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| REVIEW OF NEW SPECIFICATION OR SPECIFICATION CHANGE | | | | 108-50 |
| **Specification Section No.:** 108 and 109 | | | **Item:** Payment Schedule (Multiple Fiscal Years) | |
| **Originating Office:** Contracts and Market Analysis | | | **By:** Gray | |
| **Date Sent For Review:** April 26, 2016 | | | **Date Comments Due: May 10, 2016** | |
| Submit response to: STANDARDS AND SPECIFICATIONS UNIT, DIVISION OF PROJECT SUPPORT 4TH FLOOR, CDOT HEADQUARTERS | | | | |
| **Vote**  **/N** | **Concurrent Reviews – Others Commenting** | | The attached Draft Specification is submitted for your review and comments. If not returned by Date Comments Due, the draft specification will be considered to be approved unless the Standards and Specifications Unit of the Project Development Branch [(303) 757-9474, (303) 757-9402] is advised otherwise.  **REMARKS:**  If these proposed changes are approved, our unit will issue them in a revised version of this standard special provision.  This special provision is on “fast track” review. Comments will be accepted only until the close of business on May 10, 2016. | |
|  | **Spec Committee Members:** | **✓** |
|  | Co-Chairman: Lacey |  |
|  | Region 1: Quirk |  |
|  | Region 1: Stratton |  |
|  | Region 2: Ferguson |  |
|  | Region 3: Necessary |  |
|  | Region 4: Boespflug |  |
|  | Region 5: Valentinelli |  |
|  | Project Development: Vacant |  |
|  | Specifications: Brinck |  |
|  | Bridge: Hasan |  |
|  | Contracts & Market Analysis: Eddy |  |
|  | Materials: Schiebel |  |
|  | Traffic Engineering: Matthews |  | REVIEWER COMMENTS:  ( ) Approved ( ) Disapproved ( ) Modified  If disapproved or modified, give reason why and show any modifications on the attached draft copy:    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_  Name/Signature Date | |
|  | Maintenance: Weldon |  |
|  | FHWA: Egal |  |
|  | Attorney General: Milan |  |
|  |  |  |
|  | **Others:** |  |
|  | Colorado Contractors Assoc.: Moody |  |
|  |  |  |
|  | **Technical Committees:** |  |
|  | PDAC |  |
|  | Drainage Advisory Committee (DAC) |  |
|  | Water Quality Advisory Committee (WQAC) |  |

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| **COLORADO DEPARTMENT OF TRANSPORTATION** **SUBMITTAL OF NEW SPECIFICATION OR SPECIFICATION CHANGE** | | | Log No. (Assigned by Standards and Specifications Unit)  108-50 | |
| TO: Standards and Specifications Unit, Project Development, Suite 290 | | FROM: Marci Gray, Award Officer, Contracts and Market Analysis, Division of Project Support  (Region, Branch or Technical Committee) | | |
| SPECIFICATION SECTION NO.  108 and 109 | ITEM  Payment Schedule Multiple Fiscal Years | | | Priority  Routine Fast |
| Reason for this new or changed specification:  The changed specification brings the spec into conformance with Colorado fiscal rules and the new process requirements for Incrementally Encumbered projects. This process is already being implemented.  The modifications include:  1. When an initial payment schedule is used to determine the encumbrance amount, the payment schedule shall be signed by the Contractor’s authorized agent.  2. Clarification that when fiscal year payment increases are not approved, the Contractor proceeding at his own risk will only receive payment for the at-risk work if it is ratified by the State Controller’s office.  3. Modifies the special provision to state if a Contractor fails to submit an initial payment schedule, the Contract will not be executed. | | | | |
| New or Revised Specification:  **See Attached.** | | | | |
| Note: See Procedural Directive 513.1 for a description of appropriate specification development procedures. | | | | |

**CDOT Form 1215 10/01**

REVISION OF SECTIONS 108 AND 109

PAYMENT SCHEDULE (MULTIPLE FISCAL YEARS)

**NOTICE**

This is a standard special provision that revises or modifies CDOT’s *Standard Specifications for Road and Bridge Construction.* It has gone through a formal review and approval process and has been issued by CDOT’s Project Development Branch with formal instructions for its use on CDOT construction projects. It is to be used as written without change. Do not use modified versions of this special provision on CDOT construction projects, and do not use this special provision on CDOT projects in a manner other than that specified in the instructions unless such use is first approved by CDOT’s Standards and Specifications Unit. The instructions for use on CDOT construction projects appear below.

