

HiCAMS User Guide

Chapter 4: Contract Tracking

Section 5: Review Material Prepayments (MPPs)

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Window Definitions - Material Prepayments

Revision History

Comments or concerns with this document should be directed to the NCDOT Construction Unit at 919-707-2400.

Date	Version	Description	Author
December 1999	1.0	Initial Version	HiCAMS Team Documentation Specialist
November 2002	2.0	Updated document	Deirdre Warner
March 2013	3.0	Updated content to match V8.3.1 functionality and added business information	Marie Novello
March 2013	3.1	Added section "Why wasn't my MPP included on the Estimate?"	Marie Novello

About Material Prepayments (MPPs)

Section 109-5 of the Standard Specifications for Roads and Structures (SSRS) "PAYMENT FOR MATERIAL TO BE USED IN THE WORK" allows for partial payments to be made to the Contractor for materials on the conditional basis that the material meets the requirements of the contract and will be incorporated into the project.

For Contracts using the 2012 edition of the SSRS, the contractor may be reimbursed up to 95% of the contract price for the work when so authorized by the Engineer.

Per the specifications, the contractor is required to submit the following documents:

1. Written consent of surety to make such partial payments,
2. Bill of Sale from the Contractor to the Department, and
3. Copy of invoice from material supplier verifying the cost of the material.

The material may be delivered to the project or stored at the Fabricator's or Contractor's facilities. Additional conditions are listed in the specifications and must be met before prepayment can occur.

Note: *Requests for Material Prepayment are not automatically approved. They are paid at the discretion of the Engineer.*

For additional assistance with Material Prepayments, please consult the Construction Manual or contact the Construction Unit or the Materials and Tests Unit.

Entering a Material Prepayment (MPP)

To enter a Material Prepayment, go to **Functions > Contract Tracking > Review Material Prepayments**.

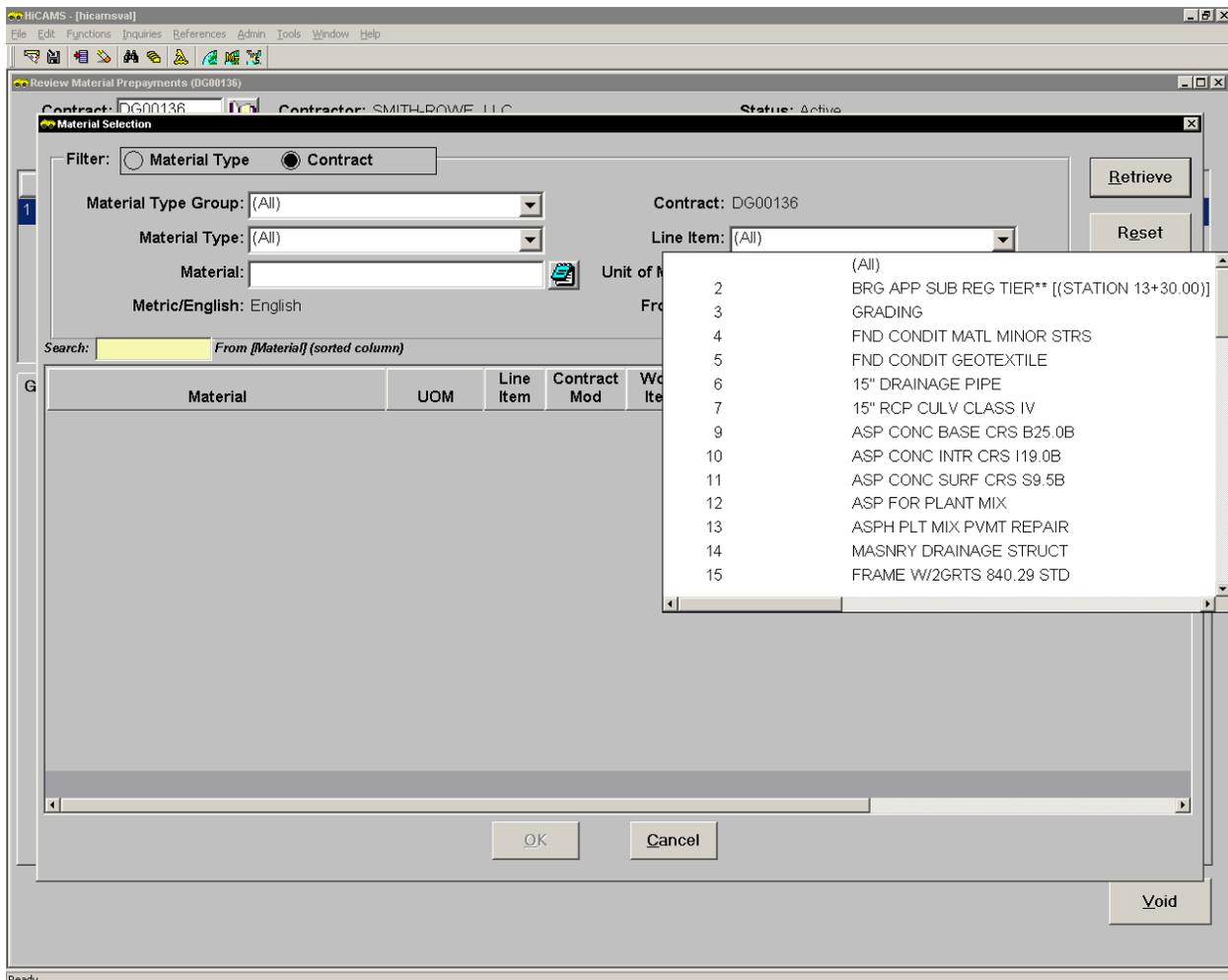
Step 1: Enter the Contract Number whose Material Prepayment you wish to enter in the Contract field.

