CHAPTER 1 - ORGANIZATION AND RESPONSIBILITIES

CONTENTS

Section	Title	Page No.
1-1	Purpose and Use of the Manual	1-5
1-2	Abbreviations and Definitions	1-6
1-3	Organization of Field Work	1-7
1-4	Responsibilities of the Engineer	1-8
1-4.1	General	1-8
1-4.2	Plans and Specifications	1-8
1-4.3	Showing Project to Prospective Bidders	1-8
1-4.4	Plan of Operations	1-8
1-4.5	Project Stakeout	1-9
1-4.6	Inspection	1-9
1-4.7	Measurement and Payment	1-10
1-4.8	Changes	1-10
1-4.9	Personnel	1-10
1-4.10	Equipment	1-10
1-4.11	Records and Reports	1-10
1-4.12	Project Costs	1-11
1-5	Field Office	1-13
1-6	Clothing	1-15
1-7	Safety and Reports of Accidents	1-17
1-8	Labor Requirements	1-19
1-9	Equal Employment Opportunity Requirements	1-21
1-9.1	Nondiscrimination	1-21
1-9.2	Affirmative Action	1-21
1-9.3	Reports	1-21
1-10	Relations with the Contractor	1-23
1-10.1	Conduct of FLH Employees in the Administration of the Work	1-23
1-10.2	Preconstruction Conference	1-24
1-10.3	Claims and Disputes	1-24
1-11	Partnering with the Construction Contractor	1-27

Section	Title	Page No.
1-11.1	Background	1-27
1-11.2	Policy for Partnering	1-27
1-11.3	Formal Partnering	1-28
1-11.4	Informal Partnering	1-29
1-11.5	Emphasis is on Attitude	1-30
1-11.6	Follow-up Evaluations and Measurement	1-30
1-11.7	Reporting	1-30
1-12	Contract Inspectors	1-31
1-12.1	General	1-31
1-12.2	Contract Inspection Contract (CIC)	1-31
1-12.3	Work Orders	1-31
1-12.4	CI Duties	1-32
1-12.5	Project Engineer Duties	1-32
1-12.6	CI Time and Attendence	1-33
1-12.7	CI Invoices	1-33
1-12.8	CI Performance and/or Conduct	1-33
1-12.9	CI's and Government Furnished Equipment	1-34
1-12.10	CI Releases and Transfers	1-34
1-13	Relations with Cooperating and Other Agencies	1-37
1-13.1	General	1-37
1-13.2	Forest Service	1-37
1-13.3	National Park Service	1-37
1-13.4	Other Federal Cooperating Agencies	1-38
1-13.5	Other Cooperating Agencies	1-38
1-13.6	Regulatory Agencies	1-39
1-14	Relations with the Public	1-41
	References	1-43

FIGURES

Figure No.	Description	Page No.
1-4	Log of Contractor's Questions	1-44
1-8	Contractor Payroll Checklist	1-45
1-10.2a	Preconstruction Conference Agenda	1-46
1-10.2b	Example Letter Setting Up Preconstruction Conference	1-52
1-10.3a	Preventive Medicine for Claims	1-54
1-10.3b	Example Letter - Acknowledgment of Receipt of Claim	1-55
1-11.1	What is Partnering?	1-56
1-11.3a	Example Contract Modification to Pay Government's Share of Partnering Workshop	1-57
1-11.3b	Example Partnering Workshop Invitation Letter	1-59
1-11.3c	Example Partnering Agreement	1-60
1-11.6a	Example Individual Partnership Performance Evaluation	1-64
1-11.6b	Example Joint Partnership Performance Evaluation	1-65
1-12.6	Contract Inspection Time Sheet - Receiving Report	1-66
1-12.8	Contract Inspector Rating Form	1-67

ORGANIZATION AND RESPONSIBILITIES

1-1 PURPOSE AND USE OF THE MANUAL

As stated in the *Preface*, the purpose of this Manual is to assist field personnel engaged in administering contracts on projects undertaken directly by the Federal Highway Administration by providing a framework for that process.

It is stressed that this Manual is a guide, for the most part, not a compilation of mandatory instructions. Unless the language is explicitly mandatory, such as that related to regulatory requirements, operations personnel are expected to be innovative, and within the constraints of Division policies, procedures and delegations, to apply their own reasoning to unique project situations. Those unique situations may sometimes lead to conclusions and actions contrary to what may be written in this Manual.

The manual does not contain detailed discussions of every technical area of construction engineering. To effectively carry out their responsibilities, users will find it necessary to also refer to other sources of information such as the *FLH Field Materials Manual*, the *Manual on Uniform Traffic Control Devices (MUTCD)*, and various publications by AASHTO, ASTM, Federal Regulations and construction industry standards.

1-2 ABBREVIATIONS AND DEFINITIONS

The Standard Specifications include the intent and meaning of abbreviations and definitions of terms most commonly used in connection with highway construction projects under the direct supervision of the Federal Highway Administration. These terms should be used in all reports and correspondence relating to such projects.

The terms cited above, and other terms, defined or explained as follows, will be used frequently in this manual.

Contracting Officer (CO) - The Agency representative having full authority to execute and administer the contract on behalf of the Government, or a warranted delegate of that official who has been delegated some of that authority, e.g. contract administration.

As this term is used in the Standard Specifications it also includes the COTR (see below) operating within his/her delegated authority.

Contracting Officer's Technical Representative (COTR) - The FLH employee or employees having onsite support authority on behalf of the Contracting Officer as provided in Division delegations. For construction contracts, this person is normally the Project Engineer. For Contract Inspector Contracts (CIC) it may be the COE.

Construction Operations Engineer (COE) - The immediate supervisor of the Project Engineer who may also be a warranted Contracting Officer with limited contract administration delegations with respect to construction contracts. The COE is also a COTR with respect to Contract Inspector Contracts (CIC).

Construction Engineer (CE) - The immediate supervisor of the COE who may also be a warranted Contracting Officer with delegations for most contract administration functions.

Denver Service Center (DSC) - The organization in the National Park Service which provides technical, administrative and funds management liaison between FLH and other Park Service organizational entities.

Division Engineer (DE) - The immediate supervisor of the CE, and the person in charge of one of the Federal Lands Highway Divisions; also, normally a warranted Contracting Officer with unlimited authority.

Division Office or Division - The Federal Lands Highway Division with jurisdiction for the project. References to Federal-Aid Division Offices will be specified.

Federal Acquisition Regulation (FAR) - The uniform Federal Government-wide procurement regulations found in the Code of Federal Regulations (CFR) at 48 CFR, Chapter 1. Some parts will be made contract clauses. Others will be furnished separately to the Project Engineer, depending on need.

FLH Field Materials Manual - A companion to this manual giving FLH test methods as well as policies and procedures for monitoring materials and materials related functions on construction contracts.

Manual on Uniform Traffic Control Devices for Streets and Highways (MUTCD) - The industry standard for design and utilization of standard traffic control devices.

Project Engineer or Engineer - The authorized representative of the Contracting Officer who is delegated the responsibility for quality assurance, inspection, payment and otherwise representing the interests of the Government onsite.

1-3 ORGANIZATION OF FIELD WORK

Full authority for executing and administering Federal Lands highway construction is held by the Division Engineer. Division Engineers delegate and assign specific authorities and responsibilities to lower level Contracting Officers and to COTR's including the Project Engineer. The Project Engineer cannot formally redelegate authority or responsibility. Therefore, all inspectors and other subordinates act on behalf of the Project Engineer with apparent authority limited by the Project Engineer's supervision.

The Contractor must be informed of the authority of FLH personnel, including the Project Engineer for administering the contract. This is properly done with a letter from the Contracting Officer. Questions of authority should be considered at the *Preconstruction Conference*. Normally, the Contractor provides a description of the authorities of his or her representative at the site. Authority to agree to contract modifications and otherwise agree to contract changes is of particular interest for efficient contract administration.

1-4 RESPONSIBILITIES OF THE ENGINEER

1-4.1 General

The Project Engineer should attempt to conduct all activities in accordance with assigned authority in a manner that will be in the best interest of, and will reflect well upon the Government.

1-4.2 Plans and Specifications

The Project Engineer should carefully analyze the plans, specifications, special contract requirements, and all other relevant documents referenced therein. The Project Engineer should also examine the entire area of the proposed construction and compare existing field conditions with those shown on the plans. Any significant differences should be reported immediately to the Construction Operations Engineer. The Project Engineer must investigate any Contractor reported errors or omissions in the contract documents, and notify the Construction Operations Engineer of complete details.

1-4.3 Showing Project to Prospective Bidders

If assigned to show prospective bidders the proposed project, the Project Engineer should make available to them, information listed in the invitation for bids. He/she should not volunteer other information without clearance from the Construction Operations Engineer.

The Project Engineer should not provide information concerning available aggregate sources, haul roads, access roads, water and power sources, burning restrictions, use permits, and other matters that may be pertinent to the work, unless these are covered in the contract or are known to have been offered by the agencies or individuals having jurisdiction.

No statements should be made by the Engineer regarding possible or probable changes in the plans or specifications. An accurate record should be kept of the identity and affiliation of each person who inspects the design data and study information, core samples, materials sources, or other available information, together with the dates of such inspections. The Project Engineer should make careful notes of all questions asked by Contractors and the answers given them. He/she should endeavor to answer questions concisely, providing the same information to all.

The Project Engineer should notify the Construction Operations Engineer immediately if questions give rise to the possibility of errors or ambiguities in the plans or specifications. Likewise questions which suggest areas of unforeseen risk which may inflate bid price should also be discussed with the COE in case an amendment needs to be considered.

The Project Engineer should furnish to the COE a log of Contractors' questions and his/her answers on a frequent basis. See **Figure 1-4, Log of Contractor's Questions**. Telephone reporting is appropriate late in the advertisement period.

If Division procedures do not assign the Project Engineer responsibility for showing a proposed project, or answering questions of prospective bidders, then he/she and other FLH employees having knowledge of the project should politely refuse to discuss it with those prospective bidders. All inquiries should be referred to the person or office assigned that responsibility.

A formal prebid meeting and showing may be desirable for a large complex project. The COE will coordinate such a meeting, including the distribution of minutes, if it is provided for in the solicitation.

1-4.4 Plan of Operations

It is the responsibility of the Project Engineer to become fully acquainted with the Contractor's plan of operations, planned progress schedule

and other submittals such as safety, erosion control, and traffic control plans. This information should be obtained at the preconstruction conference or prior to the start of work. It is often helpful to set up a submittal log to track submittals, approvals and pending approvals. Such a log, jointly reviewed by the Project Engineer and the Contractor can help avoid surprises and disputes.

The Project Engineer should keep current with all changes in the Contractor's plans, and report all significant changes to the Construction Operations Engineer. All changes in the Contractor's plan of operations must be included on the construction schedule updates. See Section 7-3.

