

OKLAHOMA DEPARTMENT OF TRANSPORTATION
CONTRACT ADMINISTRATION FOR CONTRACTORS

October 20, 2006 ←

This advisory has been prepared for distribution with the contractor's executed contract to assist in administration of contracts with the Oklahoma Department of Transportation. It is understood that when the word "you" is used, it refers to the contractor.

NOTICE TO PROCEED:

The Notice to Proceed (work order) will not be issued by the Construction Engineer until the Out of State Tax Bond and/or the Insurance requirements in the contract documents have been met by the Contractor.

OUT-OF-STATE TAX BOND:

A Tax bond must be on file with the Oklahoma Tax Commission if:

- you are a non-resident Prime Contractor and the contract amount is over \$100,000.00.
- you are a non-resident Subcontractor working for an Oklahoma Contractor.

The Notice to Proceed will not be issued by the Construction Engineer until the Out of State Tax Bond, if required, has been met by the Contractor.

The out of state Contractor should contact the State of Oklahoma Tax Commission, Attn: Business Tax Division located at 2501 Lincoln Blvd. OKC, OK 73194 for an out of state tax packet.(Phone 405-522-0338)

INSURANCE:

The Contractor shall furnish satisfactory proof of public liability and property damage liability insurance, workers compensation insurance and the Railway Company Insurance policy, which may be required by the contract documents. Insurance certificates, and the Railway Company Insurance policy if required, must be received by the Construction Engineer in the Construction Division at the Oklahoma Dept. of Transportation, 200 N.E. 21st. Street, Okla. City, OK 73105 prior to the Notice to Proceed being issued. See section 107 of the standard specifications and also see the special provisions for additional information pertaining to the Railway Company Insurance policy that may be required. (Effective November 1, 2006 the proof of project specific public liability and property damage liability insurance must be received by Office Engineer Division, along with the executed contract. You may refer to Special Provision 107-14 in your contract for additional details.)

SUBCONTRACTING:

Subsection 108.01 of the Standard Specifications relates to “Subletting of Contract” and states that the Contractor shall not subcontract any portion of the contract without written or electronic consent of the Department. There are two methods available to you to submit a subcontract request; Method I is electronically and Method II is by paper transmittal.

Subcontracting of more than 50% of the contract will not be approved. (In some cases the contract may include a Special Provision modifying the ODOT Specification of Section 108.01 allowing up to the Federal maximum of 70%).

METHOD I: To obtain approval of an **ELECTRONIC REQUEST TO SUBCONTRACT**, the following steps shall be followed:

1. You will be required to load a program called: “SiteXchange” (A free copy of SiteXchange will be provided by ODOT the first time you are awarded a SiteManager Contract requiring the use of SiteXchange, along with an easy to follow Manual). These can be downloaded from the ODOT website or go to: “<http://www.okladot.state.ok.us/contractadmin/index.htm>”
2. Once you have been awarded a contract with ODOT, you will be able to download SiteXchange from our ODOT Web Page or the address above. You will also be able to download your file which will contain your bid items. You will need to download the email attachment into “SiteXchange Subcon”. You can then add your subcontractors, haulers, material suppliers, etc., and assign the bid items they will be performing on your contract.
3. Once all your subs are loaded, please send the file to SubcontractRequest@ODOT.org for processing. You will then be notified by an email which has a approval letter attached. You will need to print this letter and attach it to your subcontract request for auditing purposes. Please keep a copy of your current contract file and when revisions are necessary, pull your file back up and make any changes then forward to Construction Division. NOTE: If you have new items added through a Change Order and you need to subcontract these out, you will need request a new file from Construction Division in order for the new items to show up. If you have any problems, please contact Construction Division either at the address listed above or by phone @ 405-521-2561.
4. Training will be provided on an “as needed” basis once ODOT holds the start up training in October, 2006. SiteXchange works just like Expedite which you currently use to bid ODOT projects. If you feel you need additional training or were unable to attend our training workshop, please notify the Construction Division and we will be happy to assist you.

