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Contractors can use subcontractors on their projects provided the subcontractor and the prime contractor comply with the applicable contract specifications and with state and federal laws and regulations. When projects use subcontractors, the resident engineer must primarily focus on the following:

- Always know which subcontractors are working on the project.
- Of the contract amount, ensure that subcontractors perform no more than 50 percent (or the percentage allowed by the special provisions), excluding Specialty Items as identified in the special provisions.
- Ensure that listed subcontractors are not illegally removed or replaced.
- Ensure the prime contractor achieves the subcontracting level pledged to meet requirements of the disadvantaged business enterprise (DBE) and the disabled veteran business enterprise (DVBE) when the contract was awarded. For more information on the DBE and DVBE subcontracting requirements, see Section 8-3, “Disadvantaged Business,” of the *Construction Manual* (manual).
- Ensure adherence to the provisions of the Subletting and Subcontracting Fair Practices Act.

In the same manner as for other contractual obligations, construction personnel must review the contract and administer the subcontracting provisions.

3-801A Amount of Work Subcontracted

Section 8-1.01, “Subcontracting,” of the *Standard Specifications*, requires that the contractor perform no less than 50 percent of the work using the contractor’s own organization, excluding Specialty Items as identified in the special provisions. The special provisions may revise this percentage.

The percentage of work subcontracted is calculated for first-tier subcontractors only. A contractor’s organization must include only workers employed and paid directly by the prime contractor and only equipment owned or rented by the prime contractor, with or without operators.

The following examples portray common situations encountered when attempting to determine if work should be considered as subcontracted:

- The contractor pays an hourly rate for work performed at the job site. The contractor purchases material for curing seal by the tonne, but pays for spreading the material by the hour. Consider this work as completed by the contractor’s own forces.
- The contractor pays a unit price or lump sum for work performed at the job site. The contractor purchases cement for cement-treated base, and the price per tonne includes spreading on the project. Consider the work as subcontracted.

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- Materials are purchased “FOB” to the job site from a commercial source. (FOB is the abbreviation for “free on board” and means the price includes delivery to the job site.) Do not consider the delivery as subcontracted work.
- Materials are purchased FOB at a location off the project and delivered by a commercial freight line. Do not consider the hauling as subcontracted work.
- Materials are obtained at a location off the project and hauled to the project by a truck broker or independent trucker. Do not consider the hauling as subcontracted work.

In unusual cases, the resident engineer should discuss the situation with the construction engineer. If the situation then indicates that additional information is necessary but only available through an inspection of the contractor’s records, discuss with Division of Construction personnel the possibility of an audit.

3-801B Calculating the Amount of Work Subcontracted

The contractor must submit Form CEM-1201, “Subcontracting Request,” stating what portion and dollar amount of an item will be subcontracted. The resident engineer must verify the amount. Any rational method of determining the amount will be acceptable. For example, methods using the following would be acceptable:

- The percent of an area, volume, or length
- The portion applicable to material cost
- Or, the portion of labor and equipment cost

When an entire item is subcontracted, the amount is the prime contractor’s bid price, not the amount of the subcontract. When a portion of an item is subcontracted, the value of the work subcontracted will be based on the percentage of the contract item bid price. The following is an example of a method to calculate the amount subcontracted:

Bid price of contract item =	\$100,000.00
Estimated cost of performing the entire item work (force account or similar estimate) =	\$ 80,000.00
Estimated cost of subcontracted portion (force account or similar estimate, not necessarily subcontractor’s bid) =	\$ 40,000.00
Percent of item subcontracted = $40,000 \div 80,000 = 50\%$	
Amount subcontracted = $0.50 \times 100,000 =$	\$ 50,000.00

To ensure the contractor is not requesting approval for a firm other than those firms listed in the bid documents, the resident engineer must check the DBE listing and the Subletting and Subcontracting Fair Practices Act listing. If a discrepancy is noted, the resident engineer must advise the contractor and ask for an explanation. The resident engineer must not approve the subcontracting request until the contractor provides an acceptable explanation.



3-801C The Subletting and Subcontracting Fair Practices Act

Sections 4100 through 4114 of the Public Contract Code are called the “Subletting and Subcontracting Fair Practices Act” and apply to Caltrans construction projects. This act is designed to prevent prime contractors from “bid shopping” for subcontractors after bids are opened and the low bidder is known.

The act requires that subcontracted work in excess of 0.5 percent of the contractor’s bid amount or \$10,000 (whichever is greater), must be listed in the prime contractor’s bid proposal. Not listing a subcontractor indicates that the prime contractor will do the work with the contractor’s own forces. The act does not require the listing of second-tier subcontractors, vendors, and suppliers, or subcontractors performing temporary work, such as temporary traffic striping.

All subcontracted work in excess of 0.5 percent of the contractor’s bid amount must be listed if the work to be performed is a building project such as a maintenance station or other off-highway project.

The resident engineer must ensure that the listed subcontractor performs the work or that the contractor complies with the act regarding substitution.

Listed subcontractors can be substituted only if the act’s procedures have been followed.

3-801C (1) Substitution Process

To remove a subcontractor listed in the bid documents, the prime contractor must submit a written request. The contractor can request the removal of a listed subcontractor for the following reasons:

- The subcontractor fails or refuses to execute a written contract for the work specified in the subcontractor’s bid and at the price specified in the subcontractor’s bid, based upon the general terms, conditions, plans, and specifications for the project involved or the terms of the subcontractor’s written bid.
- The subcontractor becomes bankrupt or insolvent.
- The subcontractor refuses to perform the subcontract.
- The subcontractor fails or refuses to meet bond requirements.
- The prime contractor proves to the awarding authority that the subcontractor was listed as the result of an inadvertent clerical error. This reason can only be used shortly after bid opening.
- The subcontractor is not licensed.
- Caltrans determines that the listed subcontractor’s work is substantially unsatisfactory.
- The subcontractor is ineligible to work on a public works project pursuant to Section 1777.1 or 1777.7 of the Labor Code.
- Caltrans determines that a listed subcontractor is not a responsible contractor.
- It is in the best interests of the state.

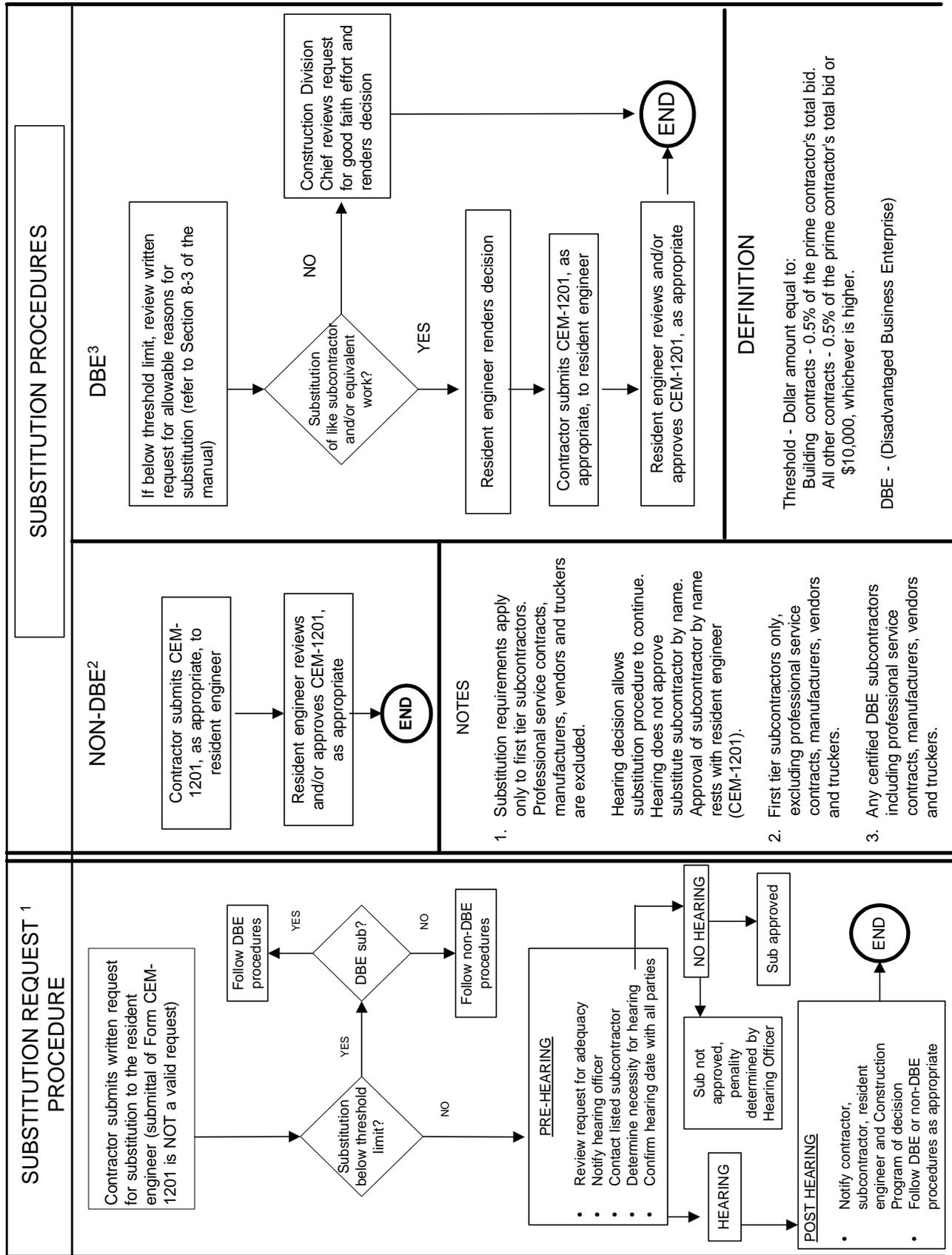
For more detail on the authorized reasons for removing listed subcontractors, see Sections 4107 and 6109 of the Public Contract Code.

When the prime contractor requests a substitution, proceed as follows:

- Send the request, together with the reason, to the district construction office.

