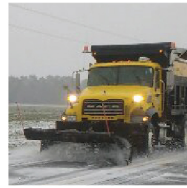


NORTH CAROLINA

Department of Transportation

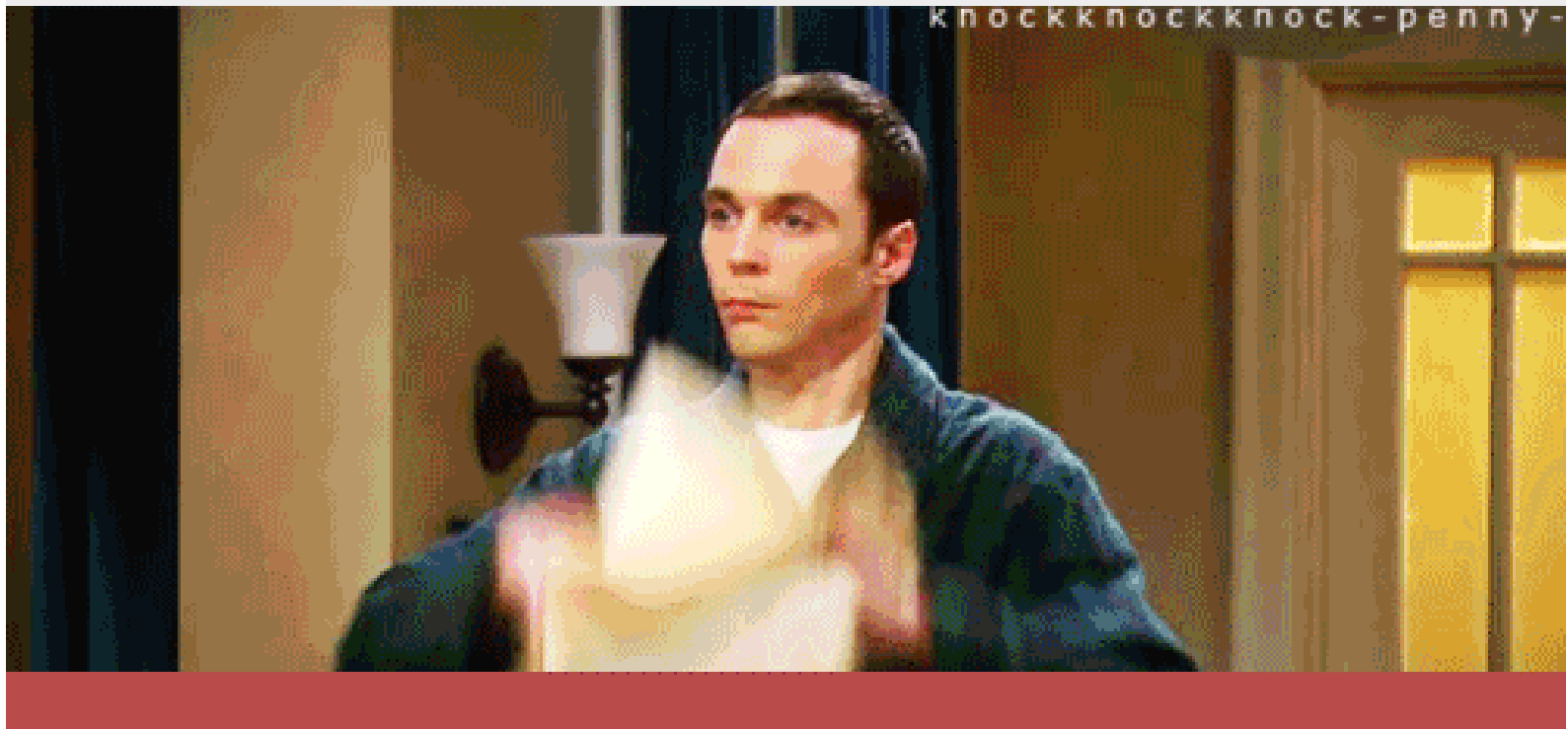


Resident Engineer Workshop

Michelle Gaddy

Any questions?

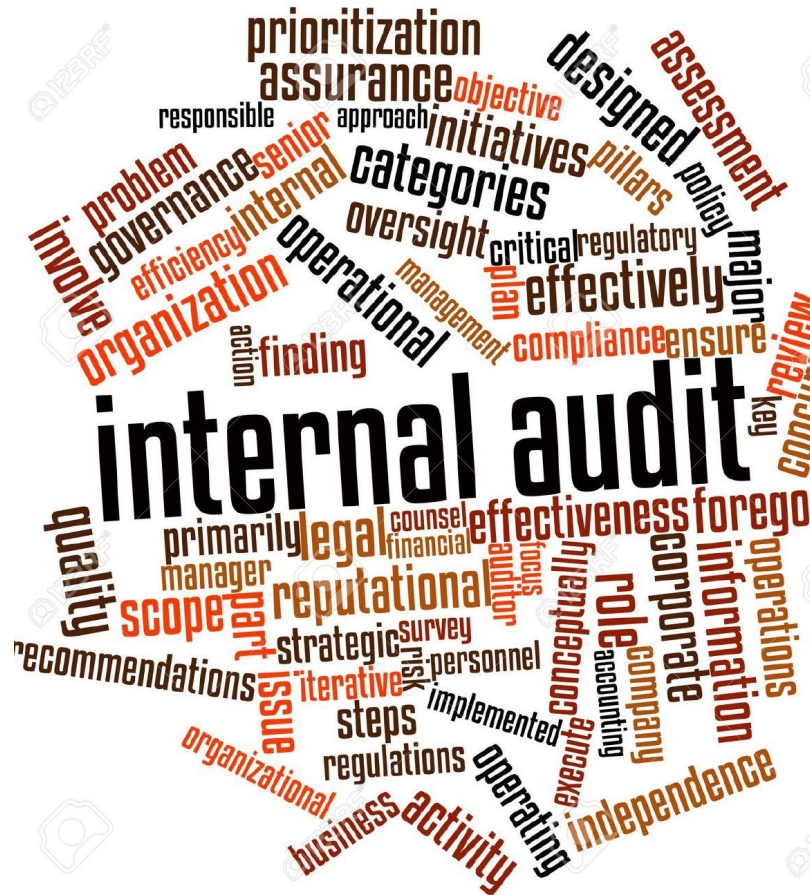
Too much work!



Topics to Cover

- Certified Payroll Audit
- FAP-1 Demonstration
- SharePoint Use
- Subcontracts
- DBE Replacement
- Prompt Payment
- Budget Correction Letters / Supplemental Agreements
- Estimates – Paying and Tips
- FHWA 1391

Certified Payroll Audit



- Certified payroll audit was performed in 2 waves for Fiscal Year 2018 (July 2017 – June 2018)
- Auditor requested over 100 samples for certified payrolls. First group was 77 samples, second group was 30 samples. After removal of projects that are exempt, 77 samples were evaluated by the audit.
- 9 samples were found to be not in compliance; This resulted in a non compliance finding for NCDOT on the certified payroll audit

Certified Payroll Audit - Findings

- What was NCDOT cited for:
 - 5 cases where the Department noted that payrolls were missing and requested them from the contractor but they were never received
 - 4 cases where the payroll was never received. The contractor was not marked as active on the FAP-1 in these cases despite being shown as working in the diaries.

Certified Payroll – What can we do

- This is a contractual requirement on all federal contracts (unless your contract is exempt). Remind contractors at preconstruction meetings.
- What is submitted? Review payrolls submitted on a regular basis.
- Who is working? Review diaries to ensure that all contractors are captured on FAP-1. Make sure to include haulers who may be documented in trucking reports
- Stay up to date – Review on monthly basis.
- If a contractor/sub doesn't submit – notify the prime. Request payrolls or additional information as needed
- If a contractor/sub fails to respond to a request in a timely manner, hold money. For subs, you can hold their portion of the estimate and not necessarily the entire estimate.
- Make sure you are reviewing for accuracy – Does the payroll match the diaries? Do you have the correct classifications? Are they making minimum wages as shown in the wage rate decision?
- If you don't obtain a payroll after holding money, escalate the issue. Contact your Area Construction Engineer

FAP-1

Form FAP-1

SUMMARY OF PAYROLLS

CONTRACT: _____ WEEK ENDING: _____

COUNTY: _____

Certified payrolls for the Contractors that performed work this week on the project are attached.

	ACTIVE	PAYROLL RECEIVED
PRIME CONTRACTOR		
APPROVED SUBCONTRACTORS		

Note: Check daily reports to confirm which contractors were active during the week for required payroll submittal.