REVISIONS OF A PREVIOUSLY APPROVED SUBCONTRACT ELECTRONICALLY:

Pull up your last contract file submitted for approval and make the necessary changes and email back to SubcontractRequest@ODOT.org Revision instructions are included in your Manual. It will be returned to you approved in the same manner as listed above. (Please refer to Step 3) Please include a note telling us this is a revision and not a new contract.

METHOD II: To obtain approval of a Request to Subcontract by paper submission, the **ORIGINAL HARD COPY VERSION**, the following procedure shall be followed:

- Submit one original of all “Request to Sublet Letter”, subcontract agreements and qualifying information to the Construction Engineer in the Construction Division at 200 N.E. 21st Street, Oklahoma City, OK. 73105, 405-521-2561
- Submit on contractor’s letterhead, size 8½ X 11 (See example enclosed).
- Submit each subcontractor on a separate “request to sublet letter” and assign a consecutive number to each request.
- Submit in the format shown on the sample copy enclosed.
- The item subcontracted shall be the bid item in the contract.
- The quantity shall be the number of units subcontracted.
- The unit price shall be the unit price bid in the ODOT contract except where the subcontract is for only a portion of the item. An explanation on the “request to sublet” letter is to be included in these cases.

Each request to subcontract must be accompanied by a copy of the written agreement or subcontract between the contractor and the subcontractor. The agreement must contain all of the required contract provisions with regard to Equal Employment Opportunity, Disadvantaged Business Enterprise, wage rates and labor provisions, by reference or attachment, Payment to Subcontractors, Service Companies or Material Suppliers Notice (49 CFR) commonly referred to as Prompt Payment Specification, plus the items agreed to between the contractor and subcontractor. This agreement will be reviewed and when accepted, returned to the contractor.

REVISIONS OF A PREVIOUSLY APPROVED SUBCONTRACT ORIGINAL HARD COPY VERSION:

Submit the revision with the word “REVISED” beside the number of the subcontract with request to replace.

SECOND TIER SUBCONTRACTING:

Subcontracting of a subcontract IS NOT permitted!

DISADVANTAGED BUSINESS ENTERPRISE (D.B.E.) SUBCONTRACTS & SERVICE AGREEMENTS:

On Federal Aid Project there is a goal for the participation of D.B.E. Firms (except in some very rare cases). These may be subcontractors, suppliers or haulers (refer to the current D.B.E. Program Manual for details). For a copy of the D.B.E. Program Manual, contact Regulatory Services Division at the Oklahoma Department of Transportation, 200 N.E. 21st Street, Oklahoma City, OK. 73105. (Phone: 405-521-6046)

The contractor shall follow the procedure for approval of D.B.E. Subcontracts as described above. This is in addition to naming the subcontractor in the contract proposal.

Approval of D.B.E. Subcontracts (to satisfy the D.B.E. goal) must be secured from the Construction Engineer prior to the issuance of the first pay estimate.

EXCEPTIONS TO THE NORMAL APPROVAL PROCEDURE:

When listing the items to be performed by the D.B.E. Subcontractor on the D.B.E. Subcontractor Agreement, show only the money slated to be earned by the D.B.E. Sub. Only the money actually paid to the D.B.E. may be counted towards the D.B.E. Goal.

CHANGE OF D.B.E. SUBCONTRACTOR:

When a D.B.E. Subcontractor cannot perform the work as previously agreed, you are to replace that D.B.E. with another D.B.E. Firm. Submit "NOTIFICATION CHANGE OF D.B.E. PARTICIPANT" D.B.E. Form 4, explaining the reason for the change. Attach a copy of the declining D.B.E.'s letter and submit all to the Construction Engineer in Oklahoma City.

