


**SAN FRANCISCO PUBLIC UTILITIES COMMISSION
WATER SYSTEM IMPROVEMENT PROGRAM
CONSTRUCTION MANAGEMENT PROCEDURES**

SECTION: WSIP CONSTRUCTION MANAGEMENT	APPROVED: 
PROCEDURE NO: 036 TITLE: ADMINISTRATION OF FORCE ACCOUNTS (Time & Materials)	DATE: 10/25/13 REVISION NO.: 1

1.0 Policy

Extra Work performed by Contractor shall be paid for on a negotiated, unilateral or Force Account Work basis. If an agreement can not be reached to pay for the Extra Work on a unit price or lump sum basis when time is critical, or if those methods are impractical, the SFPUC will require the Contractor to perform the Extra Work on a Force Account (Time & Materials) Work basis.

This procedure applies to all personnel working on the Water System Improvement Program (WSIP) to the extent that their work is affected by these WSIP Construction Management (CM) Procedures and does not conflict with specific SFPUC policies or the contract under which the Work is executed.

2.0 Description

Force Account is the payment method used for Extra Work that is considered exclusive of agreed contract, if Contractor and Project Construction Manager (Project CM) can not agree on a unit price or lump sum amount. Force Account Work payments cover labor, materials, equipment, consumables, and miscellaneous fees to perform the Work.

2.1 If a negotiated agreement is reached during the course of the Force Account Work, then the initial agreement is superseded by the new contract agreement.

3.0 Definitions

3.1 Construction Management Information System

The WSIP CMIS is an on-line management tool for the processing of contract documents based on established construction management business processes. It serves as a tool for effective storage and retrieval of various documents generated during a construction project. Processing of Daily QA Inspection Reports will utilize the WSIP CMIS.

3.2 Daily and Weekly Records

Contractor shall maintain and submit detailed records of the daily Force Account Labor, Material and Equipment; including names of the individuals and the specific pieces of equipment identified by manufacture's model type and serial number on form provided on Attachment 036-4.

Contractor shall provide weekly the costs incurred in the daily reports provided during that week, along with a Force Account Summary indicating the status of each Force Account Work directive in terms of actual costs incurred as a percent of the Budget for the respective Force Account Work directive and the estimated percentage completion of the Force Account Work. The Contractor and Project CM will compare records of the cost of completed Force Account work and reach agreement on any discrepancies.

3.2.1 In most cases the QA Inspector who performs inspection of the Contractor's field work will review and approve the daily Force Account Reports, refer to Attachment 036 – 2.

3.2.2 Project Force Account Work Weekly Summary Report format is provided on Attachment 036 – 4.

3.3 Equipment

Payment for Contractor furnished rental equipment shall be based on Contract Equipment Rental Schedule as last issued and currently in effect on the date the Force Account Agreement is executed.

3.3.1 Compensation for rental can include machinery, special equipment, fuel, lubricants that are authorized per contract specifications.

3.4 Force Account Work (Time & Materials)

Force Account Work or Time & Materials Contractual Form documents are what SFPUC agrees to pay the Contractor for all time and materials used on the project including a fee or percentage of all project costs.

3.4.1 Negotiated Agreements: If the Contractor and Project CM reach and execute a negotiated agreement, a negotiated agreement supersedes the current Force Account work basis.

3.4.2 After approval of the daily records and reports, the Contractor shall incorporate these costs into the monthly Application for Payment submittals.

3.5 Labor

Payment for Contractor provided cost of labor shall be based on daily time sheets provided by Contractor for approval by the Project CM (or designee), refer to Attachment 036-2.

3.6 Materials

Payment for Contractor provided actual cost of acceptable materials delivered and used on the Project including transportation charges paid by the Contractor (exclusive of machinery rentals). Additional percentage mark-ups will be added for overhead and profit based on Contract Force Account Work Specifications.

3.7 Miscellaneous Compensation / Expenses

In addition to compensation for labor, materials and equipment, the Contractor may be requested to execute miscellaneous activities or pay fees under the Force Account Contract provision as expenses.

3.7.1 The Contractor shall be paid actual costs of miscellaneous fees incurred for performance of Force Account Work (materials disposal fees, permits, license, etc.).

3.8 Not-to-Exceed Budget

The Project CM will direct the Contractor to precede with the Extra Work on Force Account basis with an “Not-to-Exceed” budget. After review of extra work scope and schedule; and input from the Project CM team, this estimated budget is set by the Project CM and shall be in compliance with threshold amounts established by WSIP Director.

