

# Memorandum

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**To:** DEPUTY DISTRICT DIRECTORS, Construction  
DEPUTY DIVISION CHIEF, Structure Construction  
CONSTRUCTION MANAGERS  
SENIOR CONSTRUCTION ENGINEERS  
RESIDENT ENGINEERS

**Date:** May 28, 2021

**File:** Division of Construction  
CPD 21-10



**From:** RAMON HOPKINS, Chief  
Division of Construction

**Subject: REVIEW FINDINGS ON EXTRA WORK FORCE ACCOUNT BILLINGS AND PAYMENTS**

This directive provides additional guidance in consideration of federal review findings on extra work force account (EWFA) billings and payments. The Federal Highway Administration findings identified instances in which differences between EWFA billings and associated payments lacked written explanation as support documentation for resolving the differences. Construction staff are reminded of the importance of verifying that EWFA billings and payments represent the work performed and are supported with detailed documentation filed in the project records.

While the EWFA pay method for work is less desirable than performance of the extra work at bid item price or agreed price payment methods, there will be instances where EWFA must be used. To minimize future billing and payment disagreements, it is critical to monitor EWFA work and meet with the contractor at the end of shift when finalizing Form CEM-4601, "Assistant Resident Engineer's Daily Report," and Form CEM-4907, "Tentative Daily Extra Work Agreement," if used, to identify the labor, equipment, and materials used on the change order's daily EWFA work. Identify any differences at that time and discuss with the contractor to attempt resolution before finalizing records. When differences cannot be resolved, identify discrepancies, and include a narrative of the disagreement. If additional information is provided after finalizing the daily records that supports modification of the labor, equipment, or materials used, create a supplemental daily report that addresses the modification and accurately records the date of modification.

Despite following good practices, there may be instances in which a contractor's billing request made through the extra work billing system does not align with the Department's payment support documentation. Adhere to the following established procedures for each case:

- Duplicate billings – Reject (no merit) the duplicate billing and note the previously paid bill within the rejection comment field.

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- Overbilling of labor, equipment, or materials – In accordance with CPD 16-3, “Extra Work Bill Review,” reject and revise billing to align with the Department’s support documentation and process billing for payment. Do not wait for the contractor to submit a revision. Note discrepancies within the rejection comment field.
- Underbilling of labor, equipment, or materials – Process the billing for payment, and notify the contractor of the apparent underbilling through separate written communication and file a copy in the project records. Section 3-903F, “Billing for Extra Work at Force Account,” of the *Construction Manual* will revise this procedure until the existing extra work billing system can be modified or a future replacement system allows this notification in a comment field.

For detailed billing and payment process information, review the iEWB user guide at:

<https://dot.ca.gov/-/media/dot-media/programs/construction/documents/iewb/icas-user-guide-ewb-07-31-2019.pdf>

If you have questions or comments regarding this directive, contact Ken Darby, Division of Construction, at [Ken.Darby@dot.ca.gov](mailto:Ken.Darby@dot.ca.gov) or (916) 764-6929.