HiCAMS User Guide

Chapter 5:
Contract Estimates

Section 1:
Processing Estimate Payments - Partials

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Revision History

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

Date	Version	Description	Author
April 2013	1.0	Initial Version	Marie Novello

About Estimates

The NCDOT <u>Standard Specifications for Roads and Structures</u> Section 109 "Measurement and Payment" details how payments will be made to a contractor. Per the Specifications:

> "Partial payments will be based upon progress estimates prepared by the Engineer at least once each month on the date established by the Engineer. Partial payments may be made twice each month if in the judgment of the Engineer the amount of work performed is sufficient to warrant such payment. No partial payment will be made when the total value of work performed since the last partial payment, excluding mobilization, amounts to less than $10,000. Partial payments will be approximate only and will be subject to correction in the final estimate and payment."

> *Note: Exceptions to the $10,000.00 minimum estimate payment amount for processing may be made for Division Let contracts. Division Let contracts are those whose Contract Number begins with the letter D. Contact the Construction Unit for additional information.*

Estimate payments are recorded in HiCAMS using the Review Pay Records, Review Tickets, and Review Material Prepayments functions of the Contract Tracking module. Penalties and Incentives are recorded using the Review Contract Times function in the Contract Maintenance module and the Review Pay Adjustments function in Contract Tracking module.

The Estimate is created using the Generate Estimate function. Before the Payment request is transmitted for processing, the quantities are audited for accuracy using the Review Estimates function.

For additional assistance with Estimate Processing, please consult the Records and Reports section of the Construction Manual or contact the Construction Unit.

Generating an Estimate

When an Estimate is generated in HiCAMS, a number of system calculations and validations take place to determine the total dollar amount to be paid to the Contractor.

The processing includes:

1. Summarizing all Tickets and Pay Record entries for the project

2. Determining the recommended reduction of Material Prepayment balances

3. Determining Price Adjustments

4. Calculating Material quantities for the Project Certification process

Upon completion of the Estimate background processing, a system message appears with the current amount due, and asks "Do you wish to review the generated estimate?"

By clicking the Yes button, the Contract Administrator can review the Estimate information in summary and at the detail level. If errors are found, except the Material Prepayment deductions, the Source documents must be modified. Then the estimate is Generated again to include the corrections.

Once the Estimate is correct, it is Forwarded to the Construction Unit for further review and Approval. When the Estimate is Approved, the payment transactions and an electronic copy of the Estimate Report are transmitted to the Business Systems Information Portal (BSIP) for final Approval. This Fiscal Approval creates the actual payment to the Contractor.

To Generate an Estimate, go to **Functions > Contract Estimates > Generate Estimate**.

Step 1: Enter the Contract Number whose Estimate you wish to generate in the Contract field. The Generate Estimates window opens.

> *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.*

Step 2: On the **General** tab, confirm that the Estimate Thru Date is correct.

> *Note: The Estimate From Date is one day greater than the Thru Date of the previous Estimate. The Thru Date on the current estimate is set based on the Estimate End Day set on the Dates tab in Contract Details.*

The Thru Date should be consistent for all Estimates on a Contract because it determines the Average Terminal Price used for Fuel and Asphalt Cement Adjustments.

There are some allowable exceptions to this.

1. Create a 0 (zero) day estimate when a significant Line Item Quantity payment has been omitted or when a Materials Prepayment only estimate is being done. Enter a 0 in the Cycle Days field.

2. Use Estimate Thru dates of the 15th and month-end when Estimate Payments are being made more frequently than once a month - see Division 1 of the Construction Manual for details on this.

4. Use the Acceptance Date when the Contract work has been Accepted and a last Partial Estimate is being done before the Final Estimate.

A portion of the General tab is shown below:

Step 3: On the **Line Items** tab, confirm that all Line Items to be Paid have the Include checkbox checked. By default, all Line Items are checked. Users may uncheck the Include box to keep a payment for a single Line Item from processing on the Estimate. Payments can also be excluded by checking Do Not Pay at the Pay Record or Ticket level.

