Baseline Document Change Announcement

Miscellaneous revisions to Div. 100
BDC12S-07
May 29, 2012

SUBJECT: Revision to Subsections 101.01, 101.03, 104.03 and 109.05 of the 2007 Standard Specifications for Road and Bridge Construction.

Subsections 101.01, 101.03, Subparts 104.03.03, 104.03.08 and Subsection 109.05 of the 2007 Standard Specifications for Road and Bridge Construction have been revised.

The details of the revisions are as follows:

101.01 American Recovery and Reinvestment Act (ARRA), 2009; (Stimulus Act) requirements in the SI have been deleted since they are no longer needed.

101.03 The term “Completion” for the Federally Funded projects in the SI has been deleted since the Federal form FHWA-47 is no longer needed.

104.03 In order to address various field concerns, and to simplify the requirements, the threshold cost of “change” is reduced to $7,500 on all contracts. This will allow the contractors to seek reimbursement if the multiple differing site conditions result in costs exceeding $7,500. Therefore, Table 104.03.03.1-1 has been deleted.

Since the industry standard for the Contractor owned equipment used by most states is to calculate the hourly rate by dividing the monthly rate by 176; the specifications have been revised accordingly.

To address the industry’s concerns regarding the cap, the ceiling (cap) is changed to reduce the rate of the contractor’s markup to 2% for the subcontractor’s costs in excess of $500,000.

109.05 The revised requirement addresses the industry’s concern regarding their ability to enforce the subcontractor’s compliance before each payment.

The following BDC Announcements are hereby superseded:

1 BDC09S-03R Dated 04/16/2009 entitled “Revision to Subsection 101.01 of the 2007 Standard Input”.
The following revisions have been incorporated in Standard Input, SI2007 as of May 29, 2012.

104.03.03 Types of Changes

3. Changes in the Character of Work.
   a. Differing Site Condition.
   THE SECOND PARAGRAPH IS CHANGED TO:

   The Department will make payment for increased costs resulting from a Type 1 or Type 2 Differing Site Condition as a change in the character of work; however, the Department will not consider making payment for a differing site condition unless the resulting change in cost exceeds $7,500. Except, if the Contractor incurs cost as the result of multiple differing site conditions, with the cost of each separate differing site condition having a value of at least $1,500 but not more than $7,500, the Department will consider making payment for such costs if the aggregate cost of the multiple differing site conditions exceeds $7,500. If the change in cost exceeds these amounts, the Department will base the modification on the total cost of the change, and the Department will not deduct the threshold amount of $7,500 from the cost of the change.

104.03.08 Force Account

7. Equipment.
   a. Contractor-Owned Equipment.
   PART 1 IS CHANGED TO:

   1. The Department will calculate the “rental” hourly rates by dividing the monthly rate by 176. The Department will not use weekly, daily, or hourly rates. The Department will apply rental hourly rates for every hour the equipment is in active use, except that for any 30-day period, the Department will limit the total amount paid for each piece of equipment to a maximum of the monthly rate.

   THE FOLLOWING PART IS ADDED

   6. The Department will make payment for costs for transporting equipment to and from the work site, if said costs are solely required as a direct result of the Force Account activity.

   THE SECOND PARAGRAPH IS CHANGE TO:

   The payment established is full payment for all equipment costs, including the cost of fuel, repairs, maintenance, depreciation, storage and incidentals.

   10. Subcontractors.
   THE SECOND PARAGRAPH IS CHANGED TO:

   The Department will make payment for markup on subcontracted work at the rate of 5 percent applied on the total amount of all costs for subcontracted force account work up to $500,000 and 2% applied on the total amount of all costs for subcontracted force account work over $500,000.

109.05 ESTIMATES
THE SECOND PARAGRAPH IS CHANGED TO:

The RE will provide a summary of the Estimate to the Contractor. Before the issuance of each payment, certify, on forms provided by the Department, that:
1. Each subcontractor or supplier has been paid the amount due from the previous progress payment and shall be paid the amount due from the current progress payment and that full payment for any retainage withheld from a subcontractor has been or will be made within 30 days after the subcontractor’s work has been satisfactorily completed; or

2. There exists a valid basis under the terms of the subcontractor's or supplier's contract to withhold payment from the subcontractor or supplier, and therefore payment is withheld.

THE TENTH PARAGRAPH IS CHANGED TO:

The RE has the right to not process an Estimate when, in the judgment of the RE, the Work is not performed or proceeding as specified in the Contract or following the Department giving the Contractor and Surety notice of default as specified in 108.14.

Implementation Code   R (ROUTINE)

Changes must be implemented in all applicable Department projects scheduled for Final Design Submission at least one month after the date of the BDC announcement. This will allow designers to make necessary plan, specifications, and estimate/proposal changes without requiring the need for an addenda or postponement of advertisement or receipt of bids.

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