☐ Required quarterly review conducted this week.

Printed Name of Reviewer _____

Signed _____

New FAP-1

Return to contract site Help

Generate Report for week ending: 02/03/2019 OR Select existing report to view/update: ☐ All ☒ Pending ☐ Approved Select 11/10/2018

View/Update FAP-1 Report for week ending 11/10/2018 for C203980

Required quarterly review conducted this week: No

NOT COMPLETED

Contractor	Type	Active	Active but No Diary	Date Received	Payroll Not Required	Payroll Attached	Notes
BALFOUR BEATTY INFRASTRUCTURE INC	Prime	Active	<input type="checkbox"/>		<input checked="" type="checkbox"/>	Manage Attachments	note3
274 CONSTRUCTION GROUP INC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
AAA Test	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
APPLIED FOUNDATION TESTING, PLLC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
BARNHILL CONTRACTING COMPANY	Sub	Active	<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
BBB test	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
CLIFTON CONSTRUCTION CO., INC.	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
CURTIN TRUCKING & DRAINAGE INC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
DIXON PAVING INC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
DOSS TRUCKING	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
DOSS TRUCKING INC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
ECKHART CONSTRUCTION SERVICES, INC.	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
ENVIRONMENTAL EDGE INC	Sub	Active	<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
EVERGREEN CLEARING INC	Sub	Active	<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
FREEMAN CURB & GUTTER INC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
FULCHER ELECTRIC OF FAYETTEVILLE INC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
JENNS LLC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
MILITARY & FEDERAL CONSTRUCTION CO	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
MOUNTAIN CREEK CONTRACTORS INC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
PERFORMANCE SEALING & STRIPING INC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
REYNOLDS FENCE & GUARDRAIL INC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
SEAL BROTHERS CONTRACTING LLC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	
STAY ALERT SAFETY SERVICES INC	Sub		<input type="checkbox"/>		<input type="checkbox"/>	Manage Attachments	

FAP-1 Demo

- <https://connecttest.ncdot.gov/site/construction/Pages/FAP1Reports.aspx?div=Div01&proj=C203980>

New FAP-1 How it works

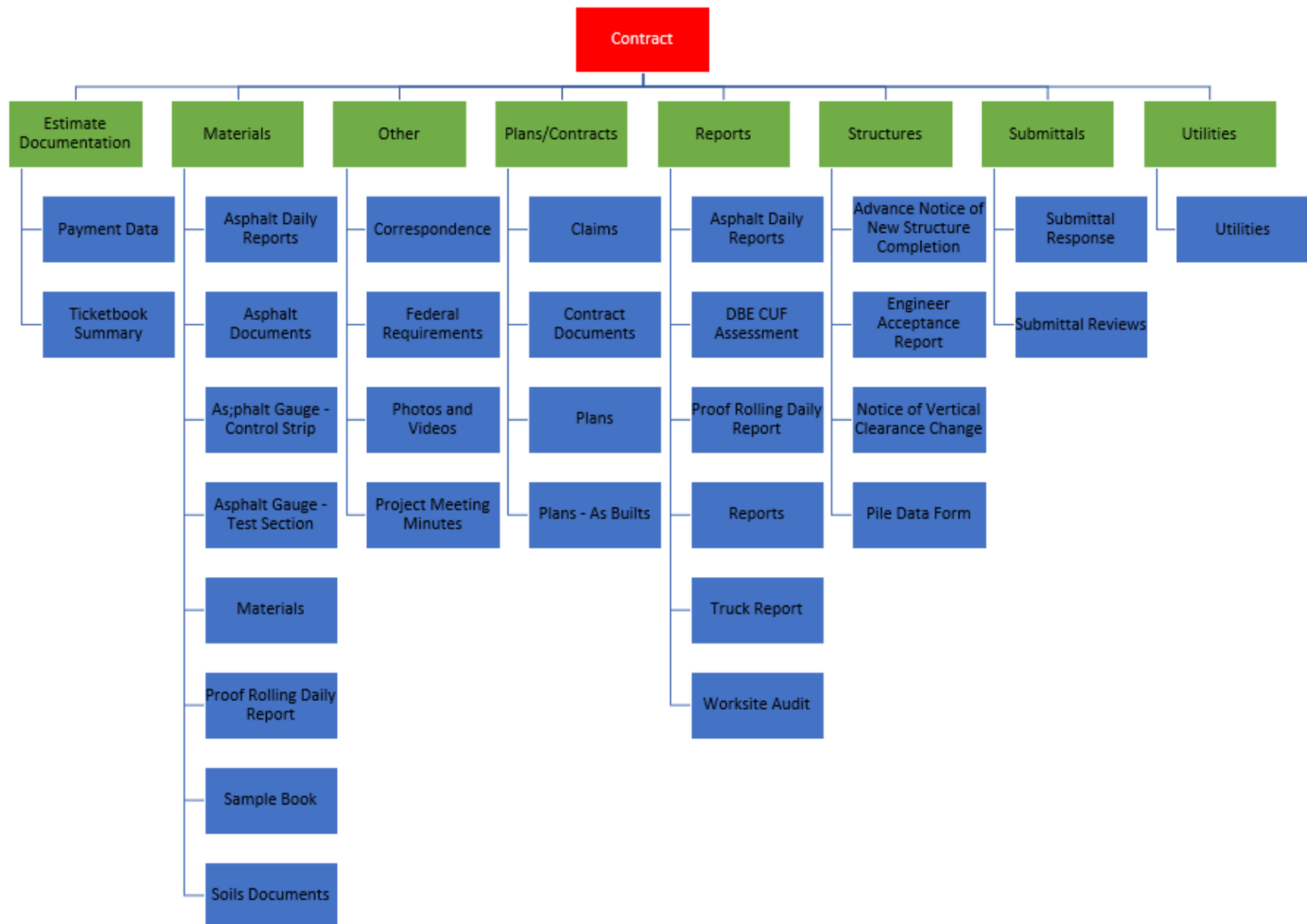
- Looks at who is working in diaries. Only one subcontractor per diary. Need to identify who the subcontractor is. No blank spaces. Can't have details in inspection details or other fields.
- Firms that are not approved subcontractors have to be added in the Project Contractors list file. This will included temporary labor firms and brokered trucking firms.
- Check box for "Active but No Diary" – this is for any firm who worked but was not captured in diaries
- Date Received – The date the payroll is received
- Check box for "Payroll Not Received" – if a payroll is not required – surveyors, haulers who are hauling to commercial plants, etc
- Notes for any comments – Provide reasons for not requiring payroll or why someone is not shown in diaries. This provides additional details for auditors.

New FAP-1 How it works

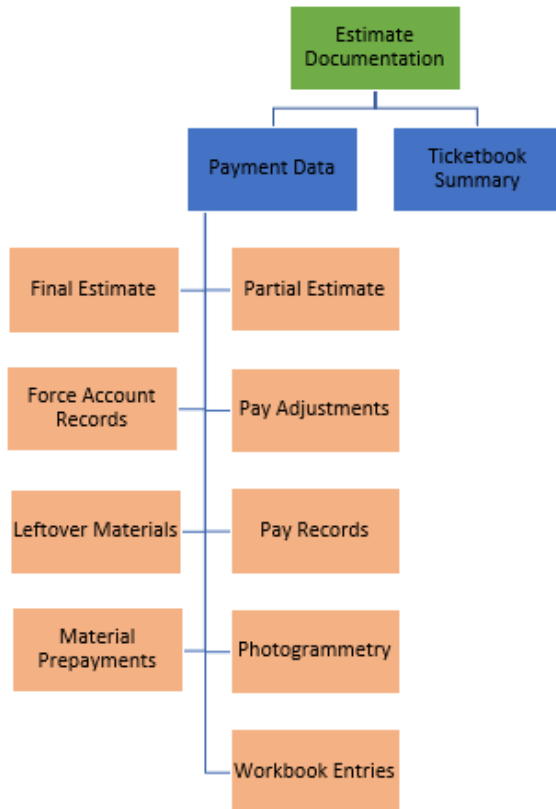
- Will highlight anyone in blue who is required to submit payrolls. Will not unmark them until you receive a payroll or check payroll not required.
- Can upload the payrolls on a case by case basis or entire payroll package
- Approving the report can be done once all payrolls are received. This is same as signing FAP-1
- Any additions to diaries will cause a report to become unapproved.
- There is a way to show only pending reports in drop down menu. This will assist review of unapproved FAP-1.
- Good feedback from offices that demoed the FAP-1
- Going live for all projects by beginning of March

Sharepoint Use

- Goal is for Sharepoint to be an electronic filing cabinet.
- What works for you? What doesn't? How can we make it better?
- Big question: Where should information be stored?



