



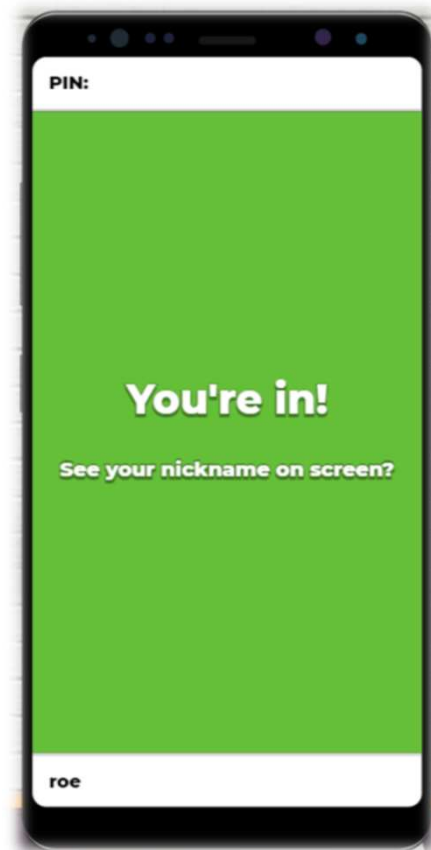
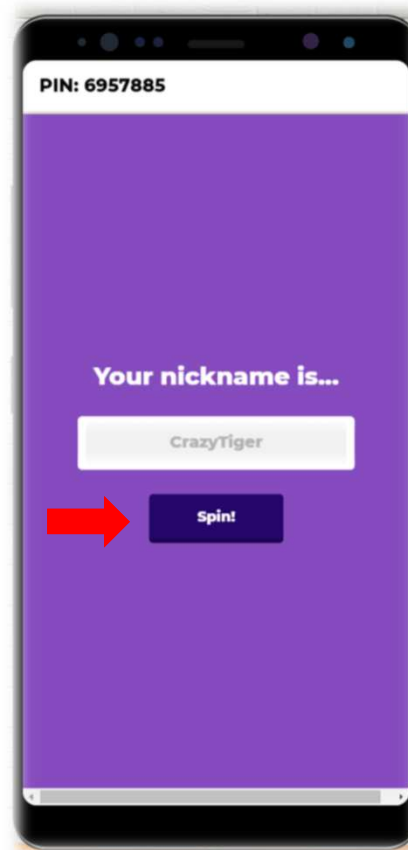
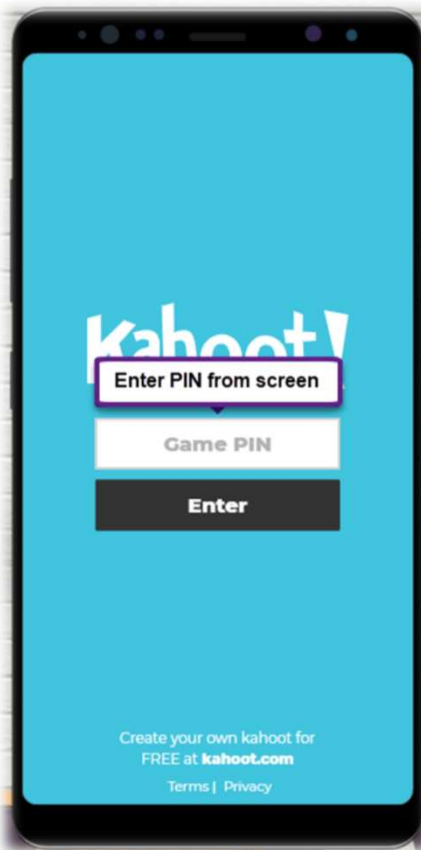
NORTH CAROLINA Department of Transportation



Critical Topics in Construction

Michelle Gaddy, PE

www.kahoot.it



Your Phone

The Meeting Presentation Screen

What is the name of this civil engineering landmark on the Blue Ridge Parkway?