A portion of the Line Items tab is shown below:

Step 4: On the **Material Prepayments** tab, confirm that all Material Prepayments to be included on the Estimate are checked. Material Prepayments entered after the first time the Estimate is Generated are not automatically included.

A portion of the Material Prepayments tab is shown below:

Step 5: Return to the General Tab and enter any Remarks or Comments desired. The Remarks will print on the Estimate Report sent to the Contractor. The Comments are visible to only HiCAMS users.
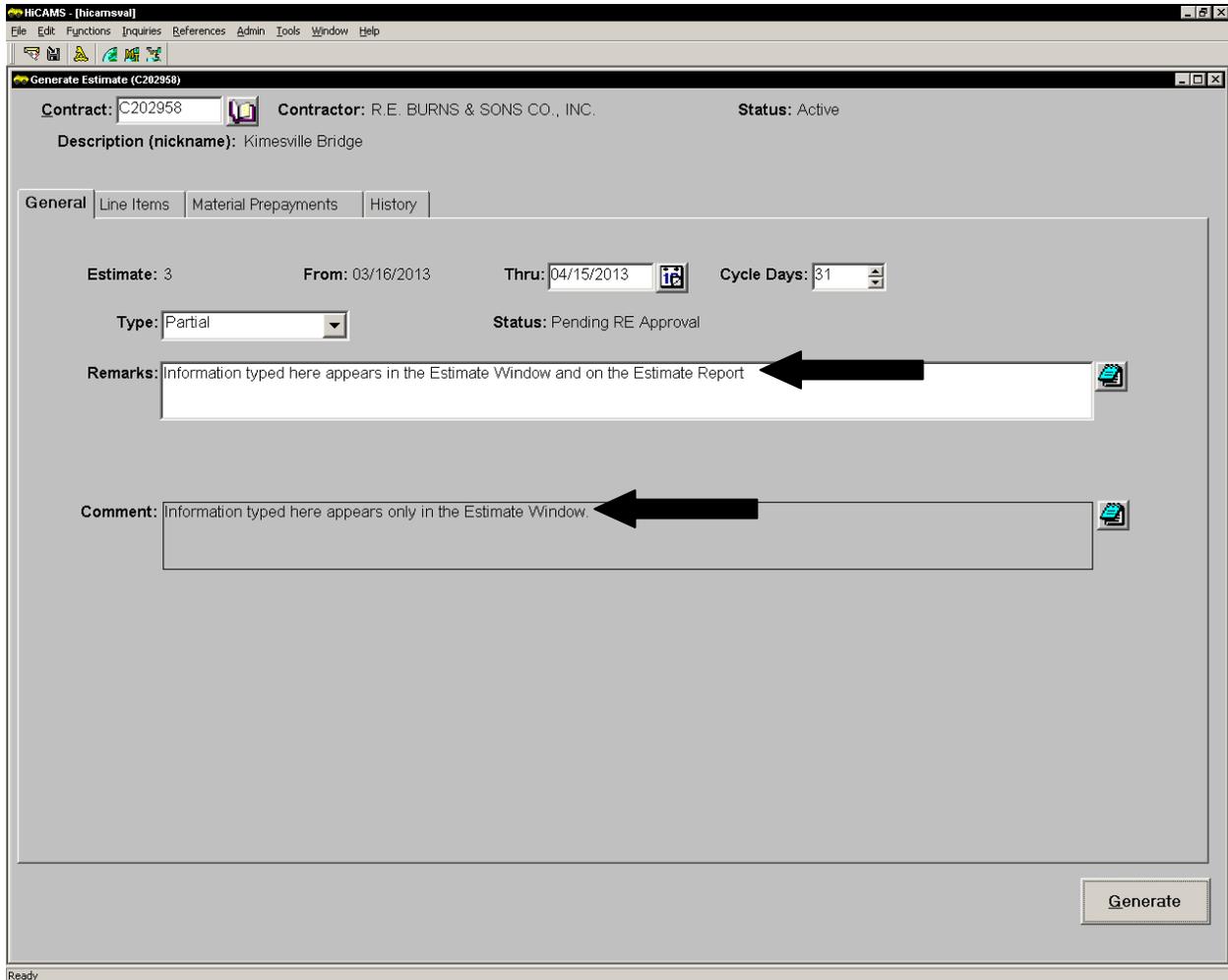