Normally, the Project Engineer should make no effort to dictate a sequence of operations except as specified in the Contract. When the progress of work is unsatisfactory, based on the accepted construction schedule, he/she should evaluate the situation and consult with the Construction Operations Engineer.

1-4.5 Project Stakeout

When staking by the Contractor is specified, the Government remains responsible for providing initial staking control and design information which is not shown on the plans.

The Project Engineer should make every effort to keep construction staking activities well in advance of construction operations. For staking which is the responsibility of the Government, consideration needs to be given to the Government's liability under the suspension of work clause of the contract for any increase in costs that may be caused by unreasonable staking delays.

When the Contract provides for staking work by the Contractor, the Project Engineer should develop and follow a systematic method of monitoring of the Contractor's staking process, including documentation thereof. Corrective measures are to be made by the Contractor's forces. Taking over staking work, which is the responsibility of the Contractor, is not an acceptable solution; nor is continuous monitoring and oversight. The Project Engineer has the authority to demand competence and quality under the Contract.

The Contract specifies staking standards or tolerances, but not necessarily the slope and grade tolerances controlled by that staking. This means construction is to be consistent with the *Standards of the Industry*. The Project Engineer and the Contractor's management personnel should go over these standards before work begins, and hopefully agree on them. If the Contractor's operations result in slope tolerances and other physical attributes which are excessive, and the Project Engineer cannot, through negotiation, resolve the problem, the COE should be consulted and a written order stopping unacceptable operations until acceptable work can be performed, should be considered.

See Section 4-3 for more on construction staking.

1-4.6 Inspection

It is the responsibility of the Project Engineer to verify and document that the project is constructed in reasonably close conformity with the plans and specifications, and in compliance with the terms of the contract. In order to accomplish this the Project Engineer must conduct periodic inspection and testing as each phase or element of the work is completed. Continuous or full time inspection should be avoided whenever possible as it tends to result in FLH taking over the Contractor's quality control responsibilities. However, it is recognized that some work is of such criticality or is being obscured by subsequent construction to the extent that continuous inspection is prudent.

Unless otherwise provided for in the plans or specifications, construction methods and sources of materials are the Contractor's option. However, the Project Engineer has the authority to reject both unsatisfactory workmanship and

materials. The Project Engineer may suggest methods of improving workmanship, and may suggest sources of better materials. However, it should always be clear that these are just suggestions, and that the decision is up to the Contractor. In the event the Contractor's methods continue to produce unsatisfactory work, and the Contractor will not accept suggestions, the Project Engineer should discuss with the COE the possibility of ordered changes, stoppage of nonconforming work or a "Show Cause" notice.

When rejecting work for either unsatisfactory materials or workmanship, the cause for rejection should be documented and photographed if appropriate. The contract provision or specification being violated should also be clearly documented.

1-4.7 Measurement and Payment

The Project Engineer is responsible for the measurement of quantities on the project, computations, and receiving reports to validate Contractor invoices. Clear and fair standards as to how quantities are measured as well as prompt submission of receiving reports will contribute to good Project Engineer/Contractor relations. Instructions for measurement and payment are contained in Chapter 8.

1-4.8 Changes

The Project Engineer should try to anticipate necessary changes in design or specifications as early as possible. Instructions for preparation of contract modifications are contained in Chapter 3.

1-4.9 Personnel

The Project Engineer is responsible for all official activities of the project staff. As discussed elsewhere in this chapter, the Project Engineer is responsible for the safety of the staff while they are on duty and may prescribe appropriate dress and methods for the work being performed. It is the duty of the Project Engineer to instruct personnel in the performance of their assigned tasks, and to assist in training them for more advanced assignments. The Project Engineer should strive to support any prescribed training program and recommend additional training when appropriate.

The Project Engineer should consult the Division administrative procedures or operations manual and the employee handbook, *Your Job in the Federal Highway Administration* for guidance relative to personnel questions or problems. Consultation with the COE or the Personnel Office may be appropriate.

1-4.10 Equipment

The Project Engineer is responsible for all Government equipment on the project, and for the protection and preservation of all rented or leased property and equipment. Proper precautions should be taken to prevent loss by fire or theft. The Project Engineer must instruct personnel in the care of vehicles and equipment, and make personal inspections of such property to assure proper maintenance. The Project Engineer should promptly report all damaged or otherwise unsatisfactory equipment to the proper authorities and make recommendations for repair or replacement. Unsafe equipment shall not be used or operated. Additional instructions for the handling of equipment matters will be prescribed by the Division.

1-4.11 Records and Reports

The Project Engineer is responsible for the preparation and maintenance of all books and other records on the project. Instructions covering records and reports are contained in Chapter 2.

The Contractor is responsible for maintaining records required by the Contract. Access to, or in some cases copies of such records are to be provided to the Project Engineer within specific

time frames.

1-4.12 Project Costs

The keeping of official project cost records is a function of the accounting units of the Divisions. However, the Project Engineer should have access to sufficient cost records to be able to estimate the total accrued costs of both construction and construction engineering at any given time. As the work progresses, the Project Engineer must keep a check on how these costs relate to the work completed and amount of work remaining to be done, taking into consideration any necessary changes.

The Project Engineer should carefully examine any anticipated overruns and underruns, and keep the COE informed. Instructions covering project cost reporting are contained in Chapter 2.

1-5 FIELD OFFICE

If Division procedures require the Project Engineer to find and negotiate a lease for office or trailer space, he/she should coordinate with Administration in accordance with Division procedures to accomplish this.

After establishing a project office, the Project Engineer should inform the Construction Operations Engineer of the address and telephone number. A well-built sign shall be placed on the office, neatly lettered as follows:

OFFICE OF PROJECT ENGINEER
DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

1-6 CLOTHING

All FLH personnel are required to wear hard hats on construction project work sites. This *badge of the industry* is worn in part to demonstrate emphasis on employee safety, and therefore is not dependent on the relative hazard of operations on any particular occasion.

When working in areas subject to traffic, personnel must wear some distinctive article of protective clothing, such as a bright orange vest or jacket. Such protective clothing should also be worn in undeveloped areas during local hunting seasons. All articles of special protective clothing should be provided at Government expense.

Suitable footwear, normally steel-toed, laced boots, is required. The FLH Division will, within FLH and Division guidelines, provide, or provide reimbursement, for safety (steel toed) footwear, or other special personal safety equipment.

1-7 SAFETY AND REPORTS OF ACCIDENTS

The safety of Government employees on the project is the responsibility of the Project Engineer. He/she must become familiar with all prescribed accident report forms and promptly report all accidents to the Construction Operations Engineer. The Project Engineer shall orient new employees as to the special safety concerns of the project, and shall instruct all personnel by holding frequent safety meetings, and should emphasize those areas of danger that might be encountered on the project.

The Project Engineer should become familiar with regulations regarding operation of Government vehicles, and with local traffic laws and regulations. He/she shall see that all personnel required to operate vehicles are properly licensed. The Project Engineer should withdraw authority to operate Government vehicles assigned to the project, from anyone who commits serious or repeated safety violations, or who otherwise seems incapable of safety operating Government vehicles. Special situations should be discussed with the COE.

Additional safety requirements and motor vehicle management requirements applicable under this section are available in Division operating and administrative procedures.

The working environment of all FLH construction projects is largely under the control of the Contractor. In fact the Contract, *FAR Clause 52.236-13, Accident Prevention*, specifically requires, among other things, the Contractor to maintain a work environment that will safeguard the health of the public and Government personnel. However, it is the Project Engineer's responsibility to see that the Contractor effectively fulfills this responsibility. FLH employees cannot be permitted to work in an environment that is unsafe in ways that are correctable or controllable.

Accidents and injuries often result in inquiries from insurance investigators and attorneys. Any subpeonas, depositions and requests for information associated with accidents on the project should immediately be referred to legal counsel through the COE.

See Section 6-8 for further guidance in monitoring and interacting with the Contractor on construction safety issues.

1-8 LABOR REQUIREMENTS

Contract labor compliance requirements are included in standard contract clauses. The *FHWA Labor Compliance Manual* provides some explanation and guidance. But since recent changes may not be in this manual, specific problems should be discussed with the COE who may decide to get advice from legal counsel.

The Project Engineer should monitor Contractor payrolls for prompt submission and proper certification. Spot checks should be made of classifications and wage rates. **Figure 1-8** is an example **Contractor Payroll Checklist**. Checks should also include whether all covered personnel, including owner operators are included on a certified payroll. This includes all personnel who operate equipment or perform labor in the construction of the project. It does not include supplier employees working at a commercial plant or delivering materials. Nor does it include salaried professional services personnel, like surveyors and materials testers unless their jobs are specifically included in the Contract Davis-Bacon wage decision.

The preconstruction conference should include an overview of the labor and payroll reporting requirements, and the minutes should reflect that these items were covered.

If the Contractor does not make timely submission of certified payrolls, the Project Engineer may, after written notice, withhold progress payments until compliance is secured. In the case of subcontractor nonsubmission, the withholding of only the subcontractors portion of the work may be appropriate. These actions should be discussed with the COE if they are deemed necessary.

1-9 EQUAL EMPLOYMENT OPPORTUNITY REQUIREMENTS

1-9.1 Nondiscrimination

Discrimination on the basis of race, color, religion, sex or national origin is prohibited by Federal law. The Department of Labor (DOL), Office of Federal Contract Compliance Programs (OFCCP), is responsible for enforcement and the imposition of civil sanctions (termination, debarment, etc.). OFCCP may also refer serious violation to the Justice Department for criminal prosecution.

FLH employees, as representatives of the contracting agency, have no formal authority to monitor nondiscrimination or to impose sanctions for apparent violations. However, project personnel should be alert to indications of such violations and will report them through supervisory channels for possible referral to the OFCCP.

At preconstruction conferences, FLH will emphasize the prohibition against discrimination on the basis of race, color, religion, sex, or national origin. This emphasis should be reflected in the minutes of such meetings.

Any FLH employee who receives a discrimination complaint (verbal or otherwise) or observes a case of apparent discrimination will report the incident immediately through supervisory channels for resolution or referral to the OFCCP.

1-9.2 Affirmative Action

Affirmative action programs to correct past discriminatory practices are permitted by the 1964 Civil Rights Act. Monitoring and enforcement responsibilities related to affirmative action programs are delegated to the Department of Labor, Office of Federal Contract Compliance Programs (OFCCP).

At preconstruction conferences, FLH will emphasize the Contractor's obligations to engage in an effective affirmative action program. This emphasis will be reflected in the minutes of such conferences.

1-9.3 Reports

Civil rights related correspondence will be maintained in the field project files. Copies of all material will be forwarded through the COE to Division files.