18

Skip

0 Answers

▲ Julian Price Bridge

◆ Wilson Creek Pass

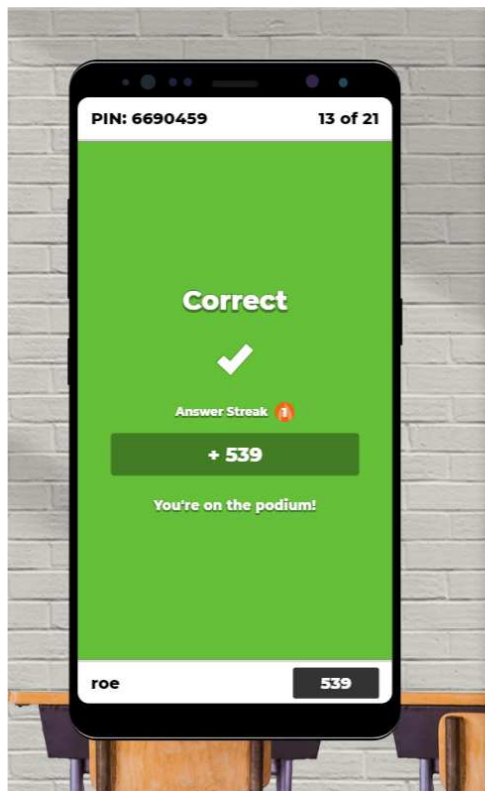
● Blue Ridge Elevated Parkway

■ Linn Cove Viaduct

Game joining: **open** **kahoot.it** Game PIN:

ro **0**

Your Phone



The Meeting Presentation Screen

What is the name of this civil engineering landmark on the Blue Ridge Parkway?

Next

0 0 0 1

Show media

End game

▲ Julian Price Bridge	×	◆ Wilson Creek Pass	×
● Blue Ridge Elevated Parkway	×	■ Linn Cove Viaduct	✓

Game joining: 🔒 open kahoot.it Game PIN:

Subcontract Approval Forms

Subcontract Approval Forms are to be submitted when



Prior to the subcontractor performing work



At the preconstruction conference



This form isn't needed



within 30 days of availability, 20% contract time or before mobilization



Subcontract Approval Forms are required to be submitted within 30 days from the date of availability or 20% of contract time, whichever is greater.

> A subcontractor should **NEVER** mobilize to the project unless the SAF has been submitted to NCDOT with time to review.

The prime and subcontractor should sign the SAF prior to submittal

Subcontract Approval Forms

[illegible]

The DBE unit price should reflect the amount the DBE is being paid. This can be more or less than what NCDOT is paying the prime and should be equal to exceed what the prime contractor committed to at bid time.

Subcontract Unit Price should reflect the value NCDOT is paying for the work. If the sub is performing all of the work for the line item, this should be equal to the contract unit price regardless of how much the DBE is being paid. These values are used to ensure prime is performing 40% of work in accordance with Section 108-6

Subcontract Approval Forms

When only a partial for a DBE is checked, what should be shown on the SAF

[illegible]

Partial indicates that the sub is only performing part of the work associated with a line item (hauling, tying steel). Not only should partial be denoted ●, but a general description of what part of the work should be included.

If the quantity is something different than the entire contract quantity, portion would need to be checked ♦

All SAFs for DBEs must reflect not only the subcontract value but the amount paid to the DBE, even if it is the same.

Subcontract Agreements

What should be included in all subcontract agreements between prime and subcontractors for federal contracts?



▲ Title VI and FHWA 1273



◆ NCDOT Unit Prices



● Resident Engineer Contact



■ None of the above



Title VI and FHWA 1273 (if federally funded) should be physically incorporated into all subcontract agreements between the prime and the subcontractor (and any tiered subcontractor agreements).

Resident Engineers are required to request subcontractor agreements for 2 SAFS or 20%, whichever is greater.

When you sign the SAF, you are attesting that these are included in the subcontract agreements.

Contract Administrator

Who should be contacted if there is an issue on the project



▲ Area Construction Engineer



◆ Prime Contractor



● Resident Engineer/Contract Administrator



■ Chief Engineer's Office



The Resident Engineer (or contract administrator) is the primary contact for all issues on the contract. They should be consulted regarding any contract administration issue that arises during the life of the project.

