

CONSTRUCTION CONTRACT ADMINISTRATION



■ DISTRICT OFFICE

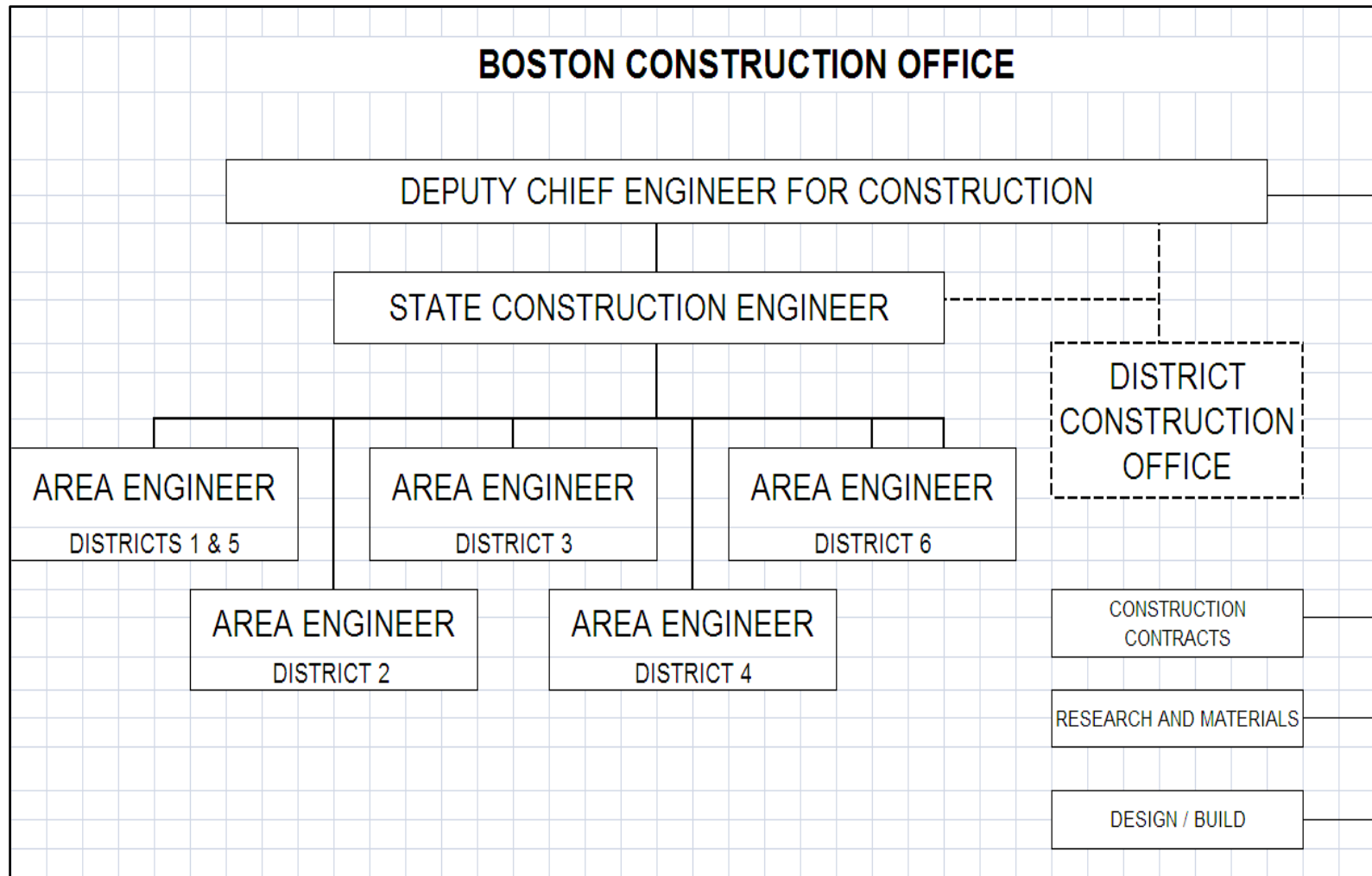
- Responsible for day-to-day construction management oversight
- Generates contract payments and contract amendments
- Maintains official project records