Copies of the following items should be requested from the Contractor and included in the files:

Notice of Subcontract Award

This is required by *FAR Clause 52.222-23, Notice Requirement for Affirmative Action to Ensure Equal Opportunity*. The notice is to be submitted directly to OFCCP for each onsite [but not materials supply] subcontract exceeding $10,000.

Veteran's Employment Report VETS-100

This is required by *FAR Clause 52.222-37, Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era*. It must be submitted annually by March 31, to the Department of Labor.

SF 100 (EEO-1)

This form is required by *FAR Clause 52.222-26, Equal Opportunity*. It is required to be submitted directly to the EEOC, Joint Reporting Committee, annually by March 31.

1-10 RELATIONS WITH THE CONTRACTOR

1-10.1 Conduct of FLH Employees in the Administration of the Work

All FLH personnel engaged in any phase of a construction project must remember they are at all times representatives of the Government and, as such, shall conduct themselves in a courteous, and business-like manner.

Integrity on the part of all employees is essential. The acceptance of most gifts and favors from Contractors and others doing business with FLH is strictly forbidden. Federal law and regulations prohibit the acceptance of (1) unsolicited gifts with a market value of more than $20 ($10 for designated procurement officials) per occasion, (2) gifts of any value aggregating to more than $50 in a calendar year, or (3) gifts of any value that are solicited, or which are associated with an expectation, stated or implied, of a return favor. It is FLH policy that acceptance of any gift or favor, regardless of value, which might give the appearance of impropriety is unacceptable. Gifts should therefore be avoided except in situations where refusing a small gift (such as a calendar intended as a promotional item) would embarrass either or both parties.

Employees must never place themselves under obligation to the Contractor, as this would impair their ability to effectively represent the Government, and might create a condition where more serious improprieties could occur. Offers of gifts, or other actions on the part of the Contractor or its representatives that could be construed as an attempt to influence the actions of an FLH employee, should be immediately reported to the COE. Other offers of gifts should also be reported to the COE who will advise as to a polite refusal.

Inspectors should endeavor to maintain a fair and impartial attitude without undue display of emotions, and should not engage in arguments with members of the Contractor's organization. If disagreements cannot be settled in a reasonable time with mutual satisfaction, the matter should be referred to the Project Engineer. FLH project personnel do not have the authority to alter or waive the provisions of the Contract, to issue instructions contrary to the plans and specifications, or to act as foreman for the Contractor. They do have authority to reject noncomplying materials or work, or to suspend work which is being performed in apparent noncompliance, or in a manner which creates unfunded liability to the Government until the matter is referred to a higher authority.

All nonroutine orders to the Contractor are to be given by the Project Engineer to the Contractor's superintendent on the project, unless circumstances make it necessary to communicate with lower level personnel. Such orders should be confirmed with the superintendent as soon as possible. Orders which alter the Contract or create additional liability to the Government must be in writing and must be executed (signed) in accordance with prevailing construction contract administration delegations. Except for certain minor orders, this means a warranted Contracting Officer.

Discussions concerning the Contractor's organization, equipment, methods, and/or efficiency, should be limited to those undertaken by the Project Engineer with appropriate representatives of the Contractor.

It is recommended that the Project Engineer hold regularly scheduled meetings with the Contractor's superintendent to discuss the Contractor's plan, schedule of work, and problems arising on the project. The substance of such discussions shall be recorded in the project diary. See Section 1-11, *Partnering with the Construction Contractor*, below.

At the conclusion of the project the Contractor will be asked to complete a Quality Improvement Survey. This survey allows the Contractor to identify problem areas in our design, payment and contract administration processes. Periodically our processes are

reviewed using this feedback.

1-10.2 Preconstruction Conference

As soon as practical after the Contract is awarded and before issuance of the Notice to Proceed (NTP), the COE or the Project Engineer will arrange a conference with the Contractor. FLH personnel in attendance will normally include the Project Engineer, the Construction Operations Engineer and specialized personnel as needed. Representatives of Federal cooperating agencies, States, utility companies, and any other groups that will be significantly affected by the construction, should be invited. The purpose of the conference, however, is best served when the number in attendance is kept low.

The COE will prepare and send to the Contractor, a meeting agenda and other information to assist in preparing for the conference. See **Figure 1-10.2a** for a basic **Preconstruction Conference Agenda**. This agenda should be augmented to reflect unique features of the Contract, and Division specific issues. **Figure 1-10.2b** is an **Example Letter Setting up the Preconstruction Conference**.

The purpose of the conference is to discuss the plans and specifications for the project; unusual conditions; the Contractor's plan and schedule of operation; type and adequacy of equipment; labor requirements; equal employment opportunity requirement; maintenance of traffic; requirements for traffic control; the Contractor's responsibilities for accident prevention; material sources and testing requirements; subcontracting requirements; required submissions; and any other pertinent items which will result in a better job understanding. The person conducting the conference [usually the Project Engineer or COE] should explain the FLH organization as it pertains to the administration of the Contract, specifically covering channels of authority and methods of conveying instructions and orders. The relationship of FLH to the cooperating agency(s) should also be explained. It should be emphasized that all orders to the Contractor relating to the Contract will be issued by FLH. Similarly, the Contractor's representatives should explain its organization, and designate or identify a representative who will be assigned to the project with full authority to act for the Contractor. See *FAR Clause 52.236-6, Superintendence by the Contractor*. If a representative is not identified at the conference, the Contractor should be requested to submit a written designation at a later date.

A written report or minutes will be prepared for each preconstruction conference. This report may consist of a summary of the discussions with the conference agenda attached. The report of minutes will document the Engineer's explanation of authority and duties of FLH personnel, and the Contractor's explanation of its organization and designation of authorized representative. One or more copies of that report or minutes will be furnished to the Contractor, and other major participants, with a specific request that omissions and misrepresentations, in their view, be documented in writing to FLH.

1-10.3 Claims and Disputes

In the course of construction, it is not uncommon for differences of opinion to arise between the Contractor and Project Engineer over interpretation of the Contract provisions, or as to whether increased costs or time extensions are allowable for changes, differing site conditions, or delays. The Contractor may also express dissatisfaction or disagreement with contract modifications.

FLH endorses the philosophy of *partnering* to avoid and resolve contract disputes. See Section 1-11. Most differences can be resolved by negotiation that leads to appropriate contract modifications. Prompt action should be taken to resolve issues and to make any equitable adjustments, giving full consideration to the terms of the Contract.

The Project Engineer must keep the Construction Operations Engineer informed of issues that arise. The Construction Operations

Engineer will keep the legal office and higher level Contracting Officers informed as necessary; and will advise the Project Engineer on appropriate actions in the meantime.

The Project Engineer should use the project diaries, *Inspector's Daily Reports*, and any other available records to make a proper evaluation of all issues. Photographs are an important part of the documentation.

Since recorded information is invaluable in the event of a claim, and claims may occur on any project, and with short notice, the importance and need for regular and routine preparation of adequate records cannot be over emphasized. Chapter 2 is devoted exclusively to the subject of records and reports.

The Project Engineer is required to maintain a daily diary. Project diaries should contain sufficient factual information to reveal the nature of the Contractor's complaint, circumstances involved, and the substance of any statements made by either party. A thorough coverage of the Contractor's operations relative to the work in question should be maintained in the diaries and in the *Inspector's Daily Reports*. Descriptions of the equipment and/or materials that may be involved, construction progress or lack thereof etc., should be included. If opinions or conclusions are included, they should be labeled as such with their factual basis described. See Section 2-3.

If the Contractor indicates intention to file a claim, its attention should be directed to the provisions of the Contract, particularly the disputes, changes, differing site conditions, suspension of work and other provisions relating to Contract time. The Contractor should be reminded of the timely notice requirements. FLH personnel should avoid letting personal opinions, and/or the opinions or intentions of designers bear heavily on their response to a possible claim. What matters most are the specific provisions of the Contract - what they say and what a reasonable bidder would assume is required by them. See **Figure 1-10.3a, "Preventive Medicine for Claims"**, a claims prevention checklist.

Formal claims are required to be submitted to a delegated Contracting Officer for decision. If the Project Engineer receives what is apparently intended to be a claim, it must be referred to the COE or higher level Contracting Officer for review as to legal sufficiency and acknowledgment. The COE will seek advice of Counsel and other specialists as necessary. A **Example Acknowledgment of Receipt of Claim** is shown in **Figure 1-10.3b**.

See Chapter 3, Contract Modifications for discussion of the FAR clauses usually used as grounds for a dispute, and the specific notice and administrative requirements associated with those clauses.

1-11 PARTNERING WITH THE CONSTRUCTION CONTRACTOR

1-11.1 Background

The term *Partnering* has recently been introduced into the heavy construction industry, including highways; primarily by the Corps of Engineers with nationwide support of the Associated General Contractors (AGC). Several State highway agencies, the Federal Highway Administration (FHWA), and in particular, the FHWA's Federal Lands Highway (FLH) program has officially adopted the concept for use in both administering construction contracts and for improving internal agency and client relationships. The FLH definition is:

Partnering - *A formal process of bringing teams from different organizations together where they cooperate to achieve separate but mutually beneficial objectives.*

While the Contract establishes the legal relationships, the partnering process attempts to establish working relationships among the parties (stakeholders) through a mutually-developed, formal strategy of commitment and communication. It attempts to create an environment where trust, continuous communication, and teamwork prevent disputes, foster a cooperative bond to everyone's benefit, and facilitate the completion of a successful project.

The basic intent of partnering is to bring key managers of the project together to open channels of communication, set complimentary goals and foster a climate in which issues can be openly raised, discussed and jointly settled at the lowest practical level of responsibility. The goal of this concept is to create a cooperative team spirit, trust between team members, and a step-by-step joint issue identification and resolution process so that the number and contentiousness of disputes are minimized.

Making changes to the Contract requirements or relaxation of the specifications are not a part of the partnering process. However, when changes are appropriate to solve a problem or make the project run smoother, partnering is the forum that the stakeholders can use to, recognize the need for the change and to quickly reach an equitable agreement.

See **Figure 1-11.1, What is Partnering?**, an excerpt from the Corps of Engineers pamphlet, *Partnering a Concept for Success*.

1-11.2 Policy for Partnering

Policy guidance contained in the *FLH Manual, Subsection 1-C-3, Partnering,* is summarized, as follows:

- Partnering should be offered to the Contractor on a voluntary basis and not mandated.

- Formal partnering using a trained facilitator, is to be offered to contractors on all major projects.

- As FLH and contractor personnel become knowledgeable in partnering, smaller/less complicated projects can be partnered on an informal or abbreviated basis.

- The development of a partnering agreement, or charter, signed by all the partners is suggested for all partnered projects (both formal and informal) to document the goals and objectives agreed upon.

- Key decision makers for FLH and the Contractor may be involved in partnering, as well as major subcontractors, the clients, and other regulatory agencies, such as the Corps of Engineers, US Fish and Wildlife, etc. who have specific interest in the project.