- If the prime contractor indicates that the listed subcontractor agrees with the removal, the prime contractor should submit a letter from the subcontractor agreeing with the removal. To verify the subcontractor wants to be removed, the resident engineer must also check with the subcontractor.
- If the subcontractor does not agree with the removal, the prime contractor must describe the reasons for the removal, and the reasons must match the authorized reasons described under the Subletting and Subcontracting Fair Practices Act.
- The district must notify the listed subcontractor by certified mail that the contractor has requested removal. The district must also provide a copy of the contractor's request to the subcontractor. The listed subcontractor has five working days to submit to Caltrans a written objection to the substitution. Failure to file a written objection constitutes the listed subcontractor's consent to the substitution.
- If the listed subcontractor does not respond within five working days, the resident engineer must approve the removal of the listed subcontractor. The resident engineer must then approve the new subcontractor (if qualified), following the guidelines under "Procedure for Approval or Acknowledgement of Subcontractors" in this section. If the removed subcontractor's firm was a DBE, the contractor must undertake efforts to replace that firm with another DBE. Assess a good faith effort before approving a replacement if the new subcontractor is not a DBE. See Section 8-3, "Disadvantaged Business," of this manual.
- If the listed subcontractor submits timely written objections to the substitution, the district will conduct a hearing. Normally, the hearing officer is the district construction deputy director. The prime contractor and the subcontractor objecting to the substitution must receive written notice of the hearing a minimum of five days before the hearing.
- Before the hearing, ensure the allegations are evaluated to determine whether a Caltrans attorney needs to attend the hearing to develop the record on a legal issue.
- The hearing can be informal, without strict rules of evidence. To substantiate the allegations, however, documents must be obtained from both parties. Either the hearing officer or another Caltrans representative must also develop a line of questioning to ensure sufficient evidence exists upon which Caltrans can base its decision about the request. Moreover, if the hearing officer requires legal or other assistance during the substitution or hearing process, the district must contact the construction field coordinator, who will arrange for such assistance as appropriate.
- During the hearing, tape recording can be used to assist in taking notes.
- After the hearing, the hearing officer will issue written findings, conclusions, and a decision on the substitution request. As soon as possible after the hearing, the prime contractor and the objecting subcontractor must receive a copy of the decision by certified mail return receipt. The Division of Construction must also receive a copy. If the prime contractor is found to be in violation of the act, the contractor must be assessed a penalty, taken as an administrative deduction, ranging from 0 to 10 percent of the subcontract amount. The district will determine the penalty amount, which will vary depending on the circumstances involved. The district hearing officer's finding is the final Caltrans administrative finding on the application and enforcement of the act.

Table 3-8.1 The following chart outlines the foregoing substitution process:



The following presents typical examples of some of the more common violations of the act by a prime contractor:

- Subcontracting work that was not listed as subcontracted work.
- Using a subcontractor that was not listed.
- Substituting subcontractors without Caltrans' consent.
- Performing work that a subcontractor was designated in the bid documents to perform.

If these or any other violations occur, proceed as follows:

- The resident engineer must discuss the apparent violations with the construction engineer.
- If the construction engineer agrees an apparent violation has occurred, send the prime contractor a letter stating the following:

“It has come to our attention that you are in apparent violation of the Subletting and Subcontracting Fair Practices Act, Public Contract Code, Sections 4100 through 4114, for work being performed on item(s) ____ of State Contract No. -----.

“You will be assessed a penalty of \$ _____ as provided in the Subletting and Subcontracting Fair Practices Act. If you wish to dispute this penalty, you should request a hearing. Caltrans will schedule a hearing on this apparent violation and the penalty to be assessed. Should you request a hearing, you will be given five days notice of the time and place thereof, in accordance with Section 4110 of the Public Contract Code. If you do not request a hearing, the penalty will be assessed as a permanent deduction on the next progress pay estimate.”

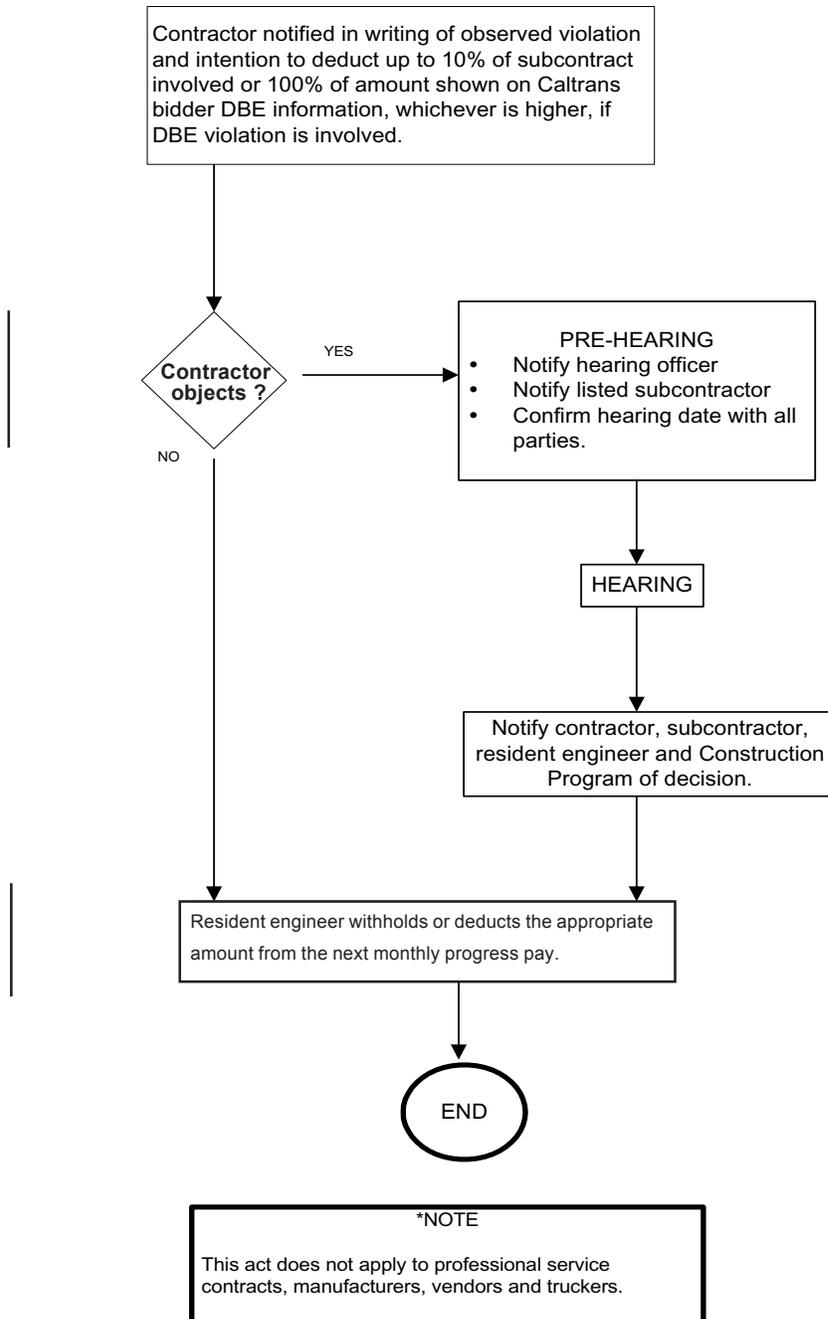
Send copies of the letter to the subcontractor and to the Division of Construction.

- If the contractor requests, the district will schedule a hearing using the same procedure as described in the substitution process.
- When Caltrans has determined that a penalty will be imposed (0 to 10 percent of the subcontract amount depending on the district's evaluation of the reasons for the violation of the act), the district must ensure that the penalty amount is deducted from a future estimate.
- Occasionally, the contractor will list subcontractors that are not required by the act. If so, only Caltrans' normal subcontracting procedures apply.

The following flowchart shows the steps to take when the contractor is found to be in violation of the Subletting and Subcontracting Fair Practices Act.

Table 3-8.2 Violation of Subletting and Subcontracting Fair Practices Act Flowchart

VIOLATION OF SUBLETTING AND SUBCONTRACTING FAIR PRACTICES ACT



3-801D Procedure for Approval or Acknowledgment of Subcontractors

The resident engineer has the responsibility for approving subcontractors on federally funded projects or acknowledging subcontractors on state-financed projects.

In general, approving or acknowledging subcontractors is necessary only for first-tier subcontractors.

To request subcontracting, the contractor must submit Form CEM-1201, "Subcontracting Request," to the resident engineer. When the contract was awarded, the contractor received a blank Form CEM-1201, along with other documents. The resident engineer should provide to the contractor additional blank forms when necessary. The back of the form contains instructions for completing the form.

Upon receipt of Form CEM-1201, the resident engineer will complete the lower portion of the form. Before approving the contractor's request, the resident engineer must do the following:

- Check the contractor's portion of the form.
- Complete lines 1 through 9. Lines 2 and 6 will contain running balances, so process requests in order of request number. Complete the remainder of the form as outlined on the form.
- Verify subcontractors comply with DBE goals submitted by the contractor before the contract award. Ensure no conflict exists between the DBE requirements and the listing requirements of the Subletting and Subcontracting Fair Practices Act.
- If the contractor's request meets all the requirements, sign and date the form and distribute it as indicated on the form.

The special provisions for most contracts considered non-highway related (building contracts) waive the requirements of Section 8-1.01, "Subcontracting," of the *Standard Specifications*. The effect of this waiver is that a subcontractor who is listed in the bid proposal may perform the work without advance notification to the resident engineer, and the requirements about the prime contractor performing 50 percent of the work are not applicable. However, those contracts that contain federal funding still require that subcontractors receive prior approval and that prime contractors perform a specified percentage of the work. Such federally funded contracts must be processed as discussed above.

3-802 3-802 Beginning of Work

Beginning of Work

This section covers the subject of when the contractor begins work. This subject is not to be confused with the beginning of contract time and the preparation of Form CEM-2701, "Weekly Statement of Working Days," which is covered below in Section 3-805, "Time of Completion."

The contract normally requires the contractor to begin work on a project within 15 calendar days after receiving notice that the contract has been approved. The special provisions may modify the 15-day requirement.

The resident engineer must determine when to record the beginning of work, based on judgment and experience. For example, setting up signs could be the only work under way. If conversations with the contractor indicate movement toward pursuing the work, the setting up of signs is sufficient to indicate the beginning of work. Record the date the contractor begins work on Form CEM-2701 in the resident

engineer's daily report, and on the original or supplemental Form CEM-6003, "Progress Pay Estimate, Project Initiation or Update." For more information, see Section 5-103B (1), "Completing Form CEM-6003, Project Pay-Estimate Project Initiation or Update," of this manual.

Adequately record the district's actions toward encouraging the contractor to begin work. Notes of discussions from the preconstruction conference or other conversations with the contractor provide the necessary records. If a contractor fails to begin work by the specified time, remind the contractor of this failure under "Remarks" on Form CEM-2701. Send a separate letter with an additional reminder.

When the district decides that failure to begin work will result in unsatisfactory progress, discuss the situation with the construction field coordinator.

3-802A Work Before Contract Approval

After the contractor has executed and returned the contract to Caltrans, the contractor, after submitting the specified notice, may enter the site and begin operations.