3.8.1 Contractor shall notify the Project CM when 80% of the “Not-to-Exceed” Force Account budget is reached. If the Contractor fails to notify the City, Contractor will not be compensated for Force Account Work exceeding the “Not-to-Exceed” budget amount.

3.9 Reports

Contractor shall prepare and submit a Daily Force Account Report on Form provided by the City to the Project CM no later than 12:00 pm of the day following performance of Force Account Work. The report shall provide an itemized, detailed account of the daily Force Account labor, materials, equipment and details of other miscellaneous Work refer to Attachment 036-2.

4.0 Responsibilities

4.1 Project Construction Manager (Project CM)

The Project CM with support of the Office Engineer and Field Contracts Administrator is responsible for the negotiation, implementation and completion of the extra work under the Force Account basis.

4.1.1 Prior to start of Force Account Work, typically the Project CM receives from the Contractor an estimated cost for labor, equipment, materials and consumables as the basis for the initial cost estimate.

4.2 Office Engineer (OE)

The OE (with concurrence from QA Inspector) performs the quality assurance review of the Force Account Records and Reports for approval by the Project CM.

4.3 Field Contracts Administrator (FCA)

The FCA is responsible for maintaining a Force Account file and assisting the Project CM in reviewing the reimbursement requests for conformance to the Contract Force Account schedules and rates.

4.3.1 For smaller projects, as agreed in the approved CM Work Plan, the Office Engineer or other project CM team member designated by the Project CM can perform the role of the FCA.

4.3.2 The FCA develops and maintains the Project Force Account Report Log which sequentially lists all authorized Time and Material work by tracking number, description, budget amount, duration period and status, refer to Attachment 036 – 3.

4.3.3 Periodically, the FCA will spot check the project labor rates for prevailing wage compliance.

4.4 QA Inspector(s)

The QA Inspectors prepare the Daily Inspection Reports which document progress of work by the Contractor. The Lead QA Inspector reviews the Contractor's Daily Report and Contractor Daily QC inspection Reports.

4.4.1 The CM Team reviews the various inspection reports to confirm the Force Account (Time & Materials) work schedule status.

4.5 Contractor

The Contractor is responsible for performing and completing the work in accordance with Articles 6.06 and 6.07 of the Contract Documents Specification No. 00700. The Contractor prepares and submits the Force Account Daily Records and Reports for Project CM review and approval.

5.0 Implementation

5.1 Scope and Budget Development and Negotiation

5.1.1 The Contractor or Project CM identifies an agreed "Need" for Extra Work where time is a critical element.

5.1.2 The Contractor and Project CM review that scope of work, if it is already included in the construction contract.

- If both parties agree the “need” for extra work is not in the construction contract, then they will start negotiating new contractual agreement.
- If the Contractor and Project CM do not agree on the contractual status of the “need” for extra work, then they refer to the Dispute Resolution Board (DRB, CM Procedure No. 019) or Dispute Resolution Advisor (DRA, CM Procedure No. 031) for recommendations. However, the Contractor shall proceed with work implementation in resolution review process.

5.1.3 If the Contractor and Project CM are unable to reach Lump Sum or Unit Price negotiated contractual agreement, the Project CM instructs the Contractor to proceed with extra work on Force Account (Time & Materials) basis.

5.1.4 The Project CM develops a rough estimate of the “NTE” amount or requests the cost and time estimate from the Contractor.

5.2 Force Account Authorization

5.2.1 The Project CM directs the FCA to implement the Force Account contract protocols as specified in WSIP Technical Specification 0700, General Conditions Article 6.07 including recording, reporting, and submittal and approval requirements.

5.2.2 The Force Account Work may be ordered by issuing a Change Order to encumber new funds for a NTE amount to perform extra work under Force Account.

5.2.3 The Project CM directs the Contractor to proceed with the Work on a Force Account basis along with the recording and reporting requirements.

5.2.4 All Force Account work shall be witnessed, documented and approved by designated CM team personnel on the day that the Work is performed. In most cases, the initial daily records approver is the field Quality Assurance Inspector.

5.3 Record Keeping

5.3.1 Contractor shall maintain and submit daily detailed records of all Work performed on Force Account as per Section 3.2.

