

Guidelines for Preparing Contract Modifications - 2016 PBM Pilot Program

Contract modifications (CM) represent alterations or revisions of plans and item quantities, revisions of bid item method of measurement, elimination of work items found unnecessary during construction, and extra work required to properly complete the project. The CM is a written, supplemental agreement executed between the county and the department that provides the ability to alter the contract. It is a change in the contract that upon execution becomes part of the contract.

In general, FieldManager considers any changes or modifications to the contract once awarded a CM. However, not all modifications must go through the CM process of having approval by a WisDOT and county representative. Construction modifications ***are not*** required for normal increases or decreases in the quantity of a contract item.

Reasons for Contract Modification

If the project leader determines a change to the contract is warranted, prepare a CM in FieldManager. The following resources provide good guidance pertaining to CMs:

- 2016 Standard Specifications, Part 1, General Requirements and Covenants, Section 104, Scope of Work, 104.2 Revisions to the Contract
<http://wisconsin.gov/Pages/doing-bus/eng-consultants/cnslt-rsrcs/rdwy/stnds-spec.aspx>
- Construction and Materials Manual (CMM), Chapter 2, Section 2-42, Contract Modifications
<http://wisconsin.gov/Pages/doing-bus/eng-consultants/cnslt-rsrcs/rdwy/cmm.aspx>

Below are several common examples of when a contract modification should be processed:

- *Extra work (Added work items)*
 - Not included in scope of original agreement:
 - Opportunity of mutual benefit
 - Project scoping error, extra work is required to complete project (see next bullet)

Example of an opportunity for mutual benefit: The quantity of required aggregate on a shouldering project was over-estimated. At the end of the project the Maintenance Coordinator/Engineer asks the County if they would utilize the remaining aggregate at another location. If the county agrees, they would need to provide a cost to mobilize, perform traffic control, install the material, and estimated time to complete work. The CM would add additional quantities for traffic control and shouldering.

- *Significant changes in character or work*
 - The quantity of a bid item is increased in excess of 125 percent or decreased below 75 percent of the original contract quantity.
 - Unit prices may be negotiated when quantities are outside these threshold limits.
 - Any allowance for an increase in quantity applies only to that portion in excess of the original contract bid item quantity, or in case of a decreased below 75 percent, to the actual amount of work performed.
 - If the county and region agree to extend the current unit price, document this decision with an e-mail from the county confirming the desire to utilize the current unit price.

Example of a significant change in character of work: The quantity for crack-filling material required for a project is underestimated. After the quantity of material the county has placed exceeds 125 percent of the estimated quantity, the county requests a change order to renegotiate the unit price for labor and equipment to apply the portion of material in excess of 125 percent of the original quantity. The agreed new unit price is documented through the CM.

- *Eliminating Work Items*
 - The region decides to eliminate an item the project leader finds to be unnecessary for the project. The project leader will issue a CM that reduces the quantity of the eliminated work task to zero.

Contract Modification Approval Authority

- Up to \$10,000 can be approved by Maintenance Engineer.
- Greater than \$10,000 must be approved by Maintenance Supervisor.

Follow the steps outlined on page 23 of the FieldManager User's Guide to create the CM in FieldManager.