Other agencies which use the *Standard Specifications for Road and Bridge Construction* to administer construction projects may use this special provision as appropriate and at their own risk.

**Instructions for use on CDOT construction projects:**

Use in projects which are expected to require more than one State fiscal year to complete.

REVISION OF SECTIONS 108 AND 109

PAYMENT SCHEDULE (MULTIPLE FISCAL YEARS)

Sections 108 and 109 of the Standard Specifications are hereby revised for this project as follows:

Delete subsection 108.04, and replace with the following:

**108.04 Payment Schedule.** The Contractor shall prepare a payment schedule which shall show the dollar amount of work the Contractor expects to complete by the progress estimate date each month for the duration of construction. When the Payment Schedule is used to determine the “Encumbrance Amount,” it shall be signed by the Contractor’s authorized agent. The schedule shall cover the period from the commencement of work to the expected completion date as shown on the Contractor’s progress schedule. The payment schedule shall show the dollar amount of work the Contractor expects to complete by the end of each State Fiscal Year (July 1 to June 30). The payment schedule may be prepared using standard spreadsheet software such as MS Excel and submitted in electronic format.

(a) *Initial Payment Schedule.* The Contractor shall submit the certified initial payment schedule within 15 days of the award of the Contract. The Contractor may submit a revised initial schedule at the preconstruction conference. The payment schedule shall show the total dollar amount of work expected to be completed by each month’s progress estimate date and a total for each of the State’s Fiscal Years that the project will be active.

The amounts shown shall include planned force account work and expected incentive payments.

(b) *Payment Schedule Updates.* Once each month the Contractor shall submit a payment schedule update to the Engineer. The schedule update shall be in the same format as the initial schedule and shall be submitted to the Engineer by the first day of each month. In each payment schedule update, estimated monthly dollar amounts shall be revised to match actual progress payments made to the Contractor to date. Each payment schedule update shall show corrected dollar amounts of work to be completed each month through the expected completion date as shown on the Contractor’s progress schedule.

If the payment schedule update has any State Fiscal Year (July 1 to June 30) payment in excess of the most recently approved payment schedule’s fiscal year totals, the Department may, in its sole discretion, approve the Fiscal Year payment increases in the Contractor’s schedule of payments. If the Department does not approve the Fiscal Year payment increases the Contractor shall either revise the payment schedule to conform to the most recently approved payment schedule or proceed at his own risk. If a Contractor proceeds at his own risk, then payment for the at-risk work will be dependent upon ratification of this work by the State Controller’s Office.

If the payment schedule update has any State Fiscal Year payment in excess of the most recently approved payment schedule because of differing site conditions, changes, or extra work performed in accordance with Section 104, and this payment is not approved by the Department, the delay for not performing this defined work in the scheduled Fiscal Year will be compensable in accordance with subsection 108.08(c), if the Contractor does not proceed at his own risk.

If the payment schedule update has any State Fiscal Year payment in excess of the most recently approved payment schedule because of the Contractor's accelerated schedule, and this payment is not approved by the Department, the delay for not performing the work associated with the Contractor's accelerated schedule in the scheduled Fiscal Year will be noncompensable in accordance with subsection 108.08(c), if the Contractor does not proceed at his own risk.

(c) *Failure to Submit Payment Schedule.* If the Contractor fails to submit the initial payment schedule, the Contract will not be executed. If a payment schedule update is not submitted by the required date, the Engineer will withhold progress payments until such time as the Contractor has submitted a current payment schedule.