Note: For information on ways to enter your contract number, see the User Guide "Getting Started" in the User Guides section of the HiCAMS home page.

If this is the first Material Prepayment for the contract, the Material Selection window will open.

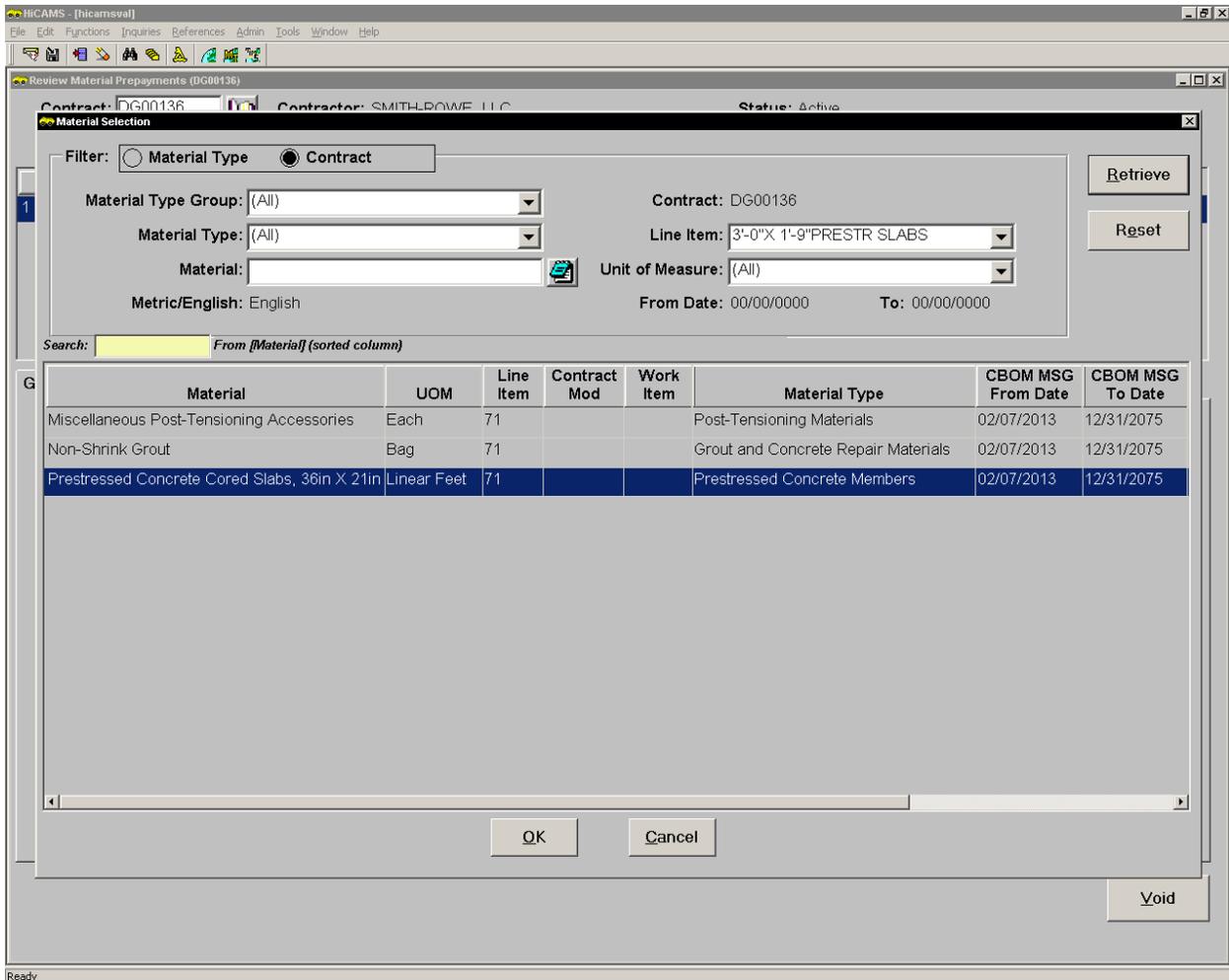
If a Material Prepayment has previously been entered, click on the Insert button  or tap the Insert key on the keyboard.

