resident Level Responsibilities

Authority for Department execution of **Work Orders** is delegated to the Project Administrator provided the cost included as part of the **Work Order** is within the

financial limitations of **CPAM Chapter 7.3.14** and the Project Administrator has obtained prior approval of the Resident Engineer or District Construction Engineer as appropriate.

Contractor execution of **Work Orders** may be performed at the project level (Project Superintendent, Project Manager, etc.). A Power of Attorney or Corporate Resolution for **Work Order** execution shall not be required.

A **Notice to Proceed** with work to be documented by a **Work Order** shall be issued to the contractor by the Resident Engineer after the Project Administrator has confirmed that sufficient funds are available in the **Initial Contingency Amount Pay Item or Contingency Supplemental Agreement** established for funding the additional work. The **Notice to Proceed** shall include sufficient detail to adequately describe the additional work.

When additional work or a contract change is identified, a **Work Order** shall be executed to document a complete DESCRIPTION of the additional work to be performed and the REASON why this work is necessary with references to the contract for entitlement.

The **Work Order** shall designate whether or not the work described results from a Design Error or Omission.

The Project Administrator shall comply with the requirements of **Procedure No. 375-020-010, Errors, Omissions, and Contractual Breaches by Professional Engineers on Department Contracts**, when a **Work Order** indicates the work described is the result of a Design Error or Omission.

7.4.9.2 Numbers, Dates, and Codes

Resident Level Responsibilities

The first **Work Order** authorizing additional work to be performed, or a contract change, against an executed **Contingency Supplemental Agreement** or a **Contingency Pay Item** respectively shall be **Work Order No. 01**; the second **Work Order** authorizing additional work to be performed, or a contract change, against the same executed **Contingency Supplemental Agreement** or **Contingency Pay Item** shall be **Work Order No. 02**; etc. This numbering sequence shall be repeated with each **Contingency Supplemental Agreement** or **Contingency Pay Item**.

A **Work Order** must not be dated or executed prior to the execution date of the **Contingency Supplemental Agreement** authorizing commitment of the funds.

All **Work Orders** shall be entered into the **Contract Change Tracking System** with description codes. For an explanation of the codes involved, see the information published under "Coding Contract Changes" heading on the State Construction Office website.

7.4.9.3 Documentation & Costs

Resident Level Responsibilities

(1) **Work Order** documents and/or all supporting documents shall address the following in sufficient detail to adequately explain the additional work to anyone not familiar with details of the project. An **Entitlement Analysis** and **Engineers Estimate** shall be included in the supporting documentation for each **Work Order** which increases or decreases costs and/or time to the project or contract.

- (a) What work was done?
- (b) Why the work was necessary?
- (c) Cite references to the contract which establish contractor entitlement.
- (d) Why the costs and time extensions were considered reasonable?

All costs for additional work shall be:

- a) Negotiated and documented on the **Work Order** and attachments thereto, including the basis for all negotiated costs, or;
- b) Justified through an analysis or comparison of reasonable costs, or;
- c) Based on material invoice costs and labor payroll costs including mark-ups shown in **Sub-Article 4-3.2 of the Specifications**. Work Sheets itemizing the costs will be attached. No disclaimers or clauses allowing the Contractor to reserve its rights to request other costs shall be accepted. If

an agreement on costs cannot be obtained as shown above, the additional work will be administered in accordance with **CPAM Section 7.3**.

(2) The **Work Order** shall identify any Premium Cost associated with additional work. The supporting documentation for all **Work Orders** shall include a Premium Cost analysis and Premium Cost determination. When Premium Cost is identified, reasons justifying FHWA participation shall be included in the supporting documentation for the **Work Order**.

The total cost documented in any **Work Order** shall not exceed the limits defined above. More than one **Work Order** can document additional work associated with any incident.

When the work associated with one incident is to be performed in phases, a separate **Work Order** may be executed to document the description, reason, and costs of each phase of the work, respectively.

When the work associated with one incident, or one phase of the work associated with one incident, is to be paid from funds committed in part by more than one **Contingency Supplemental Agreement**, or by a combination of the **Initial Contingency Amount Pay Item** and any subsequent **Contingency Supplemental Agreement**, a separate **Work Order** shall be executed to identify the **Contingency Pay Item** and each **Contingency Supplemental Agreement** committing each part of the funds, respectively. Each **Work Order** shall contain the same total work description, reason, and total negotiated cost for the work described, and the part of the total cost to be funded by the **Initial Contingency Amount Pay Item** or **Contingency Supplemental Agreement** identified in the **Work Order** respectively.

Work Orders shall be executed authorizing work committing all remaining funds available from an **Initial Contingency Amount Pay Item** or an executed **Contingency Supplemental Agreement** prior to executing a **Work Order** committing funds from any successive **Contingency Supplemental Agreement** for the project.

