

**SECTION 107
LEGAL RELATIONS AND RESPONSIBILITY TO PUBLIC**

Delete Subsection 107-1.04 and Replace with the follow:

107-1.04 WAGE RATES. The Contractor and all subcontractors shall pay the current prevailing rate of wages as per AS 36.05.010 and this Contract. On federally funded projects the Contractor and all subcontractors shall pay the higher of the appropriate wage rates published by the Alaska Department of Labor and the U.S. Department of Labor, for each individual job classification. The Contractor and all subcontractors shall file certified payroll with the Alaska Department of Labor and Workforce Development (DOLWD) and with the Engineer for all work performed on the project. Submit **signed and** certified payrolls electronically to the DOLWD and the Engineer.

Before beginning work the Contractor shall file a Notice of Work with DOLWD and pay all required fees. After finishing work the Contractor shall file a Notice of Completion with DOLWD and pay all additional fees required by increases in the Contract amount.

**SECTION 108
PROSECUTION AND PROGRESS**

Delete Subsection 108-1.01 and Replace with the follow:

108-1.01 SUBCONTRACTING OF CONTRACT. The Contractor shall submit a Contractor Self Certification for **each Subcontractor and each Lower Tier Subcontractor**, Form 25D-042; before the Contractor or any subcontractor subcontracts, sells, transfers, assigns, or otherwise disposes of the Contract or any portion of the Contract. The Department has authority to review subcontracts and to deny permission to subcontract work. The Department may penalize the Contractor for false statements or omissions made in connection with Form 25D-042.

The Contractor shall perform, with the Contractor's own organization, work amounting to at least 30 percent of the difference between the original Contract price and the price of designated Specialty Items. For the purpose of this Subsection, work is defined as the dollar value of the services, equipment, materials, and manufactured products furnished under the Contract. The Engineer will determine the value of the subcontracts based on Contract unit prices or upon reasonable value, if entire items are not subcontracted.

The Department's consent to the subcontracting, sale, transfer, assignment, or disposal of all or a part of the Contract shall not relieve the Contractor and the Surety of responsibility for fulfillment of the Contract or for liability under the bonds regardless of the terms of the transfer or sublet approvals.

1. The Contractor shall ensure that for all subcontracts (agreements):
 - a. The Department is furnished with one completed Contractor Self Certification, Form 25D-042, for each subcontract;
 - b. The subcontractors have submitted a Bidder Registration, Form 25D-6;
 - c. The required prompt payment provisions of AS 36.90.210 are included in all subcontracts;
 - d. A clause is included requiring the Contractor to pay the subcontractor for satisfactory performance according to AS 36.90.210 and within eight (8) working days after receiving payment from which the subcontractor is to be paid;

- e. A clause is included requiring the Contractor to pay the subcontractor interest, according to AS 45.45.010(a), for the period beginning the day after the required payment date and ending on the day payment of the amount due is made;
 - f. A clause is included requiring the Contractor to pay the subcontractor all retainage due under the subcontract, within eight (8) working days after final payment is received from the Department, or after the notice period under AS 36.25.020(b) expires, whichever is later;
 - g. A clause is included requiring the Contractor to pay interest on retainage, according to AS 36.90.250 and AS 45.45.101(a);
 - h. Other required items listed in Form 25D-042, including but not limited to Form 25D-55H, are included in the subcontracts;
 - i. The subcontractors pay current prevailing rate of wages as per Subsection 107-1.04 and file signed and certified payrolls with the Engineer and DOLWD for all work performed on the project; and
 - j. Upon receipt of a request for more information regarding subcontracts, the requested information is provided to the Department within 5 calendar days.
2. The Contractor shall ensure that for all lower tier subcontracts (agreements between subcontractors and lower tier subcontractors):
- a. The Department is furnished with one completed Contractor Self Certification, Form 25D-042, for each lower tier subcontract;
 - b. The required prompt payment provisions of AS 36.90.210 are included in all lower tier subcontracts;
 - c. A clause is included requiring the subcontractor to pay the lower tier subcontractor for satisfactory performance according to AS 36.90.210, and within eight (8) working days after receiving payment from which the subcontractor is to be paid;
 - d. A clause is included requiring the subcontractor to pay the lower tier subcontractor interest, according to AS 45.45.010(a), for the period beginning the day after the required payment date and ending on the day payment of the amount due is made;
 - e. A clause is included requiring the subcontractor to pay the lower tier subcontractor all retainage due under the subcontract, within eight (8) working days after final payment is received, or after the notice period under AS 36.25.020(b) expires, whichever is later;
 - f. A clause is included requiring the subcontractor to pay the lower tier subcontractor interest on retainage, according to AS 36.90.250 and AS 45.45.101(a);
 - g. Other required items listed in Form 25D-042, including but not limited to Form 25D-55H, are included in the lower tier subcontracts;
 - h. The lower tier subcontractors pay current prevailing rate of wages as per Subsection 107-1.04 and file signed and certified payrolls with the Engineer and DOLWD for all work performed on the project; and
 - i. Upon receipt of a request for more information regarding lower tier subcontracts, the requested information is provided to the Department within 5 calendar days.
3. The following will be considered as subcontracting, unless performed by the Contractor:
- a. Roadside Production. Roadside production of crushed stone, gravel, and other materials with portable or semi-portable crushing, screening, or washing plants set up or reopened in the vicinity

of the project to supply materials for the project, including borrow pits used exclusively or nearly exclusively for the project.

