

SDDOT CONSTRUCTION MANUAL
PROJECT MANAGEMENT SECTION
CHAPTER 11 – CCO’S, PRICE NEGOTIATIONS, AND CLAIMS

CONSTRUCTION CHANGE ORDERS

Once a construction project has gone through the bid letting process and has been awarded, a contract is then signed that binds the Prime Contractor into agreement with the Department. The contract itself is comprised of many separate documents linked together by the main contract document. These include items such as the plans themselves, the Special Provisions and the Standard Specifications for Roads and Bridges. The contract that has been created exists only between the Department and the Prime Contractor.

It is the responsibility of the Area Engineer and his or her designees to ensure that projects are constructed in accordance with the details contained within the contract and all associated documents tied to the contract. From time to time, conditions are encountered upon construction that requires the contract to be modified to better fit field conditions.

It is unrealistic to expect that any construction project can be built without some form of deviation from the original contract. The Federal Highway Administration defines a construction contract as a formal agreement between two parties that requires an equally formal agreement when it is to be modified. Hence, when those deviations occur a Construction Change Order (CCO) is required.

It is vital that all information pertaining to a CCO be channeled between the Department and the Prime Contractor. Subcontractors involved in any change to the contract must submit any documentation they have pertaining to the change through the Prime Contractor to the Department. The Area Office should not accept any such documents from a subcontractor directly and needs to inform them to send their documentation to the Prime Contractor first.

A CCO is a formal agreement between the Contractor and the Department. Upon execution, it becomes a legal document as binding as the original contract. For this reason, it is extremely important that CCO's be clearly worded and complete in all respects. CCO's are of two kinds:

- 1) progress CCO's, which are prepared for changes occurring during the work progress;
- and
- 2) final CCO's, which are prepared when the field work on a project is completed.

CCO's will be prepared and submitted when there is:

- a change in material testing requirements;
- a significant change in design;
- a significant departure from plan-shown details;
- a change to contract quantities, plan notes, or specifications;
- a change in contract time;
- or whenever a new item or extra work becomes necessary for the satisfactory completion of a project.

The responsible design office should be consulted when changes are made to the plans and/or specifications. All significant changes to the design of a project are to be coordinated with the responsible design staff. Obtain approval of design changes from the responsible design office in writing and document it on the CCO by including a statement that the change was reviewed and approved by the designer or design office using working titles instead of individuals' names.

Contract changes that will impact adjacent landowners will require documented landowner concurrence (ROW Agreement Amendment). Examples include approach relocation, special ditch sections, pipe size changes, and pipe elevation changes.

The Contractor should be given the opportunity to provide input at the beginning of the CCO process to avoid delays at the time of final approval.

For Local Government Agency (LGA) projects, signatures by the appropriate government entity are not required unless there is a change in scope or project termini. In such cases, the local government entity must be given the opportunity for input at the beginning of the CCO process.

Occasionally CCO's require additional acceptance from entities outside the initial contract established between the Department and the Prime Contractor for the CCO to be fully executed. Some CCO's on projects involving local governments such as Cities or Counties should be reviewed by an approved representative of the local government before DOT gives final approval. Some CCO's require acceptance from the Federal Highway Administration (FHWA) before they are fully executed. Those projects are identified ahead of bid letting and are known as Projects of Division Interest (PODI). The Area Engineer and his or her designees are expected to be aware of what projects are listed as PODI's prior to work beginning. One location this information can be found is on the DOT Intranet site. It is also vital that the Area Engineer makes sure that all people signing a CCO have the authority level to do so (see the completed DOT-209 form submitted by the Contractor prior to the preconstruction meeting).

Regardless of whether a project is a designated PODI or not, new items added to the contract via CCO need to be reviewed to determine if they qualify for Federal Participation or not. Generally, Federal funds cannot be utilized if a new item is associated with cost increases or contract time extensions caused by unacquired ROW or by incomplete utility adjustments, or with some sort of maintenance activity. If it is, the item needs to then be designated as non-participating on the CCO. The designation of whether an item is participating or non-participating is done by choosing either a "P" or an "N" adjacent to the line item selected for use in the CCO. If an item is unclear, the responsible FHWA Operations Engineer should be consulted to make the determination.