When a contractor wants to start work before contract approval, call the Office of Office Engineer, contract documents unit, to determine whether Caltrans has received the executed contract documents. If the office has received the documents, proceed as set forth in Section 8-1.03, "Beginning of Work," of the *Standard Specifications*.

If a contractor wants to begin work before contract documents have been delivered to Caltrans, the contractor must obtain an encroachment permit from the district. The permit must incorporate the same terms stated in Section 8-1.03 that apply after the contractor has returned the executed contract documents to Caltrans but before the time of the contract's approval. In addition the permit must include the following:

- A statement that the contractor is responsible and liable for any personal injury or property damage resulting from the work.
- The requirements for cooperation contained in the special provisions and in Section 7-1.14, "Cooperation," of the *Standard Specifications*. The terms of the permit should include notice that the contractor may be working on the site concurrently with others performing utility relocation, right-of-way clearance work, or other construction operations and that the work of the others will take precedence over the contractor's operations.
- When obvious conflicts are apparent, a permit should not be issued.
- The limits of the area in which work will be performed.
- The operation or operations to be performed.
- A statement that the contractor will comply with the requirements of the contract plans, *Standard Specifications*, and the project's special provisions and that the contractor will comply with any order of work specified in these documents.
- A statement that the contractor's operations will not deprive property owners of access.
- A requirement to provide an adequate bond (or cash deposit) to cover the work contemplated before starting any work. The amount should be the same as for other types of work, as covered in the *Manual for Encroachment Permits on California State Highways*.
- A reference to the contract's water pollution control requirements.

When extra work must be a first order of work, it should be performed under a “prior authorization,” as covered in Section 5-3, “Contract Change Orders,” of this manual. After the executed contract documents have been delivered as specified, contract change orders may be approved in the normal manner.

The district must not process requests for relief from maintenance or for contract acceptance until after the contract’s approval.

3-803 Progress Schedule

When the special provisions require a progress schedule, the resident engineer must make every effort to obtain a reasonable schedule at the beginning of the contract. Any communication regarding the progress schedule must be recorded in the daily report. Notify the contractor in advance if a progress payment will be withheld for failure to submit a satisfactory schedule.

Any schedule that does the following will meet the specification requirements:

- Separates the major items into activities that are likely to become the controlling operation or operations.
- Can be used by the contractor and resident engineer to monitor and evaluate progress, determine controlling items of work, and analyze time impacts from contract changes or work delays.
- Is consistent with contract time requirements.
- Displays milestones such as placing traffic on detours or new pavement and beginning new phases of the work in staged construction.

The resident engineer must require an updated or revised progress schedule regularly or when significant changes occur in the project.

The special provisions may require a progress schedule using the critical path method (CPM). The special provisions will contain all the requirements for such a schedule. For CPM information and guidelines, refer to the Construction Scheduling Manual published by the Division of Construction.

3-804 Temporary Suspension of Work

Temporary suspension of work, as covered under Section 8-1.05, “Temporary Suspension of Work,” of the *Standard Specifications*, falls into two general categories:

1. This category relates to the contractor’s failure to carry out orders or to perform any provision of the contract. Any letter ordering such a suspension must include references to applicable sections of the specifications and, if possible, state the conditions under which work may be resumed. Such action is taken only after careful consideration of all aspects of the problem.
2. This category relates to unsuitable weather or conditions unfavorable for the suitable prosecution of the work. This type of suspension may result from anticipated heavy traffic due to a holiday or a special event.

a. Suspension of an Item or Operation

A suspension that affects an item or several items may be ordered. Usually this suspension is used when either the work or the public will be affected adversely by continued operation.



Although this type of suspension is an option available only to the engineer, consider the contractor's opinion on such a suspension.

b. Suspension of the Entire Project

In areas subject to severe weather, it is permissible to suspend an entire project if this action is considered to be in the best interest of Caltrans. However, the engineer's authority to suspend is limited to the reasons stated in Section 8-1.05, "Temporary Suspension of Work," of the *Standard Specifications*. When an entire project is suspended for reasons that do not fall under the scope of Section 8-1.05, the suspension must have the contractor's concurrence.

During any suspension, advise the contractor of the conditions under which maintenance will be performed.

During a suspension, preferably use the contractor to perform the necessary work to provide for public convenience or public safety. If Caltrans must perform such work, the district will request a director's order, financed from the contract allotment. This order allows the district to hire a contractor to perform the work at force account.

When the reason for a suspension no longer exists, or when favorable conditions are expected soon for resuming work, the resident engineer must notify the contractor in writing. The letter must state the date when working days are expected to be resumed and must allow sufficient time to permit the contractor to remobilize the necessary labor and equipment. Generally speaking, 10 working days are considered a reasonable time.

The district construction office must forward to the Division of Construction copies of the letters notifying the contractor of suspension and resumption of work.

Because of an ordered suspension of work, the contractor may be due additional compensation, contract time, or both, that was not provided for elsewhere in the specifications. The specification allowing such compensation applies only to situations where the work is suspended for an unreasonable period. A one-day suspension because of traffic generated by a planned major event is not unreasonable. However, a suspension resulting from an unplanned major incident could be reason for granting additional compensation, time, or both.

3-805 Time of Completion

This section discusses the method of tracking contract time and uses the terms "days," "working days," and "controlling operation." Section 1, "Definitions and Terms," of the *Standard Specifications*, defines "days." Section 8-1.06, "Time of Completion," of the *Standard Specifications*, defines "working days" and "controlling operation." However, the contract's special provisions may modify the definition of working days.

The total time allowed for completion of a contract is a specified number of working days. The "computed date for completion" of a contract is the date of the last working day. On most projects situations arise that extend the date for completion beyond the "computed date for completion." This extension is called the "extended date for completion."

3-805

Time of Completion

The “computed date for completion” can be extended in two ways:

1. A day that normally would be charged as a working day is not charged. The number of working days remains the same. The result of this situation is that the “computed date for completion” is extended by one working day. This method of extending the date for completion is used when work is suspended or when working days are not charged for the reasons given in paragraphs (b) and (c) in Section 8-1.06, “Time of Completion,” of the *Standard Specifications*.
2. The number of working days in the contract is increased, resulting in an extension of the date for completion. However, the actual working day, or days, on which an event occurred that resulted in an extension of time are charged as working days. This method of extending the date for completion is called a time extension. Reasons for time extensions are specified in Section 8-1.07, “Liquidated Damages,” Section 8-1.09, “Right of Way Delays,” and Section 8-1.10, “Utility and Non-Highway Facilities,” of the *Standard Specifications*.

3-805A Weekly Statement of Working Days

The resident engineer must use Form CEM-2701, “Weekly Statement of Working Days,” to report the status of contract time to the contractor.

As soon as possible and no later than the middle of the following week, forward the original statement to the contractor. For review, send one copy to the district construction office, and file another copy with the project records. When working days are not being charged because of a work suspension, the weekly statement need not be submitted until working days are charged again. The first weekly statement after resumption of work will show the total suspension days to date.

Form CEM-2701 consists of three basic sections:

3-805A (1) The Record Section (Upper Block)

This section is used to record all working days, nonworking days as defined in Section 8-1.06, “Time of Completion,” of the *Standard Specifications*, and working days on which no productive work was performed on the controlling operation. In this section, tabulate every elapsed working and nonworking day during the life of the project.

Each day, the resident engineer must determine whether or not to charge a working day, and if necessary, discuss the decision with the contractor. The “current controlling operation” is the basis of this determination; therefore, the resident engineer must base the decision on conditions effective on the day under consideration. The resident engineer will note on Form CEM-2701 the operation that, in the resident engineer’s opinion, is currently controlling. If the contractor does not concur, the entry will give the contractor an opportunity to protest formally, in accordance with Section 8-1.06, “Time of Completion,” of the *Standard Specifications*.

If the controlling operation is a nonweather dependent activity, such as concrete curing or an embankment settlement period, a working day must be charged during inclement weather.

When determining nonworking days, loss of time due to inclement weather may extend beyond the period of actual inclement weather. The following list provides examples of this type of situation:

- Although the weather may be suitable, the grade may still be too wet to work because of previous days of inclement weather.
- If, due to unstable material, the contractor spent the major portion of the day rebuilding haul roads and removing saturated material from the tops of fills, no progress toward completion would have been made even though the full crew might have worked the entire day.

Inclement weather can be other than wet or cold weather. For instance, it may be too hot to produce concrete that meets specified temperatures. If all specified precautions have been complied with and the concrete work is the controlling operation, a weather nonworking day could be granted.

If a nonworking day is granted because of requirements in Section 10, “Maintaining Traffic” of the special provisions, state the reason in the “Remarks” section of Form CEM-2701.

A temporary short-term suspension, for reasons such as anticipated heavy traffic for an event or holiday, must be noted in the “Weather, Weather Conditions or Other Conditions” section and explained in the “Remarks” section. Do not show any charges for working or nonworking days. Include the suspension day in the “Days contract suspended” line under the heading “Computation of Extended Date for Completion” on Form CEM-2701.

In the column titled “Working Days No Work Done on Controlling Operation,” record any working day on which no work is done on the project or on the controlling operations. If the resident engineer knows the reasons for lack of work, the resident engineer should note them in the daily report.

3-805A (2) *Time Extensions (the Center Block)*

This section is used for recording extensions of time for causes specifically set forth in Section 8-1.07, “Liquidated Damages,” Section 8-1.09, “Right of Way Delays,” and Section 8-1.10, “Utility and Non-Highway Facilities,” of the *Standard Specifications* or for applicable requirements in the special provisions.

Analyze possible time extensions while the circumstances are still fresh in the minds of the principals.

In the “CCO” column, record working days granted for contract change orders. In the “Other” column, record all other time extensions covered by the above mentioned sections not included in contract change orders.

Use the following procedure for approving an “other day”:

- Under “Remarks,” the resident engineer will acknowledge the receipt of a letter from the contractor requesting a time extension.
- The resident engineer will forward the contractor’s letter to the construction engineer with a cover letter containing the following information:
 1. Number of days requested and the contractor’s justification for the request.
 2. Cause of delay.

3. Statement describing what controlling operation or operations are delayed and to what extent.
 4. Resident engineer's recommendation.
 5. Reference to supporting data.
 6. On federal oversight projects, comments from the area engineer of the Federal Highway Administration.
- The construction engineer or appropriate approving engineer (depending on district policy), will note approval, if appropriate, on the resident engineer's letter and return a copy to the resident engineer or notify the resident engineer of other steps to be taken.
 - If the time extension is approved, the resident engineer will enter it on Form CEM-2701, "Weekly Statement of Working Days," as an approved extension, with a statement under "Remarks" similar to that shown on Example 3-8.4, at the end of this section.