WAIVER OF D.B.E. REQUIREMENTS:

Generally, as long as there is an opportunity for the D.B.E. goal to be reached, waivers will not be approved. However, when a D.B.E. does not report to perform the work as scheduled and the contractor demonstrates that a "good faith" effort was made to find another D.B.E. firm, that portion of the D.B.E. requirement may be waived. Submit the "REQUEST FOR WAIVER" form to your Resident Engineer who will then forward to the Construction Engineer in Oklahoma City with related attachments.

PRIME CONTRACTOR IS A D.B.E. FIRM:

When the Prime Contractor is a D.B.E., all of the monies earned, less any monies paid to a Non D.B.E. Subcontractor will go towards the D.B.E. goal. NOTE: The contractor is not obligated to subcontract. (Also see the following section.)

SUBCONTRACTING COMPLIANCE:

Field Divisions and Construction Residencies are responsible for verification of on-site compliance with subcontracting procedures. Work done by subcontractors will not be permitted without an approved subcontract. The Resident Engineer may allow temporary approval of non-approved subcontractors. However, no monies will be paid for that portion of the work until approval is secured. The subcontracting procedures are not intended to prevent the subcontractor from employing personnel or renting equipment to do the work.

Designated D.B.E. suppliers and service companies will be considered acceptable on issuance of the Notice to Proceed.

All Non-D.B.E. Prime Contractors are to complete and submit a D.B.E. Form 2A to the Resident Engineer to verify monthly payment to the D.B.E. Firms. As part of the finalization process, a completed D.B.E. Form 3A is required of the Non-D.B.E. Prime Contractor.

All D.B.E. Prime Contractors are to complete and submit a D.B.E. Form 2B to the Resident Engineer to verify monthly payments to the Non-D.B.E. Subcontractors.

Failure of the contractor to comply with the requirements for subcontracting and D.B.E. participation will be cause for default in accordance with Section 108.10 of the Standard Specifications For Highway Construction, Edition of 1999.

STORMWATER RUNOFF PERMIT:

If your project disturbs one acre or more, you will have received a Notice of Intent (NOI) Application in your contract packet. You must sign and return this document to Office Engineer Division with your contract for execution. A copy of the approved NOI from the Oklahoma Department of Environmental Quality is to be posted at the project site.

PRECONSTRUCTION CONFERENCE:

The Notice to Proceed normally becomes effective two weeks after the date of issue unless the contract provisions state otherwise. This is to allow time for a Preconstruction Conference. You are to contact the Resident Engineer for scheduling of the conference. If you wish to begin work before the effective date, of the Notice to Proceed, make arrangements early so that the conference can be held prior to the start of work. Beginning work prior to the issuance of the Notice to Proceed is not allowed (this is for your own protection).

PROGRESS SCHEDULE:

Section 108.03 of the Standard Specifications requires that you submit a Progress Schedule to the Resident Engineer. This is to be submitted at the Preconstruction Conference. Some contracts require a Critical Path Method Schedule. Refer to your contract documents to determine the type of Progress Schedule you are to submit.

MATERIALS AND TESTING:

Prepare and submit your list of sources of materials to the Resident Engineer as soon as possible. This will allow time for the Materials Division to prepare for inspection of fabricated items. Some items originate outside the State of Oklahoma and require time to negotiate agreements for inspection.

It is your responsibility to provide necessary certifications and some types of tests of materials. Generally, the Engineer will not pay for materials for which the quality has not been verified by tests, or certifications.

PAYROLL RECORDS:

If your project is Federally funded, you and your subcontractors must submit payroll records and certifications for each week during the course of the project. If the project is not Federally funded, you must keep your payroll records in your files for three years. (Payroll records are not required for Material Suppliers and Haulers.)

PAYMENTS:

Payment for work performed on the project is made in accordance with Section 109.06 of the Standard Specifications and the Supplement when applicable.

THE FINALIZATION PROCESS:

If your project required Railroad Flagging, you must furnish a notarized certificate that states you have wholly reimbursed the Railway Company for flagging services.

