

# DELEGATION OF AUTHORITY

## CLAIM ADMINISTRATION

PERIOD	ITEM	ENTITLEMENT AUTHORITY <sup>1</sup>	NEGOTIATED SETTLEMENT AUTHORITY <sup>2</sup>
Prior to Issuance of Proposed Final Estimate (PFE)	Notices of Potential Claim & Protests	Approvals of contract change orders (CCO) resolving entitlement potential claims & protests are subject to the Delegation Authority for CCOs.	Claim Settlement Reports (CSRs) must be submitted to the Construction Program for all Negotiated Settlements, with no exceptions. The CCO Memo may not be used in lieu of the CSR. The CCO and CCO Memo must be attached to the CSR prior to sending to the Construction Program.
Return of PFE until Board of Review (BOR) Meeting	Claims	Approvals of CCOs resolving entitlement claims are subject to the Delegation Authority for CCOs. Entitlement Claim CCOs subject to district approval: <ul style="list-style-type: none"> <li>• District Division Chief approves CCOs, may not be delegated to Construction Engineers.</li> <li>• Fax copy to the Contract Reviewer for information.</li> </ul> Entitlement Claim CCOs subject to Program approval: <ul style="list-style-type: none"> <li>• District Construction Division Chief submits for approval.</li> <li>• Construction Coordinator approves.</li> </ul>	Approval of CSRs resolving settlement of potential claims, protests, and claims is subject to the Executive Order Delegation noted below: <b>&lt; \$500K</b> <ul style="list-style-type: none"> <li>• District Construction Division Chief submits CSR for approval (see note b).</li> <li>• Construction Coordinator recommends approval.</li> <li>• Legal recommends approval.</li> <li>• Construction Program Manager approves.</li> </ul> <b>≥ \$500K</b> <ul style="list-style-type: none"> <li>• District Director submits CSR for approval (see note b).</li> <li>• Construction Coordinator recommends approval.</li> <li>• Legal recommends approval.</li> <li>• Construction Program Manager recommends approval.</li> <li>• Deputy Director of Project Development approves.</li> </ul>
BOR Meeting through Final Estimate	Claims	Approvals of CCOs resolving entitlement claims are subject to the District Director's Determination and the Delegation Authority for CCOs. Entitlement Claim CCOs subject to district approval: <ul style="list-style-type: none"> <li>• District Division Chief approves CCOs, may not be delegated to Construction Engineers.</li> <li>• Fax copy to the Contract Reviewer for information.</li> </ul> Entitlement Claim CCOs subject to Program approval: <ul style="list-style-type: none"> <li>• District Construction Division Chief provides signature under "submitted by" on CCO Memo.</li> <li>• Construction Coordinator provides signature on CCO Memo recommending approval.</li> <li>• Construction Program Manager provides signature of approval on CCO Memo.</li> </ul> Approval of the CCO is subject to the normal Delegation of Authority for CCO's.	Notes: a. Approval of the corresponding CCO is subject to the normal Delegation of Authority for CCOs. The Contract Reviewer will either provide a CCO authorization or notify the district to authorize the CCO. b. The BOR Chairperson submits CSR for approval for the District Director if it is submitted after the BOR Meeting. c. The approved CSR is filed in the Construction Program confidential files. All drafts should be destroyed.

## CLAIM ARBITRATION

PERIOD	ITEM	NEGOTIATED SETTLEMENT AUTHORITY <sup>2</sup>
Request for Arbitration Filed	Settlement Offers Meeting: Occurs when a contractor offers to settle claims prior to judgement.	Approval of CSR's resolving settlement of claims in arbitration are subject to Executive Order Delegation: Current delegation limits are noted below: <b>&lt; \$500K</b> (Construction Coordinator, Contract Management Office Chief, District Division Chief, and Program Manager meet and are advised by Legal on Offer. Legal has CSR prepared.)
	Pre-Discovery Settlement Meeting: May be requested by Legal to consider issuing a settlement offer.	<ul style="list-style-type: none"> <li>• Coordinator submits CSR for District Construction Division Chief acceptance.</li> <li>• Construction Program Manager approves.</li> </ul>
	Post Discovery Settlement Meeting: Requested by Legal or Construction Program to consider issuing a settlement offer.	<b>≥ \$500K</b> (Construction Coordinator, Contract Management Office Chief, District Division Chief, and Program Manager meet on offer and are advised by Legal on offer. Legal has CSR prepared.) <ul style="list-style-type: none"> <li>• Program Manager submits CSR for District Director acceptance.</li> <li>• Deputy Director of Project Development approves.</li> </ul>
Arbitration	Settlements: Contractor offers or State issues prior to Arbitrator Award.	Approval of the corresponding CCO is made in the Construction Program.
	Awards	1. If additional funding required, District processes request. 2. HQ issues CCO and makes payment.

1. Entitlement – Merit, even partial, requiring compensation per Public Contract Code Section 10227 "Changes in plans and specifications" and the Construction Manual "necessary to complete the work as originally contemplated".
2. Negotiated Settlement – Per Public Contract Code Section 9201 "Authority to compromise or otherwise settle any claim relating to a contract at any time" and per the Construction Manual "Negotiated in the best interest of the state".