- 5.3.2 Standard Weekly Submittal Form. In this form, the actual spent force account cost would be listed as well as the NTE budget. If the ratio reaches 80%, this standard form would note further actions are needed and automatically alert all parties.
- 5.3.3 Force Account Work shall be monitored and documented in Daily Inspection Reports by the QA Inspectors. The Force Account quantities shall be documented on the FAR and shall be mutually signed off by The Contractor and QA Inspectors no later than 12:00 pm of the day following performance of Force Account Work. The Lead QA Inspector retains a copy of signed FAR for appropriate files.
- 5.3.4 The FCA maintains a Force Account Report Log, refer to Attachment 036 – 3.
- 5.3.5 The Contractor shall provide a Weekly Force Account Summary indicating the status of each Force Account Work directive in terms of actual costs incurred as a percentage of the budget for the respective Force Account Work directive and the estimated percentage completion of the Force Account Work.

5.4 Payment Approval

- 5.4.1 Records and Report Submittal: With each monthly payment application, the Contractor should submit Farr's fully priced for reimbursement along with supporting invoices as Applicable.
- 5.4.2 Records and Report Review:
 - 5.4.2.1 The OE shall perform quality assurance of Force Account records and reports.
 - 5.4.2.2 The FCA will compare quantities on the priced out FAR's against the FAR initially signed by the City Representative for quantities; and then verifies labor, materials, equipment and expense costs.
 - 5.4.2.3 The FCA should resolve any discrepancies with the Contractor prior to payment.
 - 5.4.2.4 If approves and given by OE and FCA, then the Project CM approves and returns the information to the Contractor.
- 5.4.3 Application for Payment: Contractor incorporates the Force Account information into the monthly Application for Payment submittal, refer to CM Procedure No. 010, Application for Payment for details.

5.5 Documents Distribution

The Office Engineer or Administration /Document Control Specialist shall distribute the specific procedure.