For PODI projects, the Engineer will contact the responsible FHWA Operations Engineer to obtain written or verbal approval prior to work commencing on proposed contract changes or extra work that will exceed \$75,000 and/or significantly change contract time requirements. The request should document the procedures used to track actual costs if Section 9.5 of the Specifications is not utilized for extra work.

The following process delineates the steps through final execution and file management of a CCO.

1. The Project Engineer will create and mark the CCO **For Preliminary Review** in the CM&P system. Automatic CM&P email notifications will be sent to the Engineering Supervisor, Area Engineer, and Region Materials Engineer.
2. The draft CCO will be reviewed electronically for grammar and content, and corrections will be made accordingly until acceptable.

3. The Project Engineer will mark the CCO **Prepared** in CM&P. An automatic CM&P email notification will be sent to the Engineering Supervisor. When new contract items are added by CCO or large overruns on existing items are being addressed, payment to the Contractor should not be made until after the supporting documentation has been obtained and the CCO has been executed.
4. The Engineering Supervisor will mark the CCO as **Reviewed**. Automatic CM&P email notifications will be sent to the appropriate authority levels as described in Step 5. For a final CCO, this step will include **Final Review Requested** and an automatic CM&P email notification will be sent to the Finals Review Specialist. After **Final Review Completed** has been marked, automatic CM&P email notifications will be sent to the appropriate authority levels. If the final CCO does not require the Contractor's signature, the Area Engineer can check the **Completed** box immediately after checking the **Approved** box.
5. Each CCO's level of authority will be determined separately for each CCO and will not be cumulative. Each level may designate a proxy during extended absences. The CCO will be marked **Accepted** electronically by all prerequisite levels of authority. An automatic CM&P email notification will then be sent to the approving authority level that the CCO has been accepted and is ready for approval. Operations Support will be included in the review process, but their acceptance will not be required for approval.

Authority Level	Maximum Dollar Amount			
	\$ 125,000	\$ 250,000	\$ 500,000	> \$ 500,000
Area Engineer	Approve	Accept	Accept	Accept
Region Engineer	No Action	Approve	Accept	Accept
Director of Operations	No Action	No Action	Approve	Accept
Secretary of Transportation	No Action	No Action	No Action	Approve

6. Completion of reviews will be shown by checking the **Accepted** box in CM&P. If editing is required and the CCO is unprepared, automatic CM&P email notifications will be sent informing all reviewers. After the editing has been completed, the CCO will be marked **Prepared** by the Project Engineer again – then return to Step 4. If no changes are needed during the review, proceed to Step 7.
7. When FHWA is required to accept the CCO, there will be a checkbox in CM&P that will need to be checked by the responsible FHWA Operations Engineer prior to DOT approval of the CCO. FHWA acceptance will be accomplished electronically in the CM&P system and no signature will be required. The CCO should be checked **Reviewed** by the Engineering Supervisor prior to FHWA review.
8. After all appropriate parties have **Accepted** the CCO, it will be marked **Approved** by the appropriate level of authority. An automatic CM&P email notification will be sent to the Project Engineer, Engineering Supervisor, and the Area Engineer. **DRAFT** will appear at the top of the CCO report until the **Approved** box is checked in CM&P.
9. After the CCO is approved, one hard copy of the CCO report will be made available to the Contractor for signature (and the appropriate government entity for LGA projects, if required

as detailed on Page 2). The signed CCO report will then be returned to the Area Office. Although the CCO will not be available to the Contractor electronically during the review process, it is very important the Contractor is involved from the beginning and is aware of the contents of the CCO.

10. After the required external signatures in Step 9 are obtained, the Area Engineer will sign the hard copy of the CCO and check the **Completed** box in CM&P. This executes the CCO in the CM&P system. The Area Engineer is given the authority to sign the CCO on behalf of the approving party in Step 8. Do not make changes to an executed CCO.
11. The signed CCO will be scanned into File Director Document Type DOT-134 (Project Files, Region) and placed in the project file at the Area Office. If FHWA acceptance was required in Step 7, also email a scanned copy of the signed CCO to the responsible FHWA Operations Engineer.