An example of the Material Selection window is shown below.



Step 2: If the line item for which the MPP is being made is known, select it from the Line Item dropdown. Click Retrieve and the Materials assigned to the Line Item will be listed.

Step 3: Select the Material from the list and click OK.



Step 4: If the Line item is not known, click the Retrieve button to produce a list of all the Materials on the contract, or use the Material filters to narrow your Material selection.

Possible Error:

If the Line Item or material needed does not appear in the drop down list, it means that the Material has not been added to the Contract Bill of Materials. Close the MPP window, and add the material to the CBOM. Reopen the MPP window, and the Line Item should now appear on the list.

Note: It is important to assign the MPP to the correct Line Item so that the automatic deduction of MPP amounts based on estimate payments works as designed.

HICAMS - [hicanswal]

File Edit Functions Inquiries References Admin Tools Window Help

Review Material Prepayments (DG00136)

Contract: DG00136 Contractor: SMITH-ROWE, LLC Status: Active

Description (nickname): Bowman Dairy Bridge

MPP	Invoice	Material	Description	Quantity	Amount	Status
1		Prestressed Concrete Cored Slabs, 36in X 21in			\$.00	Not Estimated

General Location Line Items History

MPP: 1 Material: Prestressed Concrete Cored Slabs, 36in X 21in UOM: Linear Feet

Description:

Status: Not Estimated Invoice Amount: Consent Of Surety:

Invoice: Quantity: Bill Of Sale:

Amount (95.00%): Unit Price: \$0.0000

Comment:

Void

Ready

Possible Error:

If the wrong material was selected, the Material Selection process can be restarted by clicking on the Materials icon .

Step 5: Enter the Description. When the MPP is paid on the estimate, the description printed will be the Material plus whatever is typed in the Description field.

Note: It is helpful to enter a description that will help identify where the material is being used so that it is easier to monitor the deductions on the estimate.

Step 6: Enter the Total Invoice amount. This amount will be reduced to the appropriate percent by HiCAMS based on the Specifications. The reduced amount will be displayed in the field "Amount (95.0%)". This amount is 95% of the invoice amount, rounded to two places.

Step 7: Enter the Invoice number. This number prints on the estimate. If multiple invoices are being combined for a single MPP, enter the additional invoice numbers in the Comment: box.

Step 8: Enter the Quantity of Material being prepaid. This quantity needs to be in the same Unit of Measure as the Material. This Material Unit of Measure may or may not be the same as the Line Item Unit of Measure.

Note: When the quantity is entered, HiCAMS calculates a Unit Price based on the reduced amount divided by the quantity rounded to four decimal places. The Unit Price is then multiplied by the quantity to determine the what the actual MPP amount is. This may make a minor change to the amount displayed in the number displayed in the "Amount (95.0%)" field. See below.