Prompt Payment

Prompt Payment requires that the contractor pay a subcontractor within



▲ Seven days of invoice date



◆ Seven days of payment



● When I want to



■ 30 days of payment



Section 109-4 of the Standards requires payment of subcontractors, all lower tier subcontractors, or material suppliers within 7 calendar days of receipt of money.

Supplemental Agreements

Which Specification can SAs be written in accordance with?



▲ 104-3 Alterations in Plans



◆ 104-7 Extra Work



● 104-12 VEP



■ All of the above



Supplemental Agreements can be written in accordance with:

- 104-3 Alteration in Plans
- 104-5 Overruns and Underruns of Contract Quantities
- 104-7 Extra Work
- Other – covers all other reasons including 104-12 Value Engineering Proposals
- The reason for writing a SA should be included in the language of the SA

Supplemental Agreements

Who can sign a supplemental agreement as the contractor's authorized representative?



Remove



President of the company



Project Manager



Individuals identified by the contractor in formal submittal



All of the above



Supplemental Agreements are to be signed by an authorized representative of the contractor. As specified in Section 104-2 of the Standards, the contractor shall file with the Engineer a copy of the name or names of his representatives. This should be provided at the preconstruction conference and only these individuals can sign.

If personnel changes during the life of the contract, the contractor needs to submit an updated list.

Supplemental Agreements

Verbal Approval may be granted for supplemental agreements greater than \$25,000.



▲ When approved by the chief engineer



◆ False



● True



■ If justification for a quick response is provided



Verbal Approval can be provided if the all parties have agreed to prices and conditions of work and the value of work is less than \$25,000.

The SA should be executed in a timely manner after the verbal approval.

Noone can authorize work to begin until the SA is signed by all parties. RE Staff should mark contractor concurrence and upload the SA into SAP/Sharpepoint as soon as the SA is executed.

Commercially Useful Function (CUF)

What is necessary to perform a commercially useful function (CUF)?



▲ Subcontractor performs, manages, and supervises work with own resources



◆ Subcontractor performs work on project under supervision of prime



● Subcontractor performs all work with prime provided materials



■ Subcontractor gets paid for work performed



A DBE Firm essentially performs a CUF (Commercially Useful Function) when it PERFORMS, MANAGES and SUPERVISES its work with its own resources (i.e. Employees, Equipment and Materials). A commercially useful function requires full control of labor, equipment and materials by the DBE Subcontractor.”

If a commercially useful function is not met, then DBE credit is not allowed.

Joint Checks

When should the NCDOT joint check agreement be executed

The screenshot shows the NCDOT Joint Check Notification Form. It includes fields for Contract/Project Owner, Name of Subcontractor, Name of Material Supplier, Date of work, and a section for the Joint Check Procedure. It also has a section for the Resident Engineer's signature and a 'Remove' button.

▲ When a DBE needs help performing work



◆ When a DBE requires assistance establishing/increasing credit line



● Don't need NCDOT form if you use the contractor's joint check agreement



■ When the prime buys the materials for the DBE



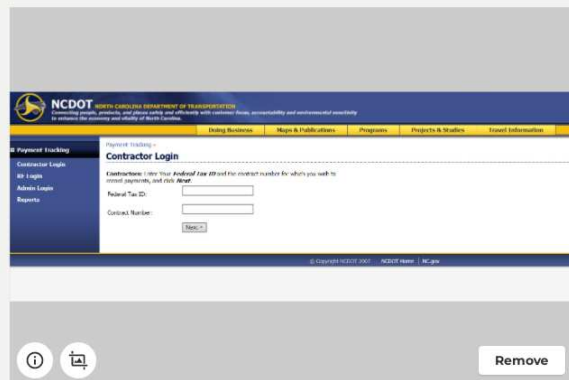
A joint check may be used in instances where there are potential credit issues or a DBE needs to establish credit with a supplier.

The NCDOT form **must** be used and submitted to the Resident Engineer for approval prior to use of a joint check.

The check written by the prime for the materials should contain the names of both the supplier and the subcontractor.

DBE Payment Reporting

If a DBE Supplier submits \$100,000 invoice to the prime contractor, how much can the prime enter into payment tracking?