The Division of Construction must approve "other days" granted after the completion of the final weekly statement of working days.

If contract time has expired, the engineer may consider time extensions for causes described in the fifth paragraph of Section 8-1.07, "Liquidated Damages," of the *Standard Specifications* and in Section 8-1.09, "Right of Way Delays," and Section 8-1.10, "Utility and Non-Highway Facilities," of the *Standard Specifications* the director must approve all other time extensions for causes occurring after the contract working days have expired.

In considering time extensions for any of the specific causes designated in the contract, deduct all nonworking days within the extension period, and ensure the extension is made only for the working days charged to the contract during the extension. For additional information on time extensions after contract completion, see "Liquidated Damages" later in this section.

3-805A (3) *Computation of Extended Date for Completion (the Lower Block)*

In the lower section of the form, summarize the information the contractor will receive.

The "first working day" is the calendar day specified in Section 4, "Beginning of Work, Time of Completion and Liquidated Damages," of the contract's special provisions. This day is usually the 15th calendar day after contract approval.

Several methods are used to specify the first working day. The resident engineer must read and understand the contract's specifications and correctly record the date of the first working day.

Use the Construction Workday Calendar to determine the correct values to place in the "Numbered Day" column on Form CEM-2701 for the first working day, the computed date for completion, and the extended date for completion. The calendar is available at the following address:

<http://www.dot.ca.gov/hq/construc/calendar.html>

The number shown on the calendar on a particular date is that date's numbered day.

3-805A (4) Final Weekly Statement of Working Days

Designate the Form CEM-2701 that is used for the week during which a contract is accepted as the “Final Weekly Statement of Working Days.” Prepare this statement on the day the district accepts the contract and ensure the statement reflects the “approved status of time” on this date. As soon as the district construction office receives the form from the field, the office must forward a copy of the final statement to the Division of Construction. For revising the status of time from that shown on the final weekly statement of working days, see Section 3-806, “Liquidated Damages” later in this section.

3-805A (5) Examples

The following examples show typical entries for Form CEM-2701, “Weekly Statement of Working Days.”

Example 3-8.1 First Working Day/Begin Work

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
WEEKLY STATEMENT OF WORKING DAYS
 CEM-2701 (REV. 2/2001)

(JOB STAMP)

				REPORT NUMBER 1	
CONTRACTOR				WEEK ENDING (month, day, year) 04/09/99	
Date	Day	Weather, Weather Conditions or Other Conditions ¹	Working Day	Nonworking Day	Working Day No Work Done on Controlling Operation ²
4/5/99	Monday				
4/6/99	Tuesday	First working day - clear	1		1
4/7/99	Wednesday	Clear	1		1
4/8/99	Thursday	Contractor began work - clear	1		
4/9/99	Friday	Clear	1		
Days this week _____			4		2
Days previously reported _____					
Total days to date _____			4		2
Time Extensions ³			CCO Numbers ⁴	Days Approved	
				CCO	Other
Days this report _____					
Days previously reported _____					
Total days to date _____					
Computation of Extended Date for Completion			Number of Days	Numbered Day ⁵	Date
1. First working day _____				528	4/6/99
2. Working days specified in contract _____			140		
3. COMPUTED DATE FOR COMPLETION (line 1 + line 2 - 1) _____				667	10/25/99
4. Days contract suspended to date _____			0		
5. Total time extension days approved to date (CCO plus other) _____			0		
6. Total Nonworking days to date ⁶ _____			0		
7. Subtotal (line 4 + line 5 + line 6) _____			0		
8. EXTENDED DATE FOR COMPLETION (line 3 + line 7) _____				667	10/25/99
9. Revised working days for contract (line 2 + line 5) _____			140		
10. Total working days to date _____			4		
11. WORKING DAYS REMAINING (line 9 - line 10) _____			136		

CONTROLLING OPERATIONS (S)
 Construction area signs

REMARKS

Contract approved March 22th, 1999
 (Refer to Section 4 of the special provisions to determine the first day of work)

The contractor will be allowed fifteen (15) days in which to protest in writing the correctness of the statement; otherwise, the statement shall be deemed to have been accepted by the contractor as correct.
NOTE: Footnote instruction for resident engineer are on reverse side.

RESIDENT ENGINEER SIGNATURE

DATE

Distribution: Original--contractor, copies--district, resident engineer



Example 3-8.2 Begin Work Before First Working Day

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

(JOB STAMP)

WEEKLY STATEMENT OF WORKING DAYS

CEM-2701 (REV. 2/2001)

				REPORT NUMBER 1	
CONTRACTOR				WEEK ENDING (month, day, year) 04/09/99	
Date	Day	Weather, Weather Conditions or Other Conditions ¹	Working Day	Nonworking Day	Working Day No Work Done on Controlling Operation ²
4/5/99	Monday	Clear - Contractor began work			
4/6/99	Tuesday	First working day - clear	1		
4/7/99	Wednesday	Clear	1		
4/8/99	Thursday	Clear	1		
4/9/99	Friday	Clear	1		
Days this week			4		
Days previously reported					
Total days to date			4		
Time Extensions³			CCO Numbers⁴	Days Approved	
				CCO	Other
Days this report					
Days previously reported					
Total days to date					
Computation of Extended Date for Completion			Number of Days	Numbered Day⁵	Date
1. First working day				528	4/6/99
2. Working days specified in contract			140		
3. COMPUTED DATE FOR COMPLETION (line 1 + line 2 - 1)				667	10/25/99
4. Days contract suspended to date			0		
5. Total time extension days approved to date (CCO plus other)			0		
6. Total Nonworking days to date ⁶			0		
7. Subtotal (line 4 + line 5 + line 6)			0		
8. EXTENDED DATE FOR COMPLETION (line 3 + line 7)				667	10/25/99
9. Revised working days for contract (line 2 + line 5)			140		
10. Total working days to date			4		
11. WORKING DAYS REMAINING (line 9 - line 10)			136		

CONTROLLING OPERATIONS (S)

Construction area signs

REMARKS

Contract approved March 22th, 1999

(Refer to Section 4 of the special provisions to determine the first day of work)

The contractor will be allowed fifteen (15) days in which to protest in writing the correctness of the statement; otherwise, the statement shall be deemed to have been accepted by the contractor as correct.

NOTE: Footnote instruction for resident engineer are on reverse side.

RESIDENT ENGINEER SIGNATURE

DATE

Distribution: Original--contractor, copies--district, resident engineer



Example 3-8.3 Contract Change Order Time Extension

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
WEEKLY STATEMENT OF WORKING DAYS
 CEM-2701 (REV. 2/2001)

(JOB STAMP)

				REPORT NUMBER 5	
CONTRACTOR				WEEK ENDING (month, day, year) 05/07/99	
Date	Day	Weather, Weather Conditions or Other Conditions ¹	Working Day	Nonworking Day	Working Day No Work Done on Controlling Operation ²
05/03/99	Monday	Cloudy	1		1
05/04/99	Tuesday	Rain		1	
05/05/99	Wednesday	Clear - embankment too wet		1	
05/06/99	Thursday	Clear	1		
05/07/99	Friday	Clear	1		
Days this week _____			3	2	1
Days previously reported _____			16	3	4
Total days to date _____			19	5	5
Time Extensions³			CCO Numbers⁴	Days Approved	
Days this report _____			CCO #2	CCO	Other
Days previously reported _____				2	
Total days to date _____				2	
Computation of Extended Date for Completion			Number of Days	Numbered Day⁵	Date
1. First working day _____				528	4/6/99
2. Working days specified in contract _____			140		
3. COMPUTED DATE FOR COMPLETION (line 1 + line 2 - 1) _____				667	10/25/99
4. Days contract suspended to date _____			0		
5. Total time extension days approved to date (CCO plus other) _____			2		
6. Total Nonworking days to date ⁶ _____			5		
7. Subtotal (line 4 + line 5 + line 6) _____			7		
8. EXTENDED DATE FOR COMPLETION (line 3 + line 7) _____				674	11/3/99
9. Revised working days for contract (line 2 + line 5) _____			142		
10. Total working days to date _____			19		
11. WORKING DAYS REMAINING (line 9 - line 10) _____			123		

CONTROLLING OPERATIONS (S)

Embankment Construction

REMARKS

April 21st and 22nd 1999 granted for CCO #2

The contractor will be allowed fifteen (15) days in which to protest in writing the correctness of the statement; otherwise, the statement shall be deemed to have been accepted by the contractor as correct.
NOTE: Footnote instruction for resident engineer are on reverse side.

RESIDENT ENGINEER SIGNATURE

DATE

Distribution: Original--contractor, copies--district, resident engineer



Example 3-8.4 Approval of a Time Extension

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
WEEKLY STATEMENT OF WORKING DAYS
 CEM-2701 (REV. 2/2001)

(JOB STAMP)

				REPORT NUMBER 10	
CONTRACTOR				WEEK ENDING (month, day, year) 06/11/99	
Date	Day	Weather, Weather Conditions or Other Conditions ¹	Working Day	Nonworking Day	Working Day No Work Done on Controlling Operation ²
6/7/99	Monday	Clear	1		
6/8/99	Tuesday	Clear	1		
6/9/99	Wednesday	Cloudy	1		
6/10/99	Thursday	Clear	1		
6/11/99	Friday	Clear	1		
Days this week _____			5		
Days previously reported _____			38	5	5
Total days to date _____			43	5	5
Time Extensions³			CCO Numbers⁴	Days Approved	
				CCO	Other
Days this report _____					2
Days previously reported _____				2	
Total days to date _____				2	2
Computation of Extended Date for Completion			Number of Days	Numbered Day⁵	Date
1. First working day _____				528	4/6/99
2. Working days specified in contract _____			140		
3. COMPUTED DATE FOR COMPLETION (line 1 + line 2 - 1) _____				667	10/25/99
4. Days contract suspended to date _____			0		
5. Total time extension days approved to date (CCO plus other) _____			4		
6. Total Nonworking days to date ⁶ _____			5		
7. Subtotal (line 4 + line 5 + line 6) _____			9		
8. EXTENDED DATE FOR COMPLETION (line 3 + line 7) _____				676	11/5/99
9. Revised working days for contract (line 2 + line 5) _____			144		
10. Total working days to date _____			43		
11. WORKING DAYS REMAINING (line 9 - line 10) _____			101		

CONTROLLING OPERATIONS (S)
 Settlement periods for bridge abutment fills

REMARKS

A review of our records indicates that the controlling operation of embankment construction was delayed by a labor dispute on May 6-7, 1999. In accordance with Section 8-1.07 of the Standard specifications and your letter dated June 3, 1999, two days are granted

The contractor will be allowed fifteen (15) days in which to protest in writing the correctness of the statement; otherwise, the statement shall be deemed to have been accepted by the contractor as correct.
NOTE: Footnote instruction for resident engineer are on reverse side.