- The use of a professional and experienced facilitator is recommended for all formal partnering.

- The cost of partnering should be shared equally by the FLH and the Contractor. A

contract modification is generally issued to cover the Government's share of the facilitator's travel, fees, related expenses, and for the meeting facilities. As a rule, the participants pay their respective travel and lodging expenses. For informal partnering session, similar reimbursement concepts should be used on an actual cost basis.

- As the partnered project develops, feedback and continuous evaluation needs to be discussed and documented at the project level on a weekly basis or whatever the agreed on frequency of meetings is. Summary reporting on a monthly basis to the Construction Engineer will be the responsibility of the Construction Operations Engineer (COE).

- A major objective of partnering is for the individuals at the project level to make timely decisions, work as a team, and resolve all conflicts or issues to the extent possible. It is also important to have a clear and expeditious *escalation procedure*, so that conflicts which cannot be resolved at the project, may be escalated to the appropriate level as quickly as possible.

1-11.3 Formal Partnering

As part of the notice to bidders, an invitation to partner is typically included in the Contract. After Contract award, a letter signed by the DE or CE, should be sent to the Contractor which highlights the benefits of partnering on the project; emphasizing the FLH support of the partnering concept; and requesting the Contractor to be prepared to indicate at the preconstruction conference whether to accept our invitation to partner. This partnering request can be incorporated in the letter scheduling the preconstruction conference.

Prior to, or during the preconstruction conference, the COE, or the Project Engineer, will determine from the Contractor if the project will be partnered. Jointly, they will agree upon the level of the partnering effort, the location and tentative date of the workshop, and most importantly, who should participate.

Next, the COE or Project Engineer and the contractor will determine, for a formal partnering effort, who will facilitate the workshop. Generally, if the Contractor has a preference, FLH will honor that selection. Each Division has a list of acceptable facilitators and may offer to share the list with the Contractor. If prior arrangements and commitments are made, consideration should be given to have the partnering workshop in conjunction (before or after) with the preconstruction conference.

Based upon experience within the FLH Divisions, the success of most partnering efforts often rests with the facilitator; therefore, the selection process is most important. If a nominated facilitator (or firm offering such services) is not well known, a qualification review should be done by the COE, particularly through telephone contact with references, other clients, and State agencies. Since the cost of their services will often range from $1,000 to $2,000 per day, the need to evaluate the facilitator's capabilities and credentials is essential.

Following selection of the facilitator, the COE or Project Engineer should finalize the attendance list with the Contractor. The availability and role of key decision makers in the management of the Contract is very important. Ideally, both FLH and the Contractor should strive to have their respective key persons attend all formal partnering workshops.

A successful match-up for a partnering workshop could include:

For the Contractor	For FLH
Senior Vice-President	Division Engineer/CO
Branch Manager	Construction Engineer/ACO
Project Manager	Construction Operations Engineer
Project Superintendent	Project Engineer
Foreman	Assistant Project Engineer
Subcontractors	Inspectors

Other representation should include the clients or customers, the State or county maintaining agencies, regulatory or compliance groups and others that may impact the project during construction.

When deciding on the appropriate attendees, do not unnecessarily expand the size of the group to the extent that the partnering process may fail. Keep in mind the success of the partnering workshop depends on the expertise and actions of the facilitator and most importantly, the cooperation and commitment of the key decision makers.

Another critical question in scheduling a formal partnering workshop is: "How long should the session last?" Since key individuals must allot their time carefully due to their respective positions and responsibilities, it is suggested that one to two days is ideal for the typical large or complex Federal Lands contract. Of course, if all parties agree, additional time should be scheduled. Often the selected facilitator can provide input here. But, follow the rule: Don't make the partnering workshop too long; it will deter from the intended goals and expectations.

Beyond the workshop, it will be necessary to agree on the approximate frequency of subsequent meetings of the stakeholders, and if those meetings will be facilitated. Generally, facilitated meetings are more formal and less frequent - say quarterly - than nonfacilitated meetings. However, if serious conflicts develop, facilitated meetings may be more effective than nonfacilitated.

Once all the details are agreed to, FLH can execute a contract modification agreeing to pay its share of the costs of the workshops and follow up sessions. The costs can than be paid directly by the Contractor with the Government's share reimbursed as a part of progress payments. **Figure 1-11.3a** is an example **Contract Modification for the Payment of the Government's Portion of a Partnering Workshop**.

The Project Engineer or COE should then proceed to contact the individual participants by telephone and personally invite them to the workshop, identify the facilitator, and present an overview of the partnering concept. At this time, the date and location of the workshop should be confirmed. Often the facilitator will wish to call each of the participants to outline the partnering process and establish common goals. Finally, the Project Engineer or COE will send an invitation letter to each participant, together with an appropriate attachment describing the Partnering process. **Figure 1-11.3b** is an **Example Partnering Workshop Invitation Letter**.

At the workshop, the participants agree on a charter which is normally a written commitment to work together to successfully complete the project, and supplement that overall charter with agreed processes (Action Planning Processes) for handling general categories of potential problems. An **Example Partnering Agreement** including three typical **Action Planning Processes** agreed to at the workshop is included in **Figure 1-11.3c**.

1-11.4 Informal Partnering

Partnering on a formal or informal basis is encouraged and recommended for all projects. The reference document from EFLHD, *Partnering Implementation Guide*, has an excellent overview of the informal partnering process. Basically, the COE is the key stakeholder for FLH; and his or her counterpart for the Contractor (usually the project manager or project sponsor) is the other stakeholder. The concept is similar to the formal partnering process, but the stakeholders are fewer in

number, usually limited to representatives of the Contractor and FLH, and an outside facilitator is usually not utilized. However, trained in-house staff members can serve as facilitators. Team development occurs as part of the project management. Early in the project the COE and his/her counterpart develop the partnering agreement, escalation procedure, and common goals. It is suggested that the agreement and related resolution procedures and action plans be prepared in draft prior to the informal partnering session. Minutes should be kept of both formal and informal partnering sessions.

1-11.5 Emphasis is on Attitude

At any time in the partnering process, COE's and their counterparts may move from informal to formal partnering if they perceive that informal partnering is not adequate to fulfill their expectations. Anytime the Contractor requests a change from informal to formal, that request will be honored by FLH.

When formal partnering is in place and partners desire a transition to informal process, the partners must agree that such a move is in the best interests of all. Further, the parties have a responsibility to the facilitator to ensure that his/her contract is settled.

1-11.6 Follow-up Evaluations and Measurement

As the construction progresses, partnering evaluations and documentation are an important component for both formal and informal efforts. Long term reduction in program growth, total cost of quality, and outstanding claims are the benefits most clearly definable and measurable. Many partnering agreements contain commitments for informal weekly or monthly onsite meetings to revisit the overall effort in support of partnering and to judge its effectiveness, and provide feedback. When less frequent facilitated meetings are scheduled, formal evaluation may be deferred until those meetings. **Figures 1-11.6a and 1-11.6b are Examples of Individual and Joint Partnership Performance Evaluations**. Individual evaluations should be completed by each stakeholder and collated by the group. Joint evaluations are completed by consensus in an open meeting. In both cases, either poor average ratings, or a diversity of ratings (lack of consensus) should be considered cause for additional focus by the group.

Closeout, or post partnering meetings, are encouraged to further assess the success, or lack thereof, of the overall efforts.

1-11.7 Reporting

Feedback by the project staff and the COE is essential to the overall evaluation of FLH's partnering program. The *FLH Manual, Subsection 1-C-3, Partnering*, details the reporting requirements for each Division. Spreadsheets of key information and dates are to be submitted quarterly to the FLH headquarters office.

1-12 CONTRACT INSPECTORS

1-12.1 General

The number and complexity of FLH construction contracts is increasing yearly. At the same time, the number of available Federal employees is declining. This situation is creating a gap between the needs of FLH and the available resources. To fill this gap, certain contract administration support functions, which are not inherently governmental, such as routine inspection and documentation are being contracted to private sector firms.

This section describes the duties that may be assigned to contract inspectors (CI's), their authority, their interactions with the contractor and the duties and responsibilities of the FLH Project Engineer with respect to the CI.

1-12.2 Contract Inspection Contract (CIC)

Planning and Coordination (P&C) in conjunction with Construction, is responsible for initiating a contract (CIC) with a qualified A&E or Technical Services firm which will provide support services to FLH employees in administering the construction contract. Generally the services will be performed by contract inspectors (CI's) assigned to the construction project for the duration of the need. The CIC describes several standard levels of expertise for the CI's. For example, a requirement for the highest level CI might be that the individual holds a NICET Level IV certification. Also listed in the CIC are the various notice requirements for obtaining CI's and releasing them from a project. Any equipment requirements are also provided.

Prior to obtaining proposals from the prospective firms, P&C, in conjunction with Construction, estimates the number of CI's needed on future projects, and the duration of those needs. The project advertisement schedule is a tool used in this analysis. The Project Engineer may be requested by the COE to provide input into the process. Other than this the Project Engineer will most likely have no other involvement with procuring the CIC. However, the CIC should be available in the project office for reference and for monitoring the CI's performance.

Once the CIC is executed it also establishes the hourly compensation rates, both regular and overtime, for the various levels of CI's, and the per diem rates should FLH request assistance in a remote location. Compensation rates include firm's overhead, profit, insurance and peripheral expenses in addition to the actual salary paid the CI.

1-12.3 Work Orders

Once the CIC has been executed, the Contracting Officer's Technical Representative (COTR) will be responsible for the day to day management of the CIC. The COTR will perform or coordinate such functions as issuing work orders to obtain CI's, monitoring the performance of the firm, approving invoices from the firm, etc. The Project Engineer will be asked to assist the COTR in these duties, which are described below. Normally the COTR will be a COE.

As the construction projects on which the CI's will be needed are awarded, the Project Engineer may be asked for the time periods and how many CI's will be needed on his/her project. Or the COE, with the Project Engineer, will review the individual project needs to determine the number of CI's needed. Some things which should be considered when determining the number of CI's include; how many shifts, how many different operations and their locations, how many FLH employees (including HET's and CO-OP's) will be available, will weather affect the operations, etc.

Once the need for a CI has been determined, a CI work order will be prepared by the COTR and issued to the firm by the Contracting Officer. The order should specify the expected

duration of the assignment so the firm can plan accordingly.

Normally, the Project Engineer and/or COE will request and review the résumé of each proposed CI, and may schedule an interview with the CI. This interview is to determine such things as whether the proposed CI has the communicative skills and technical knowledge to perform the required duties, when that is not apparent from the resume. In some cases the CIC may permit or require the firm to provide more than one proposed CI for each request, with the Government to choose the CI which would meet its needs through evaluation of the résumés and interviews. Interviews should be held to the minimum number necessary to identify a qualified CI. Unlike interviews to hire a Federal employee, there is no obligation to interview and rank all applicants, and then pick the most qualified. The COTR will inform the firm of the acceptance of a proposed CI. Regardless of the terms of the CIC, FLH always has the option of rejecting or removing CI's which after being assigned, cannot perform to the required level of competence, or whose résumés falsified or misrepresented their qualifications.

