

SECTION 01 26 00
MODIFICATION PROCEDURES

PART 1 - GENERAL

1.01 RELATED DOCUMENTS

- A.** General provisions of the Contract, including General and Supplementary Conditions apply to this Section.
- B.** Other Division 01 sections that apply to this section:
 - 1.** 01 26 20 Weather Delays
 - 2.** 01 26 23 Reroofing Weather Delays (for primarily roofing only projects)
 - 3.** 01 26 25 Monthly Weather Delay Report
 - 4.** 01 26 39 Form for Field Order
 - 5.** 01 26 40 Form for Amendment, Change Order, or Directive
 - 6.** 01 26 54 Form for Price Summary
 - 7.** 01 26 55 Form for Price of Work
 - 8.** 01 26 56 Form for Price of Time
 - 9.** 01 26 57 Form for Calculation of Labor Burden

1.02 SUMMARY

- A.** Section includes administrative and procedural requirements for handling and processing Contract modifications.
- B.** Related requirements:
 - 1.** 01 21 13 Allowances
 - 2.** 01 21 46 Disposal Allowances
 - 3.** 01 22 19 Unit Prices

1.03 WEATHER DELAYS

- A.** Delays in the work due to adverse weather as defined in the General and Supplementary Conditions shall be processed as described in Section 01 26 20 for standard projects, or as described in Section 01 26 23 for reroofing projects as appropriate and included in the project manual.
- B.** On a monthly basis, starting with the second application for payment and one month in arrears, the Contractor shall provide the Monthly Weather Delay Report to the Designer for verification on the form provided as Section 01 26 25.
- C.** Cumulative accepted weather delay days will be processed as a Change Order approximately one month prior to the Substantial Completion of the Work.

1.04 CHANGES in CONTRACT TIME

- A.** Fully describe the reasons for the change and the effect of the change on the construction schedule. Attach the original Construction schedule and a revised Progress Schedule highlighting the change to the critical path; and/or,

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- B.** For a change based on a weather-related delay, provide and attach weather data from the National Oceanic and Atmospheric Administration (NOAA) as an impartial basis for determining justifiable extensions, or daily work logs which describe actual local weather conditions and impact, subject to approval by Designer. Provide and attach NOAA comparative data on normals, means, and extremes. The requested extensions shall also be documented on Section 01 26 25, Monthly Weather Delay Report.

1.05 FORM for FIELD ORDERS

- A.** Field Orders shall be used to process all revisions to or use of Construction Manager or Contractor contingency funds, Owner reserve funds, allowances (whether direct or by unit price), or other designated funds existing within the Contract for Construction.
- B.** Field Orders shall not be used to change the contract sum or the contract time. Such changes may only be accomplished by Change Order.
- C.** The form shall be that shown as Section 01 26 39, or a similarly formatted document utilizing the same text and will be prepared by the Owner. Complete description of change in Work shall be included in the body of the form or in referenced attachment. Change in contingency, reserve funds shall be expressed in the body of the form.
- D.** Supporting Documentation for Field Orders shall be provided on 01 26 54 Form for Price Summary, 01 26 55 Form for Price of Work, and 01 26 57, Form for Calculation of Labor Burden.

1.06 FORM for CHANGE ORDERS

- A.** Change Orders shall be used on all changes modifying the contract sum or the contract time.
- B.** The form shall be that shown as Section 01 26 40, or a similarly formatted document utilizing the same text and will be prepared by the Owner. Complete description of change in Work shall be included in the body of the form or in referenced attachment. Change in Contract Sum and Contract Time shall be expressed in the body of the form.
- C.** Supporting Documentation for Field Orders shall be provided on 01 26 54 Form for Price Summary, 01 26 55 Form for Price of Work, 01 26 56 Form for Price of Time, and 01 26 57, Form for Calculation of Labor Burden.

1.07 SIGNATURES

- A.** Proposed Change Orders or Field Orders will be prepared by Owner and normally signed by both Owner and Designer before being issued to Contractor. Contractor shall sign acceptable proposed documents, or refuse to sign if in disagreement, then shall retain one counterpart and return other counterparts to Designer.
- B.** Forms shall be signed by authorized representatives of each of the entities required by Conditions of the Contract.

PART 2 – PRODUCTS

2.01 SUPPORTING DOCUMENTATION for PROPOSALS or CLAIMS

- A.** Propose changes to Work in writing, specifically describing proposed change, or briefly describing the proposed change with specific reference to a completely descriptive attachment.
- B.** Propose changes in Contract Sum in writing, briefly stating the reason for change, and summarizing material, equipment, labor, overhead, and profit factors for Contractor, Subcontractors, and Sub-subcontractors. Unless waived by Owner, attach itemization of values of cost on forms provided as follows:

- 1.** Section 01 26 54 Form for Price Summary

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- a. This form is for the sole use of the General Contractor or the Construction Manager.
 - b. Fill out all fields in the header of the document including the full SBC number and Project Name.
 - c. List all work and costs by Subcontractors, directly transferring totals from associated sheets of Section 01 26 55, Form for Price of Work.
 - d. Indicate General Contractor (or Construction Manager) mark-up on Subtotal as appropriate. General Contractor mark-up is limited to 5%. Construction Manager mark-up is limited to the fee stated in the Cost Response to the RFP, after modifications exceed 5% of the Project's original GMP, unless otherwise approved by the Owner.
 - e. List all work and costs self-performed by the Contractor, directly transferring totals from associated sheets of Section 01 26 55, Form for Price of Work.
 - f. Indicate the Bond Premium associated with this project.
- 2.** Section 01 26 55 Form for Price of Work
- a. This form is for the detailed itemization of work, whether by the General Contractor, by Subcontractors, or by Sub-Subcontractors when the work is being quoted under an existing agreement.
 - b. This form may be omitted if the total work under this portion of the change order was provided as a competitive lump sum bid, not a quote. In the case of a competitive bid, provide the bid documents and winning bid.
 - c. Fill out all fields in the header of the document including the full SBC number and Project Name.
 - d. Itemize all work required for the completion of this portion of the requested change, including:
 - i. Materials: units, costs, quantities, totals
 - ii. Equipment: hours, rates, totals; and,
 - iii. Labor: hours, rates, totals.
 - e. Do not use lump sum costs unless a firm bid was received for that scope of work.
 - f. Labor rates shall be noted in raw hourly amounts, not billable rates.
 - g. Include Sales Tax for the location of the Project.
 - h. Include percent Labor Burden as calculated from Section 01 26 57, Form for Calculation of Labor Burden.
 - i. Overhead (OH) is limited to 10% on costs.
 - j. Profit is limited to 5% on costs for Subcontractors and Sub-Subcontractors, and as indicated in 2.01, 1, d above for General Contractors.
- 3.** Section 01 26 56 Form for Price of Time
- a. This form is for the sole use of the General Contractor for the calculation of extended General Conditions when Class 1 Time Related Expenses are warranted as described in Paragraph 15.1.6 of Section 00 72 13, General conditions of the Contract for Construction.
 - b. Fill out all fields in the header of the document including the full SBC number and Project Name.
 - c. This form only needs to be completed once for a project. Should further claims for additional time be warranted, the same completed form shall be used.

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- d. Provide actual costs per period throughout the form.
 - e. Construction Managers are to use the Monthly General Conditions provided in the Cost Response to the RFP divided by 30 for daily rates, in lieu of using this form.
- 4.** Section 01 26 57 Form for Calculation of Labor Burden
- a. This form is for the use of the General Contractor and each Subcontractor for the calculation of Labor Burden percentages as required in Section 01 26 55, Form for Price of Work, % Burden field, and shall be included each time that form is required.
 - b. The fields on this form are to be calculated on the salaries and benefits paid on behalf of the entire company. If the company is comprised of multiple trades, where the basis of one or more insurance rates varies based on those trades, the form may be completed on behalf of subdivisions of the company.
 - c. This form shall be based on salaries and benefits paid over a 12-month period. This period may be a calendar year, fiscal year, company year, or any other 12-month period. This form may be updated no more often than annually.
 - d. Fields shall be filled out as follows:
 - i. FICA: The total amount paid in federal payroll tax on behalf of employees. Normally 7.65% of salaries.
 - ii. State Unemployment Compensation Expense: The total amount paid on behalf of employees for State Unemployment Insurance. Rates are normally between 0.50 and 6.00, but may vary from 0.01 and 10.00.
 - iii. Workers Compensation Expense: The total amount paid on behalf of employees for Workers Compensation Insurance. Rates vary based on trades of employees.
 - iv. Health Insurance Expense: The total amount paid on behalf of employees for Health Insurance.
 - v. Retirement Expense: The total amount paid on behalf of employees for retirement benefits. This may include pensions, 401k, or other benefits where the use of these funds is restricted for post-retirement.
 - vi. Paid Time Off (Sick, Holiday, & Vacation): The total amount of paid time off paid to employees. This amount is included both in the cost of Salaries and the Cost of Benefits since it is paid directly to an employee and not to another entity on behalf of an employee.
 - vii. Total Cost of Salaries: This shall include the total cost of salaries, including sick leave, holidays, and vacation time, for all of the employees that are covered by the benefits listed above. Unless the company is comprised of multiple trades as described in paragraph b. above, this shall be the total salary amount for the entire company.
 - viii. Once these fields are completed correctly, the Labor Burden amount will calculate automatically. Transfer this percentage, not to exceed 39%, to the applicable field in Section 01 26 55, Form for Price of Work.
 - e. Other benefits not listed above may be added if they are paid on behalf of all employees and are a verifiable benefit of working at the company. The State reserves the right to review and verify other benefits. Examples of items that are NOT considered benefits for the purpose of the Labor Burden calculation include:
 - i. Additional Liability Insurance – Additional liability insurance may be required by special provisions for a specific project for an individual contractor, such as: Railroad, Pollution, Marine, Builders, etc. Premiums

for these additional liability insurance policies are not an employee benefit, usually purchased project specific, and not compensable under labor burden.

- ii. Auto Liability Insurance – Auto liability insurance policies are not an employee benefit and therefore not compensable as labor burden. Additionally, liability insurance is a component of the Blue Book Rental Rate. Payment as labor burden or overhead would represent a duplication of payment.
- iii. Overtime or Premium Rates (weekends/holidays and shift differential) – While overtime or premium rates are employee benefits, they should already be included in the wages.
- iv. Profit Sharing Plans, Gain Sharing Incentive Plans and Bonuses Distributed as Dividends – These expenses are viewed as a distribution of profits and are not compensable under labor burden.
- v. Lodging, Meals, Per Diem – These expenses are viewed as project overhead expenses, not labor burden.
- vi. Safety and Training Programs – These expenses are viewed as project overhead expenses, not labor burden.
- vii. Tools and equipment – These expenses are viewed as either project overhead or direct cost of work expenses, not labor burden.
- viii. Any benefits, or portions of benefits, paid by the employee and not by the company on behalf of the employee.

PART 3 – EXECUTION (Not Used)

END OF SECTION