Step 6: Click the Generate button. When the Estimate generation is complete, the Estimate Status changes to Pending RE Approval and the following message will display:
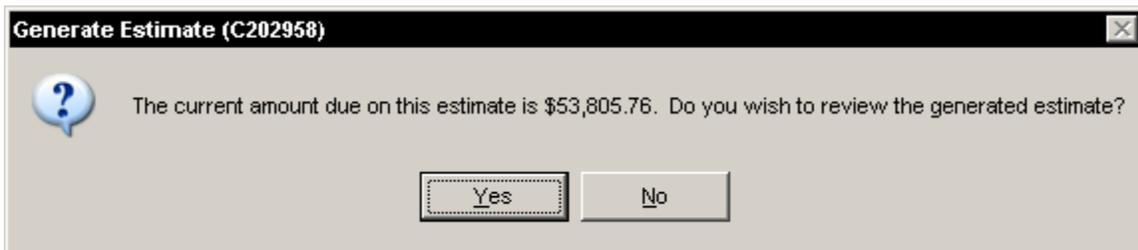

Step 7: Click Yes to proceed to the Review Estimates window.

Possible Error:
Certain conditions of materials on the Contract Bill of Materials may cause the following message to be displayed when the Generate button is clicked:
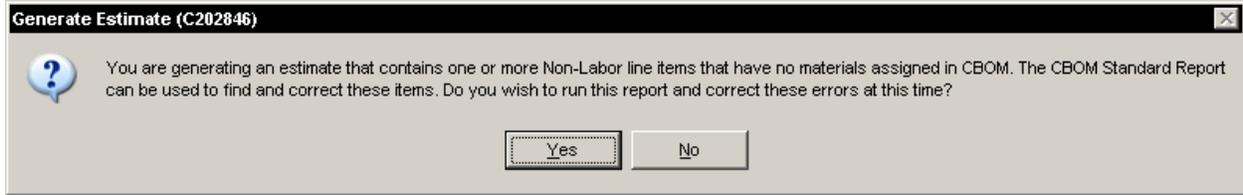

The report generated when the Yes button is selected may not provide accurate data. The problem has been reported and will be corrected in an upcoming version. In order to accurately determine what Line Items are missing materials, use the Standard Report <u>Contract BOM Report</u> and check the box labeled "Show Only Non-Labor Line Items with no materials".
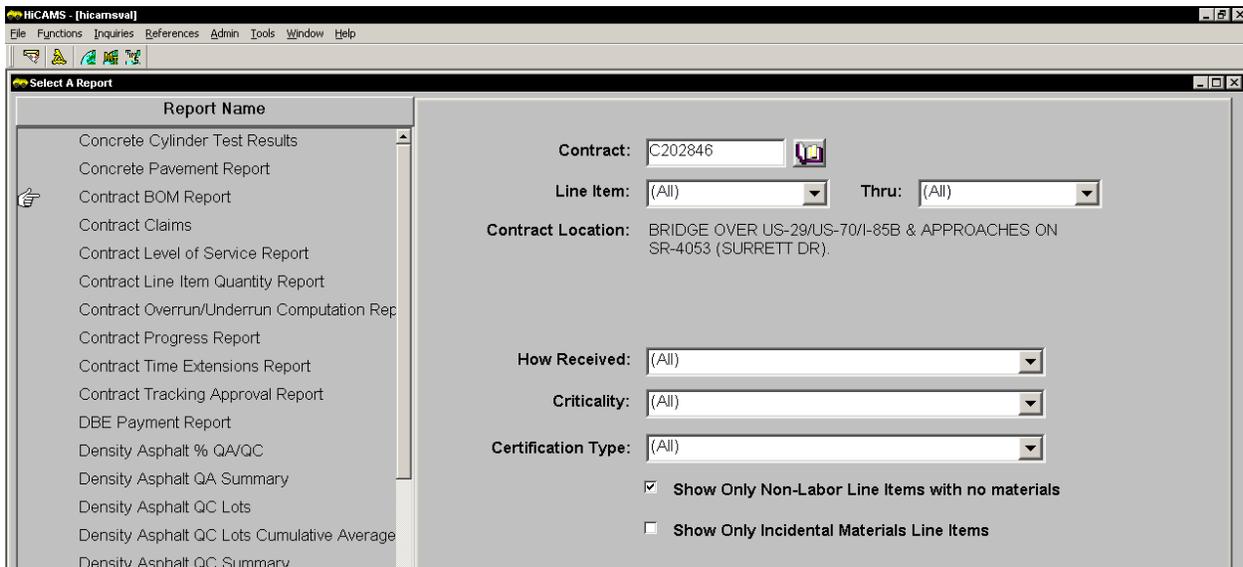
Reviewing an Estimate