RESIDENT ENGINEER SIGNATURE

DATE

Distribution: Original--contractor, copies--district, resident engineer



Example 3-8.5 Non-working Day Due to "Maintaining Traffic" and Suspension

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
WEEKLY STATEMENT OF WORKING DAYS
 CEM-2701 (REV. 2/2001)

(JOB STAMP)

				REPORT NUMBER 13	
CONTRACTOR				WEEK ENDING (month, day, year) 07/02/99	
Date	Day	Weather, Weather Conditions or Other Conditions ¹	Working Day	Nonworking Day	Working Day No Work Done on Controlling Operation ²
6/28/99	Monday	Clear	1		
6/29/99	Tuesday	Clear	1		
6/30/99	Wednesday	Clear	1		
7/1/99	Thursday	Clear - Suspension			
7/2/99	Friday	Clear - Traffic nonworking day		1	
Days this week _____			3	1	
Days previously reported _____			53	5	5
Total days to date _____			56	6	5
Time Extensions ³			CCO Numbers ⁴	Days Approved	
				CCO	Other
Days this report _____					
Days previously reported _____				2	2
Total days to date _____				2	2
Computation of Extended Date for Completion			Number of Days	Numbered Day ⁵	Date
1. First working day _____				528	4/6/99
2. Working days specified in contract _____			140		
3. COMPUTED DATE FOR COMPLETION (line 1 + line 2 - 1) _____				667	10/25/99
4. Days contract suspended to date _____			1		
5. Total time extension days approved to date (CCO plus other) _____			4		
6. Total Nonworking days to date ⁶ _____			6		
7. Subtotal (line 4 + line 5 + line 6) _____			11		
8. EXTENDED DATE FOR COMPLETION (line 3 + line 7) _____				678	11/9/99
9. Revised working days for contract (line 2 + line 5) _____			144		
10. Total working days to date _____			56		
11. WORKING DAYS REMAINING (line 9 - line 10) _____			88		

CONTROLLING OPERATIONS (S)
 Paving Main Street connector.

REMARKS

Work was suspended on July 1st in accordance with Section 8-1.05, "Temporary Suspension of Work," of the Standard Specifications due to city holiday weekend preparations.
 Section 10-1.14, "Maintaining Traffic," of the special provisions prohibits work on Friday, Saturday, and Sunday when a designated legal holiday falls on Monday'. See Section 8-1.06 of the Standard Specifications

The contractor will be allowed fifteen (15) days in which to protest in writing the correctness of the statement; otherwise, the statement shall be deemed to have been accepted by the contractor as correct.
NOTE: Footnote instruction for resident engineer are on reverse side.

RESIDENT ENGINEER SIGNATURE

DATE

Distribution: Original--contractor, copies--district, resident engineer



Example 3-8.6 Type 2 Plant Establishment. Highway work not yet complete

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
WEEKLY STATEMENT OF WORKING DAYS
 CEM-2701 (REV. 2/2001)

(JOB STAMP)

				REPORT NUMBER 83	
CONTRACTOR				WEEK ENDING (month, day, year) 3/5/99	
Date	Day	Weather, Weather Conditions or Other Conditions ¹	Working Day	Nonworking Day	Working Day No Work Done on Controlling Operation ²
10/4/99	Monday	Partly cloudy	1		
10/5/99	Tuesday	clear	1		
10/6/99	Wednesday	Clear	1		
10/7/99	Thursday	Clear	1		
10/8/99	Friday	cloudy	1		
Days this week			5	0	0
Days previously reported			382	16	23
Total days to date			387	16	23
Time Extensions³			CCO Numbers⁴	Days Approved	
				CCO	Other
Days this report					
Days previously reported			#16, #21	14	2
Total days to date				14	2
Computation of Extended Date for Completion			Number of Days	Numbered Day⁵	Date
1. First working day				255	3/2/98
2. Working days specified in contract			400		
3. COMPUTED DATE FOR COMPLETION (line 1 + line 2 - 1)				654	10/5/99
4. Days contract suspended to date					
5. Total time extension days approved to date (CCO plus other)			16		
6. Total Nonworking days to date ⁶			16		
7. Subtotal (line 4 + line 5 + line 6)			32		
8. EXTENDED DATE FOR COMPLETION (line 3 + line 7)				686	11/22/99
9. Revised working days for contract (line 2 + line 5)			416		
10. Total working days to date			387		
11. WORKING DAYS REMAINING (line 9 - line 10)			29		

CONTROLLING OPERATIONS (S) Striping and signs

REMARKS

Status of plant establishment and working days

1. Plant establishment period started	9/23/99
2. There are 250 plant establishment days in this contract	250
3. Working days previously credited	7
4. Working days credited this week	5
5. Total plant establishment days credited to date	12
6. Plant establishment days remaining	238

The contractor will be allowed fifteen (15) days in which to protest in writing the correctness of the statement; otherwise, the statement shall be deemed to have been accepted by the contractor as correct.

NOTE: Footnote instruction for resident engineer are on reverse side.

RESIDENT ENGINEER SIGNATURE

DATE

Distribution: Original--contractor, copies--district, resident engineer



Example 3-8.7 Type 2 Plant Establishment. Non-plant establishment work completed

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
WEEKLY STATEMENT OF WORKING DAYS
 CEM-2701 (REV. 2/2001)

(JOB STAMP)

					REPORT NUMBER 92	
CONTRACTOR					WEEK ENDING (month, day, year) 12/10/99	
Date	Day	Weather, Weather Conditions or Other Conditions ¹	Working Day	Nonworking Day	Working Day No Work Done on Controlling Operation ²	
12/6/99	Monday	Clear	1			
12/7/99	Tuesday	Partly cloudy	1			
12/8/99	Wednesday	Partly cloudy Relief of maint. For all non-P.E. work	1			
12/9/99	Thursday	Rain	1			
12/10/99	Friday	rain	1			
Days this week			5			
Days previously reported			424	16	23	
Total days to date			429	16	23	
Time Extensions ³			CCO Numbers ⁴	Days Approved		
				CCO	Other	
Days this report						
Days previously reported			16, 21	14	2	
Total days to date				14	2	
Computation of Extended Date for Completion			Number of Days	Numbered Day ⁵	Date	
1. First working day				255	3/2/98	
2. Working days specified in contract			650			
3. COMPUTED DATE FOR COMPLETION (line 1 + line 2 - 1)				904	10/2/00	
4. Days contract suspended to date						
5. Total time extension days approved to date (CCO plus other)			16			
6. Total Nonworking days to date ⁶			16			
7. Subtotal (line 4 + line 5 + line 6)			32			
8. EXTENDED DATE FOR COMPLETION (line 3 + line 7)				936	11/17/00	
9. Revised working days for contract (line 2 + line 5)			666			
10. Total working days to date			429			
11. WORKING DAYS REMAINING (line 9 - line 10)			237			

CONTROLLING OPERATIONS (S)

Plant establishment

REMARKS

Relief of maintenance for all non-plant establishment work on 12/8/99. 21 calendar days overrun in contract time for non-plant establishment work.

Status of plant establishment

1. 250 day Plant establishment period started	9/23/99
2. working days previously credited	49
3. working days credited this week	5
4. Total plant establishment days credited to date	54
5. Plant establishment days remaining	196

The contractor will be allowed fifteen (15) days in which to protest in writing the correctness of the statement; otherwise, the statement shall be deemed to have been accepted by the contractor as correct.

NOTE: Footnote instruction for resident engineer are on reverse side.

RESIDENT ENGINEER SIGNATURE

DATE

Distribution: Original--contractor, copies--district, resident engineer



Example 3-8.8 Final Weekly Statement of Working Days

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
WEEKLY STATEMENT OF WORKING DAYS
 CEM-2701 (REV. 2/2001)

(JOB STAMP)

					REPORT NUMBER 34
CONTRACTOR _____					WEEK ENDING (month, day, year) 5/26/00
Date	Day	Weather, Weather Conditions or Other Conditions ¹	Working Day	Nonworking Day	Working Day No Work Done on Controlling Operation ²
5/15/00	Monday	Clear	1		
5/16/00	Tuesday	Clear	1		
5/17/00	Wednesday	Clear - contract accepted	1		
5/18/00	Thursday				
5/19/00	Friday				
Days this week _____			3		
Days previously reported _____			152	26	10
Total days to date _____			155	26	10
Time Extensions³			CCO Numbers⁴	Days Approved	
				CCO	Other
Days this report _____					
Days previously reported _____				18	2
Total days to date _____				18	2
Computation of Extended Date for Completion			Number of Days	Numbered Day⁵	Date
1. First working day _____				528	4/6/99
2. Working days specified in contract _____			140		
3. COMPUTED DATE FOR COMPLETION (line 1 + line 2 - 1) _____				667	10/25/99
4. Days contract suspended to date _____			101		
5. Total time extension days approved to date (CCO plus other) _____			20		
6. Total Nonworking days to date ⁶ _____			26		
7. Subtotal (line 4 + line 5 + line 6) _____			147		
8. EXTENDED DATE FOR COMPLETION (line 3 + line 7) _____				814	5/24/00
9. Revised working days for contract (line 2 + line 5) _____			160		
10. Total working days to date _____			155		
11. WORKING DAYS REMAINING (line 9 - line 10) _____					
CONTROLLING OPERATIONS (S) Final clean up and punch list					

REMARKS

The contractor will be allowed fifteen (15) days in which to protest in writing the correctness of the statement; otherwise, the statement shall be deemed to have been accepted by the contractor as correct.
 NOTE: Footnote instruction for resident engineer are on reverse side.