The CCO should include the following:

- The instruction for what work is to be performed and where (Station, MRM, etc.), the reason for the change, and the quantities and prices involved.
- How the changes will be paid.
- Any other stipulations such as how and when the work will be performed, if a subcontractor who will be performing the work has been approved to work on the project by the Operations Support Office, what specifications apply, and any additional contract time to be granted.
- The calculations used to verify quantities.
- Sketches, revised plan sheets, and other items describing the proposed work if it cannot be clearly covered by a written explanation.
- For force account work, show the necessary cost estimate based on labor, materials, and equipment planned or actually used in performing the work.
- Include a price justification for new items. The supporting documentation should be attached to the CCO or be referenced as being on file.
- Include reference to applicable specifications when negotiating prices for new items, when adjusting quantities of existing items, and when adjusting an existing contract unit price.

Ensure that the description of work in the CCO and the reason for its necessity are described clearly enough to be understood by anyone unfamiliar with the work. Additional supporting documentation is required if the information needed to clearly describe the change is not already contained in CM&P. Supporting documentation must include a cost analysis for extra work, a change to an existing contract unit price, or a new contract item and must include more than just references to conversations with the Federal Highway Administration, other agencies, Region or Area Office personnel, or Central Office personnel concerning the necessity of a CCO. When referencing an individual in another office on a CCO, use their working title instead of the individual's name.

Ensure all items pertaining to the work and all items affected by the change are included in the same CCO.

Unless specifically allowed by the contract, contract changes that will modify the materials testing requirements must be agreed to by all parties, must be approved by the Chief Materials and Surfacing Engineer, and the change must be included on a CCO before any actual changes to materials testing occur.

Prepare progress CCO's as needed to address contract changes and make their corresponding payments during progress of the work. Upon completion of the work, it is recommended to prepare and process a progress CCO to address any remaining contract changes based on as-built quantities, depending on project size and contract dollar amount.

If additional work is added to the contract, the Contractor may be entitled to an increase in the project contract time day count as detailed on Page 6. Fixed contract completion date(s) of a project can only be changed with prior approval of the Region Engineer, Director of Operations, or Secretary of Transportation; however, changing completion dates should not be considered on a CCO for simply adding extra work to the contract.

CCO's regarding changes in the traffic control plan will contain a note such as "approved as a design change with concurrence of the Region Traffic Engineer."

Any change beyond the scope of the contract or beyond the termini of the project requires approval of the Division Directors prior to executing the CCO. Changes in scope are defined as the addition of a major type of work that was not included in the original contract. Examples would be adding roadway lighting, asphalt or concrete paving, etc. Changes such as adding dust control chloride to a project and changing dust control chloride to a blotter are not considered beyond the scope of a project. Changes beyond the termini of the project are defined as changes to the footprint of the project such as adding routes to a chip seal project and adding length to an asphalt overlay project. Include the estimated cost of the change with the request.

For CCOs on Federal-Aid projects that include a change of scope or termini, in addition to obtaining approval from the Division Directors, concurrence must be obtained from the Project Development Program Manager. A modified 292 will be submitted by Project Development to the FHWA Division Office for authorization, even if federal funds aren't used for the additional CCO work.

Change of scope or termini CCO's can't be executed between the SDDOT and Contractor until the modified 292 has been approved by FHWA. STIP revisions are not required for change of scope or termini CCO's on awarded Federal-aid contracts. The procedure to follow for this portion of the CCO process is detailed on Page 14.

Federal regulations mandate that the DOT must keep record of all documents used to analyze contractor cost proposals when submitted and used to form the basis for unit prices added by CCO. Those documents need to be stored in the project file and retained as part of the permanent record. There is a wide range in needs when it comes to the degree of analysis of price quotes needed from Contractors for various items. Any questions as to what is acceptable should be channeled through the responsible FHWA Operations Engineer.

If agreement on prices for extra work cannot be attained, Force Account will be utilized. All new items, or work to be performed by force account, require a written agreement with the Contractor prior to performing the work. If a CCO cannot be executed before the work needs to commence, an Extra Work Authorization should be completed. The agreement between the Area Engineer and the Contractor may be prepared on a DOT-228 form or by other means such as email, letter, etc. and should be attached to the CCO as part of the source documentation. More information can be found on Page 8.

Final CCO's are to be prepared and processed on all projects after all progress CCO's have been executed. The intent of the final CCO is to only correct minor changes determined during the Finals Review process. Section 9.9 of the Specifications requires the Department to pay interest to the Contractor for payments in excess of \$2000 on any money due the Contractor that remains unpaid 120 days after final acceptance of the project (the final acceptance date is the date of the DOT-246C letter from the Region Engineer to the Contractor). For this reason, the Project Engineer should make every attempt to use progress CCO's and Pay Estimates to ensure quantities and payments are up to date prior to the final CCO so that the amount of money owed to the Contractor on the final Pay Estimate is less than \$2000.

