

HiCAMS User Guide

Chapter 2: Contract Maintenance

Section 6A: Completing the Subcontractor Approval Form (SAF)

Contents

About Subcontracts

Completing the Subcontractor Approval Form (SAF)

Example and Calculations

Revision History

Date	Version	Description	Author
28 September 2010	1.0	Initial Version	Marie Novello
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About Subcontracts

In accordance with Article 108-6 of the NCDOT Standard Specifications for Roads and Structures, the Contractor is permitted to sublet a portion of the work when approved in writing by the Engineer. This is referred to as a Subcontract. The Specifications also allow the Subcontractor to subcontract work with the approval of the Engineer. This is referred to as a Second Tier Subcontract.

A Contractor can subcontract portions of work to other Pre-Qualified Bidders or Qualified Subcontractors. Subcontracted work generally requires special skills, equipment and/or experience to complete the particular item of work.

In addition, the Contractor may find it necessary to sublet work to certain types of business firms in order to meet the requirements of the contract. Federal Highway Administration requirements establish Disadvantaged Business Enterprises (DBE) program goals for federally-funded projects. The North Carolina General Statutes establish Disadvantaged Minority-owned and Women-owned Businesses program goals for state-funded projects. The goals are set for Minority Business (MBE) and Women Business (WBE) Enterprises separately and each must be met. Exceeding the MBE goal amount does not eliminate the necessity of meeting the WBE goal, and vice versa. The Contract Administrator should ensure that the goals established in the contract are met by the Contractor. The Contractor Administrator should also ensure that the committed firms listed in the back of the Contract are utilized for the line items to which they are committed.

The prime contractor on a contract is required to complete a specified percentage of the work designated in the contract excluding specialty items. In the 2012 Standard Specifications, this percentage is set to 40%. As subcontracts are entered, subcontract totals for the contract are calculated by HiCAMS to ensure that the contractor's requirements are met.

The Subcontractor forms that are to be submitted can be found on the NCDOT Electronic Forms download page (<https://apps.dot.state.nc.us/quickfind/forms/>) or go to www.ncdot.gov and under Business Resources, click on the link: Electronic Forms. Use the word Subcontract as the search term, and all the required forms will be displayed for download.

For additional information on Subcontract handling, please consult the current version of the NCDOT Construction Manual or contact the Construction Unit.

Completing the Subcontract Approval Form

The Subcontract Approval Form is available at the NCDOT Electronic Forms page. The current form number is Form SAF Rev. 2A. Search for the word Subcontract. Be sure to click on the Search button

Clicking on the Form navigates you to the Connect NCDOT page. Next, click on Projects > Construction. On the right side of the page, look on the Featured List or click on New and find the revised form.

The Form is also available from the contract administrator for your contract.

Instructions for completing the form are on the first worksheet of the downloaded spreadsheet.

Complete the Contract information.

- Step 1:** Enter the **Contract No.**, **F.A. No.**, **WBS Element**, **TIP No.**, and **County** found on the Contract Cover.
- Step 2:** Skip the **Subcontract Request Number**. It is entered by the Contract Administrator.

Complete the Subcontractor and Second Tier Subcontractor information.

- Step 3:** Enter **Name**, **Address**, **Retainage** (if applicable), **Certification** (required for all Certified Firms), and **Reporting Number**. The information needed to complete this section is found in the online Directory of Transportation Firms at the NCDOT website.

Note: *Only the first Second Tier Subcontractor ("2nd Tier - 1") is entered on the SAF. Second ("2nd Tier - 2") and third ("2nd Tier - 3") Second Tier Subcontractors can be entered on the downloaded Subcontract Approval Form worksheet tab "SAF Add'l 2d Tier".*

Complete the Line Item information

- Step 4:** Enter the **Line Code Number** and the **Item Description**. These should match the Line Item Number and Description in the Contract.
- Step 5:** If the conditions are met, select the Partial () or Portion () indicator from the drop down list. See the discussion of Partial and Portion in Step 11 **Subcontract Unit Price**.
- Step 6:** Select **Sub** or **2nd Tier** from the drop down list based on to whom the work is being subcontracted.
- Step 7:** Enter the **Quantity** of work being performed by the Subcontractor. The Quantity must be less than or equal to the Contract quantity.

Step 8: Enter the **UOM**. This is the Unit of Measure for the Line Item in the Contract. The UOM must match the Units in the Contract Bid Document.

Note: *In the event the subcontract unit of measure differs from that in the Department's contract, the unit of measure shown on the Subcontract Approval Form shall be the same as those shown in the Department's contract. Any conversions necessary to satisfy this requirement shall be the responsibility of the Contractor. For example, if the subcontract is for hauling, the subcontract for the trucking firm must use the same units as the contract line item, not a price per hour. See the Appendix - Calculations section for more information on this topic.*

Step 9: If the Subcontract Unit Price has been calculated, enter an asterisk (*) in the **CP** column.