The total cost of all additional work associated with any incident shall not exceed the limits defined in **CPAM SECTION 7.4.6** regardless of the **Contingency Pay Item** or the number of **Contingency Supplemental Agreements** which authorize commitment of funds for the work or the number of **Work Orders** executed to authorize the work associated with that incident. The **Work Order** shall contain the same project number as the **Contingency Supplemental Agreement** authorizing commitment of the funds if funds are provided by a **Contingency**

Supplemental Agreement. Adjustments may be necessary when the Department and the Contractor agree to pay for the cost of the work associated with a **Work Order** based on agreed upon unit prices and estimated quantities and must then execute a lump sum **Work Order** before the work is performed. When this occurs, the agreed upon unit prices and estimated quantities should be stated in the description of work in the **Work Order**.

When the net cost for the actual quantities of additional work exceeds the estimated amount shown in the **Work Order**, another **Work Order** may be prepared and executed to pay for that portion of the actual quantities exceeding the estimated amounts. The description of work in this adjustment **Work Order** should reference the original **Work Order** and should state the additional quantities and agreed on unit prices upon which it is based.

When the net cost for the actual quantities of additional work are less than the estimated amount shown in the **Work Order**, another **Work Order** should be prepared and executed in a negative amount to reduce the Contractor's final pay for that portion of the actual quantities under running the estimated amounts. The description of work in this adjustment **Work Order** should reference the original **Work Order** and should state the reduction in the original quantities and unit prices agreed on, upon which it is based.

For **Work Orders** issued against the **Contingency Pay Item**, markups by the Contractor for contract bond are not allowed as this bond amount has been included as part of the bid. A Bond markup as allowed by the **Standard Specifications** is allowable for work paid from funds drawn against any **Contingency Supplemental Agreement**.

Note: When making payments on estimates, do not pay an aggregate percentage of the pay item for the **Work Order** resulting in a partial payment amount greater than is justified by the work completed. In this way, the **Work Order** for a negative amount and the balance of the original **Work Order** can be paid on the same estimate. This will avoid any adverse impact to the Contractor's cash flow from the **Work Order** for a negative amount.

7.4.9.4 Funds Used for Credits on Projects

A **Work Order** may be used for the purpose of documenting the deletion of work for Lump Sum projects (receiving credits from the contractor for deleted work). This will be accomplished by selecting the proper type "**Adj. for deleted work-LS**

jobs only” in SiteManager while doing the Line Item Adjustment. This adjustment will be made to the Lump Sum Project Bid Item. This ensures that funding is credited back to the proper function (usually 200 or 203), and not to the contingency funds (202).

A **Work Order** may be used for the purpose of documenting the deletion of work for Bid Item projects (receiving credits from the contractor for deleted work). This will be accomplished by selecting the proper type “**Credit for contract change**” in SiteManager while doing the Line Item Adjustment. This adjustment will be made to the Bid Item projects. This ensures that funding is credited back to the proper function (usually 200 or 203), and not to the contingency funds (202).

7.4.9.5 Contract Time

Resident Level Responsibilities

Additional contract time required for performing additional work or a contract change may be granted on a **Work Order**. Time extensions will be determined based upon impacts caused by the additional work to controlling items of work as shown in the Contractor’s approved work progress schedule. The **Work Order** shall document the reasons for all time extensions. Approval authority for time extensions is outlined in **CPAM Section 7.2**. The Project Administrator shall obtain prior approval of either the Resident Engineer or DCE, as appropriate, for all **Work Orders** which include time extensions in accordance with **CPAM Chapter 7.2.5** and include such approval in the supporting documentation for the **Work Order**.

7.4.9.6 Director, Office of Construction Authorizations

(A) Resident Level Responsibilities

Prior authorization from the Director, Office of Construction shall be obtained before implementing project limit extensions, construction limit extensions, or changes to contract specifications on all contracts as required by **CPAM 7.3.6**.

(B) District Level Responsibilities

The DCE shall recommend requests for extending project limits, extending construction limits, or contract specification changes as required by **CPAM 7.3.6**.

The DCE may also authorize a no cost specification change which extends the material acquisition or flexible start time after issuance of the Notice to Proceed. These recommendations and authorizations shall be documented, attached to the contract change and placed in the contract **Work Order** file. Where the recommendation or authorization is transmitted by e-mail, a copy of that e-mail originating from the DCE is acceptable. A copy of the notification letter to the contractor regarding the project limit extension, construction limit extension, or specification changes will also be placed with the contract change in the **Work Order** file.

7.4.9.7 FHWA Approval

District Level Responsibilities

FHWA concurrence will be obtained by the Project Administrator on in-house CEI projects and by the Department's Construction Project Manager on Consultant CEI projects for FHWA Project of Division Interest (PODI) projects when required.