1-12.4 CI Duties

The CIC outlines the duties that will be expected from the CI. Normally, this includes inspection duties to confirm and document that the construction contractor is complying with the terms of its contract with the Government. The FLH Project Engineer must review these duties with any CI assigned to the project.

The CI *may not provide direction* to the construction contractor, or take any other action which could be construed as committing the Government. The CI *may not order work* including work provided for in the contract which requires a separate authorization from the Government, e.g. subexcavation or erosion control devices. The CI must report the facts and circumstances to the Project Engineer, in a timely manner, who will then provide direction to the construction contractor, or authorize the CI to convey information to the contractor. The CI *may not, in interacting with the construction contractor, be required to make subjective judgements and interpretations* as to the construction contract requirements or whether the construction contractor is in compliance with those requirements. Such judgements and interpretations shall be referred to the Project Engineer before being conveyed to the construction contractor.

The CI may be assigned to take tests and measurements required by the contract, and complete inspection reports documenting the details of the construction contractor's work. The CI may communicate to the contractor the results of measurements and tests, and other quantified data from the contract and other sources intended to be available to the construction contractor. This includes communicating to the construction contractor that the results of tests, measurements and inspections indicate (without the need for interpretation) compliance or noncompliance with the contract.

Other CI duties may include assisting with the office functions, e.g. completing inspector daily reports, maintaining the materials register, assist in completing the monthly receiving report, etc.

1-12.5 Project Engineer Duties

The Project Engineer should be sure that construction contractor management personnel understand who the CI's on the project are, what they will be doing and the limits of their authority.

The Project Engineer assists the COTR in administering the CI contract. Duties include monitoring the individual and collective performance of the CI's to insure the requirements of the CI contract are met, processing invoices, etc. Some of these duties are described below.

1-12.6 CI Time and Attendance

Each CI is responsible for keeping track of his/her time and attendance (T & A) on the project. Every day, the CI should report his/her hours to the Project Engineer. The firm will most likely have some form of a time card which must be kept up to date by the CI. If there is no time card, the Project Engineer and CI can develop a form. See **Figure 1-12.6** for an **Example Contract Inspection Time Sheet - Receiving Report**. At the end of each work week, the CI should sign the time card and have it countersigned by the Project Engineer. The original and one copy of the form should given to the CI who will send the original to the firm. One additional copy is retained by the Project Engineer, and one copy is sent to the COE to become the **Receiving Report** to verify the firms monthly invoice (see below). Note that the hours of regular and overtime reported on the project time cards do not necessarily correspond to the hours the firm is required to pay the employee under State and Federal law or its agreement with the employee (the CI). For example CI's which report late in the week may have already worked 40 hours on another (non-FLH) project, and therefore be eligible for overtime, while FLH's card may show only regular time. Holidays or sick leave may be compensable per agreement with the employee, but not under the terms of the CIC. The firm is obligated to resolve these kinds of problems in it's own administrative office. FLH is not obligated to honor agreements between the firm and its employees which are inconsistent with the terms of the CIC.

1-12.7 CI Invoices

The CIC will specify the billing period, usually monthly. The COTR will receive the CI invoice. The CI firm should provide a minimum of one copy and the original of the invoice to the CI. The firm must include copies of the completed weekly T & A cards as submitted by the CI (after being countersigned by the Project Engineer), with the invoice.

The COE will compare the invoice and the receiving reports for all CI's on his/her projects. Per diem time must also be verified. The original with COE concurrence, and one copy will be forwarded to the COTR who will collate with packages from other COE's and approve it's payment. The COTR will then forward the original to the appropriate personnel for processing.

The Prompt Payment Act applies to CIC invoices. The invoice must be paid within 30 days [as opposed to 14 days for construction contracts] after receipt by FLH, otherwise interest is due the firm. The Project Engineer should forward CI receiving reports to the COE as promptly as possible, as the COE needs to forward the invoice to the COTR promptly too.

1-12.8 CI Performance and/or Conduct

Should a problem develop with the CI performance or conduct, the Project Engineer should contact the COE promptly. Examples of problems include:

- The CI does not demonstrate knowledge or experience of the duties assigned and/or for the level at which they were certified and hired.

- The CI is giving improper direction to the contractor without Project Engineer knowledge or consent.

- The CI demonstrates personal problems which affect his/her work. Examples include apparent substance abuse, being continually tardy, belligerent, etc.

- The CI fails to recognize and report problems in a timely manner.

- The CI fails to maintain a professional relationship with both FLH employees and the construction contractor employees. This means the avoidance of both fraternization and personal animosity which might give the appearance of lack of objectivity in carrying

out assigned duties.

The COE will discuss possible actions with the Project Engineer. Technically, all actions should be through the firm. FLH has no obligation to provide career counseling to CI's, or to deal directly with the CI's to resolve performance problems. From a practical standpoint however, many minor problems can be resolved by providing feedback to the CI. The COTR should be kept advised on these matters. On more serious issues or when minor problems cannot be resolved on the project, the firm should be advised, through the COE and the COTR, and either requested to correct the problem, or to replace the CI.

When the CI is assigned to an FLH project, the Project Engineer should complete the top of the **Contract Inspector Rating Form**. See **Figure 1-12.8** for an example of the form. A copy of the form is then sent to the COTR through the COE. The remainder of the form should be completed by the Project Engineer and concurred in by the COE every six months or when the CI is released from a project assignment. A copy of the form should be sent to the COE, who will forward it to the COTR for filing. Ratings should relate specifically to the duties, knowledge, skills and abilities described in the CIC. A superior rating in any category indicates that the CI is performing at a significantly higher level than is required by the assignment. Such a rating can be useful in evaluating a CI if he/she is are proposed for future assignments. However, it has no relevance with respect to the current contract. CI's may not automatically be converted to a higher CIC level by virtue of superior ratings on a given assignment. Unsatisfactory ratings, on the other hand, must be acted on by the COTR, who will discuss them with the firm. Detailed documentation will probably be requested by the COTR when discussions with the firm are conducted. Ratings are not normally shown to, or discussed with the CI. They are an internal means used by FLH for documenting the firm's performance. However, the FLH Project Engineer may discuss a CI's performance with him/her. This discussion could include ways to improve performance or suggested training.

1-12.9 CI's and Government Furnished Equipment

The CIC will specify the type and amount of equipment to be supplied to the CI by the firm and by the Government. The Project Engineer should be familiar with these requirements. The firm may be required to furnish items such as vehicles, and safety items, such as hard hats. The Government may provide such things as office supplies and two-way radios and safety lights. When accountable Government property is assigned to a CI on other than a "day use" basis, the CI should be required to sign for the equipment.

1-12.10 CI Releases and Transfers

The CIC provides a minimum notification period in which the COTR notifies the firm when a CI will no longer be needed. Some reasons for release include: end of the project, a winter shutdown or other work slow down, or unacceptable performance by the CI. The CIC may provide that certain kinds of unacceptable performance (such as unethical behavior or an intentional violation of the terms of the CIC) may be considered so severe as to waive any notification period requirements.

If a release is contemplated for reasons other than unsatisfactory performance, and there is more than one CI at the level in question, and with the needed skills on a particular project, then the firm should be allowed to select which CI is transferred or terminated. Likewise if FLH desires to transfer a CI from one project to another, it has no contractual right to do so, except by ordering the firm to reduce the number of assignments on one project, while increasing the assignments on the other. The COTR may suggest or offer a preference as to which CI should be released or transferred, but the final determination should be the firm's. This is because the CIC is a technical services contract, not a personal services contract. As

long as the firm can provide the required services, the selection of the CI's should be the firm's responsibility.

1-13 RELATIONS WITH COOPERATING AND OTHER AGENCIES

1-13.1 General

As soon as possible after assignment to the project, the Project Engineer should become acquainted with the local State, county, Forest Service, National Park Service, and/or other interested officials, and discuss with them any phases of the work pertinent to them.

It should be emphasized to these officials, that contact with the Contractor, on Contract issues should be exclusively through the Project Engineer. However, this should not preclude them dealing directly with the Contractor on non-contract issues, such as overweight permits, pollution regulations, speeding enforcement, etc.

Local officials should also be advised of limitations in our ability to add to, or change contract work; and that such requests should be in writing and will have to be cleared by all appropriate officials.

These issues should be discussed at the Preconstruction Conference so that Contractor understands the relationship involved.

At the conclusion of construction, the cooperating agency and other third party entities involved in the project will be asked to complete a *Completed Project Survey* providing feedback on the quality of the project and our delivery of the construction. The Project Engineer should assure, to the extent possible that these surveys are completed and returned to the Division.

1-13.2 Forest Service

The U.S. Forest Service is one of the *Tri-Agency* group charged with overall administration of the Forest Highway Program. Therefore, Forest Service officials have legitimate interest beyond the immediate relationship of the project and its National Forest environs.

During the project development stage of the project, most of FLH's contact with the Forest Service will be through the Regional Forester's Office (including the Regional Engineer). During construction the Project Engineer should be careful to avoid taking actions, making changes or making informal agreements with local officials which are inconsistent with previous agreements, unless such issues are adequately coordinated.

During the construction of a Forest Highway project, the Project Engineer should maintain close liaison with the District Ranger assigned to the locality of the project. The Ranger and his/her staff may be most interested in the following: erosion control, landscape preservation, prevention of fires and damage outside the right-of-way, sources of borrow and aggregates, other matters pertaining to land use, and the preparation and disposal of merchantable timber.

In addition to visits by the District Ranger, the project may also be visited by the Forest Supervisor, Forest Engineer, Regional Engineer, and Regional Forester. Generally speaking, however, these officials should be encouraged to channel all requests or requirements through a single contact official designated by the Forest Service for the project.

The Project Engineer should take immediate action on all appropriate Forest Service requests that are within the scope of the Contract. Requests or instructions that are not of an emergency nature, and that would necessitate a contract modification should be in writing and referred to the Construction Operations Engineer. Requests or instructions that are of an emergency nature shall be acted on promptly, and the Construction Operations Engineer notified as soon as possible thereafter.

1-13.3 National Park Service

Since the National Park Service normally owns

the highway right-of-way, adjacent property and is responsible for maintenance and operation after construction, it maintains an active interest in all phases of FLH Park Service projects. Under normal conditions, the Park Service is represented on the project by a designated liaison from the Denver Service Center (DSC). However, the Project Engineer should also develop a good working relationship with the Park Superintendent, local Park Rangers and maintenance personnel.

Park Service requests or instructions are to be coordinated through the designated DSC liaison. If conflicting instructions, or changes become a problem the COE should be advised so that coordination above the project level can be improved.