Project Federal Performance End Dates must be considered when preparing the final CCO and requesting review from the Final Review Specialist. It can also be difficult at times to obtain the Contractor's signature on final CCO's in a timely manner. For this reason, the following direction is provided:

All final CCO's that modify specifications or that add or delete bid items must have the Contractor's signature. CCO's that only contain the following items do not require the Contractor's signature:

- Monetary Claim or Time Extension determinations, as determined by the Claim Review Panel.
- Fuel cost adjustments.
- Items in the Special Provision for Price Schedule for Miscellaneous Items.
- Price adjustments for specification deviation determinations.
- Incentive/Disincentive items such as for pavement smoothness, QC/QA, contract time, etc.

Granting Additional Contract Time

Contract time should be addressed on each CCO with a statement in the description section explaining the basis for granting additional time or that no additional contract time is being granted.

1. Refer to Section 8.7 of the Specifications and the special provision for contract time (if included in contract) for general information about increasing contract time based on increased monetary value or on a basis commensurate with the amount and difficulty of the work to be performed.
2. If a project has special instructions for the extension of contract time in the special provision for contract time, comply with those instructions.
3. If a project does not contain special instructions for the extension of contract time in the special provision for contract time, initially prepare progress CCO's with consideration for extra time on a monetary basis.
4. If it is determined the increased value of the work does not require additional time to complete, then no extra time should be allowed. Examples include increasing the quantity of lime, increasing liquid asphalt or cement to meet a mix design, changing from plain to epoxy-coated reinforcing steel, increased flagging, change in sign post size, etc. If items such as these

do not significantly affect the amount of time needed to perform the work, the monetary value used to compute additional time should be adjusted accordingly.

5. When increasing contract time on monetary basis, comply with all the following:
 - Determine the work value per day in accordance with the following depending on the contract time method specified:
 - For working day count contracts, divide the original contract amount by the number of working days specified to determine work value per day.
 - For calendar day count contracts, divide the original contract amount by the number of calendar days specified to determine work value per day.
 - For fixed calendar date contracts, divide the original contract amount by the number of working days available for the work completion to determine work value per day. The beginning of contract time available for the work starts on the date the Contractor begins construction work on the roadway. To convert contract time available to working days, use 20 days for each month from April through November, inclusive, or an alternative method for determining the number of working days available may be used.
 - Divide the net increase of the CCO, adjusted in accordance with 4 above, by the work value per day as determined in 5 above, to determine the number of extra days allowed. Treat decimal portions of a day in the following manner:
 - 0.00 to 0.25 = 0 day
 - 0.26 to 0.75 = ½ day
 - 0.76 to 1.00 = 1 day.
 - Enter the computation of increased contract time and any other comments or information related to the time extension into the “Working/Calendar Day Calculation Description” field on the Contract Change Order Maintenance tab of the Contract Change Orders window in the CM&P system.
 - Enter the number of additional working or calendar days into the “Additional Working Days” or “Additional Calendar Days” fields. This information will be displayed on the CCO.
6. If the Contractor feels the time extension based on this monetary basis alone is insufficient for the increased work involved, inform the Contractor of all the following:
 - The Contractor may submit written information to justify additional time.
 - The written information should be submitted as soon as possible.
 - The written information must show how the increased work delays the completion of the project based on how it will impact the Contractor’s updated project schedule.
7. If the written information submitted by the Contractor justifies additional time, prepare a CCO increasing the contract time. The supporting documentation must be attached to the CCO or be referenced as being on file.
8. On a CCO containing extra work that has not been completed and computed, the following statement can be used: “Additional working days or calendar days will be determined after the work has been completed.”
9. Decrease or increase the contract item of Lane Rental Payment and Assessment in direct proportion to the percentage decrease or increase of the total dollar amount (summation) of all contract work subject to lane rental. [The specific work items will be listed in parentheses in the

Special Provision for Lane Rental.] If it is determined that the increased work does not require additional lane rental, then no increase to the contract item lane rental payment and assessment will be allowed, thus no additional time will be allowed for this work.