Step 10: Enter the **DBE/MBE/WBE Unit Price**. This price can be higher, lower, or equal to the Contract Unit Bid Price. The **DBE/MBE/WBE Sublet Amount** is calculated by the SAF.

Note: *The price entered in the DBE/MBE/WBE Unit Price must be the actual price agreed upon between the Contractor and the Subcontractor.*

Step 11: Enter the **Subcontract Unit Price**. The Subcontract Unit Price must be less than or equal to the Contract Unit Bid Price. The **Total Subcontract Amount** is calculated by the SAF.

The Subcontract Unit Price will always reflect the value of the work being performed, regardless of what the Subcontractor is being paid.

Examples

When the subcontract is for **all** the work and materials required to perform the line item task, the Subcontract Unit Price will be equal to the contract unit price. This reflects the value of the work to the contract, and is used for calculation of the percent of work done by the Prime Contractor. A **Portion** of the work is also done at the Contract Bid Price.

For example, if all of the work for the line item 1'-2" X 2'-9" Concrete Parapet" - including providing the materials - is being done by the Subcontractor, the value of that work to the contract is the bid price times the bid quantity. It does not matter what the Subcontractor is actually being paid.

When the subcontract is for **part** of the line item task, for instance tying the steel but not placing and finishing the concrete, the **Partial** indicator is checked. This allows the Unit Price to be lowered to reflect the reduced value of the work to the contract. It is **less** than the Contract Bid Price because it is not for all the work required to complete the Line Item.

If the Subcontractor is supplying only the labor for creating the Concrete Parapet, the Line Code No. involved should be noted as **Partial**, and the Contract Unit Price shown would be **less** than the bid amount. The

subcontract form should indicate that the subcontractor is providing only the labor.

If the Subcontractor is supplying labor and materials for the Concrete Parapet on Bridge B but not on Bridge A, the Line Code No. involved should be noted as **Portion**, and the price shown would be **equal** to the bid amount. The subcontract form should indicate that the subcontractor is doing the work for only Bridge B.

If the Subcontractor is supplying only the labor for the Concrete Parapet on Bridge B but not on Bridge A, the Line Code No. involved should be noted as **Partial AND Portion**, and the price shown would be **less** than the bid amount. The subcontract form should indicate that the subcontractor is doing part of the work for only Bridge B.

More Examples

Mobilization: If Mobilization is subcontracted, the quantity will always be 1. The Line Item will be marked as **Partial**. The Unit Price will be less than the Contract Unit Bid Price to reflect that only a **Partial** amount of the work is being done by the Subcontractor.

Other Lump Sum items: When other lump sum line items are subcontracted, the quantity may or may not be 1. The Contractor must indicate whether or not the Subcontractor is doing all the work or portion of it. For example, if the Lump Sum line item "Construction Surveying" is subcontracted to another firm, the Contractor must indicate how much of the work the Subcontractor will be doing. If the Subcontractor will be doing 90% of the work, and 10% will be reserved for the Contractor, the quantity on the Subcontract should be 0.9 and the Unit Price will be the same as the Contract Unit Price. The Contractor must indicate that this is a **Portion** of the work and identify what surveying is being by the Subcontractor and what will be done by his own forces.

Incidental Work: When an item of work such as "Stationary Signs Installed/Removed" or "Lane Closure" is subcontracted, and the work is incidental to other contract line items, this work should be listed as a **Partial** item for the Line Item to which it is incidental. If that line item has already been allocated to other subcontractors for the actual work, the incidental work can be assigned to the Line Item for Mobilization.

Hauling: When a Subcontractor will be hauling materials to or from the project, the unit prices for the subcontract must be submitted in the same unit of measure as the Contract Line Item.

Calculations

How to calculate a price per ton for Hauling when price is quoted in dollars per hour.

Line item:	Asphalt Concrete Surface Course Type S9.5B
Bid Qty:	710 Tons

Bid Price: \$50.00
Amount Bid: \$35,500.00

The hauling will cost \$60 per hour.
The hauling will take approximately 15 hours.

Calculate the total value of the hauling. In this case, \$60.00 per hour times 15 hours equals \$900.00.

Divide the total value of the hauling by the quantity that will be hauled to obtain the subcontract unit price. In this case, \$900.00 divided by 710 tons equals \$1.2676 per ton.

How to calculate a price per square yard for Hauling when price is quoted in dollars per hour.

Line item: Milling Asphalt Pavement
Bid Qty: 64,289 Square Yards
Bid Price: \$0.80
Amount Bid: \$51,431.20

One trucking firm will be doing all the hauling of the millings.
The hauling will cost \$60 per hour.
The hauling will take approximately 25 hours.

Calculate the total value of the hauling. In this case, \$60.00 per hour times 25 hours equals \$15,000.00.

Divide the total value of the hauling by the quantity that will be hauled to obtain the subcontract unit price. In this case, \$15,000.00 divided by 64,289 SY equals \$0.2333 per square yard.