1-13.4 Other Federal Cooperating Agencies

Other Federal agencies, with whom FLH has an active relationship include the Department of Interior's Fish and Wildlife Service and Bureau of Land Management, and the Department of Defense. The relationship of FLH to these agencies varies. Some are land owning agencies like the Park Service and have interest in all aspects of the project, including maintenance. Others, like DOD have a stake in programming and funding as well as the operational functioning of the project. But DOD projects are usually destined to become State or county highway with respect to maintenance. Therefore a "tri-agency" relationship is created.

Whenever a construction project is undertaken for, or involving one of these agencies, the COE will assure that the Project Engineer is aware of all necessary administrative information regarding our obligations to the agency, and furnish copies to the Project Engineer as appropriate. This documentation will usually include a Memorandum of Agreement (MOA) for the project.

1-13.5 Other Cooperating Agencies

Except in National Parks and on National Parkways, the maintenance of roads constructed by FLH is generally performed by States or counties in accordance with a previously executed agreement. In such cases, the maintaining agency will be asked to inspect the project prior to assuming the maintenance obligation. It is therefore important to identify these officials early in the Project and to maintain a good working relationship with them. Their interest in the project will mostly focus on the technical details and maintainability rather than impact on the surrounding environment. They will also be interested in traffic control, and whether hauling might adversely impact adjacent roads. When changes are proposed which impact these technical details, maintainability and traffic operations, they should be coordinated with these officials. Their requests should be promptly honored if reasonable, and within the Project Engineer's authority. Other requests should be referred to the COE.

With respect to Forest Highways, the State highway department is another of the "Tri-Agency" (See Subsection 1-13.2 above) group charged with overall administration of the Forest Highway program. With respect to other Public Lands highways, the Forest Service has less of a role in planning and setting priorities, but has an interest in the highway's impact on the environment. The State may also have specific assigned responsibilities for local roads in the State regardless of whether or not they are on the State system. Therefore, even if the county is the maintaining agency for a particular project, the State may also have legitimate interest and should be consulted appropriately.

The acquisition of rights-of-way across private lands is generally a function of the cooperating agencies. In some instances, only a right-of-entry or easement for a construction project will have been obtained prior to construction. In such cases, the Project Engineer should cooperate fully with appraisers and other agents in their work of obtaining the actual right-of-way. The Project Engineer must also be aware of the limitations (if any) of the right-of-entry

and attempt to maintain good relations with the property owner during construction.

The Project Engineer should also be aware of any limitation in the Government's authority to approve or agree to any work that would change the limit of construction with respect to available right-of-way. The COE should be consulted if any uncertainty develops.

1-13.6 Regulatory Agencies

A number of Federal and State agencies have regulatory responsibilities that might result in their coming onto the project and interacting with the Contractor or FLH personnel. These agencies include those responsible for water pollution control, air pollution control, occupational safety, erosion control, storm water management, or protection of endangered species.

The involvement of these Federal and State regulatory agencies has increased in recent years as a result of changes in Federal regulations requiring compliance with all local and State regulations. Most FLH permits allow these agencies the right to inspect the project and to review project records at any reasonable time.

In additon to diary notation, the COE should be notified of all visits, and any anticipated further action. When regulatory agencies take issue with FLH's compliance with permit or project agreements, the COE should be advised and arrange for technical assistance from Division office specialists.

See Chapter 6 for more on this subject.

1-14 RELATIONS WITH THE PUBLIC

Field personnel of FLH are in daily contact with, and under the critical eyes of our ultimate customer, the public. This might include adjacent property owners, daily commuters, residents of nearby communities, tourists, groups with special environment or other interests, and representatives of various news media. For these and other reasons, it is essential that all employees strive to conduct themselves in a manner that will command respect and confidence.

In any community, information concerning highway improvement is of primary interest. From the standpoint of good public relations, it is important that information pertaining to FLH projects be made available as soon as possible, and that it be both accurate and complete.

On most Park Service and similar projects where there is a single, strong cooperating agency, all questions and requests from the public dealing with the project should be referred to and coordinated by a designated cooperating agency contact. Sometimes, especially on low profile projects, the cooperating agency(s) will defer to FLH for routine public interaction. If the COE advises that this is the case, the Project Engineer should become acquainted with local editors, reporters, and heads of civic groups, and furnish such information of local interest as it is pertinent to the project to which they are assigned. Care must be exercised to avoid the release of information concerning controversial matters or items which might be misconstrued or misunderstood. Reference to any conflict or disagreement between FLH and the State, county, or another Federal agency should be avoided. A statement such as the "the matter is being jointly studied" is preferred over "there is a conflict".

When the Project Engineer is specifically assigned to be the focal point of public contacts and information, the following are some guides as to the kinds of information that should be of interest to the public, along with the actions to be taken in making timely releases with the object of establishing and maintaining good public relations:

- Information concerning road closures, detours, speed restrictions, or other items related to public safety, and of general interest to motorists should be given timely publicity. In some instances, sketch maps will be helpful in conveying such information.

- Refrain from stating opinions on local issues that have no connection with the project, or involve choices that are the prerogative of the local authorities.

- Questions directed to survey crew, construction engineering crew members, or contract inspectors should generally be referred to the Project Engineer for an answer.

- Requests for information pertaining to matters of recognized public interest that cannot be completely answered at the project level should be promptly referred to the COE.

FLH is very sensitive to the public's opinion of our projects and the quality of the project delivery process. The *Completed Project Survey* is often requested from local officials attuned to local public opinion. The public often write their elected officials to provide input or to voice complaints relative to our projects. It is important to respond professionally and to accommodate if possible, public requests and input.

REFERENCES

Federal Lands Highway Manual, Chapter Subsection 1-C-3, *Partnering*

Partnering, A Concept for Success, Associated General Contractor (AGC), Washington, DC

A Guide to Partnering for Construction Projects, Corps of Engineers, Mobile District, January 1990

Partnering Implementation Guide, Eastern Federal Lands Highway Division

Partnering Guide for Arizona Department of Transportation, by Colonel Charles E. Cowan

Managing Conflict on Construction Contracts (Partnering), by Norman C. Anderson

U.S. Department of Transportation
Federal Highway Administration
Federal Lands Highway Program

Log of Contractor's Questions

Information Furnished Prospective Bidder on

(State) _____ Project No. _____

Highway _____

_____

_____

_____

On _____ Mr. _____

of _____

requested information about the subject project. The question(s) and the answer(s) is (are) as follows:

Question:

Answer:

cc: Construction Operations Engr., _____

Files

Figure 1-4
Log of Contractor's Questions

U.S. Department of Transportation
Federal Highway Administration
Federal Lands Highway Program

CONTRACTOR PAYROLL CHECKLIST

Project Number: _____ Payroll Number: _____
Contractor: _____ Week Ending: _____
check one: [ ]Prime [ ]Sub Date Received: _____

PAYROLL

	YES	NO
Project number, location, etc. shown		
Period covers entire week		
Employee name, address, and social security number shown		
Employee classification correct for work performed		
Wage rates in accordance with general wage schedule		
Hours worked in reasonably close conformity with project records		
Net pay calculations correct (Spot check as necessary)		

STATEMENT OF COMPLIANCE

Project number, location, etc. shown		
Deductions statement		
Fringe benefits statement		
Signed, title shown		
Two copies of each received		

Remarks and/or Deficiencies:

Checked by: _____ Date: _____

Project Engineer: _____ Date: _____

Figure 1-8
Contractor Payroll Checklist

PRECONSTRUCTION CONFERENCE AGENDA

Based on DOT F 4220.3 and Typical Contract Requirements

1. Date and location of conference

2. Attendees including names and organizations

3. Organizational makeup and lines of authority (Government and Contractor)

   A. Government

      Contracting Officer(s)

      Project Engineer/COTR

      Inspectors

      Contract Inspectors

   B. Contractor

      Project Manager

      Superintendent

      Quality Control Personnel

      Traffic and Safety Supervisor

      EEO Officer

      Subcontractors

   C. Cooperating and other agencies

      Agency liaison

      Local contact

4. Commencement, progress and completion of work

   A. Insurance requirements

   B. Notice to Proceed

   C. Construction schedule submittal, approval, updates

   D. Retent for poor progress and/or delinquent submittals

   E. Completion date

   F. Liquidated damages

Figure 1-10.2a
Preconstruction Conference Agenda

G. Intended shifts, Saturday, Sunday, holiday, night work

5. Correspondence

A. To Contractor

B. To FLH - Division and Project Engineer

6. Partnering

7. Other contracts at or near the project site

8. Utilities

A. Relocation responsibility and schedule

B. Location, protection, notification

C. Coordination with utility companies

9. Operations and storage

A. Storage/staging areas to be authorized or approved

B. Government Project Engineer's field office

C. Access and hauling limitations

D. Employee parking

E. Disposal areas

F. Bulletin board (posters, emergency phone numbers, EEO policy, minimum wage schedule)

10. Layout of work

A. Government established base line and bench marks

B. Contractor responsibilities for stakeout, line and grades

C. Responsibility to notify Government of missing or conflicting stakeout information

11. Government furnished property and salvaged material

A. Furnished property - Location, delivery, storage, protection, damage

B. Salvaged material - Identification, who will salvage, delivery location, storage, damage

12. Protection of material and work

A. Protection of existing structures, utilities, vegetation, adjacent property and Government property

Figure 1-10.2a (Continued)
Preconstruction Conference Agenda

B. Protection of completed work until acceptance

13. Erosion, sedimentation and other environmental concerns

A. Authority of, and inspection by regulatory agencies

B. Protection of completed work until acceptance

14. Compliance with local rules and regulations

A. Fire hazards and forest fires

B. Burn permits

15. Safety

A. Contractor's safety plan

B. Protection of the public and Government employees

C. Protection of contractor employees

D. Accident reports

E. No inspection/acceptance under unsafe conditions

F. Hazardous/toxic materials

G. Blasting

16. Shop and falsework drawings

A. Submittal, approval and review time

B. Rejection and corrections

C. Signed and sealed by a professional engineer

D. Notify Government of incomplete information

17. Traffic Control

A. Ordering signs and devices

B. Approving alternates to TCP

C. Ordering changes to TCP

D. Monitoring and QC of TCP

E. Flagging and pilot cars

F. MUTCD - minimum standards

Figure 1-10.2a (Continued)
Preconstruction Conference Agenda

G. Maintenance of devices

18. Drainage and underdrain

A. Designing, approving the design, and staking of culverts

B. Identifying need for and ordering underdrain

19. Earthwork and subgrade

A. Erosion control and temporary seeding

B. Responsibility to utilize excavated materials and topsoil efficiently

C. Balanced earthwork vs. contractor responsible for borrow/waste

20. Inspection

A. Contractor's inspection system - QC personnel

B. Government's right to: inspect, reject defective material and workmanship, stop noncomplying work

C. COTR's/inspectors not authorized to waive or change contract requirements.

D. Responsibility to notify Government of conflicts in contract documents.

E. Acceptance - partial & final

21. Changes

A. Contract Modifications - Supplemental Agreements & Change Orders

B. All contract modifications in writing

C. Written notice of: constructive changes, delays, differing site conditions

D. Detailed cost proposal for any request for equitable adjustment

E. Advanced pricing vs. post work pricing.

F. Value Engineering Change Proposals

22. Subcontracting

A. Notice to OFCCP and SF 1413 for onsite subcontracts more than $10,000

B. Report all subcontracts (onsite, offsite and materials supply) on Form FHWA 1775

C. Responsibility for coordination of, and contract compliance of all subcontractors

D. Small business and small disadvantaged business subcontracting plan

Contractor's liaison officer

Figure 1-10.2a (Continued)
Preconstruction Conference Agenda

Records

Reporting (SF 294/295)