RESIDENT ENGINEER SIGNATURE

DATE

Distribution: Original--contractor, copies--district, resident engineer



Example 3-8.9 Contract in Overrun

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
WEEKLY STATEMENT OF WORKING DAYS
 CEM-2701 (REV. 2/2001)

(JOB STAMP)

				REPORT NUMBER 80	
CONTRACTOR				WEEK ENDING (month, day, year) 02/12/99	
Date	Day	Weather, Weather Conditions or Other Conditions ¹	Working Day	Nonworking Day	Working Day No Work Done on Controlling Operation ²
2/8/99	Monday	Clear	1*		
2/9/99	Tuesday	Clear	1*		
2/10/99	Wednesday	Cloudy	1*		
2/11/99	Thursday	Rain	1*		
2/12/99	Friday	Holiday	1*		
Days this week _____					
Days previously reported _____			314	59	27
Total days to date _____			314	59	27
Time Extensions³			CCO Numbers⁴	Days Approved	
				CCO	Other
Days this report _____					
Days previously reported _____				14	
Total days to date _____				14	
Computation of Extended Date for Completion			Number of Days	Numbered Day⁵	Date
1. First working day _____				115	8/5/97
2. Working days specified in contract _____					
3. COMPUTED DATE FOR COMPLETION (line 1 + line 2 - 1) _____				414	10/16/98
4. Days contract suspended to date _____					
5. Total time extension days approved to date (CCO plus other) _____			14		
6. Total Nonworking days to date ⁶ _____			59		
7. Subtotal (line 4 + line 5 + line 6) _____			73		
8. EXTENDED DATE FOR COMPLETION (line 3 + line 7) _____				487	2/3/99
9. Revised working days for contract (line 2 + line 5) _____			314		
10. Total working days to date _____			314		
11. WORKING DAYS REMAINING (line 9 - line 10) _____					
CONTROLLING OPERATIONS (S)					
Functional tests					
REMARKS					
*WORKING and NON-WORKING Days are shown for record only since the contract time has elapsed. There is a total of 9 calendar days overrun through February 12, 1999.					
<p>The contractor will be allowed fifteen (15) days in which to protest in writing the correctness of the statement; otherwise, the statement shall be deemed to have been accepted by the contractor as correct.</p> <p>NOTE: Footnote instruction for resident engineer are on reverse side.</p>					
RESIDENT ENGINEER SIGNATURE				DATE	

Distribution: Original--contractor, copies--district, resident engineer



Example 3-8.10 Calendar Day Project

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
WEEKLY STATEMENT OF WORKING DAYS
 CEM-2701 (REV. 2/2001)

(JOB STAMP)

					REPORT NUMBER 7
CONTRACTOR					WEEK ENDING (month, day, year) 03/04/01
Date	Day	Weather, Weather Conditions or Other Conditions ¹	Working Day	Nonworking Day	Working Day No Work Done on Controlling Operation ²
2/26/01	Monday	Clear	1		
2/27/01	Tuesday	Suspended		1	
2/28/01	Wednesday	Cloudy	1		
3/01/01	Thursday	Rain		1	
3/02/01	Friday	Wet Grade, no work		1	
3/03/01	Saturday	Partly cloudy	1		
3/04/01	Sunday	Clear	1		
Days this week _____			4	3	
Days previously reported _____			36	11	
Total days to date _____			40	14	
Time Extensions ³			CCO Numbers ⁴	Days Approved	
				CCO	Other
Days this report _____			#8	4	
Days previously reported _____				3	
Total days to date _____				7	
Computation of Extended Date for Completion			Number of Days	Numbered Day ⁵	Date
1. First working day _____				N/A	1/10/01
2. Working days specified in contract _____			80		
3. COMPUTED DATE FOR COMPLETION (line 1 + line 2 - 1) _____				N/A	3/30/01
4. Days contract suspended to date _____					
5. Total time extension days approved to date (CCO plus other) _____			7		
6. Total Nonworking days to date ⁶ _____			14		
7. Subtotal (line 4 + line 5 + line 6) _____			21		
8. EXTENDED DATE FOR COMPLETION (line 3 + line 7) _____				N/A	4/20/01
9. Revised working days for contract (line 2 + line 5) _____			87		
10. Total working days to date _____			40		
11. WORKING DAYS REMAINING (line 9 - line 10) _____			47		

CONTROLLING OPERATIONS (S)
 Earthwork

REMARKS

Contract Change Order #8 approved 3/02/01
 Contract work suspended 2/27/01 because of anticipated heavy traffic due to the annual Snow Maiden Festival.

The contractor will be allowed fifteen (15) days in which to protest in writing the correctness of the statement; otherwise, the statement shall be deemed to have been accepted by the contractor as correct.
 NOTE: Footnote instruction for resident engineer are on reverse side.

RESIDENT ENGINEER SIGNATURE

DATE

Distribution: Original--contractor, copies--district, resident engineer



3-805B Progress of Work

After each progress estimate, update Form CEM-2601, "Construction Progress Chart." The Contract Administration System (CAS) uses the formula contained on this form to determine progress. For a description of this process, see Section 5-1, "Project Records and Reports," of this manual.

The contractor's progress is usually considered unsatisfactory when the contractor's progress curve falls below the curve of the contract progress chart or when successive points on the contractor's progress curve indicate the contractor's progress rate will soon fall below the curve.

Whenever the contractor fails to prosecute the work adequately, as evidenced by the plot of actual progress and the resident engineer's concurrence, the resident engineer must notify the contractor of the apparent lack of progress. If the resident engineer judges that the work on the original schedule will not be completed by the original due date, the resident engineer must request the contractor to submit a revised schedule showing how the balance of the work will be carried out.

Whenever the district believes the contractor's bonding company should be notified of unsatisfactory progress, advise the Division of Construction of the reasons supporting such an action. If appropriate, the Division of Construction will initiate the notification.

If the district believes the lack of progress on a contract justifies a meeting, request the Division of Construction to arrange a conference to be attended by the contractor's representatives, the bonding company, and Caltrans. If appropriate, the Division of Construction will arrange the conference. For more information, refer to "Termination of Control" in this section.

3-806 Liquidated Damages

3-806 Liquidated Damages

Section 8-1.07, "Liquidated Damages," of the *Standard Specifications* covers various items such as director's days, time extensions, and shortage of materials. Liquidated damages is defined in Section 1, "Definitions and Terms," of the *Standard Specifications* and is also referenced in Section 4, "Beginning of Work, Time of Completion, and Liquidated Damages," of the special provisions.

3-806A Overrun in Contract Time

If the "Extended Date for Completion" on the final "Weekly Statement of Working Days" contains a date before the date of the contract's completion, an apparent overrun has occurred. Proceed as follows:

3-806A (1) Case 1

The district intends to assess liquidated damages for the overrun shown on the final "Weekly Statement of Working Days." Enter the deduction for liquidated damages into the project records, and proceed with the proposed final estimate.

3-806A (2) Case 2

The district intends to change the status of time from that shown on the final "Weekly Statement of Working Days" by time due on contract change orders. Time extensions resulting from contract change orders should have been resolved before the contract's completion in accordance with instructions covered elsewhere in this manual. For those instances where extenuating circumstances result in unresolved time for contract change orders after completion, complete all deferred-time contract change orders, enter the data into the project records, enter any remaining deductions for liquidated damages into the records; and proceed with the proposed final estimate.



3-806A (3) Case 3

The district intends to change the status of time from that shown on the final “Weekly Statement of Working Days” as a result of “other day” time extensions still under consideration on the date of the contract’s acceptance. Obtain concurrence for making such changes from the Division of Construction. Report the recommended disposition of each item of unresolved time in a form sufficiently clear and complete that no interpretation or further explanation is needed. Upon receipt of the recommendations, the Division of Construction will advise the district of what action to take.

Include a status of contract time in a form similar to the following:

	Calendar Date	Working Days or Numbered Day
Date attorney general approved contract	7-05-00	842
First working day	7-20-00	853
Working days specified in contract		140
Computed date for completion	2-13-01	993
Total time extensions, contract change order, final Form CEM-2701		5
Total time extensions, other, final Form CEM-2701		15
Nonworking days, final Form CEM-2701		45
Additional contract change order days (if applicable)		14
Additional time extensions recommended (if applicable)		10
Extended date for completion	6-20-01	982
Date contract completed	6-20-01	882
Remaining overrun		0

After the disposition of overruns has been determined, the district will advise the contractor directly.

Place copies of all memoranda in the project files to serve as the record of final disposition of overruns.

For any unresolved overrun in time, show a deduction to assess liquidated damages on the proposed final estimate. If the contractor objects to this assessment, follow the claim procedures outlined in Section 5-4, “Disputes,” of this manual.

3-806A (4) Case 4

When the final quantities of individual contract items have exceeded 125 percent of the engineer’s estimate, not as a result of ordered changes, the district may recommend the director’s approval of a commensurate time extension. Such a recommendation is subject to *all* of the following provisions:

- Time is allowable only to the extent that each item was considered to be controlling.
- Any time extension is applicable only to the excess above 125 percent of the engineer’s estimate.
- The maximum allowable time extension for each item cannot exceed the amount of time determined by applying normal production rates to the increased quantity of the item involved.

Time extensions for reasons other than those specifically enumerated in the contract are made at the discretion of the director and are to be deferred until completion of the contract. When the director grants additional days at this stage, these days are referred to as “director days.” Forward requests for director days to the Division of Construction together with the district’s recommendation and reasons. The request should contain sufficient information and justification to allow the construction field coordinator to complete Form CEM-2702, “Overrun in Contract Time.” Director days are approved by the Division of Construction chief. Do not record these director days on the “Weekly Statement of Working Days.”

3-806B Shortage of Material

Section 8-1.07, “Liquidated Damages,” of the *Standard Specifications* strictly defines and limits a shortage of materials for which a time extension may be granted. Before a time extension may be granted, several determinations must be made:

- Determine whether a timely notice of delay exists.

The contractor’s notice of delay, whether a protest of a “Weekly Statement of Working Days” or a separate letter, must be received no later than 15 days after the material shortage first caused the work delay.

- Determine the effect on the controlling item of work.

If the delay does not affect the controlling item of work, advise the contractor (in writing) accordingly. If the contractor requests to be allowed to substitute the unavailable material with available material, the resident engineer must seek assistance from those responsible for the design. Contract change orders are to be processed as contractor-requested changes.

- Determine whether the materials, articles, parts, or equipment are standard items.

Standard items are produced to meet the specifications of industry-wide organizations such as the American Association of State Highway and Transportation Officials (AASHTO), the American Society for Testing and Materials (ASTM), the American Wood-Preservers’ Association, the American Institute of Steel Construction (AISC), and the United States Department of Agriculture (USDA), among others. The fact that Caltran’s specifications refer to these standards does not alter the item’s status.

Standard items include those that are listed in a catalog and are available for immediate delivery and also items that are normally shelf items available for purchase at supply houses. Items that are manufactured only upon order are not standard items even if included in a catalog.