Estimate Documentation



Final Estimate – Final Estimate Assembly. Any document required for the final estimate

Force Account Records – All records required for force account – This should include all spreadsheets, invoices, correspondence relative to force account

Leftover Materials – Any documentation relative to left over material payments

Material Prepayments – any documentation relative to material prepayments

Partial Estimate – partial estimates paid during the life of the project

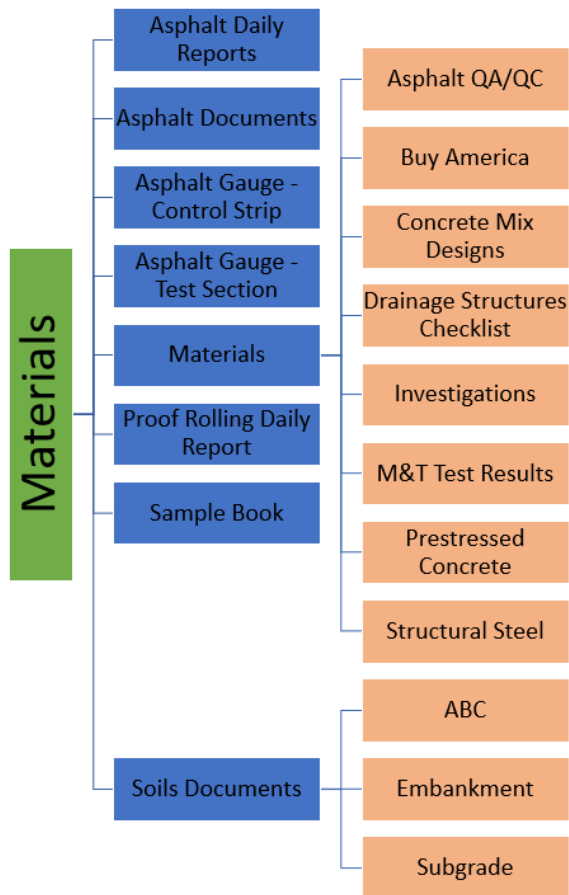
Pay Adjustments – Any documentation relative to pay adjustments. This may include letters, density information, correspondence from M&T, etc.

Pay Records – Any documentation relative to pay records.

Photogrammetry – Any documentation relative to photogrammetry flight information.

Workbook Entries – Any documentation relative to workbook

Materials



Asphalt Daily Reports – Electronic M&T 605 form that inspectors can complete

Asphalt Documents –Electronic M&T 515QA Test Section and Random Location Generator

Asphalt Gauge – Control Strip –Allows electronic entry of core samples and gauge measurements for setting up control strip

Asphalt Gauge – Test Section–Allows electronic entry of nuclear gauge records.

Proof Rolling Daily Report – Electronic Proof Rolling Report inspector can complete

Sample Book – Electronic Sample Book Entries. Ability to record sample id number, date, sample type, used for, etc.

Soils Documents –

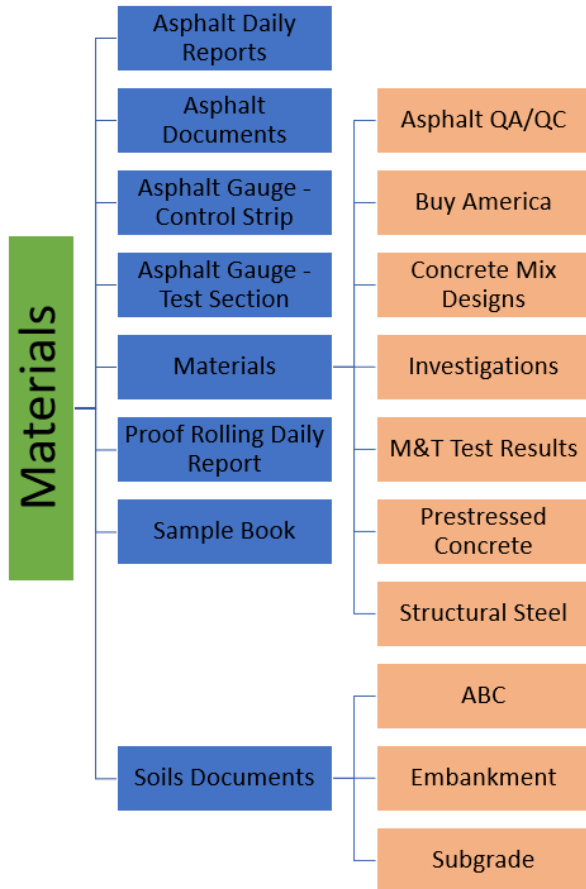
ABC – ABC density documentation

Embankments – Density documentation for embankments.

Also blasting reports and borrow pit information.

Subgrade - Density documentation for subgrade

Materials



Materials –

Asphalt QC/QA – QC/QA density documentation

Buy America – Buy America certification

Concrete Mix Designs – concrete mix designs approved for the project

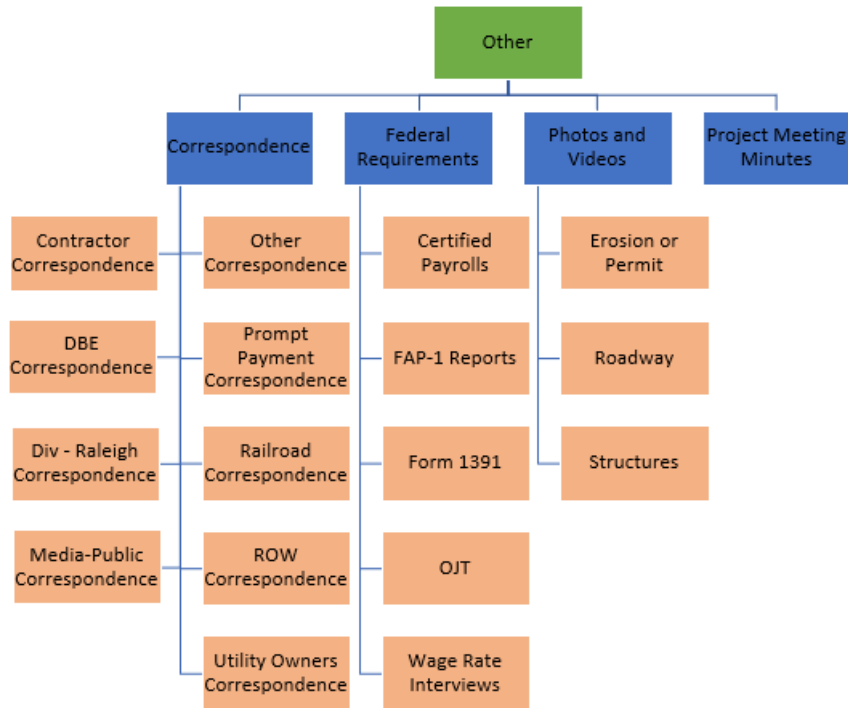
Investigations – documentation from investigations due to material acceptance

M&T Test Results – Test Results from samples taken not related to asphalt

Prestressed Concrete – Information relative to prestressed concrete materials. Not associated with materials received

Structural Steel - Information relative to structural steel materials. Not associated with materials received

Other



Correspondence –

Contractor – Correspondence to and from contractor

DBE – Correspondence related to DBEs

Div – Raleigh – Internal correspondence

Media – Public – correspondence related to press releases or public information/correspondence