- b. Temporary Plants. Production of aggregate mix, concrete mix, asphalt mix, other materials, or fabricated items from temporary batching plants, temporary mixing plants, or temporary factories that are set up or reopened in the vicinity of the project to supply materials exclusively or nearly exclusively for the project.
 - c. Hauling. Hauling from the project to roadside production, temporary plants, or commercial plants, from roadside production or temporary plants to the project, from roadside production or temporary plants to commercial plants, and all other hauling not specifically excluded in this subsection.
 - d. Other Contractors. All other contractors working on the project site under contract with the Contractor are considered subcontractors unless specifically excluded in this subsection.
4. The following will not be considered as subcontracting, but the Contractor shall comply with the prompt payment provisions of AS 36.90:
- a. Commercial Plants. The purchase of sand, gravel, crushed stone, crushed slag, batched concrete aggregates, ready-mixed concrete, asphalt paving mix, and any other material or fabrication produced at and furnished from established and recognized commercial plants that sell to both public and private purchasers.
 - b. Hauling. Delivery of materials from a commercial plant to a different commercial plant, and delivery from a commercial plant to the project site by vehicles owned and operated by the commercial plants or by commercial freight companies that have a contract with the commercial plant. Commercial freight companies are trucking or hauling companies that deliver multiple types of materials to multiple clients, both public and private, on an established route and on a recurrent basis.
 - c. Contractors' General Business. Work within permanent home offices, branch plants, fabrication plants, tool yards, and other establishments that are part of a contractor's or subcontractor's general business operations.
5. Owner-Operators. Hauling of materials for the project by bona fide truck owner-operators who are listed as such on the signed and certified payroll of the Contractor or approved subcontractor is not considered subcontracting for purposes of AS 36.30.115.

The Contractor shall ensure that the required prompt payment provisions of AS 36.90.210 are included in contracts with owner-operators.

The Contractor shall collect and maintain at the project site current and valid copies of the following to prove that each trucker listed is a bona fide owner-operator:

- a. Alaska Driver's License with appropriate CDL class and endorsements;
- b. Business license for trucking with supporting documents that list the driver as the business owner or corporate officer;
- c. Documents showing the driver's ownership interest in the truck, including copies of:
 - (1) Truck registration; and
 - (2) Lease (if truck is not registered in driver's name or in the name of the driver's company).

The Contractor shall maintain legible copies of these records for a period of at least three years after final acceptance of the project.

Owner-operators must qualify as independent contractors under the current Alaska Department of Labor's criteria. Owner-operators may be required to show:

- a. The owner-operator's right to control the manner in which the work is to be performed;
- b. The owner-operator's opportunity for profit or loss depending upon their managerial skill;
- c. The owner-operator's investment in equipment or materials required for their task, or the employment of helpers;
- d. Whether the service rendered requires a special skill;
- e. The degree of permanence of the working relationship; and
- f. Whether the service rendered is an integral part of the owner-operator's business.

The status of owner-operators is subject to evaluation throughout the project period. If the criteria for an independent contractor are not met, the Contractor shall submit amended payrolls listing the driver as an employee subject to all labor provisions of the Contract.

The Contractor shall issue each owner-operator a placard in a form approved by the Engineer that identifies both the truck driver and the vehicle. The placard shall be prominently displayed on the vehicle so that it is visible to scale operators and inspectors.

Notwithstanding the Department's definitions of contracting and subcontracting, the Contractor shall be responsible for determining and complying with all federal and state laws and regulations regarding contracting, subcontracting, and payment of wages. The Contractor shall promptly pay any fines or penalties assessed for violations of those laws and regulations, and shall promptly comply with the directives of any government agency having jurisdiction over those matters.

**SECTION 70
LEGAL RELATIONS AND RESPONSIBILITY TO PUBLIC**

Delete Subsection 70-04 Wage Rates and replace with the following:

70-04 WAGE RATES. The Contractor and all subcontractors shall pay the current prevailing rate of wages as per AS 36.05.010 and this Contract. On federally funded projects the Contractor and all subcontractors shall pay the higher of the appropriate wage rates published by the Alaska Department of Labor and the U.S. Department of Labor, for each individual job classification. The Contractor and all subcontractors shall file certified payroll with the Alaska Department of Labor and Workforce Development (DOLWD) and with the Engineer for all work performed on the project. **Submit signed and certified payrolls electronically to the DOLWD and the Engineer.**

Before beginning work the Contractor shall file a Notice of Work with DOLWD and pay all required fees. After finishing work the Contractor shall file a Notice of Completion with DOLWD and pay all additional fees required by increases in the Contract amount.