Examples of materials that are usually considered standard items are the following:

1. Commercial fertilizer (industry specification)
2. Soil amendment (industry specification)
3. Iron sulfate (USDA)
4. Straw (USDA)
5. Seed (USDA)
6. Lumber (industry specification)
7. Plants (USDA)
8. Pipes and conduit, except cast-in-place (industry specification)
9. Backflow preventers (industry specification or catalog item)
10. Lime (industry specification or shelf item)
11. Asphalt (industry specification or shelf item)
12. Timber piles (industry specification)
13. Steel plates or shapes shown in the AISC handbook (shelf item)
14. Prestressing steel (industry specification)
15. Expansion joint materials (industry specification)
16. Elastomeric bearing pads (industry specification)
17. Steel bars for reinforcement—the material, not the bending and cutting (shelf or catalog item)
18. Bolts (industry specification)
19. Pumping plant equipment, components only (catalog items)
20. Miscellaneous metal, material, not fabrication (industry specification)
21. Fence posts, wire, fabric, hardware (industry specification)
22. Guide marker posts, plates, reflectors, hardware (industry specification)
23. Metal beam guard railing (industry specification)
24. Metal beam barrier (industry specification)
25. Type 1 lighting standards (industry specification)
26. Electrical conductors (industry specification)
27. Controller components (industry-wide catalogs)
28. Traffic signals and fittings (proprietary item)

29. Lamps for luminaries (proprietary item)
30. Ballasts (proprietary item)
31. Cement (industry specification or shelf item)
32. Pavement markers (proprietary item)

Items that do not fall into the above list and that are produced to meet the requirements of Caltrans's plans and specifications are not standard items.

Examples of materials that are usually not standard items include the following:

1. Processed structure backfill material
2. Pervious backfill material
3. Aggregates for bases and subbases
4. Aggregates for cement-treated base, asphalt concrete, portland cement concrete, rock slope protection, screenings
5. Wood chips
6. Portland cement concrete
7. Traffic signal and lighting standards (except Type 1)
8. Controller assembly
9. All material manufactured to meet a state specification such as curing compound, paint, or epoxy
10. Concrete piling

The nonstandard items listed above may contain components that are in short supply. They may then be eligible for consideration in a material shortage situation if the component is a standard item.

- Determine if a "physical shortage" exists.

The term "physical shortage" means the standard item or component of a standard item is not available at the time it becomes a time-controlling factor. However, do not consider an extension if the physical shortage results from any of the following:

1. Untimely ordering of material
2. Failure to make a requested down payment
3. Lack of credit

You must presume that a contractor, when submitting a bid, thoroughly considers all aspects of procuring materials and bids accordingly. This thorough consideration can include timely delivery commitments, price, and responsibility for meeting specifications.

Whenever it has been determined that an industry-wide shortage exists, the Division of Construction will advise all districts.

A physical shortage will not be considered to exist if either the contractor or a subcontractor has failed to perform any required fabrication or processing.

- Determine whether the contractor diligently tried to obtain the material.

Require the contractor to furnish documented proof of dates that material was ordered and confirmed. The orders must have been placed sufficiently in advance of the desired delivery to cover a normal lapse time in the particular industry. However, you cannot expect the contractor to have placed orders before contract approval.

If the contractor's order was timely, request documented proof of efforts to obtain material from those alternate sources normally supplying such materials to projects in the area. Alternate sources include, when possible, production of an item using the contractor's own forces.

If written proof is unavailable from an alternate source, the resident engineer may accept a verbal confirmation from a supplier. Record such confirmation in the daily report and in the letter to the district recommending the time extension. When no alternate source exists, or when procurement from an alternate source may delay delivery even longer than procurement from the original source, also record confirmation of this situation.

For information on approving a time extension because of a shortage of material, see section 3-805A (2), "Time Extension," of this manual. The time extension days will generally be recorded as "other days."

3-807 Termination of Control

Section 8-1.08, "Termination of Control," of the *Standard Specifications* explains the contractual requirements for terminating the contractor's control. Sections 10253 through 10260 of the Public Contract Code cover defaulted contracts.

Termination of control may occur only when a contractor fails to supply an adequate work force, fails to supply material of proper quality, or fails to make proper and timely payments to subcontractors. The following are guidelines for determining if the contractor may be failing to supply an adequate workforce:

- If the "percent completed" of the contract is more than 25 percent behind the "percent time elapsed." These percentages can be found in the project status report. Normally, when Caltrans terminates the contractor's control, the surety (bonding company) assumes responsibility for completing the contract.
- Complete cessation of the work.
- The working has not started within a period equal to 10 percent of the original working days or 50 working days, whichever is less.

If the resident engineer suspects termination may be necessary, the resident engineer must immediately notify the construction engineer.

With agreement from the construction engineer, the senior structure engineer (if applicable), and the construction field coordinator, the resident engineer sends a letter to the contractor that describes the defaults to be remedied. The letter also specifies the amount of time allowed to remedy the defaults and states that, in accordance with Section 8-1.08, "Termination of Control," of the *Standard Specifications*, Caltrans will start the termination process if the defaults are not remedied. A copy of this letter is sent to the contractor's surety. Typically, Caltrans allows five days to remedy either failure to supply an adequate work force or failure to supply proper quality material. Typically, 15 days are allowed to remedy failure to pay subcontractors.

3-807 Termination of Control

If the contractor fails to promptly remedy the defaults outlined in the resident engineer's letter, the district construction deputy director will send a request to the Division of Construction chief to start the termination process. The request must include the following:

- The defaults to be remedied
- Current status of the contract, including dates the contractor last performed work
- Any other information considered pertinent

To determine what action is necessary, the Division of Construction chief may call a conference with the contractor's representatives, its surety, the construction field coordinator, and the district.

If terminating the contractor's control is necessary, the Division of Construction chief will send a letter to the contractor, with a copy to the surety, notifying the contractor that it has five days to remedy the defaults or Caltrans will terminate the contractor's control of the work. The contractor and surety will be responsible for any costs Caltrans incurs to complete the work.

If available, the contractor must be personally served with the five-day notice letter. If both the contractor and its representative are unavailable and their addresses are known, send the letter by registered mail. If both the contractor and its representative cannot be located and their addresses are unknown, post the five-day notice letter in the most conspicuous place within the project limits. If the contractor does not remedy the defaults within the five days, the Division of Construction chief will send a letter to the contractor notifying the contractor that its control of the work has been terminated. The construction field coordinator will notify the district of the effective starting date of the notice and will transmit any further instructions deemed necessary.

All five-day notices and termination of control letters must include the following language:

Your default may subject you to a review of your responsibility to perform future work with Caltrans.

Once the contractor's control has been terminated, the construction field coordinator must notify the Division of Construction's progress payment coordinator by forwarding a copy of the termination letter. Using information from the termination letter, the progress payment coordinator will update the termination database and keep this information in the database for 36 months. The progress payment coordinator will also send a written request to the resident engineer requesting copies of all correspondence and daily report information related to the termination.

The Division of Construction chief will send a letter to the surety requesting the surety to fulfill its obligations under the bond to complete the work with other forces. Because it is typically preferred that the surety proceed with the contractual work, the resident engineer should assist the surety in its efforts to complete the work. The resident engineer will determine and resolve with the surety the precise quantities and costs necessary to complete the work.

The following two sections describe the process to complete the contract after the contractor's control has been terminated.

3-807A Work Completed by the Surety

As requested by the surety, the construction field coordinator, with the assistance of the district, negotiates a takeover agreement or a tender and release agreement with the surety. A takeover agreement is an agreement between Caltrans and the surety outlining terms and conditions for the remaining contract work to be performed by the surety or a contractor hired by the surety. The surety is not released from contract responsibility until the contract is accepted. A tender and release agreement is an agreement between Caltrans and the surety outlining the terms and conditions for the remaining work to be performed by a contractor hired by the surety. The hired contractor agrees to do the remaining work and provides new bonds, and the surety pays the additional contract costs. The surety is then released from any further contractual responsibility.

Once the construction field coordinator has negotiated an agreement with the surety, the coordinator sends a draft copy of the appropriate agreement to the surety and requests that the surety make project specific revisions as needed. The construction field coordinator will review the agreement and forward it to the Legal Service Center. Both the construction field coordinator and the Legal Service Center will recommend approval. The Division of Construction chief approves either agreement.

During the interim between the termination of the contractor's control of the work and completion by other forces, the district must take all necessary steps to preserve the already completed work. The district may use a separate work order for interim maintenance work by "day labor." Day labor may be obtained by entering into a service contract with another contractor to perform the contract work. To use day labor, a director's order is necessary.

3-807B Work Not Completed by the Surety

If time or circumstance does not permit the surety to complete the work, Caltrans may elect to complete the work with its own forces. If the surety elects not to complete the contract after termination of the contractor's control over the work, the district may complete the work by day labor or by informal contract. The district will determine the amount of completed work, the amount of work remaining to be performed, materials on hand, and extra work authorized. During the interim between the termination of the contractor's control of the work and completion by other forces, the district must take all necessary steps to preserve the completed work. The district may use a separate work order for interim maintenance work by day labor.

An informal contract permits a short advertising period. If the work will be completed by informal contract, the resident engineer, with the assistance of the district office engineer, will put together plans and specifications to complete the work, select three to five bidders, and take informal bids for the work. The informal bids must be sent to the surety for its acceptance before the informal contract proceeds. In some cases, additional funds will be needed to complete the work. The resident engineer must request that the surety provide these funds although, under the Public Contract Code, the surety is allowed to wait until completion of the work to make payment. If the surety does not immediately provide these funds, the resident engineer may use available contingency funds or submit a supplemental funds request, if needed.

If the surety either asks Caltrans to complete the work or Caltrans elects to complete the work, the surety and the original contractor are liable to the state for the costs to Caltrans resulting from the original contractor's failure to complete the work. These costs include:

- The sum paid to the completion contractor to complete the various items to the extent it exceeds the sum that would have been payable to the original contractor.

- The sum of all costs to protect the work during the period between the original contractor leaving and the completion contractor arriving (usually day labor costs).
- The sum of all costs related to corrective contract change order work required to bring the original contractor's work into contract compliance and Caltrans' engineering costs to develop a completion contract and administer it (if appropriate, liquidated damages may be used to estimate these costs).

During completion of the work, the resident engineer must maintain current contract records to expedite billing. The project files must show the following:

- Segregated quantities of work performed under the original contract and under the day labor or informal contract for completion
- Overruns and underruns greater than 25 percent requiring adjustment
- Contract change orders
- All other pertinent information

When the surety does not complete the work, prepare a billing to present to the original contractor and surety. The resident engineer must break down the billing into the following five sections:

3-807B (1) Section 1

Subsection A—This subsection lists the amount Caltrans paid for the entire contract item work. (This amount would be equal to the sum of the amount paid to the original contractor for item work before the termination plus the amount paid to the completion contractor to complete the item work.)

Subsection B—This subsection shows the amount that would have been paid for the item work assuming the original contractor had not defaulted on the contract.