Other – correspondence that doesn't fall into any of the other categories

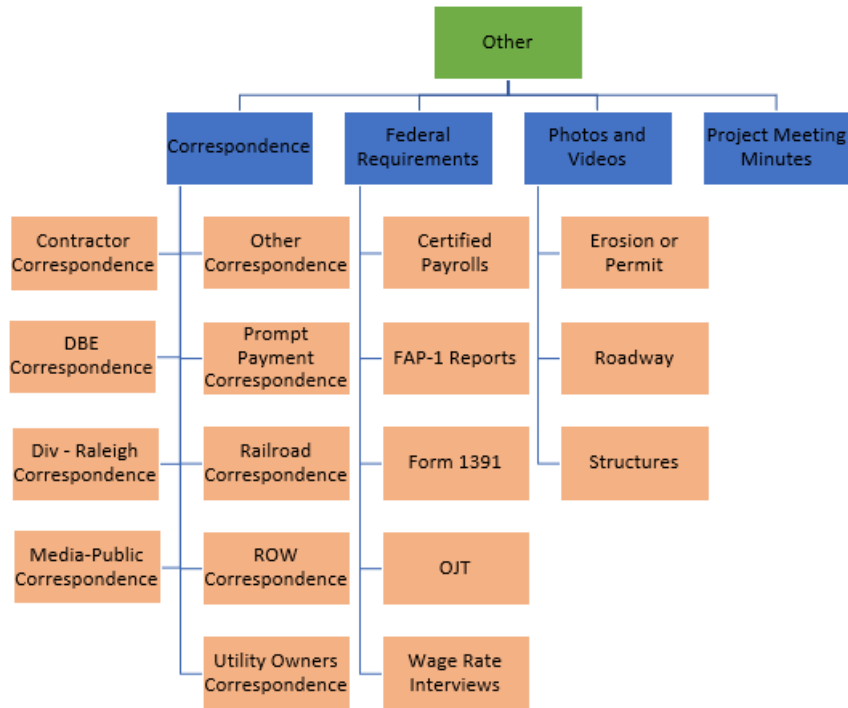
Prompt Payment – correspondence related to prompt payment issues

Railroad – correspondence related to RR construction or work within RR right of way

ROW – correspondence related to ROW issues, right of way agreements

Utility Owners – correspondence related to utility work, 3rd party and municipal work

Other



Federal Requirements –

Certified Payrolls – certified payrolls from prime and subs. Correspondence regarding payrolls to and from contractors.

FAP-1 Reports – weekly FAP-1 reports completed

Form 1391 – Annual 1391 reports

OJT – Documentation related to OJT program.

Wage Rate Interviews – wage rate interviews and tracking of contractors/interviews performed.

Photos and Videos –

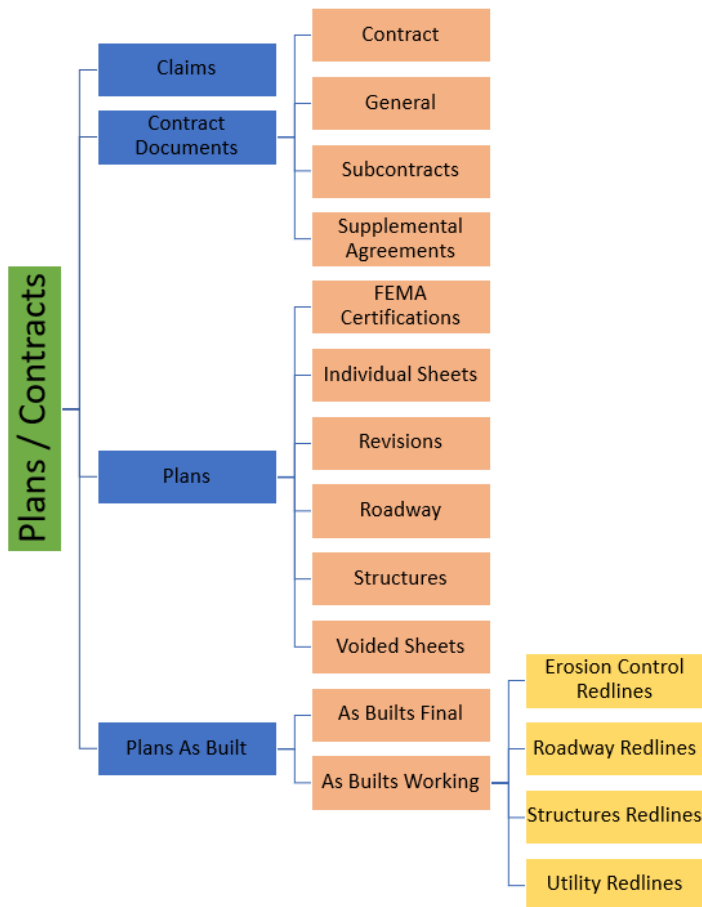
Erosion and Permit – pictures and videos from the project relative to erosion control and environmental compliance

Roadway – pictures and videos from the project relative to roadway construction

Structures - pictures and videos from the project relative to structure construction

Project Meeting Minutes – minutes from all meetings

Plans / Contracts



Claims – all correspondence and documentation related to claims

Contract Documents –

Contract – copy of contract, award letter, progress schedule, final inspection, acceptance letter,

General – general information relative to contract admin. Final field inspection reports, estimate of quantities, insurance, liability, etc.

Subcontracts – SAFs, revisions, correspondence relative to subcontractor work on the project

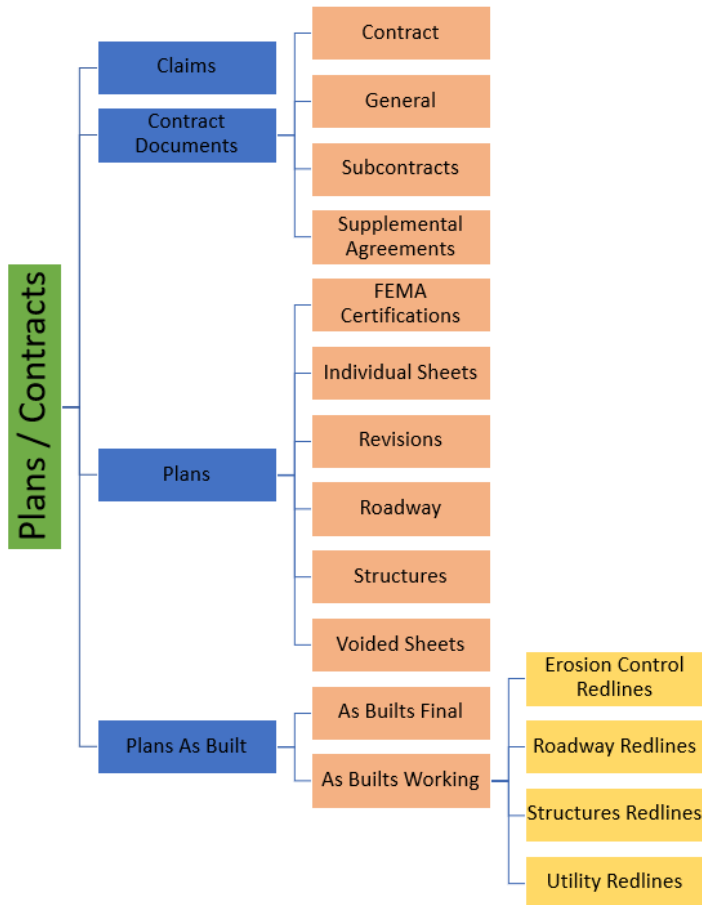
Supplemental Agreements – executed SAs, documentation relative to agreement of prices, backup documentation,

Plans –

FEMA Certifications – FEMA certifications for bridge projects

Individual Sheets – Individual Plan Sheets based on the plan set (Roadway, TMP, Pavement, EC, signing, etc)

Plans / Contracts



Plans (cont)

Revisions – Plan revisions

Roadway – plan sets for the various plans included on the project (Roadway, TMP, Pavement, EC, Signing, etc), Permit documentation,

Structures – plans sets for structures, include construction elevations and other critical design information for structures

Voided Sheets – sheets voided by revision

Plans As-Builts

As BUILTS Final – Final As BUILTS for the project

As BUILTS Working –

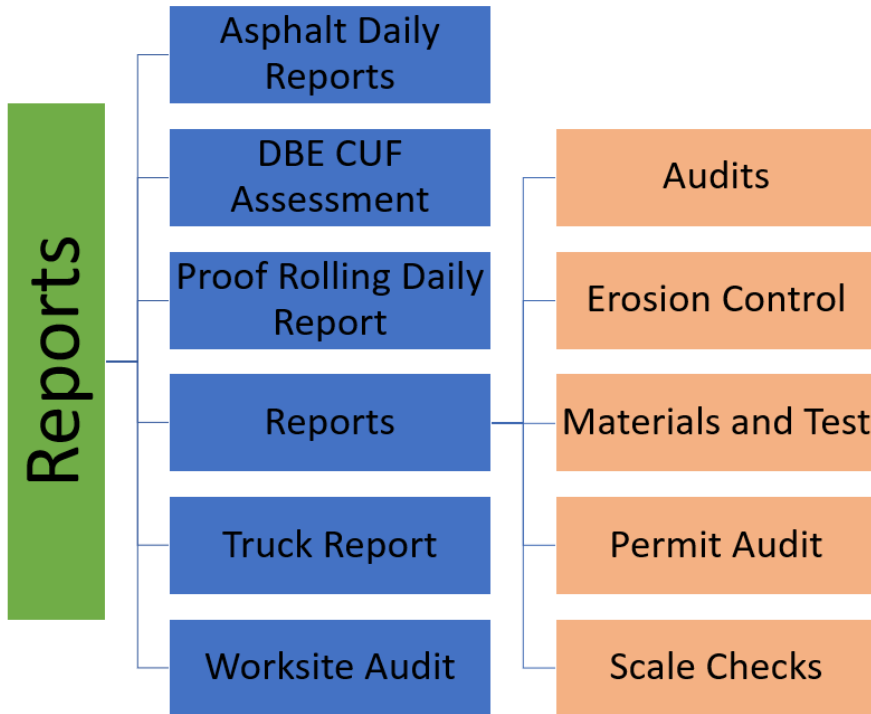
Erosion Control – As BUILTS for erosion control

