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STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY  
GOVERNOR

LYNDO TIPPETT  
SECRETARY

October 23, 2008

MEMORANDUM TO: Division Engineers  
FROM: W. S. Varndoe, P.E.  
Chief Engineer – Operations  
SUBJECT: Purchase Order Contract Supplemental  
Agreements, Claims and Project Overruns

On August 9, 2007, the procedures for handling supplemental agreements and claims for centrally let construction projects were redefined. This adjustment made the Division Engineer responsible for final approval authority on supplemental agreements and active claims and the Central Construction Unit responsible for final claims and project closeout. The Central Construction Unit will also review each supplemental agreement and claim over \$50,000 to ensure uniform statewide application of our procedures.

To ensure uniform contract administration for all construction projects, the procedure for handling Purchase Order Contracts (POC's) supplemental agreements and claims is being revised to be consistent with the procedure for centrally let projects. Effective immediately the Division Engineer will have final approval authority for active claims and supplemental agreements including project overruns and the Construction Unit will review the supplemental agreements and claims over \$50,000 for centrally let and POC projects. The final claim and project closeout process for POC contracts will remain with the Division Engineer. The Construction Unit will provide assistance for POC contract final claims on an as needed basis upon request of the Division Engineer.

If you need additional information, please contact Ellis Powell, State Construction Engineer at (919) 733-7621.

WSV/ecp

cc: Bill Rosser, P.E., State Highway Administrator  
Jon Nance, P.E., Director of Field Support  
Ellis Powell, Jr., P.E., State Construction  
Division Construction Engineers  
Resident Engineers  
Bridge and Roadway Construction Engineers

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