Once all the payment quantities have been calculated and included in the Estimate, it is time to review the Estimate. When the Generate action is complete, the following message appears:
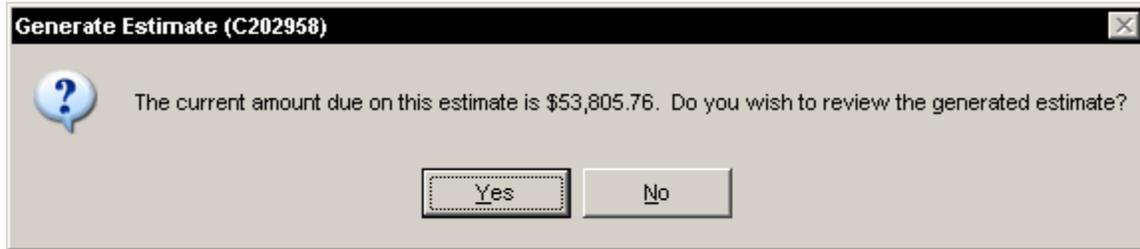
Step 8: Click Yes to navigate to the Review Estimates function.

The General Tab of the Review Estimates window is displayed below. Note where the Remarks and Comments are displayed. The Comments can be updated on this tab. The Remarks are updated in the Generate Estimate window.
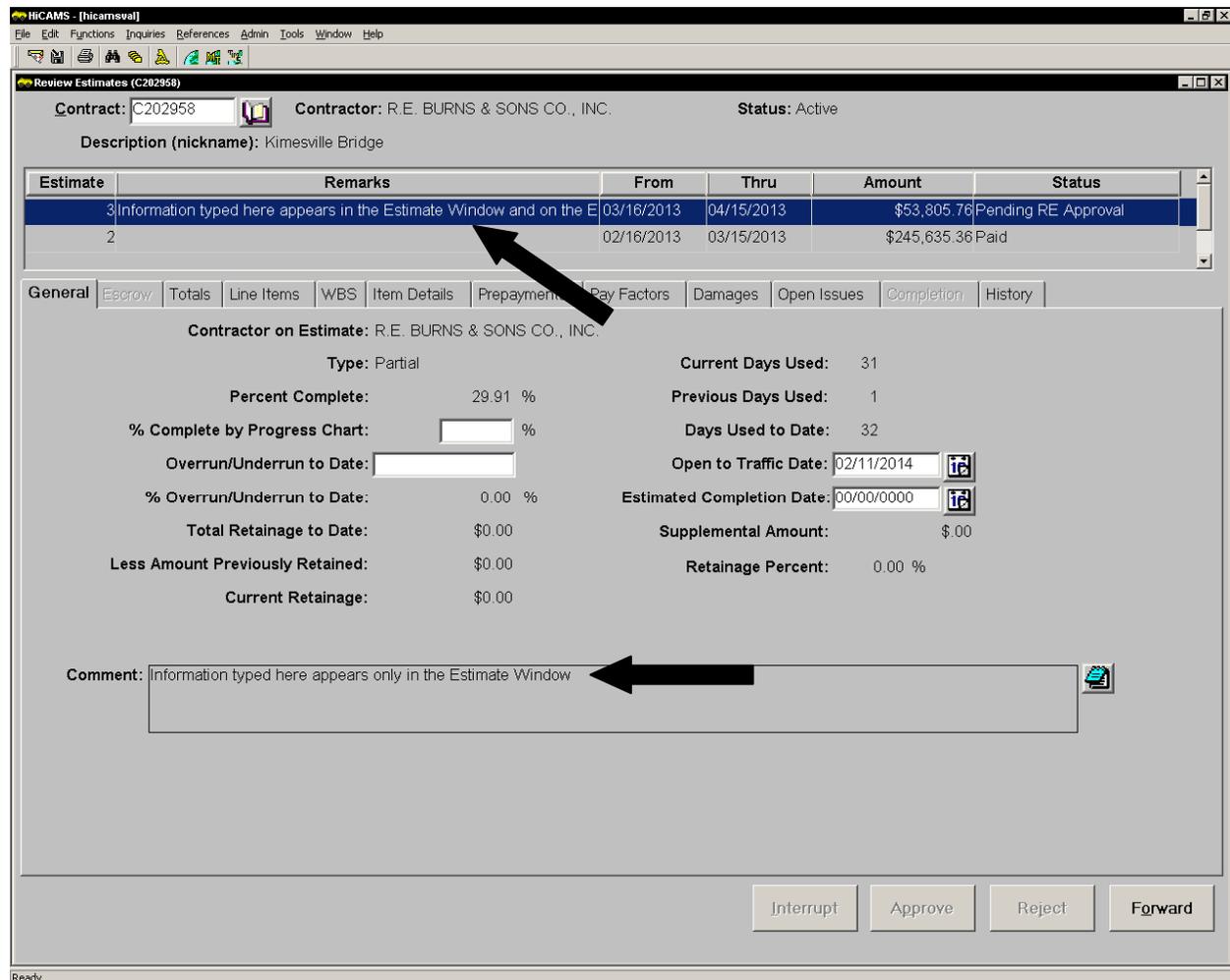
Step 9: On the **General Tab**, complete the following fields

% Complete by Progress Chart: Use the Progress Chart submitted by the contractor to determine how complete the contractor planned to be on the Estimate Thru Date. This Percentage is displayed on the online Construction Progress and Location Report.

Overrun/Underrun to Date: As line items are completed, calculate the dollars above or below the bid amount and accumulate for a net Fiscal Overrun. This field tracks dollars spent that exceed the bid amount and is not the same as the Contractual Overrun calculated to determine Pro Rata Time extensions. The Percentage calculated from this dollar amount is displayed on the online Construction Progress and Location Report.

Open to Traffic Date: On the first Estimate generated, the Open to Traffic date defaults to the Contract's Completion Date. If the Date is updated on an Estimate, this new Date will default on subsequent Estimates until it is updated. If the project is new construction, or traffic is detoured off site, enter the date the project is expected to be, or has been, opened to traffic. If traffic is maintained throughout the project or detoured on site, leave blank or enter the Work Start Date. The Open to Traffic Date may or may not be the Acceptance Date.

Estimated Completion Date: Enter the Date the Contractor plans to complete the project. On projects with long durations, the Contract Completion Date is generally used until the project is past 50% complete and a more accurate date is able to be entered. This Date is displayed on the online Construction Progress and Location Report.

Note: If the Estimated Completion Date changes before it is time to do an Estimate, it can be updated in the Contract Times window and will update the online report.

Step 10: On the Totals tab, review the numbers for reasonableness.