Roadway Redlines – As BUILTS for Roadway Construction

Structures Redlines – As BUILTS for Structure Construction

Utility Redlines – As BUILTS for Utility Construction

Reports



Asphalt Daily Reports – Electronic M&T 605 form that inspectors can complete asphalt daily reports. Same folder as shown in Materials

DBE CUF Assessment – Commercially useful function assessment completed by the RE office

Proof Rolling Daily Report – Electronic Proof Rolling Report inspector can complete. Same folder as shown in Materials

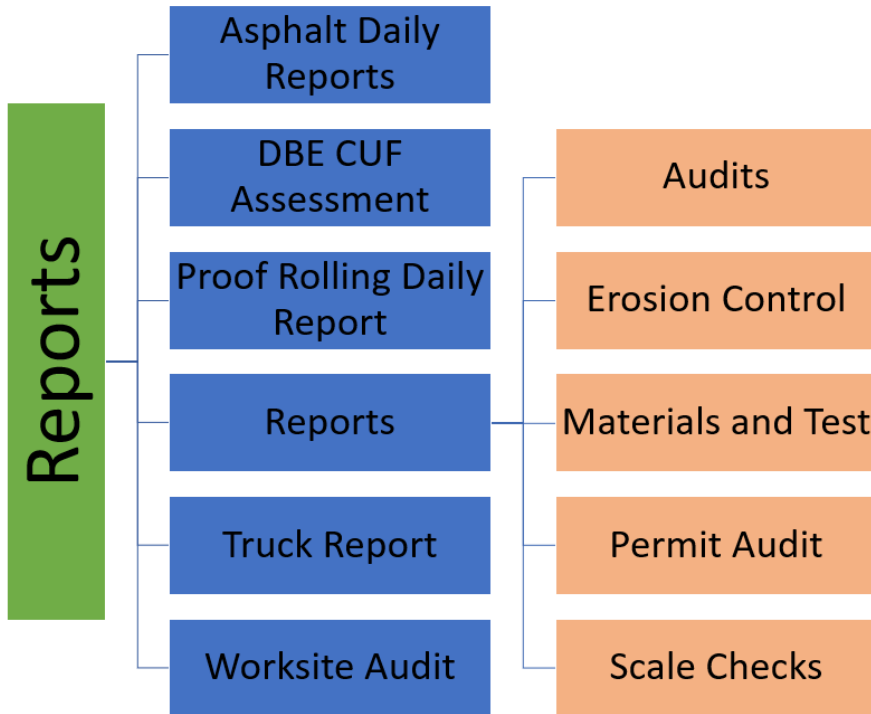
Reports –

Audits – audits performed on the project. Annual audits, internal audits, M&T, etc.

Erosion Control – Monthly erosion control reviews performed by EC field staff

Materials and Test – M&T reports provided during the life of the project. Not related to materials received.

Reports



Reports (cont) -

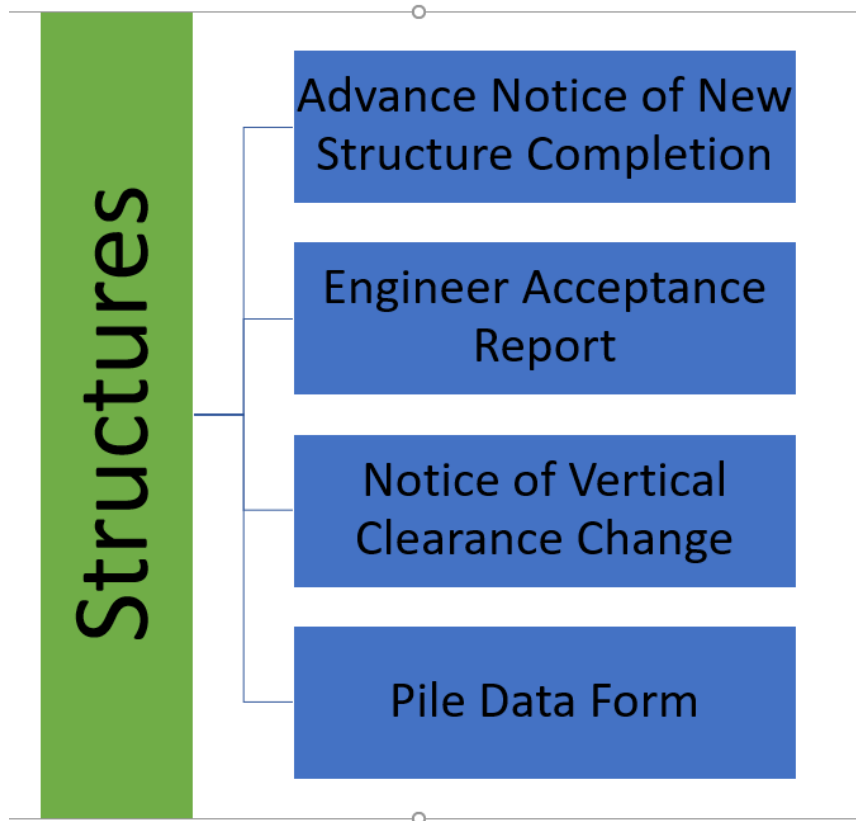
Permit Audit – Reviews performed by NCDOT permit compliance staff, outside agencies (DENR, DWQ)

Scales Checks – scale checks performed on the project

Truck Report – Truck Reports for documentation of trucking

Worksite Audits – Safety worksite audits performed on the project

Structures



Advance Notice of New Structure

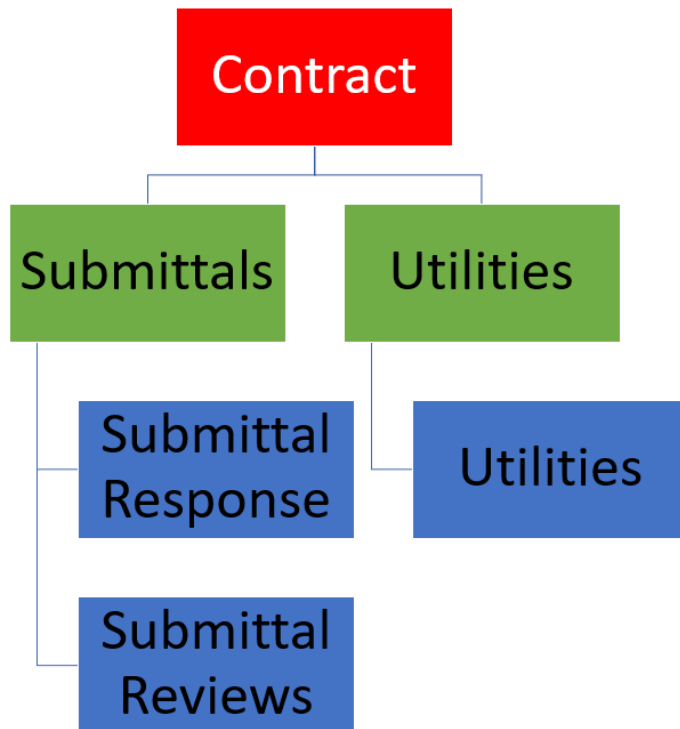
Completion – complete form once you know estimated completion date of structure.

Engineer Acceptance Form – Acceptance form for partial or final acceptance on project

Notice of Vertical Clearance Change - form to complete anytime a change in the vertical clearance occurs – new bridges, signs, resurfacing under existing structures,

Pile Data Form – Electronic form for pile driving information completed by the inspector

Submittals / Utilities



Submittals Response

Documentation relative to submittal receipt
response to contractors

Submittals Review

Internal correspondence relative to the review of
submittals.