General | Location | Line Items | History

MPP: 1 Material: Prestressed Concrete Cored Slabs, 36in X 21in UOM: Linear Feet

Description: LC 71 Bridge 260 Span A

Status: Not Estimated Invoice Amount: \$39,126.17 Consent Of Surety:

Invoice: 458-0304 Quantity: .000 Bill Of Sale:

Amount (95.0%): \$37,169.86 Unit Price: \$0.0000

General | Location | Line Items | History

MPP: 1 Material: Prestressed Concrete Cored Slabs, 36in X 21in UOM: Linear Feet

Description: LC 71 Bridge 260 Span A

Status: Not Estimated Invoice Amount: \$39,126.17 Consent Of Surety:

Invoice: 458-0304 Quantity: 450.000 Bill Of Sale:

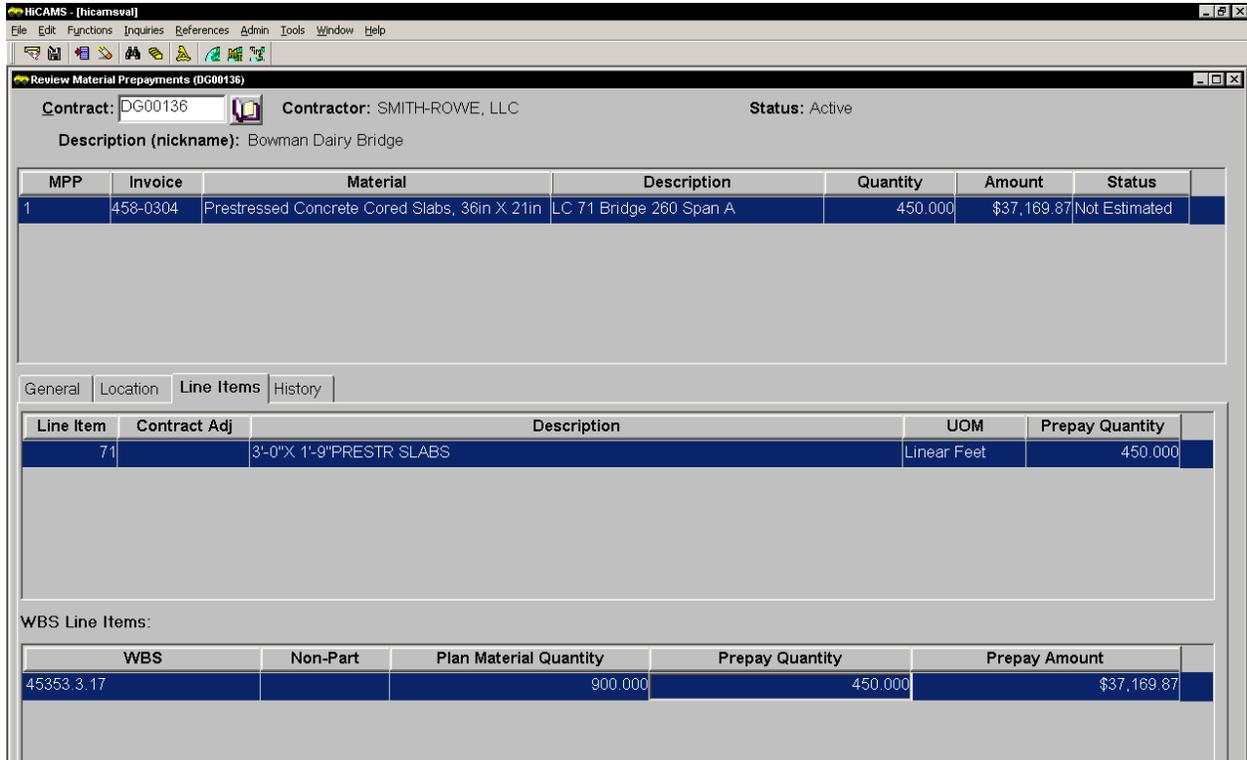
Amount (95.0%): \$37,169.87 Unit Price: \$82.5997

Step 9: Check the box next to Consent of Surety when the document has been received. Per the Specifications, the Consent of Surety is required for Materials Prepayments to be paid.