Liquidated damages

E. DBE/WBE subcontracting compensation clause

DBE/WBE certification

Submittals

Threshold for Compensation

Compensation (monetary and contract time)

23. Labor

A. Equal opportunity - SF 100, EEO policy, VETS-100

B. Contract Work Hours Standards Act

C. Davis-Bacon Act - minimum wage decision, additional classifications

D. Payrolls and basic records

E. Retent for nonpayment of wages or delinquent payrolls

F. Owner operators, salaried employees

G. Apprentices

H. Copeland (Anti-Kickback) act

I. Subcontractor labor compliance

24. Payment to Contractor

A. Prompt payment

B. Invoices - Receiving reports

C. Electronic Funds Transfer Payment

D. Contractor responsibility to provide stakeout/measurement data

E. Lump sum items - breakdown of contract price

F. Weighing and certifying materials for payment

G. Obligation to pay subcontractors, including suppliers

H. Interest, penalties, certification

Figure 1-10.2a (Continued)
Preconstruction Conference Agenda

I. No invoices for work associated with delinquent payrolls, test reports, materials certifications, or construction schedule

J. Bond premiums

K. Stockpiled materials - storage and protection, test reports, certifications

L. Mobilization item, other preparatory work, percentages payments

25. Notice of delays, disputes, claims

A. Responsibility to notify Government

B. No contract time adjustment except if delay is beyond control and without fault or negligence of Contractor. Delay must impact construction schedule.

21. Materials

A. Sources

Contractor vs. Government sources

Borrow areas, limits, etc.

Staking, stripping, pit cleanup

B. Specifications for materials

Source approval

Quality control

Quality assurance sampling & testing

Documentation of Compliance

Production Documentation

Commercial Product Documentation

Acceptance, Statistical Analysis, QL-Pay Program

Figure 1-10.2a (Continued)
Preconstruction Conference Agenda

U.S. Department of Transportation
Federal Highway Administration

Idaho Sand & Gravel Co., Inc.
Route 10, Box 203
Caldwell, Idaho 83742

April 7, 1994

Gentlemen:

RE: Idaho Forest Highway Project PLH 82-1(1), Yellow Pine-Challis Highway
Contract No. DTFH70-93-C-00092

Confirming our telephone conversation of April 6, 1994, the Preconstruction Conference for the above referenced project will be held on Thursday, May 2, 1994, at 8 AM, at the Forest Service offices, 6376 Main Street, Yellow Pine, Idaho. You are requested to be represented at the conference by management and other key personnel from your company and major subcontractors.

The following items are required by the Contract at or before the time work begins. We offer this list to you so that you can prepare for the conference, and so that the items might be brought to the meeting and discussed which will hopefully expedite any required approvals.

- Proposed preliminary construction schedule
- Designations of Contractor's authorized representatives including officials with authority to commit the company, superintendent, quality control supervisor, traffic & safety supervisor, and EEO official
- Shop drawings and/or submittals required by contract, including Quality Control Plan, materials sources, mix designs, materials certifications and/or materials test data
- Blasting plan and other submittals required by Section 205
- SF 1413 and supplemental information not previously submitted for subcontracts
- Certificates of liability insurance
- Electronic funds transfer information - FAR 52.232-28
- Certified cost breakdown of lump sum items

Figure 1-10.2b
Example LetterSetting Up Preconstruction Conference

The following additional items are enclosed for your information and reference.

- Basic preconstruction conference agenda
- A letter designating and detailing the authority of the Project Engineer (Contracting Officer's Technical Representative (COTR).
- OSHA Construction Safety and Health Requirements, and Recordkeeping Requirements
- Work Zone Traffic Control booklet
- Guide for value engineering change proposals
- Government furnished posters for your bulletin board, including the Davis-Bacon wage decision for the project
- Information package on construction partnering
- Six extra copies of the Standard Specifications, Contract Booklet and Plans

After reviewing your plan for grading and drainage work this construction season, the Government will provide written authorization for you to order and install the required quantities of erosion control devices.

After reviewing your plan of operations on, or adjacent to public roadways, the Government will provide written authorization for you to order and install the required quantities of traffic control devices.

We look forward to meeting your personnel at the conference. If you have need of any additional information, please contact me at (206) 696-7700.

Sincerely yours,

I. K. Brunel

I. K. Brunel
Construction Operations Engineer

Enclosures
cc: All attendees

Figure 1-10.2b (Continued)
Example Letter Setting Up Preconstruction Conference

"Preventive Medicine"

For Claims

- Develop a thorough knowledge of plans and specifications.
- Read all relevant portions of the Contract before answering questions or making decisions.
- Perform accurate and consistent timely inspections, testing and reporting.
- Strictly adhere to established testing procedures.
- Accept nothing less, nor require nothing more than required by the Contract.
- Insure that all inspectors are properly instructed to apply consistent standards for the work being performed.
- Maintain professional and cooperative attitude with Contractor personnel.
- Be sympathetic to Contractor's problems, complimentary when Contractor delivers exceptional quality.
- View project accomplishments as a team effort between Contractor and FLH personnel.
- Deal with the superintendent or at least the same people on the same issues all the time.
- Try to anticipate and recognize potential claim situations.
- Face problems including FLH mistakes, and seek fair and equitable resolutions.
- Track proposed CM to be sure those charged with making decisions know that the project is waiting for those decisions.
- Act promptly and decisively in dealing with problems. If you can't resolve an issue, refer it to someone who can.
- Realize that communication is probably the most effective deterrent to claims -- thorough documentation is the best defense.

Figure 1-10.3a
Preventive Medicine for Claims

U.S. Department
of Transportation

**Federal Highway
Administration**

Old MacDonald Construction Co., Inc.
P. O. Box 4115
Elko, Nevada 67499

July 17, 1993

Gentlemen:

RE: Nevada Forest Highway, PLH 34-2(2), Austin-Tonopah Highway

This acknowledges receipt of your claim dated June 12, 1993, for $776,000 for compensable costs you allege to have incurred in the construction of the above referenced project.

Your claim requested a decision of the Contracting Officer, and was properly certified in accordance with FAR Clause 52.233-1, Disputes.

Your claim has been referred to Mr. J. L. Budwig, Contracting Officer, in accordance with the delegated authorities of Central Federal Lands Highway Division.

This office will conduct an audit of your cost data within the next 30 days. Your office will be contacted as soon as the audit is scheduled. After the audit is complete, a Contracting Officers Decision will be issued within 60 days. This is estimated to be on or before November 1, 1993. If that estimate changes due to unforeseen circumstances, you will be so advised.

If you have any questions on this issue, please refer them to Ms. S. L. Brandt at (303) 776-0521.

Sincerely yours,

R. L. Seedworth

R. L. Seedworth
Construction Engineer

Figure 1-10.3b
Example Letter - Acknowledgment of Receipt of Claim

WHAT IS PARTNERING?*

The Partnering concept is not a new way of doing business--some have always conducted themselves in this manner. It is going back to the way people used to do business when a person's word was their bond and people accepted responsibility. Partnering is not a contract, but a recognition that every contract includes an implied covenant of good faith.

While the contract establishes the legal relationships, the Partnering process attempts to establish working relationships among the parties (stakeholders) through a mutually-developed, formal strategy of commitment and communication. It attempts to create an environment where trust and teamwork prevent disputes, foster a cooperative bond to everyone's benefit, and facilitate the completion of a successful project.

For the most effective results, stakeholders should conduct a Partnering workshop, ideally at the early stages of the contract. The sole agenda of the workshop is to establish and begin implementing the Partnering process. This forum produces the opportunity to initiate the key elements of Partnering.

The key elements of Partnering are:

- **Commitment** - Commitment to Partnering must come from top management. The jointly-developed Partnership charter is not a contract, but a symbol of commitment.

- **Equity** - All stakeholders' interests are considered in creating mutual goals and there is commitment to satisfying each stakeholder's requirements for a successful project by utilizing win/win thinking.

- **Trust** - Teamwork is not possible where there is cynicism about others' motives. Through the development of personal relationships and communication about each stakeholder's risks and goals, there is better understanding. With understanding comes trust and with trust comes the possibility for a synergistic relationship.

- **Development of Mutual Goals/Objectives** -At a Partnering workshop the stakeholders identify all respective goals for the project in which their interests overlap. These jointly-developed and mutually agreed to goals may include achieving value engineering savings, meeting the financial goals of each party, limiting cost growth, limiting review periods for contract submittals, early completion, no lost time because of injuries, minimizing paperwork generated for the purpose of case building or posturing, no litigation, or other goals specific to the nature of the project.

- **Implementation** - Stakeholders together develop strategies for implementing their mutual goals and the mechanisms for solving problems.

- **Continuous Evaluation** - In order to ensure implementation, the stakeholders agree to a plan for periodic joint evaluation based on the mutually agreed to goals - to ensure the plan is proceeding as intended and that all stake-holders are carrying their share of the load.

- **Timely Responsiveness** - Timely communication and decision making not only saves money, but also can keep a problem from growing into a dispute. In the Partnering workshop the stakeholders develop mechanisms for encouraging rapid issue resolution, including the escalation of unresolved issues to the next level of management.

*Excerpt from Corps of Engineering pamphlet: *Partnering, A Concept For Success*.

Figure 1-11.1
What Is Partnering?

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE	PAGE OF PAGES
	1 | 2

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
Supplemental Agreement No. 2	03/13/92		CA FLH & FH 124-1(2)

6. ISSUED BY CODE

U.S. Department of Transportation
Federal Highway Administration
Central Federal Lands Highway Division
555 Zang Street, P.O. Box 25246
Denver, CO 80225

7. ADMINISTERED BY (If other than Item 6) CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)

Granite Construction Company
P.O. Box 900
Watsonville, CA 95077

CODE FACILITY CODE

(x) 9A. AMENDMENT OF SOLICITATION NO.