Utilities – documentation relative to utility
relocation. Includes utility agreements,
reviews by municipalities, reimbursable
expenses, etc.

Subcontracts Emails



Subcontracts

- CCU is sending out emails out monthly basis to try to catch mistakes/unapproved SAFs
- Looking for:
 - Unapproved SAFs
 - SAFs with DBE work that do not have Goals Unit Price
 - SAFs that appear to have either incorrect unit price or goals unit price
- Why?????
 - FHWA Report is generated 2 times a year (April – September, October – March). We need accurate subcontract and DBE usage to report to the federal government
 - Legislative reporting on DBE usage for state and federal projects
 - SAFs that are incorrect can skew the numbers

What's Wrong with This

Subcontract	Rev	Subcontractor	Certification	RR	Amount	Goals Amount	Status	Pending
1		STAY ALERT SAFETY SERVICES INC	WB	<input type="checkbox"/>	\$84,422.00	\$72,992.83	Pending Approval	<input type="checkbox"/>
2		CURTIN TRUCKING & DRAINAGE INC	WB	<input type="checkbox"/>	\$142,730.00	\$142,730.00	Pending Approval	<input type="checkbox"/>
3		SEAL BROTHERS CONTRACTING LLC	WB	<input type="checkbox"/>	\$468,420.21	\$468,420.21	Pending Approval	<input type="checkbox"/>
4		SMITH-ROWE, LLC	(None)	<input type="checkbox"/>	\$5,488,250.37	\$0.00	Pending Approval	<input checked="" type="checkbox"/>
5		CLARK PAVEMENT MARKING INC	(None)	<input type="checkbox"/>	\$637,180.21	\$0.00	Pending Approval	<input type="checkbox"/>
6		SATTERFIELD PAVING INC	(None)	<input type="checkbox"/>	\$13,900.68	\$0.00	Pending Approval	<input type="checkbox"/>
7		CAROLINA TRANSPORT OF GREENSBORO	MB	<input type="checkbox"/>	\$387,806.70	\$387,806.70	Pending Approval	<input type="checkbox"/>
8		ATLAS SURVEYING CLT PC	(None)	<input type="checkbox"/>	\$123,500.00	\$0.00	Pending Approval	<input type="checkbox"/>
9		LERRELL MARSHMON HAULING LLC	MB	<input type="checkbox"/>	\$6,880.00	\$6,880.00	Pending Approval	<input type="checkbox"/>
10		CRUZ BROTHERS CONCRETE, INC.	MB	<input type="checkbox"/>	\$1,385,866.00	\$1,385,866.00	Pending Approval	<input type="checkbox"/>
11		BRENTWOOD DISPLAY SERVICES INC	(None)	<input type="checkbox"/>	\$1,151,970.81	\$0.00	Pending Approval	<input type="checkbox"/>
12		CAROLINA SUNROCK LLC	(None)	<input type="checkbox"/>	\$565,281.00	\$0.00	Pending Approval	<input type="checkbox"/>
13		REYNOLDS FENCE & GUARDRAIL INC	WB	<input type="checkbox"/>	\$349,031.25	\$349,031.25	Pending Approval	<input type="checkbox"/>

NCDOT gets no credit for subcontracts that are pending approval. Secondly, you can't pass subcontractor information to systems such as Sharepoint or SAP if the SAF doesn't get approved in HICAMS.

What's Wrong with This

Line Item	Cont Adj	Line Item	UOM	Cert. %	Partial	Quantity	Unit Price	Goals Unit Price
1		MOBILIZATION	LS	100%	<input checked="" type="checkbox"/>	1.000	35,000.0000	.0000
17		TRACER WIRE	LF	100%	<input checked="" type="checkbox"/>	41,300.000	.5000	.0000
28		HEAT SHRINK TUB KIT	EA	100%	<input checked="" type="checkbox"/>	8.000	80.0000	.0000
29		2" RISER WITH TUBING	EA	100%	<input checked="" type="checkbox"/>	48.000	95.0000	.0000
32		COMMUNICATIONS CABLE (** FIBER) [(24)]	LF	100%	<input checked="" type="checkbox"/>	103,500.000	1.6500	.0000
33		COMMUNICATIONS CABLE (** FIBER) [(48)]	LF	100%	<input checked="" type="checkbox"/>	800.000	1.8500	.0000
34		DROP CABLE	LF	100%	<input checked="" type="checkbox"/>	13,700.000	1.6500	.0000
35		SPLICE ENCLOSURE	EA	100%	<input checked="" type="checkbox"/>	35.000	1,495.0000	.0000
36		MOD SPLICE ENCLOSURE	EA	100%	<input checked="" type="checkbox"/>	50.000	1,325.0000	.0000
37		DELINEATOR MARKER	EA	100%	<input checked="" type="checkbox"/>	82.000	95.0000	.0000
39		REM EXT COMM CABLE	LF	100%	<input checked="" type="checkbox"/>	2,100.000	.3500	.0000
40		CABLE TRANSFER	EA	100%	<input checked="" type="checkbox"/>	10.000	245.0000	.0000

Comment:

DBE goals should be entered for all DBEs, not just committed ones. This allows NCDOT to track DBE usage for both committed (race conscious) and non-committed (race neutral) firms. By not entering the goal information for line items, we lose out on valuable DBE data.

What's Wrong with This

Status: Approved

Amount: \$22,080.00

Certification: DBE

Goals Amount: \$26,008,000.00

Contract Line Items (drag and drop items to be subcontracted):

Line Item	Cont Adj	Description	UOM	Quantity	Unit Price	Amount
1		MOBILIZATION	LS	1.000	\$25,000.0000	\$25,000.00
2		GRADING	LS	1.000	\$107,910.0000	\$107,910.00
3		UNDERCUT EXCAVATION	CY	150.000	\$20.0000	\$3,000.00
4		FND CONDIR MATL MINOR STRS	TON	8.000	\$50.0000	\$400.00
5		18" RC PIPE CULV III	LF	12.000	\$100.0000	\$1,200.00

Subcontracted Items

Detail

Second Tier

History

Line Item	Cont Adj	Line Item	UOM	Cert. %	Partial	Quantity	Unit Price	Goals Unit Price
8		ASP CONC BASE CRS B25.0B	TON	100%	<input checked="" type="checkbox"/>	870.000	8.0000	6,960.0000
9		ASP CONC INTR CRS I19.0B	TON	100%	<input checked="" type="checkbox"/>	350.000	8.0000	2,800.0000
10		ASP CONC SURF CRS S9.5B	TON	100%	<input checked="" type="checkbox"/>	1,540.000	8.0000	12,320.0000

Care should be taken to ensure that the correct information is entered in HICAMS. It is critical that we have accurate information for our reporting.

What's Wrong with this

Contract Line Items (drag and drop items to be subcontracted):						
Line Item	Cont Adj	Description	UOM	Quantity	Unit Price	Amount
1		MOBILIZATION	LS	1.000	\$12,000.0000	\$12,000.00
2		AST, DOUBLE SEAL	SY	217,525.000	\$0.7200	\$156,618.00
3		EMULSION FOR AST	GAL	119,639.000	\$1.7400	\$208,171.86
4		BLOTTING SAND	TON	20.000	\$1.0000	\$20.00
5		WORK ZONE ADV/GEN WARN SIGN	SF	1,860.000	\$6.0000	\$11,160.00

Subcontracted Items								
		Detail	Second Tier	History				
Line Item	Cont Adj	Line Item	UOM	Cert. %	Partial	Quantity	Unit Price	Goals Unit Price
3		EMULSION FOR AST	GAL	100%	<input type="checkbox"/>	50,000.000	1.7400	.1000

This subcontractor is most likely performing a partial. By entering the total unit price, you are not allowing anyone else to subcontract this material. Anytime you see a drastic difference between unit price and goals unit price, you should verify that this information is correct.

Portion verses Partial



Portion is quantity based assessment – a contractor can complete all of the work associated with the line item but is only subcontracted to perform some amount of the quantity.

Example: An asphalt sub is going to handle patching on 3 maps. The remaining maps will be patched by the prime.

Example: There are 100 boxes to build on the project. A subcontractor is going to build 10 of them.