	Participating	Non-Part.	Total
Estimate to Date:	$207,594.12	$0.00	$207,594.12
Material Prepayments:	$137,181.77	$0.00	$137,181.77
Fuel Adjustments to Date:	$0.00	$0.00	$0.00
Less Retainage:	$0.00	$0.00	$0.00
Less Assessed Liq Damages:	$0.00	$0.00	$0.00
Less Previous Payments:	$290,970.13	$0.00	$290,970.13
Amount of Estimate:	$53,805.76	$0.00	$53,805.76

Step 11: On the **Line Items** tab, review for Overruns. A single star (*) indicates that the line item is a Minor item and has overrun by 100% or more. A double star (**) indicates that the line item is a Major item and has overrun by 15% or more. These overruns may be legitimate, or they may indicate a data entry problem, especially in cases where a Lump Sum item exceeds the quantity of 1.000 as shown below:

Once these overrun items have been identified, they should be reviewed in accordance with the Standard Specifications Section 104-5 "Overrun and Underruns of Contract Quantities. See Division 1 of the Construction Manual for additional information about this topic.

> *Note: Consult the Measurement and Payment section of the specifications for each line item to be certain that it does not contain the statement "Article 104-5, pertaining to revised contract unit prices, will not apply to these items." or similar.*

Step 12: On the **WBS** tab, review the totals for reasonableness. Each WBS element can be selected individually.

Step 13: On the **Item Details** tab, select a WBS element to see its associated line item payments. This tab also displays Fuel and AC adjustment details and Pay Factors associated with the line item which is highlighted in the grid.

Fuel Adjustment shows ATP used and calculated adjustment.

AC Adjustment shows Original AC (non-adjusted quantity) and adjusted quantity.

Pay Factors show the quantity subtracted at the contract unit price and added at the reduced unit price. This matches how it is displayed on the Estimate Reports.

Step 14: Review the **Prepayments** tab. HiCAMS creates an <u>Actual</u> Reduction on the VERY FIRST Generation of an Estimate. It is imperative that this tab is manually reviewed before the Estimate is forwarded. If a reduction needs to be made, enter the amount in the Actual Reduction field. It is not necessary to Generate again after these entries. See the Appendix for more information.

Step 15: On the **Pay Factors** tab, review to ensure that all appropriate incentives and penalties have been applied.

Step 16: On the **Damages** tab, enter comments for each Contract Time that shows Anticipated Damages. The comment is entered in the lower portion of the window and displays in the grid.

Step 17: Review the **Open Issues** tab. Issues should be addressed throughout the life of the contract. For information on working with the Open Issues tab see the HiCAMS User Guide "Review Estimates - Open Issues Tab".
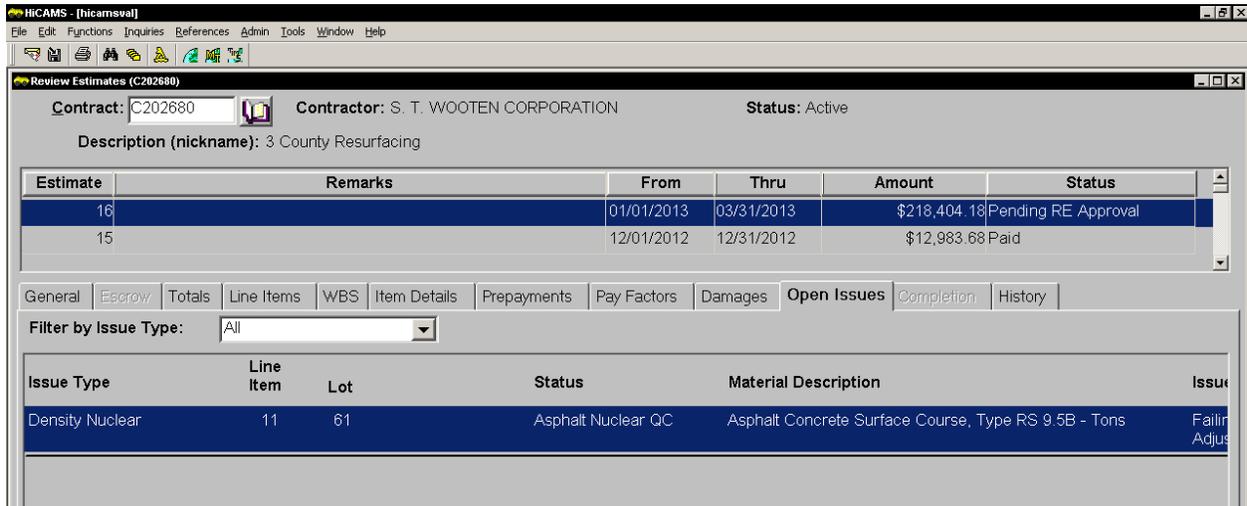
Step 18: Click the Print button and select Estimate Report Snapshot from the Drop down list. Review this report for Material Shortages that should be addressed before the estimate is forwarded for payment.