9B. DATED (SEE ITEM 11)

10A. MODIFICATION OF CONTRACT/ORDER NO.

X DTFH68-91-C-90007

10B. DATED (SEE ITEM 13)

September 17, 1991

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(x) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR Contract Clause 52.243-4 CHANGES

D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not. ☒ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

(See Continuation Sheet)
By signature in Block 15 below, the Contractor agrees that payments and time adjustments, as provided herein, releases the Government from any and all liability under this contract for any further compensation or adjustments attributable to this modification.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)
Granite Construction Company	C.R. Houser, Construction Engineer
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED 4/27/92
16B. UNITED STATES OF AMERICA BY (Signature of Contracting Officer)	16C. DATE SIGNED 8/25/92

NSN 7540-01-152-8070
PREVIOUS EDITION UNUSABLE

30-105

STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

Figure 1-11.3a
Example Contract Modification to Pay Government's Share of Partnering Workshop

MODIFICATION OF CONTRACT
(CONTINUATION SHEET)

Contractor: Granite Construction Company
Contract: DTFH68-91-C-90007 dated September 17, 1991
Project No: CA FLH & FH 124-1(2), Soda Springs-Auburn
Contract Modification Number: Supplemental Agreement No. 2

Block 14. Description of Modification: (Continued)

In a Wednesday, October 30, 1991 telephone conversation, Mr. Jerry L. Budwig, Division Engineer, Central Federal Lands Highway Division and Mr. William G. Dorsy, Senior Vice-President, Branch Division Manager, Granite Construction Company, agreed to pursue a partnering agreement.

It was subsequently agreed to share "Partnering" costs as follows: Costs incurred in consulting fees, associated expenses, and the meeting facility were to be borne equally by both parties. Employee expenses, including travel, lodging and salaries were to be borne by the respective employers. A cost breakdown follows:

Pay 1/2 of the following:

1. Consulting Fee, Donald C. Mosley, President, Synergistic Consulting Group: $2,700.00 (subtotal)

2. Expenses, Donald C. Mosley:

Air Fare	$1,130.00	
Car Rental	132.64	
Airport Parking	10.00	
Meals	57.01	
		$1,329.65 (subtotal)

3. Service Charges, Red Lion Hotels and Inns:

#224025	$ 556.22	
#224059	459.53	
		$1,015.75 (subtotal)

4. Motel Room, Donald C. Mosley: 331.17 (subtotal)

Total 1 through 4 above: $5,376.57

Pay this Amount: $5,376.57 divided by 2 = $2,688.29

This modification is intended to initiate "Partnering" with Granite Construction Company to be used during the course of the contract. There will be no change in the Contractor's responsibilities with regard to all other aspects of the contract. This CM will be amended when additional workshops resulting in similar expenses are necessary.

The final contract amount will be increased $2,688.29 as a result of this modification.

There will be no change in the time allowed for completion of the contract as a result of this modification.

Figure 1-11.3a (Continued)
Example Contract Modification to Pay Government's Share of Partnering Workshop

U.S. Department of Transportation
Federal Highway Administration

555 Zang Street
P.O. Box 25246
Denver, Colorado 80225-0246

February 12, 1993

Ms. Kathy Moss
Contract Administrator
Harper Contracting, Inc.
4655 West 5415 South
Kearns, UT 84118

Dear Ms. Moss:

Subject: Partnering Conference - Wolf Creek Road Project
March 17-18, 1993

Thank you for your excellent assistance during the past several days in preparing for the subject conference. Based on our conversations, I have prepared a final attendance list which is enclosed. Additionally, I have provided a brief statement on partnering from the Associated General Contractors booklet on the subject.

Your selection of the Cliff Lodge in Snowbird, Utah, for the conference location sounds exciting and should inspire the group to achieve our mutual goals. According to Ms. Ruth Johnson our facilitator, the conference hours are 8 a.m. to 4 p.m. on March 17, and 8 a.m. to 3 p.m. on March 18.

A copy of this letter will be forwarded to the other attendees together with directions indicating the conference location in proximity to Salt Lake City. Since lodging is at a premium at the Cliff Lodge facility, I foresee most of the attendees will overnight in the Salt Lake City area.

Our staff at FHWA look forward to being in Snowbird with your company representatives and the entire partnering group.

Please contact Mr. Bill Dixon or me at (303) 969-5958 if you have any questions or need additional information or assistance.

Sincerely yours,

Norm Merrill

Norm Merrill
Project Engineer

Enclosures

Figure 1-11.3b
Example Partnering Workshop Invitation Letter

PARTNERING AGREEMENT FOR
THE FORESTHILL HIGHWAY PROJECT

The Federal Highway Administration and Granite Construction Company agree to work together as a team exhibiting a cooperative spirit to complete a safe, quality project within budget, on time, while being sensitive to public interest.

Accordingly, we are committed to incorporating the following core values:

- Integrity/Honesty
- Openness/Trust
- Pride/Professionalism
- Fairness/Flexibility
- Integrity

We agree to timely resolution of disputes at the lowest level with the goal of no unresolved disputes at the completion of the project.

Randy Kremer

Edward C. Hanson

Wayne Cornelius

Fred Pearson

Figure 1-11.3c
Example Partnering Agreement

Action Planning Process

I. Problem: Communication

II. Solution:

A. Up-to date progress schedules (subcontractors, suppliers)
B. Weekly staff meeting (Granite-Government)
C. Daily drive through (P.E. - Supt.)
(Insp.- Foreman)
D. Anticipate traffic control needs.
E. Required submittals well in advance as per specification.
F. Attempt to build personal relationships.
G. Discuss potential conflict and determine whether it can be solved informally.
H. Attempt to minimize posturing letters.
I. No surprises.
J. Objective listening and avoid vindictiveness.
K. Be open to suggestion.
L. Anticipate problems, changes, needs.
M. Keep participating agencies updated (utility companies).

III. Feedback:

Charlie and Wayne communicate on progress of partnering effort.

Figure 1-11.3c (Continued)
Example Partnering Agreement

Action Planning Process

I. Problem: Specification Interpretation

II. Analyzing the problem:

A. Causes

1. Specifications are capable of varied interpretation.
2. Overzealous enforcement.
3. Specifications don't accurately address particular situation.

B. Impact

1. Results in adversarial relationship.
2. Poor quality
3. Delays

III. Solutions:

A. Weekly planning meetings which include appropriate specification discussions.
B. Discuss material specifications in advance. Use full production trials.
C. Ability to discuss "end result" vs "strict method".
D. Notification.
E. Forthright presentation of alternate solutions.

Figure 1-11.3c (Continued)
Example Partnering Agreement

Action Planning Process

I. Dispute Resolution Process

1. It is preferred that conflict be discussed and resolved at the project level immediately not to exceed 5 working days.

2. When conflict is not resolved at the project level, it will be taken to the next level of supervision immediately not to exceed 5 working days.

   Granite - Booth and Haynes
   FHWA - Clem

3. When conflict is not resolved in step 2, it then goes to (notification in writhing):

   FHWA - Contracting officer (Houser)
   Granite - Wayne Cornelius

4. When not resolved in step 3, it then is handled in accordance with the provisions of the contract. ADR is encouraged.

II. Goal

No disputes shall go beyond Level 2.

Figure 1-11.3c (Continued)
Example Partnering Agreement

PARTNERSHIP PERFORMANCE EVALUATION

Name/Title: _____ Date: _____
Project: _____

Please evaluate work on the above project during the last month (circle your response and comment as appropriate)

1. Safety record and attitude — Comment:
poor — excellent
1 2 3 4 5 6 7

2. Public Relations — Comment:
poor — excellent
1 2 3 4 5 6 7

3. Completion of work — Comment:
tedious — expeditious
1 2 3 4 5 6 7

4. Teamwork — Comment:
poor — excellent
1 2 3 4 5 6 7

5. Value engineering — Comment:
no new savings — substantial savings
1 2 3 4 5 6 7

6. Quality of work — Comment:
poor — excellent
1 2 3 4 5 6 7

7. Team morale — Comment:
poor — excellent
1 2 3 4 5 6 7

8. Dispute resolution — Comment:
poor — excellent
1 2 3 4 5 6 7

9. Communication — Comment:
poor — excellent
1 2 3 4 5 6 7

10. Trust — Comment:
poor — excellent
1 2 3 4 5 6 7

11. Effectiveness of joint meetings — Comment:
poor — excellent
1 2 3 4 5 6 7

12. Timely paperwork — Comment:
poor — excellent
1 2 3 4 5 6 7

13. Total partnership effort — Comment:
poor — excellent
1 2 3 4 5 6 7

Figure 1-11.6a
Example Individual Partnership Evaluation

PARTNERING JOINT EVALUATION FORM

PERFORMANCE FACTORS	Low 1	Below Average 2	Average 3	Above Average 4	High 5	COMMENTS
Understanding of Mission						
Candor, Honesty, Trust						
Project Execullon/Progress within Time Frames						
Issue/Conflict Resolution						
Communication						
Logistics						
Leadership						
Health of the Partnership						

Name: _____ Date: _____

Figure 1-11.6b
Example Joint Partnership Evaluation

FEDERAL LANDS HIGHWAY
CONTRACT INSPECTION TIME SHEET - RECEIVING REPORT

PROJECT NAME/NUMBER:_____

CONTRACT INSPECTION FIRM: _____

CONTRACT INSPECTOR (NAME): _____

DATES INCLUDED ON THIS REPORT: FROM_____ TO _____

Date	Regular Time	Overtime	Per Diem
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
TOTALS	_____	_____	_____

Certified Correct

CI(Signature):_____ Date:_____

Project Engineer: _____ Date:_____

COE: _____ Date: _____

Approved for Payment:

COTR:_____ Date:_____

Figure 1-12.6
Contract Inspection Time Sheet - Receiving Report

FEDERAL LANDS HIGHWAY
CONTRACT INSPECTOR RATING FORM

PROJECT NAME/NUMBER:_____

CONTRACT INSPECTION FIRM:_____

CONTRACT INSPECTOR: _____

INSPECTOR CLASSIFICATION: _____

RATING PERIOD(DATES) FROM:_____ TO: _____

Project Engineer to rate the CI in the following areas and comment in the remarks section

	Superior	Satisfactory	Unsatisfactory
Documentation:	_____	_____	_____
Monitoring the Contractor's Inspection System	_____	_____	_____
Recognizing, analyzing, and proposing workable solutions to problems	_____	_____	_____
Inspecting the various construction elements of the project	_____	_____	_____
Interactions with the construction contractor and others	_____	_____	_____

REMARKS:

PROJECT ENGINEER (Signature):_____ Date:_____

CONTRACT INSPECTOR (Signature):_____ Date:_____

COE:_____ Date:_____

COTR: _____ Date: _____

Figure 1-12.8
Contract Inspector Rating Form