10. The Region Engineer or Secretary of Transportation may grant additional time based on a time extension request properly submitted by the Contractor in accordance with the claims process outlined later in this chapter. Record this additional time on a CCO also.

11. The contract field work completion date may only be changed by the Secretary of Transportation or by the applicable Region Engineer.

PRICE NEGOTIATIONS

Negotiation occurs when parties resolve an issue themselves. In our industry it is best when this happens at the Area Office level whenever possible. It is vital to remember that any documentation used during the negotiation process is to be kept and stored in the project files. FHWA mandates SDDOT to analyze and document all costs associated for a price negotiation independently of the Contractor's proposal. The supporting documentation must be incorporated into the CCO, either as attached or referenced as being on file in the Area Office.

It is important that SDDOT do this no matter how small or large the negotiation is. As such, instant yes and no answers to proposals submitted by contractors should be avoided. Make sure to give proper time to analyze all proposals. It is also important that we treat contractors in a consistent manner. We should not expect an instant yes or no response as we need to also ensure contractors are given ample time to analyze counter proposals. This is common courtesy and should be expected by all parties whenever negotiations are taking place.

SDDOT is fully committed to ensuring fair prices are paid to contractors for all work performed and that as such the contractor should expect a fair profit in performing work. All SDDOT personnel and Contractor personnel who are involved in a price negotiation are expected to have read and be familiar with Section 9.5 of the Specifications. This is vital to ensuring a successful price negotiation.

SDDOT staff involved in price negotiations should always ask for cost breakdowns of how prices are derived. The breakdowns should include copies of invoices for materials, rates for equipment usage, contractor calculations of costs, etc. Without this breakdown, it would be nearly impossible to study price proposals in the manner of which FHWA mandates to analyze those proposals.

Some items to watch for are charging excess profit outside what is allowed in Section 9.5, over-estimating labor and material costs, charging profit on items where profit is not allowed, adding overhead costs that are vague and unsubstantiated, etc. To aid in the analyzing process, SDDOT personnel should also check all prices received to see if they compare to the most current average unit bid prices.

The worksheet at the end of this section can also be utilized. It is a worksheet developed in the Yankton Area Office that will aid in the price negotiation process and ensure the requirements of Section 9.5 are adhered to.

When conducting the analysis of price submittals, all documents used in the process are to be kept and stored in the project files at the Area Office and retained in accordance with the SDDOT Construction Project Filing Policy and the State of South Dakota Retention Manual.

When an extra work price proposal is submitted by a Contractor, the Contractor may demand an answer right away. Be cautious of those types of demands. Placing tight deadlines is a tool used by many in negotiations that often causes someone to make a concession that they may regret later. Quick concessions of this nature are rarely good for the party making them as people by nature often make bad decisions when under high pressure or stress.

When negotiating prices, be careful what you say during negotiations. Sometimes when we get too eager and rush into a resolution, we might say something that we shouldn't which could give the other party an advantage in negotiating against SDDOT.

Take the time you need to analyze the proposal, stay professional, and remain calm. Remember to be fair in your analysis as we are not intent on taking advantage of contractors. Make sure that you are clear on anything you agree to or disagree to and that nothing is left open or vague. Always make sure it is about good business. Never make it personal against the Contractor and treat all contractors the same. Document and file your analysis. Treat others as you expect to be treated. Use the Conflict Resolution Process referenced in Chapter 10 of this manual along the way to help in the negotiating process.

Sometimes it may not be possible to resolve an issue at the project level or Area Office level through the normal negotiation process. When this happens, there are tools that still can be utilized to keep work proceeding along without undue delay. Those tools are the use of a Force Account agreement and/or the use of an Extra Work Authorization agreement. Examples of when these tools could be utilized would be when an agreement cannot be reached with the Contractor on a price for a new item, or when the extent of extra work unknown or of sufficient character that a price cannot be determined to a reasonable degree of accuracy. The reasons for utilizing these tools must be documented.

Force Account is an agreement by which all costs for materials, labor, and equipment are measured and paid for on a cost-plus basis to ensure the Contractor receives a fair profit. Force Account is established per Section 9.5 of the Specifications. Before initiating Force Account, contact the Operations Support Office to obtain instructions for establishing equipment rental rates and documenting labor time and materials quantities on the proper forms.