Step 19: When all tabs and the Materials report have been reviewed, the Estimate can be Forwarded for payment. Click the Forward button at the bottom of the window. The status of the Estimate changes to Pending CCU Approval and the fields are protected from additional data entry by the Contract Administrator's office.

Step 20: At least once a day, Estimates that have been forwarded to the Construction Unit are reviewed for accuracy and completeness.

If the Estimates Engineer has questions about Liquidated Damages, or items on the Open Issues tab, the Estimate may be Rejected or additional explanation required from the Contract Administrator.

When everything is in order, the Estimate is Approved.

The Approval process creates transactions with payment amounts and Anticipated Liquidated Damages. It also transmits a PDF copy of the Estimate Report for Fiscal. This PDF is stored in BSIP as an attachment to the corresponding payment's material document.

Step 21: After Fiscal issues the payment to the Contractor, HiCAMS receives a Paid transaction and the Estimate Status changes to Paid. A notification is sent to the Resident Engineer (Contract Administrator), Project Engineer, and the staff member who Forwarded the Estimate to the Construction Unit. The next Estimate can now be Generated.

> ***Note:*** *An new estimate cannot be Generated until the previous Estimate has a status of Paid. However, Pay Records, Tickets, and other Contract Tracking entries can be made.*

Remember

1. Payment entries dated on or before the Estimate Thru date are included when an estimate is Generated.

2. Material Prepayments are included automatically on only the first Generate action of the current Estimate. If a Material Prepayment is entered after the first Generate, it must be manually checked to be included.

3. Material Prepayment deductions are automatically made on only the first Generate action of the current Estimate. If a Pay Record is entered for a Line Item that has a Material Prepayment associated with it after the first Generate, the Estimated Deduction is calculated but the Actual Deduction must be manually entered to be included.

4. Additional information about Estimate processing can be found in the Construction Manual in Division 1 and Records and Reports.

Appendix:
Why didn't my Material Prepayment quantity deduct?

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

HiCAMS will calculate an <u>Estimated</u> Reduction on every Generate after the first Generate but will not fill in an <u>Actual</u> Reduction. It is imperative that the Contract Administrator staff review the Prepayments tab of the Review Estimate window before submitting the estimate for payment and ensure that all <u>Actual</u> Reductions are entered.

What to do if an Error is discovered
The way an error is corrected depends on the status of the Estimate.

1. When the Estimate Status is **Pending CCU Approval**, the Estimate can be Rejected back to the Contract Administrator's office by the Estimates Engineer at the Construction Unit.

2. When the Estimate Status is **Processed**, the Estimate can be Interrupted by the Contract Administrator and returned to Pending CCU Status. To Interrupt an Estimate, click the Interrupt button, then call the Estimates Engineer at the Construction Unit for further assistance. If the Interrupt is successful, the Estimate will be Rejected and return to Pending RE Approval status.