6.0 Other Procedural Requirements

CM Procedure No. 007 Daily QA Inspection Reports

CM Procedure No. 010 Application for Payment

7.0 References

Specification No. 0700, General Conditions; Article 6.07 Force Account Work

Specification No. 0700, General Conditions; Section 13.06, Wages and Payrolls

CM Procedure No. 019 Dispute Resolution Board

CM Procedure No. 031 Dispute Resolution Advisor

8.0 Attachments

036 – 1 Force Account Flow Chart, FA Work Implementation

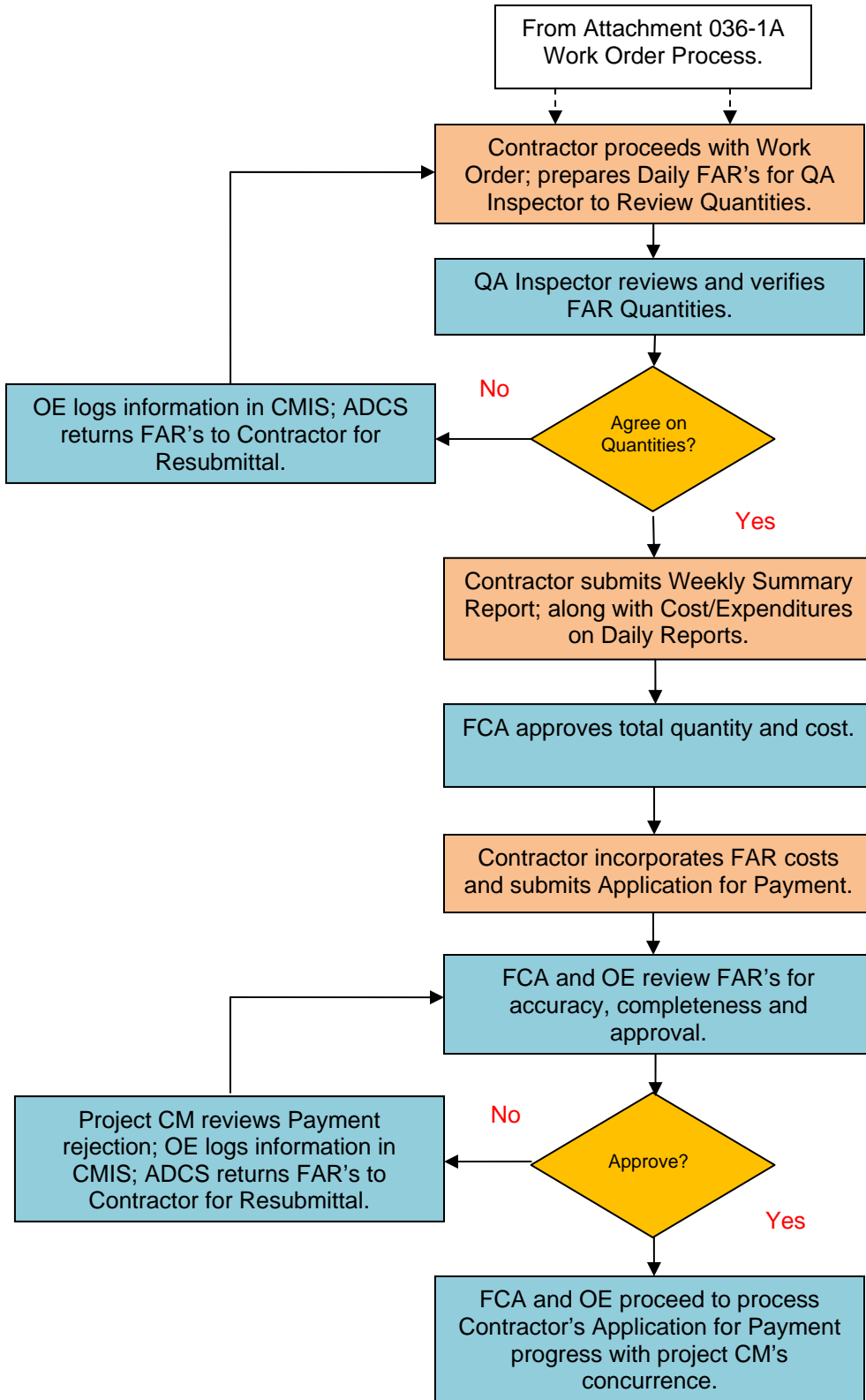
036 – 2 Force Account Report Format

036 – 3 Force Account Report Log Format

036 – 4 Project Force Account Work Weekly Summary Report Format

036 – 5 Revision Control Log

Attachment 036 – 1
Force Account Flow Chart , FA Work Administration



Attachment 036 – 2 Page 1 of 1 Force Account Report Format

FORCE ACCOUNT REPORT (Project No. & Title)

Date Performed: _____
 Work Performer: _____
 P#: _____
 Task Order No.: _____
 Change Order No.: _____
 Display Week (check box if not):

CALTRANS Equipment Code	Equipment	Model Type	Serial Number	Check if Use	Hours	Rate	Amount		Labor (Name & Class) <i>Total (In Name & Class/Color)</i>	Hours	Burdened Rate	Amount
							Overall	Report				
Total Cost of Equipment												
Material												
					Quantity	Unit Cost	Amount					
					Subtotal							
					Total Contract Items							
Subtotal												
Contract Labor Burdening												
Subtotal												
Subcontract												
Total Expense												
Total For Labor												
Total For Equipment												
Total For Materials												
+ 30% on Labor												
+ 100% on Equipment & Materials												
Total Cost of Labor, Equipment & Materials												
30% on Labor, 100% on Equipment & Materials												
Total For the Subcontractor's Work												
Total For this Report												

FIELD
 Submitted: _____ Date: _____
 Verified: _____ Date: _____
 Submitted by: _____
 Verified by: _____

OFFICE
 Submitted: _____ Date: _____
 Accepted: _____ Date: _____
 Submitted by: _____
 Accepted by: _____

Attachment 036 – 4
Page 1 of 1
Project Force Account Work Weekly Summary Report Format

PROJECT FORCE ACCOUNT WORK WEEKLY SUMMARY REPORT

Project	<name>	Project Number	
Contract	<name>	Contract Number	
Report Period	<week ending date>	Date Submitted	
Contractor	<name>		
Project CM	<name>		
FORCE ACCOUNT WORK INFORMATION			
FAR No.		Work Start Date	
PCC No.		Est. Work Completion Date	
WEEKLY PROGRESS AND ACCOMPLISHMENTS			
< This area will expand >			
Estimated Percent Field Work Completed			
Estimated Percent Amount Authorized Spent			
ACTIVITIES PLANNED FOR NEXT WEEK			
< This area will expand >			
AREAS OF CONCERN AND POTENTIAL ISSUES			
< This area will expand >			
ATTACHMENTS: SUMMARY OF DAILY FORCE ACCOUNT WORK FORMS			
< This area will expand >			

**Attachment 036 – 5
Revision Control Log**

Revision No.	Revision Date	What changed?
Rev 1	October 25, 2013	<ul style="list-style-type: none">• Section 2.0; text changes• Section 3.0; 3.2 and 3.9 revised text• Section 5.0; added new 5.3.1, renumbered section.• Section 8.0; revised; added new attachment 5• Attachment 1A; Removed flow chart• Attachment 1B; Removed flow chart• Attachment 1; revised• Attachment 2; revised• Attachment 5; Added new Revision Control Log
Rev 0	July 21, 2009	Signed