■ BOSTON CONSTRUCTION OFFICE

- Responsible for setting Department-wide Construction policy and procedures
- Reviews, approves or recommends approval for all contract amendments
- Responsible for overall Construction Program fiscal management



Boston Construction Office Staff



CONSTRUCTION CONTRACT PAPERWORK FOR ACTIVE CONTRACTS

■ Progress Payments

- Processed every 2 weeks for each contract

■ Contract Amendments

- Extra Work Orders
- Fund Increases
- Unit Price Renegotiations for overruns and underruns
- Time Extensions



DATABASES USED FOR CONSTRUCTION CONTRACT DOCUMENTATION

- SAM – Site Access Module – used in the field offices
- DCD – District Contract Database – used in District Offices
- CDS – Construction Division System – used in Boston

CONSTRUCTION PAYMENTS

- Highway Division Contracts use a combination of Unit Price and Lump Sum pay items.
- Unit Prices are used when quantities are expected to vary.
 - Unit Price pay items are paid by units such as CY, feet, and “each”.
 - If Unit Price quantities vary by more than 25%, the price can be renegotiated, up or down, by either party
- Lump Sum pay items are used when the work is well defined such as for new bridge superstructures.
 - Lump Sum pay items are measured by % of work progress
 - Lump Sum pay items are not subject to renegotiation by either party



PROGRESS PAYMENTS

- Resident Engineer (RE) and Field Inspectors verify quantities of completed work
- Quantities are recorded in the Quantity Control Ledger
- Every two weeks the RE prepares a Pay Estimate
- The Contractor reviews the estimate
- Any discrepancies are discussed and resolved
- The RE and the Contractor sign and date the estimate
- The District Construction Office reviews the estimate
- The District Highway Director reviews and signs the estimate
- The Estimate is sent to Boston Construction for payment



PROGRESS PAYMENTS (CON'D)

- Boston Construction Financial Section processes the estimate for payment
- Deputy Chief Engineer for Construction reviews and signs the estimate authorizing payment
- Estimate is forwarded to MassDOT Fiscal for payment by the Comptroller
- Most contractors have opted for electronic payment rather than paper checks



CONTRACT AMENDMENTS

Changes are documented in the field by the RE on the “683” Record of Change Form



FUND INCREASES

- SAM database will flag unit price overruns.
- If overrun exceeds 10% of the bid quantity, the RE must prepare a 683.
- District Office reviews documentation to ensure sufficient detail has been included.
- RE must monitor project funding
- If necessary, RE will create a request for Additional Funds
- District Office reviews request and forwards to Boston.
- Boston Construction reviews documentation for completeness and processes financial documentation for approval



EXTRA WORK ORDERS

- Either the RE or the Contractor identifies Extra Work.
- RE requests pricing and schedule impact from the Contractor
- RE and District Office review contractor's documentation. Negotiations conducted if needed. Price and time impacts are finalized.
- District Office generates EWO forms from DCD.
- Documentation is forwarded to the Boston Construction for processing.

EXTRA WORK ORDERS (CON'D)

- Boston Construction reviews documentation for completeness and accuracy.
- Boston Construction coordinates financial documents and generates approval signature memo.
- Construction Engineer reviews all Amendments and recommends approval
- Package circulated for approval based on approval authority

MUNICIPAL DESIGNS 110% AGREEMENTS

- A municipality hires the designer and oversees design
- MassDOT agrees to fund up to 110% of the bid value
- If construction costs exceed 110%, the municipality must either reduce scope or cover the additional cost.
- If the municipality is unable to cover the cost, consideration is given to using Chapter 90 funds.



Projects Completed Early and On Time

- Performance has improved from 44% on time in 2009 to 77% completed on time in 2011
- Under Budget and On-Budget Completion of Projects
- Performance has improved from 33% on time in 2009 to 72% on budget in 2011.