Portion verses partial

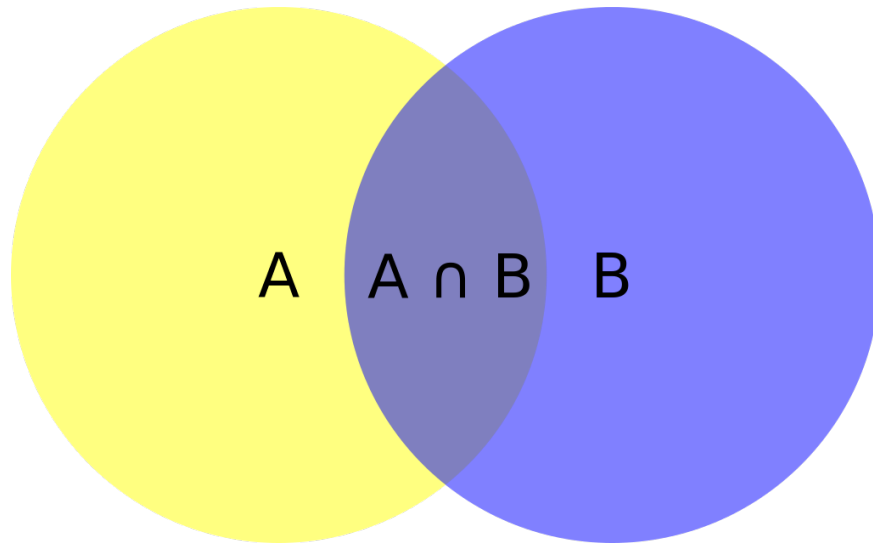


Partial is based on the scope of work to perform a line item – a contractor is constructing or providing one aspect or “part” of the work for a specific line item

Example: Hauling a ton of asphalt to the project. Not placing it, rolling it, providing any of the materials.

Example: Pouring the invert of the storm drain box but another sub built the box itself

Portion verses Partial



Can a line item be both a portion and a partial?

Yes!!!

Example: A sub may haul asphalt to 3 maps on a resurfacing projects totaling 500 tons out of 3,000 tons.

Example: A sub may tie rebar for 4 bridges on a project that has 15 total bridges

DBE Replacement Policy

UPDATES: Effective January 2019 Letting Date

- Added “Business” Days (not Calendar Days) for 5-Day Notice
- Added Method of Delivery Requirement: “Certified Mail” and “Email”
- Added “Partial” DBE Replacement Language: Policy/Form/Instructions
- Added List of “Good Causes” to DBE Replacement Section
- Added “Meeting” Requirement (Disputed Removal Responses)
- Added Line on Form to List “NON-DBE” Replacement Firm
- Added Link for “BOWD Supportive Services Form” (Office of Civil Rights)
- Updated Procedures in NCDOT Construction Manual
- Use New DBE Replacement Form

<https://connect.ncdot.gov/projects/construction/Construction%20Forms/DBE%20MBE%20WBE%20Replacement%20Form%20and%20Instructions.pdf>

DBE Replacement Form



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

DBE/MBE/WBE REPLACEMENT REQUEST FORM **PARTIAL** **FULL**

The North Carolina Department of Transportation (NCDOT) is committed to the participation of Disadvantaged, Minority and Woman Business Enterprises (DBE/MBE/WBE) in contracting opportunities in accordance with 49 Code of Federal Regulations (CFR).

In accordance with the Special Provisions, the Contractor shall not terminate a committed DBE/MBE/WBE subcontractor for convenience or perform the work with its own forces or those of an affiliate. Reasonable methods to resolve performance disputes must be applied. The contractor shall follow the attached Instructions for Submittal of Replacement. Replacement of a DBE/MBE/WBE without written approval from NCDOT is a violation of contract provisions and may result in the Contractor being disqualified from bidding for a period of up to 6 months.

Contract Number: _____

DBE/MBE/WBE being replaced: _____

Explanation for Replacement: _____

Subcontract Amount: _____

Amount of Subcontract Remaining: _____

Line Items: _____

If a committed DBE/MBE/WBE subcontractor is terminated for good cause as specified in the Special Provisions the Contractor will make a good faith effort to find another DBE/MBE/WBE subcontractor to substitute for the terminated DBE/MBE/WBE. These good faith efforts shall be directed at finding another DBE/MBE/WBE to perform at least the same amount of work under the contract as DBE/MBE/WBE that was terminated, to the extent needed to meet the contract goal established for the project.

Replacement DBE/MBE/WBE: _____

Replacement NON-DBE Firm: _____

Amount of Subcontract: _____ Line Items: _____

Committed DBE/MBE/WBE Signature: _____ Date: _____

By signing this document, the Contractor, DBE/MBE/WBE and the NCDOT Contract Administrator acknowledges that the 5 business days to respond was given, and concurs with the process of replacing the named DBE/MBE/WBE subcontractor.

Original DBE/MBE/WBE Signature _____ Date _____

Prime Contractor Signature _____ Date _____

NCDOT Contract Administrator _____ Date _____

Upon Completion Send to: State Construction Engineer
State Contractor Utilization Engineer

INSTRUCTIONS FOR SUBMITTAL OF DBE/MBE/WBE REPLACEMENT REQUEST FORM

IN ADDITION TO SUBMITTING THIS FORM, THE CONTRACT ADMINISTRATOR MUST ENSURE THAT THE STEPS BELOW ARE FOLLOWED:

1. Prior to starting the replacement process, the Contractor is responsible for coordinating with the DBE/MBE/WBE subcontractor to see if they are willing and able to perform the work as indicated in their contract. If the contractor notices a reoccurring issue with a DBE/MBE/WBE subcontractor, they are to notify the Contract Administrator and keep them abreast of the issues. The Contract Administrator will notify the Construction Unit to determine whether the DBE/MBE/WBE firm would benefit from supportive services provided by the Business Opportunity and Workforce Development Unit in the Office of Civil Rights. (Link to [BOWD Supportive Services Field Form](#))

2. If the DBE/MBE/WBE subcontractor cannot perform the work or if the Contractor shows good cause for replacement, the Contract Administrator will coordinate with the Construction Unit to begin the replacement process. The Construction Unit will coordinate with other sections, to include the State Contractor Utilization Engineer, as appropriate.

(Examples of good cause include: DBE fails or refuses to execute a written contract; DBE fails or refuses to perform the work of its subcontract consistent with normal industry standards; DBE fails to meet reasonable, nondiscriminatory bond requirements; DBE becomes bankrupt, insolvent, or exhibits credit unworthiness; DBE is ineligible to work because of suspension and debarment proceedings; DBE voluntarily withdraws from the project and provides written notice; DBE is ineligible to receive DBE credit for the type of work required; DBE owner dies or becomes disabled and is unable to complete its work; or other documented good cause that compels termination. Good cause does not exist where failure or refusal to perform the work of the subcontract results from bad faith or discriminatory action of the prime contractor.)

3. Before requesting NCDOT's consent for the proposed termination and/or substitution of a DBE, the Contractor shall give written notice by certified mail and email of the proposal, including the reason(s) for termination and/or substitution, to the DBE/MBE/WBE with a copy to the Engineer. The DBE/MBE/WBE shall be given five (5) business days to respond unless it is reduced by public necessity (e.g. safety). The five-day notice period shall begin on the next business day after written notice is provided to the DBE subcontractor. Upon receipt, the Construction Unit will email a copy of the Notice of Intent to Request Termination and/or Substitution to the State Contractor Utilization Engineer and other units to include DBE@ncdot.gov, BOWD@ncdot.gov, and TitleVI@ncdot.gov.
4. After the notice period the Contract Administrator will ensure that the Contractor has submitted all supporting documentation for the DBE/MBE/WBE replacement. Letters, emails or any other correspondence between the Contractor, the DBE/MBE/WBE subcontractor, and the Contract Administrator will be considered supporting documentation. This documentation must provide valid reason(s) for replacement as well as the opportunity to correct the issue. Contractors cannot replace for convenience or perform the work with its own forces or those of an affiliate.
5. Upon receipt of a disputed response from the DBE subcontractor, the Department will conduct a meeting with the Contractor and DBE subcontractor before making a final determination regarding the replacement.
6. If the Contractor is given approval by the Contract Administrator to replace a DBE/MBE/WBE subcontractor, the Contractor will submit all documentation of a Good Faith Effort (phone logs, emails, and any other documentation) to the Contract Administrator. The Contract Administrator will coordinate with the Construction Unit to review the documentation. The Construction Unit will coordinate with other sections, to include the State Contractor Utilization Engineer, as appropriate. The Contractor must make a Good Faith Effort to replace a DBE, MBE or WBE with the same certification type based on funding source. Per the Special Provisions, the Contractor may utilize additional DBE(s) submitted at time of bid to cover the same amount of work as the DBE/MBE/WBE that was terminated.
7. Signature lines on form: The form should contain the signature of the original DBE/MBE/WBE subcontractor being replaced. However, if this is not possible (e.g., the DBE/MBE/WBE does not sign the form), then documentation supporting the decision and acknowledgement of the reasons for replacement of the DBE/MBE/WBE subcontractor should be attached. The form shall also be signed by the replacement DBE/MBE/WBE to show their participation on the project as a committed DBE/MBE/WBE subcontractor.
8. A file copy of the replacement documentation and completed form should be sent to the State Construction Engineer and State Contractor Utilization Engineer in the Office of Civil Rights.

