

## **Chapter 5**

## **Contract Administration**

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### Section 0 Conduct of the Work

#### 5-001 Resident Engineer's Pending File

For guidance and information, the project engineer assembles and forwards to the resident engineer a set of letters, memorandums, and other data titled "resident engineer's pending file." This file must contain all pertinent information, comments, and advice that may be useful on the specific project to which the resident engineer is assigned. A detailed list of the information that should be included in the resident engineer's pending file is contained in Chapter 15, "Final Project Development Procedures," of the *Project Development Procedures Manual*. The file typically includes the following:

- Memorandums between programs, service centers, and districts, especially comments about preliminary reports and dummy special provisions.
- Special requirements that are enumerated in the freeway agreement and that may require action by the resident engineer. For instance, a special requirement may be notification of the date work begins on locally owned facilities.
- Memorandums about materials from the Materials Engineering and Testing Services (METS) or the district Materials Unit.
- Copies of right-of-way agreements that require work to be done under the contract or that affect the project's construction.
- Copies of Form RW 13-04, "Notice to Owner," which covers utilities and their completion status.
- Copies of the partially completed Form FA-2134, "Utility Account Action Request," which the resident engineer will use for the installation and coordination of utility services. Forward this form to the Division of Accounting and the district signals and lighting coordinator. If there is no form, and the plans have utilities, contact the district signals and lighting coordinator to assure proper procedures are followed. This form is available at:  
<http://cefs2.dot.ca.gov/jsp/forms.jsp>
- Copies of correspondence giving the background of any unusual project features.
- All pertinent engineering data previously prepared in connection with the project. This data should include the project engineer's quantity calculations.
- Copies of the project report, preliminary report, and materials reports.
- A copy of the "materials information" as given to prospective bidders.
- A copy of the environmental document, including any permits, agreements, and commitments.

- A separate summary of all environmental commitments, as well as any special instructions or explanations for meeting permit and other legal requirements and commitments to other agencies.
- A copy of the risk register that documents possible construction issues. More information can be obtained from the *Project Risk Management Handbook: A Scalable Approach*, located at:

<https://dot.ca.gov/programs/project-management/reports-guidance>

A copy of the project oversight agreement is to be included in the resident engineer's pending file on projects of division interest. See Section 5-007A, "Federal Highway Administration Involvement on Projects of Division Interest," of this manual.

The resident engineer must consult with the project engineer who forwarded the file, if the file has any of the following problems:

1. Information appears to conflict
2. Information appears to be missing
3. Additional details or explanations are required

#### **5-002 Preconstruction Conference With Caltrans Personnel**

Before the start of construction, the resident engineer should review the job with relevant staff and stakeholders such as:

- Project manager
- Project engineer
- Right-of-way agent
- Hydraulics engineer
- Traffic engineer
- Materials engineer
- Maintenance superintendent
- Maintenance engineer
- Environmental construction liaison
- Construction stormwater coordinator
- Environmental planner
- Public information officer
- Landscape architect
- Local agencies and communities
- Affected utility companies
- Federal Highway Administration (FHWA) transportation engineer for projects of division interest
- Others who may have a direct interest in the project

At this preconstruction stage, such a review will significantly aid in explaining the reasons for certain design features such as the following:

- Right-of-way obligations
- Signs and traffic handling difficulties
- Materials sites
- Selected material
- Foundation treatment
- Potential slides
- Environmental commitments
- Potential drainage and maintenance problems, including erosion control and water pollution

The resident engineer must verify implementation of environmental mitigation measures included in the project approval. To be fully informed of the environmental mitigation measures, commitments, or concerns on projects that are related to environmental commitments, the resident engineer must review the environmental commitment record and meet with the assigned environmental staff. At the same time, the resident engineer can reach agreement on both the assistance required from environmental specialists, and the tentative schedule and plan for environmental monitoring.