Subsection C—This subsection lists the amount billable to the original contractor or surety under Section 1 of the billing. This amount would be the difference between Subsection A and Subsection B. If Subsection A is less than Subsection B, the original contractor must not be credited with this amount; instead, a zero balance will apply.

3-807B (2) Section 2

This section lists the costs Caltrans incurred to maintain the contract during the period between the original contractor's departure and the arrival of the completion contractor. (These costs are usually day labor costs, but may include costs incurred by Caltrans' maintenance forces.)

3-807B (3) Section 3

This section lists the contract change orders and related costs to correct any defects left in the original work by the original contractor.

3-807B (4) Section 4

This section lists the engineering costs Caltrans incurred to develop, implement, and administer the completion contract. Separate the administrative costs from the development and implementation costs. Compare the total administrative engineering costs with the liquidated damages costs incurred in the original contract, assuming the original contract was not complete until the completion contractor completed its contract.

3-807B (5) Section 5

In Section 5, show the amounts determined in Sections 1, 2, 3, and 4 and add them together. List the penal sum of the bond (along with the bond number).

The penal sum of a performance bond limits the responsibility of the surety. The original contractor may be billed for the full cost of completion even when that cost exceeds the penal sum of the bond

3-807C

The resident engineer will send the detailed billing, as described above, to the Division of Accounting Services, Abatements Section, with instructions to prepare the accounts receivable bill and to mail it to the contractor. If the contractor is not available, it should be mailed to the surety. After payment is received, the Abatements Section will credit the payment to a specific expenditure authorization.

If payment is not received within 45 calendar days, the Abatements Section will inform the district construction deputy director that payment has not been received. Representatives of district construction, the Division of Construction, and the Legal Service Center will meet to discuss alternate courses of action and choose the appropriate one. The Abatements Section must not submit the billing to a collection agency unless the meeting participants have agreed to this action.

Keep backup documents in the project files and make them available to the surety upon request. To ensure special handling of defaulted contracts, identify all related internal correspondence with the words “Defaulted Contract” under the job’s file reference.

3-808 Right of Way Delays

Section 8-1.09, “Right of Way Delays,” of the *Standard Specifications*, covers provisions relating to right-of-way delays. The contract contains these provisions from the *Standard Specifications*.

Resident engineers must monitor the progress of any work that may cause a right-of-way delay. Initiate action to avoid or mitigate the effects of delays. Such actions include the following:

- Adequately perform all duties related to the engineer as covered in “Utility and Non-Highway Facilities” below.
- Initiate requests to the district utility coordinator to modify agreements that would allow the contractor’s forces to perform work under contract change order. Section 8-1.10, “Utility and Non-Highway Facilities,” of the *Standard Specifications*, covers such work by the contractor.
- Initiate any changes in the order of work that would eliminate or mitigate a right-of-way delay, provided that any cost involved would not exceed the estimated cost resulting from a delay.

If a right-of-way delay occurs, take the following actions:

- Determine the length of the delay.
- Make a list of the equipment that will be affected by the delay. Attempt to get agreement from the contractor regarding the list’s accuracy.
- Estimate the cost of the delay using the method specified in Section 8-1.09, “Right of Way Delays” of the *Standard Specifications*.

3-808 Right of Way Delays

- Estimate the cost of removing the affected equipment from the project and returning it when the delay is over.
- Compare the costs and choose the most cost-effective option. If the contractor removes the equipment, but the cost for doing so is higher than leaving the equipment on the project, only pay the delay cost for idle equipment.
- If the contractor does not remove the equipment, attempt to determine how the contractor intended to use the delayed equipment. Review the progress schedule to determine if the contractor intended to use the delayed equipment full time or if the contractor intended some idle time. Use this estimate of time when determining delay costs.

**3-809
Utility and Non-
Highway Facilities**

3-809 Utility and Non-Highway Facilities

3-809A General

An engineer must be assigned to coordinate and inspect utility relocation that is being done to clear the right-of-way before construction. A resident engineer, once formally assigned to a project, assumes primary responsibility for coordinating and inspecting this kind of utility relocation. Either the resident engineer or an assigned assistant resident engineer must make all contacts with utility facility owners to schedule work and coordinate with the contractor's operations. The district right of way unit, acting through the district utility coordinator, is responsible for making changes to "Notice to Owner" forms and to right-of-way agreements. The district right of way unit must also make all decisions about financial liability between Caltrans and owner for utility work. All change orders involving utility work must be sent to the district utility coordinator for concurrence.

3-809B Duties of the Utility Relocation Resident Engineer

The utility relocation resident engineer must perform the following duties:

- Review all documents about utility relocation work, including the "Notice to Owner," encroachment permits, special provisions, contract plans, and correspondence about utilities not shown on the plans.
- Check the location of proposed or existing utility installations for possible conflicts with proposed construction.
- Determine whether Caltrans or utility forces must establish necessary lines and grades. If Caltrans forces are responsible, ensure that necessary lines and grades are properly established so that relocation crews can efficiently pursue the work. For possible conflicts, compare all facilities with available plans. Also, spot-check survey marks at critical locations for possible conflicts. Require changes where necessary.
- Submit to the district utility coordinator any changes or any notices of newly discovered facilities. These changes or new discoveries should be entered on the contract plans or in the special provisions whenever such entries can be made before contract advertising. Notify the project resident engineer of any such changes or new facilities that cannot be included in the contract.

- Include utility owners and the district utility coordinator in preconstruction conferences with the contractor. On larger projects with a number of utility relocations, it is advisable to schedule a separate meeting for each owner. In these meetings, discuss the following items:
 1. Special provision requirements
 2. The contractor's schedule as it affects relocation work, project safety, and traffic control
 3. Any potential problems

Keep records of such meetings, and confirm any decision through letters to all parties.

- Before allowing any change in the planned location of a utility facility or any excavation to determine the location of underground utility facilities, ensure such action complies with the "Policy on high and low risk underground facilities within highway rights of way," in Appendix LL of the *Project Development Procedures Manual*.
- The district utility coordinator will advise the resident engineer when utility relocation work warrants full-time inspection. Keep records of utility relocation work on Form CEM-4601, "Assistant Resident Engineer's Daily Report". When inspection is full time, keep the records as complete as possible for the following:
 1. Number of workers
 2. Equipment description
 3. Hours worked
 4. Materials salvaged
- When inspection is part time, record as much detail as is consistent with observed activity. At a later date, the district right of way unit will request these records to verify the utility owner's final bill.
- Keep the contractor advised of any utility work that will require a change in the contractor's operations. Keep detailed records of any alleged or actual right-of-way delays related to utilities. Make recommendations to the district on any requests for time extensions or other adjustments resulting from such delays. See Section 3-805A (2), "Time Extensions (the Center Block)," of the *Construction Manual* for procedures for time extensions.
- The contractor is required to notify the resident engineer in writing of any discovery of any underground facility not indicated on the plans or in the special provisions. In the absence of such written notification from the contractor, you should document the location of the underground facility and include this documentation in written confirmation with the contractor.
- Whenever the contractor has not received prior indication of an existing facility, change orders, including the repair of any accidental damage, will be considered for approval. However, Caltrans will not pay for the repair of any accidental damage caused by negligence after the contractor was notified of the existence of a utility facility.

- Whenever underground facilities are discovered that are not in the plans or the special provisions, notify the district utility coordinator. The various parties involved can then reach an agreement with the utility owner about satisfactory protection before the Caltrans contractor begins any physical work. If the contractor must protect the utility facility, prepare a change order to cover the payment for such work. “Protection work,” as used in contract administration, must include any work necessary to ensure the utility’s service, reliability, or both, continue at approximately the same level as before any disturbance from construction operations. This work may include exploration to find exact locations, placement of barricades or warning devices, shoring, or even temporary bypass facilities or permanent relocation. However, “protection work” will not include facility repairs for damage resulting from negligent equipment operation around properly protected facilities.
- Notify the district utility coordinator immediately of any utility facility that is in conflict with the planned work. Follow up the notification in writing. Include drawings or plan sheets showing the location of the existing facility, the affected work, recommended action, and the estimated date when the conflict will begin to affect the contractor’s operations and time of completion. The district utility coordinator must arrange any relocation work necessary to resolve the conflict.
- Determine whether facilities shown on the plans or specifications are being adequately protected from damage as required by the contract. Notify the contractor in writing of any inadequacies.
- When judging the extent of compliance the specifications require, take into account the type of facility involved. Consider such things as the consequence of a potential accident. When these consequences involve life and limb, do not permit work in such areas unless the contractor has made physical checks of the facility location. When working around hazardous facilities, do not assume takeoffs from plans (either Caltrans’ or those from an owner) are accurate.

3-810 3-810 Termination of Contract

Termination of Contract

Section 8-1.11, “Termination of Contract,” of *the Standard Specifications*, specifies the contractual requirements for termination when the district director determines, and the deputy director of Project Delivery approves, that it is in Caltrans’ best interest not to continue with the project.

When the majority of the contract work has been completed, it is normally not the preferred alternative to terminate the contract. Instead, it is preferred to delete the remaining work by contract change order and accept the contract, and provide additional payment to the contractor, if necessary, in accordance with Section 9-1.08, “Adjustment of Overhead,” of the *Standard Specifications*.

Termination of contracts is comparatively rare. Section 4412 of the Government Code covers contracts terminated for convenience in the best interest of Caltrans. The Division of Construction must ensure that all necessary steps are taken in handling contracts terminated for Caltrans’ convenience. To ensure the special handling of these types of terminated contracts, identify all internal correspondence related to them with the words “Convenience Termination” under the job’s file reference.

To initiate contract termination, the district director must write a letter to the Division of Construction chief, stating the reasons for requesting the termination. The letter should include the following information:

- Reasons for the termination
- Work performed
- Work yet to be performed
- Any information pertaining to the advertisement date of the new contract

If the Division Construction chief concurs, the Division of Construction will prepare a letter to the deputy director of Project Delivery to reiterate the relevant points from the district's letter and recommend approval for terminating the contract.

If appropriate, the deputy director of Project Delivery approves the termination. Upon approval, the Division of Construction chief will issue a letter to the contractor, signed by the deputy director, notifying the contractor that Caltrans will terminate the contract as soon as any work the resident engineer requested is complete. When all work is complete, the district must accept the project.

The contractor will be paid all reasonable costs as computed according to Section 8-1.11, "Termination of Contract," of the *Standard Specifications*. An audit of the contractor's cost records is normally required to resolve compensation issues. After contract acceptance, payments can be made in accordance with Section 9-1.07B, "Final Payment and Claims," of the *Standard Specifications*.