Subsection 109.06 shall include the following:

(h) *Maximum Partial Payments*. Partial payments will not be made in excess of the initial payment schedule’s fiscal year totals except at the sole discretion of the Department. Work performed in excess of the initial Fiscal Year estimate, without written approval of the Department, shall be performed at the Contractor’s risk.

If a Contractor proceeds at his own risk, then payment for the at-risk work will be dependent upon ratification of this work by the State Controller’s Office.

REVISION OF SECTIONS 108 AND 109

PAYMENT SCHEDULE (MULTIPLE FISCAL YEARS)

Sections 108 and 109 of the Standard Specifications are hereby revised for this project as follows:

Delete subsection 108.04, and replace with the following:

**108.04 Payment Schedule.** The Contractor shall prepare a payment schedule which shall show the dollar amount of work the Contractor expects to complete by the progress estimate date each month for the duration of construction. When the Payment Schedule is used to determine the “Encumbrance Amount,” it shall be signed by the Contractor’s authorized agent. The schedule shall cover the period from the commencement of work to the expected completion date as shown on the Contractor’s progress schedule. The payment schedule shall show the dollar amount of work the Contractor expects to complete by the end of each State Fiscal Year (July 1 to June 30). The payment schedule may be prepared using standard spreadsheet software such as MS Excel and submitted in electronic format.

(a) *Initial Payment Schedule.* The Contractor shall submit the certified initial payment schedule within 15 days of the award of the Contract. The Contractor may submit a revised initial schedule at the preconstruction conference. The payment schedule shall show the total dollar amount of work expected to be completed by each month’s progress estimate date and a total for each of the State’s Fiscal Years that the project will be active.

The amounts shown shall include planned force account work and expected incentive payments.

(b) *Payment Schedule Updates.* Once each month the Contractor shall submit a payment schedule update to the Engineer. The schedule update shall be in the same format as the initial schedule and shall be submitted to the Engineer by the first day of each month. In each payment schedule update, estimated monthly dollar amounts shall be revised to match actual progress payments made to the Contractor to date. Each payment schedule update shall show corrected dollar amounts of work to be completed each month through the expected completion date as shown on the Contractor’s progress schedule.

If the payment schedule update has any State Fiscal Year (July 1 to June 30) payment in excess of the most recently approved payment schedule’s fiscal year totals, the Department may, in its sole discretion, approve the Fiscal Year payment increases in the Contractor’s schedule of payments. If the Department does not approve the Fiscal Year payment increases the Contractor shall either revise the payment schedule to conform to the most recently approved payment schedule or proceed at his own risk. If a Contractor proceeds at his own risk, then payment for the at-risk work will be dependent upon ratification of this work by the State Controller’s Office.

If the payment schedule update has any State Fiscal Year payment in excess of the most recently approved payment schedule because of differing site conditions, changes, or extra work performed in accordance with Section 104, and this payment is not approved by the Department, the delay for not performing this defined work in the scheduled Fiscal Year will be compensable in accordance with subsection 108.08(c), if the Contractor does not proceed at his own risk.

If the payment schedule update has any State Fiscal Year payment in excess of the most recently approved payment schedule because of the Contractor's accelerated schedule, and this payment is not approved by the Department, the delay for not performing the work associated with the Contractor's accelerated schedule in the scheduled Fiscal Year will be noncompensable in accordance with subsection 108.08(c), if the Contractor does not proceed at his own risk.

(c) *Failure to Submit Payment Schedule.* If the Contractor fails to submit the initial payment schedule, the Contract will not be executed. If a payment schedule update is not submitted by the required date, the Engineer will withhold progress payments until such time as the Contractor has submitted a current payment schedule.

Subsection 109.06 shall include the following:

(h) *Maximum Partial Payments*. Partial payments will not be made in excess of the initial payment schedule’s fiscal year totals except at the sole discretion of the Department. Work performed in excess of the initial Fiscal Year estimate, without written approval of the Department, shall be performed at the Contractor’s risk.

If a Contractor proceeds at his own risk, then payment for the at-risk work will be dependent upon ratification of this work by the State Controller’s Office.