An Extra Work Authorization is just as binding as a signed contract document or Construction Change Order. It can be used to lock in known items that both parties agree upon even though unknown items may still exist. An example is an item where both parties agree on an hourly rate to perform the work; however, disagreement exists as to how many hours the work will take. This type of agreement allows work to keep proceeding on without undue delay and gives both parties the advantage of monitoring the work and measuring the unknowns as work is taking place to turn unknown factors in to known factors.

If issues still exist after the project work has been completed, a powerful tool to use and potentially resolve those issues is a project close-out meeting. It is recommended that all pertinent personnel from the project attend this meeting. This may include staff such as Technicians, Project Engineers, Engineering Supervisors, Area Engineers and Region

Engineers from the SDDOT side depending on the issues, as well as the project Designer. The responsible FHWA Operations Engineer will need to be invited to the meeting on all PODI projects. The Contractor needs to also feel welcome to bring anyone they feel is pertinent and needed to aid in resolving the issues. This may include subcontractors, suppliers, and any pertinent workers on the project as deemed necessary by the Contractor. For a project close-out meeting to be effective it is also vital that everyone entering this meeting know that there is no pressure to settle on demands from either side. This meeting cannot be about putting pressure on someone to resolve something or it won't work. Both parties need to know that there is no shame in saying we cannot resolve this and as such must forward the issue to the Claim Review Panel. We all need to recognize that there is nothing wrong with this provided we know we've truly exhausted every possible effort to resolve an issue first.

Negotiation itself often comes down to an art form where the best in the business learn the art of how to compromise in the right manner where both the SDDOT and Contractor leave the negotiation satisfied of the outcome. Neither party should ever expect the other party to make concessions without getting something in return. That is what compromise is. That is what makes a strong negotiator.

Negotiation is not a game or a contest. The object of negotiating prices is not about winning and losing for either party as an individual entity. Winning happens when an agreement is reached and both parties are satisfied of the outcome.

CONTRACTOR CLAIMS (MONETARY & TIME)

There are times when an agreement cannot be reached at the project level. If the Contractor contends further additional compensation is warranted, they may elect to file a claim by submitting a DOT-248 form.

This section establishes the general procedures for handling and resolving claims on construction projects. Authority and provisions for contractor claims are contained in Section 5.17 (monetary) and Section 8.7 (time) of the Specifications.

The following applies when additional monetary compensation is claimed for work in the absence of an agreement for performing additional work at unit prices, agreed-to prices, or the force account process. This also applies when a time extension is claimed.

Claim for Additional Monetary Compensation (Section 5.17 and the following)

1. The Contractor will give the Area Engineer a notice of intent to file a claim for extra compensation.
2. The Area Engineer, or designee, will provide the Contractor with a Contract Claim Form (DOT-248).
3. Upon receipt of the completed Contract Claim Form, send copies to the Region Engineer, and when the project is federally funded, to the Federal Highway Administration (FHWA).
4. The Area Engineer will review the claim and determine whether the claim has been properly submitted according to Section 5.17 of the Specifications. In considering the claim, the Area Engineer or designee may call on the Contractor to furnish additional information or other information for evaluation.