On projects involving structure construction personnel, preconstruction conferences are mandatory and should be held as soon as possible after bids are opened. The conferences should include structure and construction engineers, the resident engineer, and the structure representative. These personnel should reach agreement regarding the following items:

- Office facilities. The district must provide suitable office space and furniture for both district and structure field personnel. When the office facilities are trailers, the resident engineer and structure representative should occupy the same trailer. When the office facilities are in a building, the engineer and the representative should occupy adjacent rooms. This arrangement facilitates the assignment of the structure representative as acting resident engineer during extended absences of the assigned resident engineer.
- Personnel for the total work. Conference participants must discuss the total work, including road work and structure work, and take advantage of instances in which people could be used interchangeably to reduce the number of people on the project. When the contractor's schedule is available, meeting participants must review the personnel required.
- Division of the work. The items should be categorized as road work and structure work. In some cases, the item may be divided by portions of items or by phases of the work. Before the start of work, Structure Construction requires from the structure representative a written report on this categorization of the work.

### **5-003          Preconstruction Conference With the Contractor**

Before the start of work, a conference must be held. Depending on the project's complexity, more than one conference may be desirable to limit the scope and the number of individuals attending. The conferences must include the resident engineer and structure representative and may include principal assistants, the construction engineer, the district construction deputy director, the contractor's superintendent, and other key personnel. Specialists should be included, too, such as the district labor compliance officer and the district safety coordinator. Alternatively, the resident engineer may cover the respective responsibilities.

When environmental commitments have been made that affect or constrain the contractor's operations, the environmental-construction liaison and other appropriate environmental specialists should attend the preconstruction conference with the contractor.

Meeting participants should discuss, among other items, the following:

- Work plans
- Contingency plans
- Equipment to be used
- Progress schedule
- Layout of job
- Labor compliance
- Equal employment opportunity
- Safety requirements
- Temporary pedestrian access routes
- Americans with Disabilities Act (ADA) requirements for permanent pedestrian facilities
- Environmental commitments and permits
- Water pollution control requirements
- Job-produced materials quality control and acceptance testing
- Buy America requirements
- Buy Clean California Act requirements
- Progress payment process

This discussion affords both parties a common understanding of the proposed work and the problems and possible solutions that may be expected during the life of the contract.

The contractor should receive notice of the items that will be discussed. Among other documents, the contractor must bring a copy of the contractor's Code of Safe Practices and a water pollution control plan. The project file must contain a record of the conferences or the reason for omitting a conference. Depending on the

conference's complexity, the record can be a relatively complete set of minutes or a copy of the resident engineer's daily report.

The police, fire department, public transportation agency, schools, and other affected agencies should receive any information developed from the meetings that will affect these agencies' operations.

The following list presents guidelines for the preconstruction conference. These are reminders only. Items will be included if applicable to a specific project. Also consider any previous experience of a particular contractor with Caltrans projects when providing details on these topics. Further, the district construction office may have completed some of the items; therefore, those items need not be included at the conference.

- Introduce all participants, including in your introduction statements about each person's responsibilities for the project.
- Discuss superintendence as well as lines of authority for both contractors and California Department of Transportation (Caltrans) personnel. If you have not yet received it, request the written information required by Section 5-1.16 "Representative," of the *Standard Specifications*.
- Discuss the subcontracting requirements covered in Section 5-1.13, "Subcontracting," of the *Standard Specifications*.
- When required by the special provisions, discuss railroad insurance.
- Discuss requirements related to labor compliance and equal employment opportunity. Advise the contractor of the deadlines for submitting payrolls and other required documents. Also advise the contractor of the contractual and administrative deductions that will be applied for noncompliance. Provide the necessary Department-furnished forms and posters.
- Review the contract's safety requirements.
- Discuss the requirements that pedestrian access must be provided when construction activities require the closure of an existing pedestrian route. The contractor must provide notice 5 business days prior to closing an existing pedestrian route, and the temporary pedestrian access route must be inspected for compliance with ADA standards prior to allowing use. If the contract does not have a bid item for a temporary pedestrian access route, and existing pedestrian routes must be closed to perform the work, the contractor must submit a work plan for a temporary pedestrian access route.
- For pedestrian facilities, discuss that every pedestrian facility constructed on the project will be inspected and that dimensions and slopes of the completed facilities must meet those specified or the work may have to be removed and replaced. Also discuss the pre- and post-construction survey requirements for pedestrian facilities when identified in the contract by a survey bid item.
- Advise the contractor that contract administration forms are available on the Division of Construction website.