3. When the Estimate Status is **Paid**, no change can be made to the estimate. Depending on the error, a 0 days estimate may need to be done to submit corrections to Pay Records, Tickets, &c. Contact the Estimates Engineer at the Construction Unit for further assistance.

Estimate Reports
To access the Estimate reports, go to **Functions > Contract Estimates > Review Estimates**. Click the Printer icon, or go to File > Print, or use the keyboard shortcut Ctrl-P to open the Estimate Report Print Preview window.

> **Note:** *The information shown in the report is for the Estimate that is selected in the grid of the window.*

There are four Estimate Reports. The window defaults to the Estimate Report for Contractors. If a different report is desired, click on the down arrow to open the drop down listing.

At the top of the Print Preview window, there are two check boxes that change the way the report displays. If **Show Zero Quantities** box is checked, all Contract Line Items are

printed whether or not a payment has been made on them. If the **Show Full Item Description** box is checked, the full 60-character line item description is displayed. This is helpful when viewing Material Prepayments and Pay Factors on an Estimate.

Estimate Report for Contractors

- This is the default report output.
- There is an estimate cover sheet with contract information and a summary at the contract level of payment information.
- The payment information is at the contract line item level.
- Because the Show Zero Quantities box is checked, all Contract Line Items are listed.
- After the list of Line Items, Material Prepayments are listed.
- Finally, Fuel Adjustments paid on the current estimate are listed by Line Item.
- Asphalt Cement Adjustments are listed with the applicable Line Item.
- Penalties and Incentives are listed with the applicable Line Item.
- On a Final Estimate, the Assessment of Liquidated Damages report is included showing a listing of all the contract's times with description, damages rate, violations, and assessed damages.

Estimate Report with WBSs

- For a contract with only one WBS element, the report is the same as the Estimate Report for Contractors showing the payments at the contract line item level with the addition of the Non-Participating information. Show Zero Quantities is not checked on.
- For contracts with multiple WBS elements, the report will show the Contract Line Items assigned to each WBS element only.
- Material Prepayments are listed for each WBS element.
- A summary of the totals for the WBS element is included.
- The Fuel Adjustments Summary is not included at either the contract nor the WBS element level.
- Asphalt Cement Adjustments are listed with the applicable Line Item.
- Penalties and Incentives are listed with the applicable Line Item.
- The Assessment of Liquidated Damages report is included showing a listing of all the contract's times with description, damages rate, violations, and assessed damages (for both Partial and Final Estimates)
- Finally, a Fiscal WBS Distribution Summary is included.

Estimate Report for Contract Final Quantities

- Per Section 109-9 of the Standard Specifications, when the Final Estimate assembly is complete, the Engineer will notify the Contractor giving the Final Quantities and the Apparent Liquidated Damages, if any are assessed. This Estimate report is to be used for the Final Quantities notification.
- There is no estimate cover sheet.
- The estimate information is at the contract line item level.
- Show Zero Quantities box is checked and all Contract Line Items are listed.
- Material Prepayments are listed.
- Fuel Adjustments paid on the final estimate are listed by Line Item.
- Asphalt Cement Adjustments are listed with the applicable Line Item.
- Penalties and Incentives are listed with the applicable Line Item.
- The Assessment of Liquidated Damages report is not included. This information is included in the text of the letter sent to the Contractor.
- More information about working with this report is in the "Processing Estimate Payments - Finals" User Guide.

Estimate Report Snapshot

- This report was developed to assist the Contract Administrator office with communicating Materials Discrepancies to the Contractor.
- There is no estimate cover sheet.
- The estimate information is at the contract line item level.
- The Materials for each line item are listed.
- Discrepancies are derived from the Project Certification module.
- To **populate** the report data, Generate the Estimate.

- To **update** the report data after an Estimate has been Generated, Generate the Estimate. The Data included will be from the last time the Material Quantities data was Generated.
- To **update** the report data after an Estimate has been Generated, and to **include** the most recent Material Quantities data, Re-Generate the Project Certification Data, then Generate the Estimate.