Non-D.B.E. Prime Contractors must submit:

- A signed, notarized, D.B.E. Final Form 3A for each D.B.E. Subcontractor, supplier or trucker.
- The mileposts of the final estimate are approximately as follows:

COMPLETION DATE - (Contractor's release from the physical project)

RESIDENCY AUDIT

DIVISION AUDIT

MATERIALS CERTIFICATION

ISSUANCE OF THE FINAL ESTIMATE - Return all but one copy of the signed & notarized final estimates to the Resident Engineer. Don't forget the corporate seal, if applicable, and don't forget to verify quantities with your subcontractors, before you return the Final Estimate.

FINAL ACCEPTANCE

Oklahoma Department of Transportation Construction Division.

**SAMPLE COPY of “Request to Sublet” Letter
Please submit on Your Company’s Letterhead**

Oklahoma Department of Transportation
Construction Division
200 N. E. 21st Street
Oklahoma City, OK. 73105

Date:
Project:
Job Piece No.
County:
Contract Amt.:

Attention: Construction Engineer

Gentlemen:

In compliance with Section 108.01 of the Standard Specifications and Federal regulations when applicable, authority is requested to sublet the following items included in the contract of the above project to the contractor indicated:

Sub’s FEI#:
Sub’s Name:
Mailing Address:

Subcontract No. _____

SPEC. ITEM	ITEM DESCRIPTION	QUANTITY	UNIT	PRICE	AMOUNT
509.06B	Class ‘A’ Concrete	220.0	C.Y.	38.00	8,360.00
511.06	Reinforced Steel	16,600.	LB.	0.42	332.00
512.06A	24" R.C. Pipe	72.	L.F.	5.50	396.00
614.06A	Perf. Pipe Underdrain	200.	L.F.	1.50	300.00
614.06C	Pipe Underdrain Cover Material	74.	C.Y.	3.00	222.00
				Total Amt.	\$9,610.00

Sub’s Name	Subcontract No. <u>2</u> - 6.84%	\$ 9,610.00
Sub’s Name	Subcontract No. <u>1</u> - 9.36%	<u>\$13,140.00</u>
	16.20%	\$22,750.00

I certify that (Sub’s Name) has access to the plans, specifications and special provisions covering the items of the contract that appear hereon, and that (he has/they have) full knowledge for the requirements necessary to complete the work in accordance with the governing plans and specifications. The minimum wage rates specified in the contract will apply to all work subcontracted.

Contractor

Recommended for Approval

Approved:

For/Construction Engineer

For/Director

(Please submit one original to the Construction Division along with one copy of your signed agreement with your subcontractor. Make sure you have your Subcontractor’s FEI No. in order to speed up processing.)

**SAMPLE COPY of "Request to Sublet" Letter
Please submit on Your Company's Letterhead**

Oklahoma Department of Transportation
Construction Division
200 N. E. 21st Street
Oklahoma City, OK. 73105

Date:
Project:
Job Piece No.
County:
Contract Amt.:

Attention: Construction Engineer

Gentlemen:

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Sub's FEI#:
Sub's Name:
Mailing Address:

Subcontract No. _____

SPEC. ITEM	ITEM DESCRIPTION	QUANTITY	UNIT	PRICE	AMOUNT
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Total Amt.

Sub's Name
Sub's Name

Subcontract No. _____	-	____%	\$
Subcontract No. _____	-	____%	\$ _____
		____%	\$ _____

I certify that (Sub's Name) has access to the plans, specifications and special provisions covering the items of the contract that appear hereon, and that (he has/they have) full knowledge for the requirements necessary to complete the work in accordance with the governing plans and specifications. The minimum wage rates specified in the contract will apply to all work subcontracted.

Contractor

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Approved:

For/Construction Engineer

For/Director

(Please submit one original to the Construction Division along with one copy of your signed agreement with your subcontractor. Make sure you have your Subcontractor's FEI No. in order to speed up processing.)