- Discuss the procedure for inspecting materials, particularly the early submittal of Form CEM-3101, “Notice of Materials to Be Used.”
- When the contract requires, discuss the contractor’s quality control plans.
- Discuss the communication of job-produced materials quality-control testing and acceptance testing, including identification of high-priority tests, shipping of samples, lines of communication for test results, timeframes for reporting quality control and acceptance test results, and any contractual testing dispute resolution processes.
- Discuss the requirements for submitting working drawings.
- Discuss the progress schedule requirements including provisions for submitting, reviewing, updating, and revising schedules. Refer to Section 3-801, “Schedule,” of this manual.
- Discuss weighing procedures, weight limitations, and the Caltrans policy on overloads. For more information, refer to Section 3-521B, “Load Limits,” of this manual.
- Discuss the progress payment process. Advise the contractor of administrative procedures and deadlines for payment for material on hand, which must be submitted on Form CEM-5101, “Request for Payment for Materials on Hand.” Discuss specification requirements for force account, contractor force account work report documentation, and submittal of change order bills on or before the 15th day of the month. Discuss the resident engineer’s role in (1) submitting change order bills for extra work at agreed price and payment adjustments, (2) reviewing contractor’s submitted change order bills, (3) revision of bills to match Caltrans records, if necessary, and (4) approval of both undisputed and revised bills by the 20th of the month. Also discuss withholds for progress, performance failure, stop notice, or penalty and deductions for administrative, equal employment opportunity, labor compliance violation, or liquidated damages.
- Discuss the optional collaborative progress payment process in Section 3-906, “Progress Payments,” of this manual, and determine if the contractor will participate. Share the location of the progress payment schedule cut-off date table at:  
  
<http://www.dot.ca.gov/accounting/paysch.html>
- Discuss the requirements for submitting survey requests and any significant survey issues.
- Review the contract provisions about water pollution control. Discuss the contractor’s water pollution control plan.
- Review the contract provisions and the environmental commitments record for environmental permits and agreements. Discuss the contractor’s plan for implementing environmental commitments and environmental work windows.
- Remind the contractor to submit a program to control water pollution before beginning work.



- Discuss the requirements for handling public traffic.
- Discuss any unusual project features, including safety issues such as public health conditions you or the contractor may be aware of.
- Remind the contractor of the contractual procedures to follow in the event of disagreements. Emphasize the necessity for timely written notices and required submittal of completed CEM-6201D, “Initial Potential Claim Record”; CEM-6201E, “Supplemental Potential Claim Record”; and CEM-6201F, “Full and Final Potential Claim Record.”
- Discuss the scheduling of utility work. For a discussion of utility preconstruction conferences, refer to Section 3-520C, “Nonhighway Facilities,” of this manual.

#### **5-004 Resident Engineer’s Daily Report**

The following instructions are directed to the resident engineer:

- For each day during the project’s life, make a daily report on Form CEM-4501, “Resident Engineer’s Daily Report or Assistant Resident Engineer’s Daily Report.”
- Include any information that may be pertinent even though no activity may have occurred. For example, such information could include support for determining working or nonworking days. Include the following in the daily report:
  1. Important discussions and agreements with the contractor. Record these on the day discussed. Give the names of specific persons to whom instructions were given or with whom agreements were made. If the contractor objects or comments, note these items, too. Actual quotations on significant discussion points can be useful. Through letters to the contractor, confirm important verbal instructions. Also refer to Section 5-4, “Disputes,” of this manual.
  2. A general statement about the type of work done. Include the controlling operation and any facts concerning the work’s progress.
  3. Weather conditions such as maximum and minimum temperatures and precipitation, among other items. Expand on exceptional weather conditions.
  4. Statements of any other important facts pertaining to the contract that are not specifically covered elsewhere in the contract records.
- Keep the report concise, yet include any important information. The report should not contain routine matters, such as quantities placed, that can be found in other records.
- Promptly send one copy of the daily report to the construction engineer, who will review the copy. After the review, the construction engineer may discard the copy or file it until the project’s completion, in accordance with district policy. Retain the original document with the project records.

#### **5-005 Assistant Resident Engineer’s Daily Report**

To report the activity for a contract item, assistant resident engineers must submit a report for each contract day. Complete the report on Form CEM-4601, “Assistant

Resident Engineer's Daily Report." Also, use this form for reporting extra work and for labor compliance. The form contains a narrative portion and a tabular portion.