Note: If the Surety provides Consent for all additional prepayments with the first request - a "Blanket" consent - be sure to go to Contract Details and check the Blanket Consent checkbox.

Step 10: Check the box next to Bill of Sale when the document has been received. Per the Specifications, the Bill of Sale is required for Materials Prepayments to be paid.

Step 11: Finally, go to the Line Item Tab and confirm that the material prepayment amount is assigned to the appropriate WBS element and Line Items. When there is only one WBS and one Line Item, the full Prepayment amount defaults in the Prepay Quantity field. Save the Material Prepayment.



Possible Error:

If the Prepay Quantity entered exceeds the Quantity on the General Tab, the Material Prepayment cannot be saved and the following error message will appear:



Correct the quantity and Save the Material Prepayment again.

Here is an example of Material Quantities being allocated to multiple WBS elements for the same material. Note that it is possible to have a Prepay Quantity of 0.000 for a WBS element.

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File Edit Functions Inquiries References Admin Tools Window Help

Review Material Prepayments (C202830)

Contract: C202830 Contractor: FEREBEE CORPORATION Status: Active

Description (nickname): Secondary Resurfacing Meck. 2012

MPP	Invoice	Material	Description	Quantity	Amount	Status
1	10220044	Thermoplastic for Marking Lines (4", 90 Mils)	Granular Thermoplastic Material	58,165.045	\$43,344.59	Processed
2	10220044	Thermoplastic for Marking Lines (4", 120 Mils)	Granular Thermoplastic Material	166,422.670	\$124,018.17	Processed
3	10220044	Thermoplastic for Marking Lines (8", 90 Mils)	Granular Thermoplastic Material	4,753.245	\$3,542.12	Processed
4	10220044	Thermoplastic for Marking Lines (24", 120 Mils)	Granular Thermoplastic Material	4,185.264	\$3,118.86	Processed

General Location Line Items History

Line Item	Contract Adj	Description	UOM	Prepay Quantity
22		24"WIDE THERMO 120 MILS	Linear Feet	4,185.264

WBS Line Items:

WBS	Non-Part	Plan Material Quantity	Prepay Quantity	Prepay Amount
10CR.20601.114		80.280	80.280	\$59.82
10CR.20601.116		66.900	66.900	\$49.85
10CR.20601.118		468.300	468.300	\$348.98
10CR.20601.119		1,070.400	1,070.400	\$797.66
10CR.20601.120		1,070.400	.000	\$0.00
10CR.20601.121		441.540	441.540	\$329.04

Void

144 notifications waiting.

Here is an example of Material Quantities being allocated to multiple Line Items for the same material. Note that if the Material Prepayment is not for Material being used on the additional Line Items, the Prepay Quantity is 0.000.

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File Edit Functions Inquiries References Admin Tools Window Help

Review Material Prepayments (D000134)

Contract: Contractor: R.E. BURNS & SONS CO., INC. Status: Active

Description (nickname): Bridge 95 Chatham

MPP	Invoice	Material	Description	Quantity	Amount	Status
1	3700-1211	Prestressed Concrete Cored Slabs, 36in X 21in		1,164.380	\$98,244.80	Processed
2	90779506	Reinforcing Steel, Plain		12,463.000	\$12,692.32	Processed

General Location **Line Items** History

Line Item	Contract Adj	Description	UOM	Prepay Quantity
36		BRG APPR SLAB ***** [STA. 10+21.00]	Lump Sum	0.000
37		REINF STEEL (BRIDGE)	Pounds	12,463.000
38		SPIRAL COL REINF STL BRG	Pounds	0.000

WBS Line Items:

WBS	Non-Part	Plan Material Quantity	Prepay Quantity	Prepay Amount
33428.3.1		12,463.000	12,463.000	\$12,692.32

Void

Ready

Entering an MPP for a Lump Sum item

Material Prepayments for materials on lump sum pay items are done the same as for materials on line items in measurable units. The actual quantity of material is entered, not a 1 (one). This allows the conversion factor to reduce the quantity correctly when a payment on the lump sum line item is made.

Here is an example of how an MPP for Structural Steel would look.