- a. If the claim was properly submitted within time constraints, go to step 5.
 - b. If the claim was not properly submitted within time constraints, forward the claim form and any additional claim information to the Region Engineer, along with Area Engineer recommendations, for review. Notify the Contractor the claim was not submitted in accordance with specifications and the claim is being forwarded to Region Engineer for determination. Skip to step 6.
5. If a claim is properly submitted, or if through step 6 the claim is allowed to proceed, determine if the claim is also justified.
 - a. If the claim is determined to be justified, in whole or in part, the Area Engineer may authorize payment under contract. Provide written notification to the Contractor of the Area Engineer's determination.
 - b. If the claim is determined to be unjustified, in whole or in part, forward the claim form and any additional claim information to the Region Engineer, along with Area Engineer recommendations, for review. Skip to step 7.
 6. If the Region Engineer agrees with the Area Engineer the claim has been improperly filed, consult with the Operations Division Director and the Department Secretary to determine the Department's position. If the determination is made to deny the claim due to the Contractor's failure to comply with the specifications, notify the Contractor the claim is denied based on failure to comply with specifications. If the determination is made to allow the claim to proceed through the process, return to step 5.
 7. The Region Engineer will review the Area Engineer's determination that a claim is unjustified, in whole or in part.
 8. If the Region Engineer determines a claim is justified, in whole or in part, direct the Area Engineer to make payment and notify the Contractor of the Region Engineer's determination.
 9. If the properly filed claim is determined to be denied, in whole or in part, the Region Engineer will verify with the Contractor if the Contractor desires the claim be considered by the Claim Review Panel. If so, forward the claim form, along with the Region Engineer's recommendations and any additional claim information to the Claim Review Panel Secretary (the Operations Construction Engineer in the Operations Support Office).
 10. The Operations Construction Engineer will review the claim and consult with the Secretary of Transportation for a course of action.
 11. The Secretary of Transportation will resolve the claim or instruct the Operations Construction Engineer to schedule a Claim Review Panel meeting.
 12. If the claim remains unresolved after step 11, the Operations Construction Engineer will schedule a Claim Review Panel meeting and forward the claim information to the Claim Review Panel members, Contractor, and FHWA personnel.
 13. The Claim Review Panel will review the submitted claim information, conduct the Claim Review Panel meeting in accordance with Section 5.17 of the Specifications, and provide recommendation of the final claim determination to the Department Secretary.
 14. When the project is federally funded, the Secretary of Transportation will consult with FHWA.
 15. The Secretary of Transportation will make the final Department determination and provide written documentation of the final determination to the Contractor with copies to the Area Engineer, Region Engineer, Operations Construction Engineer, and FHWA (when the project is federally funded).
 16. If the Contractor disagrees with the Department's final determination, the Contractor may pursue other remedies available by State law. One option could be nonbinding mediation

proceedings upon mutual consent of both the Secretary of Transportation and the Contractor.

17. All claim resolutions for projects using federal funds will be reviewed by FHWA to determine federal fund eligibility.

Claim for Time Extension (Section 8.7 and the following)

1. The Contractor will give the Area Engineer written notice of intent to file a request for a time extension.
2. The Area Engineer, or designee, will acknowledge receipt of the Contractor's request by letter to the Contractor. Send copies of the letter and the Contractor's request to the Region Engineer, and when the project is federally funded, to FHWA.
3. When the project is substantially completed, or when all field work is completed when no substantial completion date is specified, and the number of overrun days is established, complete the Department information on the Contract Claim Form (DOT-248) and ask the Contractor to fill out the remainder of the form.
4. When the Contractor has returned the form, review the request and if the request meets the requirements of Section 8.7 forward the request to the Region Engineer, along with recommendations and additional pertinent information for the Region Engineer's review.
5. The Region Engineer will determine if the request meets the requirements in the specifications for filing a time extension request.
6. If the request doesn't meet the filing requirements, the Region Engineer will consult with the Operations Division Director and the Department Secretary to determine the Department's position. If the determination is made to deny the request, advise the Contractor the request is denied for that reason. If the determination is made to allow the request to proceed, go to step 7.
7. If the request meets requirements in the following instances, the Region Engineer will forward the claim form, along with the Area Engineer and Region Engineer recommendations and any additional information, to the Claim Review Panel Secretary (the Operations Construction Engineer in the Operations Support Office):
 - a. Requests due to a delay on another project (SDDOT or any other) for any reason.
 - b. Requests due to a delay that the Contractor could not have foreseen or prevented including, but not limited to, delay in delivery of materials due to an unusual market condition caused by an industry-wide strike, national disaster, or area-wide shortage.
8. For all requests other than those instances listed in step 7, use steps 9 through 12.
9. The Region Engineer will make a determination regarding the request and notify the Contractor, Area Engineer, Operations Construction Engineer, and FHWA (when the project is federally funded), of the determination.
10. If the determination is to grant the request, in whole, the Region Engineer will direct the Area Engineer to process a CCO in accordance with the determination.
11. If the determination is to grant a portion of the request, and the Contractor agrees with the determination, the Region Engineer will direct the Area Engineer to process a CCO in accordance with the determination.
12. If the determination is to grant a portion of the request or to deny the request, and the Contractor disagrees with the determination, verify if the Contractor would like to have the request forwarded to the Claim Review Panel.
13. If the Contractor desires the request be considered by the Claim Review Panel, forward the claim form, along with the Area Engineer and Region Engineer recommendations and any

additional information, to the Claim Review Panel Secretary (the Operations Construction Engineer in the Operations Support Office).