The narrative portion of the assistant resident engineer's report should include statements about the contractor's operation and the activities of the individual preparing the report. The description of the contractor's operation should include the following:

- The location where the work was performed
- A brief description of the operation
- The quantities placed or the amount of work completed for the day
- Significant statements by the contractor

The statement of the assistant resident engineer's activities should be sufficient to demonstrate the performance of duties such as those outlined in Chapter 4, "Construction Details," of this manual. Record observations of contractor compliance or noncompliance, actions taken, statements made to the contractor, and approvals given.

Use the tabular portion of Form CEM-4601, to report the following:

- Extra work. For details, refer to Section 3-906C, "Extra Work," of this manual.
- Hours worked by labor and equipment. Provide sufficient detail to permit a review of the contractor's costs in a manner similar to force account. Using the publication titled *Labor Surcharge and Equipment Rental Rates (Cost of Equipment Ownership)*, sufficiently identify equipment to enable the determination of applicable rental rates. Sufficiently identify the labor classification to enable determination of the appropriate wage rate. Also record the equipment's arrival and departure dates, as well as idle time for breakdowns or other reasons. This information can be used to make a possible adjustment of compensation because of an overrun or an underrun of quantities, a change in character, a protest, or a potential claim. The *Labor Surcharge and Equipment Rental Rates* book is available at:

<https://dot.ca.gov/programs/construction/equipment-rental-rates-and-labor-surcharge>

- The name of the contractor or subcontractor performing the work. When the report will be used to determine compliance with the contract's labor provisions, you must include the names or identification numbers of the contractor's personnel or report these separately. However, if the report is not for determining compliance with the contract's labor provisions, you only need to include in the tabular portion of the daily report the respective classifications of the work being performed and the number of hours worked on the date the report covers.

Distribute the assistant resident engineer's reports as follows:

- Retain the original of all reports in the project files in the field office.

- File reports covering extra work according to Section 5-102, “Organization of Project Documents,” of this manual.
- Distribute all other copies in accordance with district policy.

Refer to Section 5-102 for details to consider when establishing a system for filing assistant resident engineer’s reports on a specific project.

## **5-006 Maintenance Reviews**

The resident engineer must conduct reviews with maintenance during a project. The reviews should be scheduled at the start of work, at 50 percent, at 90 percent, and at final inspection. Document these reviews in the Resident Engineer’s Daily Report.

### 5-006A Start of Work Review

- Before the start of construction, send a copy of Form CEM-0101, “Resident Engineer’s Report of Assignment,” to the maintenance superintendent. Provide the maintenance superintendent(s) an opportunity to review the contract with the resident engineer within the first 2 weeks of construction. The intent of this field review is to: Review the “Resident Engineer’s Report of Assignment”
- Review the site
- Discuss the scope of the project
- Identify locations of existing Caltrans irrigation, electrical and other underground facilities
- Discuss contingency planning for traffic management
- Discuss Caltrans’ maintenance responsibility as described in Section 3-521, “Maintenance and Protection,” of this manual
- Discuss construction activities that could affect adjacent maintenance operations
- Discuss possible winter or long-term suspensions and the conditions under which Caltrans maintenance forces will assume responsibility. For more information, refer to Section 3-805, “Suspensions,” of this manual.

### 5-006B 50 Percent Review

When the contract work is about 50 percent complete, schedule a maintenance review, unless both construction and maintenance representatives agree the review is unnecessary.

### 5-006C 90 Percent Review

When the contract work is about 90 percent complete, invite the maintenance superintendent for a complete field review of the project. The intent of this field review is to:

- Identify items that are not complete or changes that maintenance requests. The resident engineer should work closely with the district maintenance personnel to make minor field adjustments to the project. The project manager must approve any changes to the contract plans or specifications that significantly affect project cost, scope, or schedule.

- Identify items necessary to comply with the construction National Pollutant Discharge Elimination System permit. A copy of the permit is available at the State Water Resources Control Board website:  
[https://www.waterboards.ca.gov/water\\_issues/programs/stormwater/constpermits.shtml](https://www.waterboards.ca.gov/water_issues/programs/stormwater/constpermits.shtml)
- Complete Form MTCE-0023, “Construction to Maintenance 90% BMP Completion Walkthrough,” with the maintenance superintendent or the district maintenance stormwater coordinator. Using this form will assist in identifying, discussing, and documenting the project elements such as structural treatment best management practices (BMP), drainage systems, and permanent erosion and sediment controls, while noting their functionality and communicating any specific instruction related to maintaining them. Form MTCE-0023 is available on Caltrans’ Electronic Forms System website:  
<http://cefs2.dot.ca.gov/jsp/forms.jsp>

This review should provide the resident engineer sufficient time to correct deficiencies prior to contract acceptance and verify that elements such as structural treatment BMP, drainage systems, and permanent erosion and sediment controls are constructed in accordance with the project’s plans and specifications.