Prompt Payment Provision

REMINDERS:

- Section 109-4 must be physically incorporated into all tier level subcontracts
- Specifications require 7 days for payment to all tier level subcontracts
- Monthly Review: Estimates & Payment Tracking System for discrepancies
- Complaints from Subcontractors – Request Copy of INVOICES
- Make a Prompt Payment or Contractual Issue Determination
- Good Cause Circumstances for Delay/Postponement of Payments
- Construction Unit (Area Construction Engineers) should be contacted for all prompt payment issues.
- Follow-up Documentation to the Prime (Official NCDOT Letterhead)

Miscellaneous

REMINDERS:

- Subcontractor Payment Tracking
 - Capture Payments to 2nd Tier DBE Firms– Need Documentation from 1st Tier Non-DBE
 - All DBE Participation (committed/noncommitted should be entered (if CUF performed))
 - DBE Suppliers/Manufacturers – Must Request Copy of DBE Invoice to Verify for CUF
- Physically incorporated language (Not Attachments)
 - Title VI and Prompt Payment
 - All Tier Levels

Contract Administration Checklist

REMINDERS:

- Contract Administrators (RE/District Eng) are responsible for ALL contract issues
- Construction Unit serves as the Help Desk to assist w/ Contract Administration
- Area Construction Engineers should be the primary contact person for all issues
- Construction Unit is also responsible for tracking and monitoring specific federal compliance programs (e.g. prompt payments, DBE replacements / compliance, Davis Bacon wage violations, etc.)
- Correspondence Folders in SharePoint: Upload all project-related documents
- Contractual Matters: Subcontractors work directly for the Primes not NCDOT

FHWA 1391 Form – Annual EEO Report

- Required for both prime and subcontractors with contracts that equal or exceed \$10,000
- Applies to ACTIVE Federally funded contracts only
- ACTIVE Projects: Use Final Acceptance Date
- Report the last **FULL Pay Week** worked on a NCDOT project in July
- Reporting week(s) for all contractors may be between **July 1-31**
- Form is required even if the project and/or contractor is Payroll Exempt
- “No ACTIVITY” – Active but No Work Performed between July 1-31
- All employees working on federal-aid projects must be accounted for
- Trainees listed must be in an recognized and approved NCDOT program
- Reports Due to OCR: August of Current Yr / Hold Estimates for Noncompliance

Partial Pay Estimates

- Time allowed for partial pay estimates

Contract Type	Processing Timeframe
Minor Projects	2 work days
Other Projects	4 work days
Major Projects that exceed \$25 Million	5 work days

- Minor projects – Resurfacing, Safety, Signing, Lighting, Landscaping, Traffic Signal Installation, Guardrail, Pavement Markings, Bridge Painting, Bridge Replacement, No Plan Projects, Etc.
- What can be done to get payment of estimates out quicker?
- What is delaying process?

Estimate End Date

- Reviewed end dates for active contracts

7th	15th	22nd	End	Not Assigned	Total	% End of Month
14	12	13	13	0	52	25.00%
12	13	11	17	0	53	32.08%
15	15	13	22	0	65	33.85%
12	19	14	30	0	75	40.00%
8	26	23	41	0	98	41.84%
6	20	5	29	0	60	48.33%
4	15	7	31	0	57	54.39%
4	9	6	30	0	49	61.22%
2	6	8	39	1	56	69.64%
3	7	3	40	0	53	75.47%
2	12	1	59	0	74	79.73%
7	5	2	69	0	83	83.13%
0	9	0	46	0	55	83.64%
0	4	1	66	0	71	92.96%
0	0	0	2	0	2	100.00%
89	172	107	534	1	903	
9.86%	19.05%	11.85%	59.14%	0.11%		

Sorted by % End of the Month

Partial Estimate Processing Issues/Tips

- Complete all PARS – Close them as they are complete
- Address “Open Issues” in timely manner – Don’t wait until the final
- Enter completion dates for ICTS as they complete – not estimated completion date but the actual ones
- When creating new ICTs – enter complete description of ICT (not just ICT#)
- Provide comments on all contract times that have “Apparent” or “Anticipated” LDs
- Check LS items to ensure that they aren’t overpaid
- Ensure that Emulsion of AST Adjustment is calculated and paid on all AST contracts that have the special provision
- When preparing supplemental agreements, make sure lump sum is only used for lump sum items (IE don’t set up item as lump sum and then pay for it as each)
- Estimates are rejected and REs are emailed if there are questions or if it is unclear how much LDs should be held

Final Estimate Processing Issues/Tips

- Include DBE Summary Report with Final Estimate assembly. Provide justification for shortfall of commitments. You can check that there are pending payments if payments are going to be required based on payment of the final estimate. Make sure you are submitting Division let DBE Summary reports directly to Office of Civil Rights.
- Make sure Contractor Notification Date is entered prior to forwarding final estimate in HICAMS
- Return all ticketbooks, diaries, and pay record books when closeout conference is complete.
- Design Build projects during activation should have function code 7620. Supplemental Agreement created on DB projects should have function code 79620 associated them as well.
- Winter weather days are only due the contractor when contract is extended past Dec 15 of a given year. Waiver of seasonal limitations is different than granting time. Make sure LDs are going to be waived prior to making recommendation on estimate.
- Make sure all final estimate documents are provided to CCU (email is fine, but please send originals for all C contracts)
- Make sure checks are emailed to CCU (Attention Lamar, Nancy, or Vivian).
- Make sure inspectors are using only pencil in PRB. Division check should be in blue, and CCU check should be in red
- Checks at the Division level should be done. We have seen some recent errors with blue checkmarks but incorrect page totals or information in PRB doesn't match what was paid in HICAMS.
- If pay records are electronic, make sure there is back up documentation (ie calculations) representing how the quantities were measured.
- Use one line per entry in PRB
- Look for rounding and decimal consistency
- As-Builts should have appropriate signatures before sending to CCU

Budget Correction Letters

- What is budget correction letter?
 - Letter required anytime a split causes unequal transactions
- Why????
 - Adding money to a contract and Fiscal has to have documentation to approve it
- Example – You discovered that you need 12” thermo on WBS #2. The contract called for 100 LF on WBS #1. What to do???
 - Split some quantity of 12” thermo from WBS #1 to WBS #2. Only split off some portion of 100 LF. For this example, we will use 20 LF. It will create the line code on WBS #2 with a quantity of 20 LF, WBS #1 will reduce to 80 LF.
 - If you split off 150 LF to WBS #2, WBS #1 is reduced to 0 (it can’t go negative) and WBS #2 will have 150 LF. This creates an unequal transaction as you have added quantities and thus additional funding to the contract. This requires a budget correction letter.
- Be careful of participating / non-participating. Only use NP if you are tracking expenses that need to be passed onto another entity (municipality)

Supplemental Agreements

- Executed copy of SA must be scanned into SAP as soon as you click contractor concurrence.
- Fiscal must have this documentation in order to approve additional funding on a contract.
- If Fiscal contacts you, they will ask for backup documentation. Their definition of backup documentation is proof of an executed SA, not backup documentation for pricing, contractor information, etc.
- If you don't, it can create problems with estimate processing.
- Working with HICAMS team to have an automatic upload when you click contractor concurrence.

Proposed Training Calendar

January 2019	February 2019	March 2019
Webinar – Materials	Webinar – DBE Replacement CAPA Conference	Resident Engineers Workshops Webinar – Pay Records Pilot
April 2019	May 2019	June 2019
Webinar – Project Closeout	Webinar – RFID Tags	Webinar – FHWA 1391
July 2019	August 2019	September 2019
Webinar – Supplemental Agreements	Webinar – Prompt Payment & Title VI	Webinar – Full Depth Reclamation & CTBC
October 2019	November 2019	December 2019
Webinar – AASHTOWare CRL	Webinar – Counting DBE Participation	Webinar – Final Estimates

Questions????



SANITY

The first thing to go when deadling with paperwork.