▲ \$100,000	<input type="radio"/>	◆ \$60,000	<input checked="" type="radio"/>
● \$90,000	<input type="radio"/>	■ What they actually paid the supplier	<input type="radio"/>

All payments made to DBEs should be entered on the DBE Payment Tracking website. The Department will use the data to determine race gender (committed) and race neutral (additional) participation that actually occurs on NCDOT projects.

Only payments that meet a commercially useful function should be entered. All payments count of 100% except DBE supplier payments, which should be 60% of the invoice amount.

Certified Payrolls

Which job title is included in federal wage rate determinations?



▲ Laborer - Pipelayer



◆ Skid Steerer Operator



● Truck Driver



■ Flagger



Many classifications has sub-classifications such as laborer-pipelayer. Skid steerer operator and flagger are not approved classifications. Truck driver is split by more or less than 26,000 lb gross vehicle weight rating.

It is critical subs use the exact job classifications listed in the wage rate determination. The Department will be moving to an electronic payroll submittal proposal in the future, which will require use of only approved classifications.

Certified Payrolls

What type of classifications are exempt from Davis Bacon Act?

[illegible]

Project Engineers, Surveyors, and Quality control inspectors are not required to submit payrolls. Truck drivers are only exempt when they are hauling from a commercial site (IE plant)

▲ Project Engineers, Surveyors, and Truck Drivers

Projects Engineers, Truck Drivers, and Quality Control Inspectors

■ Surveyors, Truck Drivers, and Quality Control Inspectors

FHWA 1391

The FHWA 1391 is required if the contract is exempt from Davis Bacon Act

FHWA 1391 submittal (EEO Report) is required for federal contracts that are greater than \$10,000. This includes the prime and all subcontractors whose contracts are greater than the \$10,000 minimum. This is regardless if certified payrolls are required on the project.

In 2021, the Department required electronic submittal of the FHWA 1391. We are continuing to tweak and enhance the process for 2022.

☒ True
 ☐ False

☐ Only if it is less than \$10,000
 ☐ If NCDOT says so

FHWA 1391

On the FHWA 1391 Form (Annual EEO Report), Prime and Subcontractors are required to report what period of time?



☒ Report the last full week worked in July

☐ Report the last week in July

☐ Pick any week worked in July

☐ None of the above

The FHWA 1391 should be submitted for the last full week that the submitting contractor worked during the month of July. This means the prime and subs may be submitting different weeks during the month.

Final Estimate

What documents are needed for the final estimate to be paid



▲ Consent of Surety, Affidavit, Final Claim Letter



◆ Consent of Surety, Bill of Sale, Copy of Invoice



● Final Closeout Agreement



■ Consent of Surety, Affidavit, Final Claim Letter, All contract docs



In accordance with Section 109-10 of the Specifications, the following documents are needed:

- Statement of Consent of Surety on the contract bonds for payment of money due the Contractor.
- Affidavit of the Contractor that all obligations and debts arising out of the construction have been satisfied or affidavit that shall include a list of obligations not satisfied.
- Written notice that the Contractor has no request for any extension in the completion date or any adjustment in or in lieu thereof written notice presenting all request for adjustment of the final estimate setting forth full justification for such requests.
- Any other documents that are required by the contract such as reports, statements and other information necessary for compliance with applicable labor regulations of the FHWA.

Final Estimate

When should the closeout conference be scheduled?



NCDOT should schedule it after sending final quantities



Once the contractor has ample time to review quantities/identify claims



The contractor should request it upon receipt of final quantities



After project acceptance



Both NCDOT and the contractor have a vested interest in closing out the contract in a timely manner. That said, the contractor and subs should have a chance to review final quantities and final payment prior to scheduling the closeout conference.



The contractor should provide NCDOT with a list of topics for discussion. This allows all parties to have an opportunity to review details about the issues prior to discussion at the closeout.

If a closeout is executed, this takes the place of the final claim letter.

Training

What area would you like to see more training/information on?



▲ Subcontracts



◆ Policy / Procedures



● Supplemental Agreements



■ I'm Good with everything



The Department is available to assist with training for new engineers or project personnel – this includes our internal and external partners.

If there are topics that you would like to see some training offered – what are they?

Any Questions



Michelle Gaddy, PE
State Construction Operations Engineer
919-707-2490
mhgaddy@ncdot.gov