MPP	Invoice	Material	Description	Quantity	Amount	Status
1	13003	Structural Steel	Raw Steel for Bridge	398,420.000	\$389,176.66	Not Estimated

General | Location | Line Items | History

MPP: 1 Material: Structural Steel UOM: Pounds

Description: Raw Steel for Bridge

Status: Not Estimated Invoice Amount: \$409,639.51 Consent Of Surety:

Invoice: 13003 Quantity: 398,420.000 Bill Of Sale:

Amount (95.00%): \$389,176.66 Unit Price: \$0.9768

Comment:

Entering an MPP on a Design Build Contract

In order to eliminate an overcounting of Materials required for the Design Build contract, Materials Prepayments should no longer be entered through the Review Material Prepayments window. The overcounting occurred because the Review Material Prepayments window does not recognize the Materials associated with Work Items, only those associated with the Line Item. This meant that the Material needed to be present in two places, directly on the Lump Sum Line Item and also on the Work Item. This resulted in Materials Discrepancy issues.

Instead, the Materials prepayment should now simply be paid for as part of the Lump Sum Line Item payment within the limits of precision allowed by the three decimal point payment. It is important to create a Materials Received entry at the same time so that certification requirements are met.

The rationale for this change is that the cost of the materials is included in the value that the Contractor has assigned to the work item.

In addition, this eliminates the problem with making sure that the Material Prepayment is deducted during the estimate process.

***Note:** It is important to remember that even though the Material Prepayment function is not being used, the Contractor must still comply with the requirements of Section 109-5 of the Standard Specifications.*

Modifying Material Prepayments

If a mistake is discovered on a Material Prepayment, there are several ways to correct or remove the MPP.

The first way is to correct the error on the window before Saving.

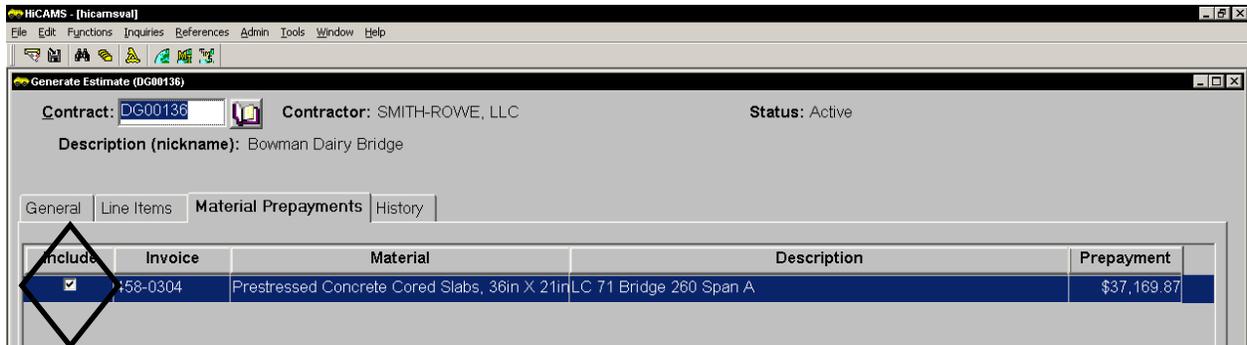
If the MPP hasn't been Saved and you notice a mistake and want to start fresh, close the window. You will be asked "Do you wish to Save Changes?" Answer No to leave the window without Saving and the Prepayment you began will not be there when you reopen the window.

If the MPP hasn't been Saved, the data already entered may also be Deleted. Click on the Delete icon  in the toolbar. When the "Are you sure you want to Delete?" Message opens, click Yes if you want to delete the record.

If the MPP has been Saved, but hasn't been included on an estimate (Status = Not Estimated), the fields on the Tabs are still available for editing except for the Material selection. Make the required changes and resave.

If the MPP has been Saved, but hasn't been included on an estimate and the Material needs to be changed, the MPP will need to be Voided and re-entered. To **Void** the MPP, go to Details, and click on the Void button. The HiCAMS password of the person logged in and a comment will be required.

If the MPP has been included on an estimate (Status = In Process), the fields on the Tabs are not available for editing or Voiding until the MPP is "released" from the estimate. To release the MPP, begin in the Generate Estimates > Material Prepayments Tab as shown on the next page.



