

Contract Change Orders

Information Pertaining to the following:

The "District Guidelines" were used to look at 3 to 4 projects on average at each of the 9 districts. The short form was used when the same findings were being discovered over and over again.

Guidelines for Work Order Process Review Central Office

PERSON TALKED TO	DATE
	<input data-bbox="935 604 1226 651" type="text"/>

1. Are Work Orders approved by STA (At least verbally by the proper approval level) before work is actually done?
2.
 - a. Are there written procedures for the determination of contract time?
 - b. If so, to what extent are they expected to be applied to extra time granted via work order?
3. Central Office's (CO) role in processing work orders:
 - a. What are the specific items checked by the CO for work orders approved at the CO?
 - b. What are the specific items checked by the CO for work orders approved at the District?
4. If the CO does the cost acceptability determination for the District, how is what the analysis is based upon documented in the CO?
5. Recognizing that there should be some flexibility between the Districts and within the Districts, what are C.O.'s expectations on the work order process, as to what function takes place at what level?
 - Funding?
 - FHWA Approval?
 - Unit Pricing validation?
 - Time Extension Validation?
 - Other?

6. Are the authorization levels within STA (specified in CD-97-15) proper?

Should there be more approval authority at lower levels or conversely is there too much authority already at too low a level?

7. Who in the CO has a copy of the Code of Federal Regulations? Who is aware that the CFR is on the Internet?

8. How are work orders resulting from plan changes tracked? (i.e. Are the plan changes approved before approval of the work order)

9. How does CO track the work orders that are sent to FHWA? How much time is given until FHWA is contacted about a work order not being acting upon?

10. How many people deal with the processing of work orders at the CO? What are their duties? What is their training/experience for the position?

NAME	DUTY	EXPERIENCE

- 11.
- a. Do you think the work order process could use improving, or do you find it adequate as it is?

 - b. What do you think is the biggest opportunity for improving the way work orders are processed?

- c. If you could change one thing about the way work orders are processed, what would that change be?

**Guidelines for Work Order Process Review
District Office**

PERSON TALKED TO	DATE
<input type="text"/>	<input type="text"/>

1. In your District, who performs the various tasks necessary to prepare a work order, and how are those tasks divided up?
2. How do you typically approach approval of FHWA? How is this documented? Is there any difference in the development and processing of the work order if the work order is the result of a formally filed notice of intent to file a claim?
3. If the work order must be approved by central office, at what point do you advise them that the work order is forthcoming, and who is it that you contact?

4. Do you typically address time with work orders? If so, how is it handled?

5. What do you do if the work order is the result of a consultant engineering error? What is the process to recoup addition costs associated with a consultant engineering error. If costs are recouped from the Consultant, how is FHWA reimbursed for any additional costs approved in a previous work order?

6.
 - a. To what extent do you require justification of the prices in the work orders?

 - b. What different methods do you use to do this?

7. Who in this District has a copy of the Blue Book? Is it the Current Edition? Who is responsible to keep the Blue Book current? Who is doing the Blue Book comparison for work orders?

8. Who in the District/Residency has a copy of the Code of Federal Regulations? Who is aware that the CFR is on the Internet?

9. How are work orders resulting from plan changes tracked? (i.e. Are the plan changes approved before approval of the work order)

10. Does the District have a method to track work orders?

11. Do Contractor's refuse to provide a cost breakdown? What are the reasons for not supplying a cost breakdown? What steps do you take if a cost breakdown is not provided?

12. Is the current C-10 form (STA Memo CD-98-10) working? Are there any suggestions for improving the form?

13. In regards to overruns, at what level are the following checked?

Funding?

Notification?

Acceptability of Time Extension Due to Overrun alone?

Other?

14. Is approval obtained from FHWA for major change in work (i.e. change in traffic control phasing) that does not require a work order? How is the approval documented?

15. What triggers going to Force Account?

16. Who makes the decision to go to Force Account?

17. If decision is made to go Force Account, how is time addressed?

18. Who reviews all the Force Account documentation?

19. Are the authorization levels within STA (specified in CD-97-15) proper?

Should there be more approval authority at lower levels or conversely is there too much authority already at too low a level?

20.

a. Do you think the work order process could use improving, or do you find it adequate as it is?

b. What do you think is the biggest opportunity for improving the way work orders are processed?

- c. If you could change one thing about the way work orders are processed, what would that change be?

**Guidelines for Work Order Process Review
Specific Work Orders**

PROJECT NUMBER:	WORK ORDER NUMBER:
PROJECT ORIGINAL COST:	WORK ORDER COST:
TOTAL INCREASE IN PROJECT COSTS DUE TO WORK ORDERS:	DISTRICT:
RESIDENCY:	FHWA FUNDING OF WORK ORDER: 100 / 90 / 80 FHWA FUNDING OF PROJECT: 100 / 90 / 80

Approval

1. Was the Work Order approved by STA (At least verbally by the proper approval level) before the work was started?

2. Was the need for the work order discussed with FHWA before work started?

When?

When was the work performed versus when the work order was approved by FHWA?

Was the [advance] approval written or verbal?