14. The Operations Construction Engineer will review the request and consult with the Secretary of Transportation for a course of action.
15. The Secretary of Transportation will resolve the request or instruct the Operations Construction Engineer to schedule a Claim Review Panel meeting.
16. If the claim remains unresolved after step 15, the Operations Construction Engineer will schedule a Claim Review Panel meeting and forward the request information to the Claim Review Panel members, Contractor, and FHWA personnel.
17. The Claim Review Panel will review the submitted request information, conduct the Claim Review Panel meeting in accordance with Section 5.17 of the Specifications, and provide recommendation of the final claim determination to the Department Secretary.
18. When the project is federally funded, the Secretary of Transportation will consult with FHWA.
19. The Secretary of Transportation will make the final Department determination and provide written documentation of the final determination to the Contractor with copies to the Area Engineer, Region Engineer, Operations Construction Engineer, and FHWA (when the project is federally funded).
20. If the Contractor disagrees with the Department's final determination, the Contractor may pursue other remedies available by State law. One option could be nonbinding mediation proceedings upon mutual consent of both the Secretary of Transportation and the Contractor.
21. All claim resolutions for projects using federal funds will be reviewed by FHWA to determine federal fund eligibility.

CHANGE OF SCOPE OR PROJECT TERMINI CCO PROCESS

Federal CCO Tracking Procedures

Responsible Party	Action
Area Engineer (or designee)	<ol style="list-style-type: none"> 1. Complete the Federal CCO Tracking Checklist (DOT-1025 Form). 2. Obtain approval from Division Directors to proceed. 3. Email Federal CCO Tracking Checklist to the Project Development Program Manager for review.
Project Development Program Manager	<ol style="list-style-type: none"> 4. Review Federal CCO Tracking Checklist for completeness. 5. If needed, email Project Engineer for additional information. 6. After concurrence of the completed Federal CCO Tracking Checklist, email notification to the Project Engineer (or designee), Project Control Number Coordinator and Project Development Financial Program Specialist.
Project Control Number Coordinator	<ol style="list-style-type: none"> 7. Update the Location Description, Highway, MRMs, Structure #s and Improvement Description in C2C software. 8. After project information has been updated in C2C software, email notification to the Project Engineer (or designee), Project Development Financial Program Specialist and Project Development Program Manager.
Area Engineer (or designee)	<ol style="list-style-type: none"> 9. Complete 292 request in C2C software (see "Formal 292 Requests" Guidance Memorandum on SDDOT Intranet).
Project Development Financial Program Specialist	<ol style="list-style-type: none"> 10. Create a modified 292 requesting authorization for change of scope or termini and submit to FHWA. <ol style="list-style-type: none"> a. On 292 "State Remarks", include justification of CCO and Project Development Program Manager concurrence date. 11. Once the 292 has been approved by FHWA, in C2C the "292 Status" will change to "Approved by FHWA" and the Project Engineer (or designee) receives an email indicating the 292 has been approved by FHWA.
Project Engineer	<ol style="list-style-type: none"> 12. If approved, complete CCO process between SDDOT and Contractor.

EXTRA WORK QUOTATION WORKSHEET

(Based on Section 9.5 of the Standard Specifications for Extra Work)

Prime Contractor _____

Subcontractor _____

Project # & PCN _____

Date _____

Scope of Work Description:

Bid Item/Work Description	Materials					Labor				Equipment			
	Description	Unit	Qty	Cost per Unit	Total	Classification	Rate/Hr.	# Hours	Total	Eq. Type	# Hours	Rate/Hr.	Total
	Subtotal:					Subtotal:				TOTAL EQUIPMENT:			
	+15% Admin & Overhead:					+15% Admin & Overhead:							
	Subtotal:					+25.1% Bond, Ins & Tax:							
	+10% Profit:					Subtotal:							
	TOTAL MATERIALS:					+10% Profit:							
						TOTAL LABOR:							

TOTAL MATERIALS	
TOTAL LABOR	
TOTAL EQUIPMENT	
SUBTOTAL	
+PRIME CONTRACTOR'S MARKUP (See Spec Book, Sec. 9.5.H., Page 80)	
TOTAL EXTRA WORK	

Submitted by: _____ Sheet _____ of _____