- Step 1:** Uncheck the Include checkbox next to the MPP that needs to be changed.
- Step 2:** Generate the Estimate. The Estimate amount will be reduced by the MPP amount.
- Step 3:** Open the Review Material Prepayments window, and make the corrections to the MPP. Again, all fields can be changed except the Material, or the MPP can be Voided.

Why wasn't my MPP included on the Estimate?

The Material Prepayment process reserves a larger degree of control for the user compared to other HiCAMS functions. The system was designed to include MPPs on only the first Generation of the Estimate. After that first Generate, users must explicitly include a payment on the Estimate.

If the MPP entered does not show on the Estimate, go to **Functions > Contract Estimates > Generate Estimates**.

On the Material Prepayments tab, check the Include indicator.

Generate the Estimate. The MPP amount will now be included.



Why didn't my Material Prepayment quantity deduct?

The HiCAMS Generate Estimate process only creates an Actual Reduction on the VERY FIRST Generation of an Estimate. If an Estimate is generated, and a Pay Record for a Line Item associated with a Material Prepayment is entered after that first Generate, no Actual Reduction will be entered.

HiCAMS will calculate an Estimated Reduction on every Generate. It is imperative that the Contract Administration staff review the Prepayments tab of the Review Estimate window before submitting the estimate for payment and ensure that all Actual Reductions are entered.

For additional information about working with Estimates and MPPs, please see the HiCAMS users Guide "Processing Estimate Payments".

Remember

1. Materials must be on the Contract Bill of Materials in order to appear in the drop down Materials list.
2. If the Material is being stored on the project, the same documentation may be used for both the Material Prepayment and Material Receipt. Make sure a Material Receipt is also entered in this case.

Appendix: Window Definitions - Material Prepayments

To work with the Review Material Prepayments window, go to **Functions > Contract Tracking > Review Material Prepayments**.

Contract: C203127 Contractor: BLYTHE CONSTRUCTION, INC. Status: Active
Description (nickname): Klumac Road

MPP	Invoice	Material	Description	Quantity	Amount	Status
1	13003	Structural Steel	Raw Steel for Bridge	398,420.000	\$389,176.66	Not Estimated

General Location Line Items History

MPP: 1 Material: Structural Steel UOM: Pounds
Description: Raw Steel for Bridge
Status: Not Estimated Invoice Amount: \$409,639.51 Consent Of Surety:
Invoice: 13003 Quantity: 398,420.000 Bill Of Sale:
Amount (95.00%): \$389,176.66 Unit Price: \$0.9768
Comment:

Void

Material prepayment request number

Note: The information shown in the lower part of the window is for the row that is selected in the upper portion of the window.

Column Definitions for the Material Prepayment Grid

MPP: A unique number assigned by HiCAMS based on the order of data entry. The number is referenced in the Generate and Review Estimates windows, and on the Estimate Reports.

Invoice: The reference number from the contractor's submittals that identifies the materials and the associated cost. If multiple invoices are being combined for one payment, the additional invoice numbers should be listed in the Comments section. This number also appears in the Generate Estimate window and on the Estimate Reports. This is entered on the General Tab.

Material: The Material for which payment is being made. The Material may or may not match the Line Item Description. This is the Material selected from the material Selection window.

Description: The words used to tell where the material will be used. This is entered on the General Tab.

Quantity: The amount of the material that will be used. This is entered on the General Tab.

Amount: The value of the Material Prepayment. This is the calculated Unit Price times the Quantity as entered on the General Tab.

Status: Shows how far along in the Estimate payment process the Material Prepayment is. This is set by HiCAMS.

Field Definitions for the General Tab

MPP: A unique number assigned by HiCAMS based on the order of data entry. The number is referenced in the Generate and Review Estimates windows, and on the Estimate Reports.

Material: The Material for which payment is being made. The Material may or may not match the Line Item Description. This is the Material selected from the material Selection window.

UOM: The Unit of Measure of the Material. This may or may not match the Pay Item's Unit of Measure.

Description: The words used to tell where the material will be used.

Status: Shows how far along in the Estimate payment process the Material Prepayment is. This is set by HiCAMS.

Invoice Amount: The actual amount on the contractor's request for payment. See section 109-5 of the Standard Specifications for what can be included in the amount.

Consent of Surety: Checked to indicate that the contractor's Surety has approved payment for this material.