CPAM Section 7.3.11, Obtaining Federal Highway Administration Approval and Participation for Construction Contract Changes on Federal-Aid Projects, list the contract changes that are Federal-Aid non-participating.

FHWA written approval for additional work or contract changes shall be obtained retroactively and documented on the **Work Order**. FHWA may elect to approve additional work by having the **Work Order** sent to them for signature or by signing the **Work Order** at the time of a routine field visit.

The FHWA determines the participation on PODI projects; the DCE shall determine the Federal-Aid participation on Delegated Projects. The DCE can delegate such approval authority to a person within District Construction office staff, but not to a Resident Engineer. Such delegation shall be maintained on file in the District Construction Office.

Written documentation of the DCE's Federal-Aid participation decision on Delegated Projects shall be included in the **Work Order** back up documentation file. An e-mail from the DCE or delegate is an acceptable form of documentation approval.

7.4.9.8 Accounting

Resident Level Responsibilities

Requests for payment of work authorized by the **Initial Contingency Amount Pay Item** or an executed **Contingency Supplemental Agreement** shall be made separately for each **Work Order** and in accordance with the Federal Participation/Non-Participation schedule for the **Work Order**. Any **Work Order** may be partially Federal participating. Two **Work Orders** need not be executed to separate Federal participating and Non-Federal participating work. If only a portion of the work authorized by a specific **Work Order** was completed during the payment period, then the quantity will be shown as a percentage of the lump sum.

Each successive **Work Order** authorized by an **Initial Contingency Amount Pay Item** or **Contingency Supplemental Agreement** will require additional adjustment or adjustments be added to the pay estimate.

The total of the unit prices of the added items shall not exceed the limits defined above.

Comments shall be added to the estimate on each adjustment to reflect the **Work Order** number or other pertinent information as deemed necessary.

Contact the District SiteManager Coordinator and / or refer to the **SiteManager User Handbook** regarding the pay item adjustment issues discussed in the previous paragraphs. The **SiteManager User Handbook** and contact information for District SiteManager Coordinators is available on the State Construction Office website under the heading SiteManager at the following URL. <http://www.dot.state.fl.us/construction/trnsport/TrnsPort.shtm>

7.4.9.9 Contract Change Tracking Systems

District Level Responsibilities

Within fifteen (15) calendar days after payment on an approved estimate for all or a portion of the work identified within the **Work Order** document, the DCE or designee shall decide upon the final contract change coding and enter the **Work Order** information into the **Contract Change Tracking System** and **SiteManager**. If the DCE's designee is not a member of the District Construction Office staff, the DCE's delegation shall be maintained on file in the District Construction Office. Further, if the DCE's designee is not a member of the District Construction Office staff, the DCE shall develop a quality assurance process to ensure accurate

contract change coding and compliance with this section. Such process shall be documented and maintained on file in the District Construction office.

For an explanation of the codes involved, see the information published under "Coding Contract Changes" heading as an attachment to **CPAM Section 7.3** on the State Construction Office website at:

<http://www.dot.state.fl.us/construction/Manuals/cpam/New%20Clean%20Chapter%207.3/CodingContractChanges.pdf>

7.4.9.10 Document Distribution

Resident Level Responsibilities

- (1) When **Work Orders** have been executed the **Work Order** and all supporting documentation as designated below shall be immediately distributed as follows:
 - (a) **Disbursement Operations Office /Financial Services Office*** – one (1) copy when requested
 - (b) **DCE***- One (1) original of the **Work Order** with a copy of all attachments
 - (c) **Contractor** – One (1) original of the **Work Order** only.
 - (d) **Director, Office of Construction*** - (ONLY projects with an original contract amount exceeding \$10 million.) One (1) copy of the **Work Order** with a copy of all attachments. Distribution will be made to the Director, Office of Construction, prior to submitting an estimate for payment of the work.
 - (e) **Resident Engineer*** - One (1) copy of the **Work Order** with a copy of all attachments.
 - (f) **District Director for Production*** (at the discretion of the District) - One (1) copy of the **Work Order**.
 - (g) Design **Project Manager*** responsible for managing the Design Consultant on contracts with Consultant prepared contract documents - One (1) copy of the **Work Order**.

(h) **State Materials Office*** – One (1) copy of the **Work Order**.

***Note:** distribution should be made by either submitting an electronic copy of the documentation or by submitting the Electronic Document Management System Document Number via email.

(2) Attachments indicated below shall be distributed with the **Work Order**.

(a) Documentation forming the basis for all costs.

(b) Copies of all documentation forming the basis for all time extensions, including a statement of the critical work items delayed showing the non-overlapping delay days attributable to each critical item of work delayed.

7.4.10 Quality Control Process for Contract Changes

District Level Responsibilities

The DCE shall develop a process to review a representative sample of all contract changes to ensure such changes were necessary and comply with the construction contract documents. Such process will be documented and kept on file in each district for review by the State Construction Office.