Did the approval include:

concept of work? _____

prices? _____

time? _____

3. If the work order was a non-participating work order, did the changes made affect the features of the project that are Federal-Aid participating?

If so, did FHWA review and concur in the work order?

Time

4. Did the work order address the time?
 - a. If no, tell why not, then go on to #9.

If yes: answer 5, 6, 7, 8, and 9

5. Was there an estimate developed for the time?
6. Was the time extension based on the degree to which the controlling item of work was affected?

7. Was the time extension for a delay in delivery of materials?

Was this due to some unusual market condition (such as an industry-wide strike, natural disaster, or area wide shortage arising after bids were in, and which prevents procurement of materials within the allowable time)?

8. Was the time extension for utility, railroad, or R.O.W. clearance delays?

_____ If so, was it shown that:

- construction work was actually delayed by the R.O.W., railroad, or utility difficulty;
- contractor did everything required by the contract to minimize the delay; and
- the dept. put forth their best efforts to exercise control of the situation.

9. Was time granted for any of the following reasons:

- Events beyond the Dept. or the contractor's control (labor strikes; public protests to the project; riots; declarations of war; acts of God; and traffic accidents such as hazardous spills, etc.)?
- Events that are under the control of the contractor, such as: shutdowns for maintenance; breakdowns; suspensions or stop-work orders for violations of safety or environmental regulations; shutdowns for construction accidents; and material delays?

If due to material delays, was there is a highly unusual market condition, such as an industry-wide strike, where the situation was truly beyond the control of the contractor?

- Bad weather? Was it an extreme case?

Scope, etc.

10. Did the work order description on the STA C-10 form adequately define the reasons and scope of the work order?

11. Did the work order include work outside the project limits? Did FHWA participate?

12. Did the work order include work beyond the scope of the [original] project? Did FHWA participate?

13. Did the work order include non-eligible work (eg: routine maintenance)?

Reason for Work Order

14. Was the work order due to an engineering error? _____ What was the error?

Design or construction?
Department or consultant?
Was error due to carelessness, gross negligence, incompetence, or Department understaffing?
If consultant error, did they pay for:

New design (if not due to carelessness, etc.)?
Costs resulting from the error (if due to carelessness, etc.)?
How was FHWA reimbursed when costs recouped from Consultant?

15. Was the work order due to changed conditions?

If so, who identified the condition?
Was the other party informed in writing?

16. Was the work order, or part of the work order, due to a significant change in the quantity?

If so, was the changed quantity:

\$25% of the bid quantity?
#25% of the bid quantity?
altered in character from the bid quantity?

17. If none of the previous, what was the reason for the work order?

Justification

18. Did the contractor supply a breakdown of Labor, Equipment, and Materials?

What specifically did the breakdown include (ie labor = 1 foremen, 2 laborers, etc. or labor = \$XX.XX)

19. Did the work order have a documented cost analysis?

20. If so, was the Rental Rate Blue Book used in the analysis?

If the Blue Book was used, were the following checked and/ or addressed [when applicable:

Adjustment Factors?
Maximum Rates?
Hourly Rates?
Standby Equipment Rates?

Mobilization?
Overhead?
Profit?
Contractor Leased Equipment?

If the Blue Book was not used, what was used?

21. If there was no documented cost analysis, how was the submitted price evaluated?
22. Is there documentation from FHWA of how they made the determination that the work order was consistent with Federal regulations and how they made the determination to approve the work order?

Timeliness of the Process

23. For the work order in question, fill in the following dates (**explain** long time lags):

date problem identified
date FHWA advised of the problem
date cost proposal requested from the contractor
date initial cost proposal received from the contractor
date acceptable cost proposal received from the contractor
date cost proposal forwarded to FHWA
date C-10 work order sent to contractor
date work order signed by contractor
date work order received back from contractor
date work order received in Central Office
date work order signed by Central Office (if applicable)
date work order received by FHWA
date work order signed by FHWA
date work order received back in the District
date contractor receives signed work order
date work in question begins

Force Account

24. If F.A., was the reason for using F.A. documented?

25. Was time addressed in the force account documents? _____ If so, how?

26. Is there evidence of that wage rates, and equipment rates were checked?

**Guidelines for Work Order Process Review
Specific Work Orders ~ Short Form**

1. Did the work order address the time?
 - a. If no, tell why not.

2. Did the work order description on the STA C-10 form adequately define the reasons and scope of the work order?

3. Was the work order due to an engineering error?

What was the error?

Design or construction?

Department or consultant?

Was error due to carelessness, gross negligence, incompetence, or Department understaffing?

If consultant error, did they pay for:

New design (if not due to carelessness, etc.)?
Costs resulting from the error (if due to carelessness, etc.)?

How was FHWA
reimbursed when costs
recouped from
Consultant?

4. Was the work order due to changed conditions?

If so, who identified the condition?
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5. Was the work order, or part of the work order, due to a significant change in the quantity?

If so, was the changed quantity:

\$25% of the bid quantity?
#25% of the bid quantity?
altered in character from the bid
quantity?

6. Did the contractor supply a breakdown of Labor, Equipment, and Materials?

What specifically did the breakdown include (ie: labor =
1 foremen, 2 laborers, etc., or labor

= \$ x) ?