Invoice: The reference number from the contractor's submittals that identifies the materials and the associated cost. If multiple invoices are being combined for one payment, the additional invoice numbers should be listed in the Comments section. This number also appears in the Generate Estimate window and on the Estimate Reports.

Quantity: The amount of the material that will be used.

Bill of Sale: The document that legally assigns ownership of the material to the Department of Transportation. See the Construction Manual for additional information about this and an example document.

Amount (xx%): This is the calculated payment amount with the percent being set by reference to the year of the Standard Specifications assigned to the Contract. This amount is calculated twice. First, when the Invoice Amount is entered, then again when the quantity is entered.

Unit Price: This is calculated by HiCAMS by dividing the Invoice Amount by the Quantity. It is rounded to four decimal places. Once this price is known, the original Amount (xx%) is recalculated to be the Unit Price multiplied by the quantity.

Comment: This field allows the addition of information is not required but may provide details for future use. If multiple Invoices are being paid on the same MPP, the secondary invoice numbers can be entered here.

Void button: Clicking this button allows the MPP to be eliminated from the payment stream.

Field Definitions for the Location Tab



The screenshot shows a software interface with four tabs: 'General', 'Location', 'Line Items', and 'History'. The 'Location' tab is selected. Below the tabs, there is a form with the following fields:

- 'Other Producer/Supplier:' followed by a text input field.
- 'Acceptance Site' followed by a sub-form containing:
 - 'Name:' followed by a text input field.
 - 'Street:' followed by a text input field.
 - 'City:' followed by a text input field.
 - 'State:' followed by a dropdown menu.
 - 'Zip Code:' followed by a text input field.

Other Producer/Supplier: Provides a space to enter a producer that may or may not be on the Approved List.

Acceptance Site: The name, street address, city, and state where a material is stored if it is stored off the project site.

Column Definitions for the Line Items Tab

General						Location						Line Items						History					
Line Item	Contract Adj	Description										UOM	Prepay Quantity										
211		STRUCTURAL STEEL										Lump Sum	398,420,000										
WBS Line Items:																							
WBS	Non-Part	Plan Material Quantity						Prepay Quantity						Prepay Amount									
53500.3.STR01T4		428,600,000						398,420,000						\$389,176.66									

This tab shows information about the contract line items that have the material for which the MPP is being entered on the CBOM and their associated WBS elements.

Line Item Grid

Line Item: The Contract Line Item number.

Contract Adj: The Supplemental Agreement Number.

Description: The Master Pay Item description for the Line Item.

UOM: The Unit of Measure for the Line Item. This may or may not match the Material UOM.

WBS Line Items Grid

WBS: Indicates the funding source for the Line Item.

Non-Part: A 1 (one) in this indicates that the payment is not subject to Federal Highway Administration funding participation.

Plan Material Quantity: The Contract Line Item bid quantity multiplied by the Conversion Factor.

Prepay Quantity: The portion of the Prepayment Quantity that is assigned to the Line Item WBS element combination identified.

Prepay Amount: The amount determined by HiCAMS when the Unit Price is multiplied by the Prepay Quantity.

Column Definitions for the History Tab

Provides tracking information for who did what and when it was done

Action	Action Date	Status	Who
Approve	02/28/2013 08:47:34	Processed	Deans, Norita L
Forward	02/27/2013 17:04:02	Estimate Pending	Seitz, PE, P. Kelly
Generate	02/27/2013 17:03:54	In Process	Seitz, PE, P. Kelly
Generate	02/27/2013 09:29:29	In Process	Seitz, PE, P. Kelly
Generate	02/27/2013 09:25:53	In Process	Seitz, PE, P. Kelly
Generate	02/27/2013 08:11:25	In Process	Seitz, PE, P. Kelly
Create	01/31/2013 09:57:26	Not Estimated	Seitz, PE, P. Kelly

Comment:

Action: Shows what was done to the Ticket. Actions include Create, Generate, Forward, Approve, Reject, Interrupt, Comment, and Void.

Action Date: The date that the action was set in HiCAMS. This date and time are system generated.

Status: Describes how far along in the estimate process the Ticket is. Possible Statuses are Not Estimated, In Process, Pending, Processed, and Void.

Who: The display name of the person who took the action.

Comment: Displays the comment associated with the action.