#### 5-006D Final Inspection Review

Just prior to construction contract acceptance and in accordance with Section 3-525, “Final Inspection and Contract Acceptance,” of this manual, the resident engineer must schedule a final inspection with maintenance.

The intent of this review is to:

- Make sure that issues identified in the 90 Percent Review are complete.
- Update Form MTCE-0023 to reflect changes and corrective actions implemented since the 90 Percent Review.
- Facilitate the transfer of maintenance responsibility from the contractor to Caltrans maintenance forces.
- Discuss new or modified maintenance requirements.
- Discuss features requiring special attention.
- Discuss manufacturers’ warranties and service instructions.
- Discuss guarantee provisions of the contract. See Section 3-526, “Guarantee,” of this manual.
- Discuss the transfer of utility service payment to Maintenance.

Both the resident engineer and the maintenance representative must sign Form MTCE-0023 when they have completed their final inspection. File a copy of the form in Category 63, “Project Completion Documents,” and send copies to the district pollutant discharge coordinator, district design stormwater coordinator, and district construction stormwater coordinator. The maintenance representative will maintain

the original and is responsible for sending a copy to the maintenance region manager.

### **5-007 Federal Highway Administration Involvement in Contract Administration**

When assigned the responsibility for a construction contract, the resident engineer first must determine if it is a federal-aid contract and, if so, the federal-aid classification for the contract. The resident engineer should review the construction contract and the resident engineer's pending file, and talk to the project manager to determine the project's federal-aid classification.

FHWA-funded projects are classified as either projects of division interest (PoDI) or delegated projects to indicate their involvement in the project as stated in the Stewardship and Oversight Agreement between FHWA and Caltrans. Information on this stewardship agreement can be found on the Division of Budgets website:

<https://budgets.onramp.dot.ca.gov/fhwa-oversight>

Caltrans assigns project numbers to federally funded projects, and Caltrans and FHWA jointly determine project classifications. Caltrans then adds a suffix "N" or "E" to the end of the project number. Projects with the suffix "N" are PoDI. Projects with the suffix "E" are delegated projects.

#### **5-007A Federal Highway Administration Involvement on Projects of Division Interest—N**

Caltrans and FHWA will jointly determine PoDI responsibilities on a project-by-project basis and usually as part of the project development team process. They will establish which project responsibilities will be retained by FHWA and which will be delegated to Caltrans in a Project Oversight Agreement (POA). The resident engineer should receive a copy of the agreement in the resident engineer's pending file or from the project manager. Before the start of construction, the construction senior engineer must review the agreement with the FHWA transportation engineer and discuss FHWA's involvement on the project.

The resident engineer is required to submit a copy of the CEM-6303, "Final Acceptance Checklist for Federal-Aid Projects of Division Interest (PoDI)," to the FHWA transportation engineer along with a copy of the proposed final estimate. FHWA will document the project status and final voucher the project with these documents.

#### **5-007B Federal Highway Administration Involvement on Delegated Projects—E**

Caltrans is responsible for all federal approvals and oversight requirements on delegated projects. Resident engineers are not formally required to communicate with the FHWA transportation engineer except for Buy America changes. Information on Buy America requirements and FHWA involvement can be found in Section 3-604, "Buy America," of this manual. FHWA has delegated to Caltrans some of FHWA's authority and responsibility for compliance with National Environmental Policy Act and other environmental laws. Resident engineers should review the

project environmental documents and discuss with the district environmental-construction liaison to determine if FHWA involvement is necessary when there are changes to the environmental requirements for the project. Informal discussions with FHWA for technical guidance are encouraged.

Caltrans receives federal-aid funds indirectly from the California Office of Traffic Safety. Construction projects with a federal-aid number and Office of Traffic Safety designation contain the same special provisions as delegated projects. The same procedures apply to traffic safety projects as delegated projects.