**SECTION 80
PROSECUTION AND PROGRESS**

Delete Subsection 80-01 Subcontracting of Contract and replace with the following:

80-01 SUBCONTRACTING OF CONTRACT. The Contractor shall submit a Contractor Self Certification for **each Subcontractor and each Lower Tier Subcontractor**, Form 25D-042, before the Contractor or any subcontractor subcontracts, sells, transfers, assigns, or otherwise disposes of the Contract or any portion of the Contract. The Department has authority to review subcontracts and to deny permission to subcontract work. The Department may penalize the Contractor for false statements or omissions made in connection with Form 25D-042.

The Contractor shall perform, with the Contractor's own organization, work amounting to at least 30 percent of the difference between the original Contract price and the price of designated Specialty Items. For the purpose of this subsection, work is defined as the dollar value of the services, equipment, materials, and manufactured products furnished under the Contract. The Engineer will determine the value of the subcontracts based on Contract unit prices or upon reasonable value, if entire items are not subcontracted.

The Department's consent to the subcontracting, sale, transfer, assignment, or disposal of all or a part of the Contract shall not relieve the Contractor and the Surety of responsibility for fulfillment of the Contract or for liability under the bonds regardless of the terms of the transfer or sublet approvals.

- a. The Contractor shall ensure that for all subcontracts (agreements):
- (1) The Department is furnished with one completed Contractor Self Certification, Form 25D-042, for each subcontract;
 - (2) The subcontractors have submitted a Bidder Registration, Form 25D-6;
 - (3) The required prompt payment provisions of AS 36.90.210 are included in all subcontracts;
 - (4) A clause is included requiring the Contractor to pay the subcontractor for satisfactory performance according to AS 36.90.210 and within eight (8) working days after receiving payment from which the subcontractor is to be paid;

- (5) A clause is included requiring the Contractor to pay the subcontractor interest, according to AS 45.45.010(a), for the period beginning the day after the required payment date and ending on the day payment of the amount due is made;
 - (6) A clause is included requiring the Contractor to pay the subcontractor all retainage due under the subcontract, within eight (8) working days after final payment is received from the Department, or after the notice period under AS 36.25.020(b) expires, whichever is later;
 - (7) A clause is included requiring the Contractor to pay interest on retainage, according to AS 36.90.250 and AS 45.45.101(a);
 - (8) Other required items listed in Form 25D-042, including but not limited to Form 25D-55A, are included in the subcontracts;
 - (9) The subcontractors pay current prevailing rate of wages as per Subsection 70-04 and file signed and certified payrolls with the Engineer and DOLWD for all work performed on the project; and
 - (10) Upon receipt of a request for more information regarding subcontracts, the requested information is provided to the Department within 5 calendar days.
 - (11) Form 25D-55A is included in all subcontracts.
- b. The Contractor shall ensure that for all lower tier subcontracts (agreements between subcontractors and lower tier subcontractors):
- (1) The Department is furnished with one completed Contractor Self Certification, Form 25D-042, for each lower tier subcontract;
 - (2) The required prompt payment provisions of AS 36.90.210 are included in all lower tier subcontracts;
 - (3) A clause is included requiring the subcontractor to pay the lower tier subcontractor for satisfactory performance according to AS 36.90.210, and within eight (8) working days after receiving payment from which the subcontractor is to be paid;
 - (4) A clause is included requiring the subcontractor to pay the lower tier subcontractor interest, according to AS 45.45.010(a), for the period beginning the day after the required payment date and ending on the day payment of the amount due is made;
 - (5) A clause is included requiring the subcontractor to pay the lower tier subcontractor all retainage due under the subcontract, within eight (8) working days after final payment is received, or after the notice period under AS 36.25.020(b) expires, whichever is later;
 - (6) A clause is included requiring the subcontractor to pay the lower tier subcontractor interest on retainage, according to AS 36.90.250 and AS 45.45.101(a);
 - (7) Other required items listed in Form 25D-042, including but not limited to Form 25D-55A, are included in the lower tier subcontracts;
 - (8) The lower tier subcontractors pay current prevailing rate of wages as per Subsection 70-04 and file signed and certified payrolls with the Engineer and DOLWD for all work performed on the project; and
 - (9) Upon receipt of a request for more information regarding lower tier subcontracts, the requested information is provided to the Department within 5 calendar days.
- c. The following will be considered as subcontracting, unless performed by the Contractor:

- (1) **Roadside Production.** Roadside production of crushed stone, gravel, and other materials with portable or semi-portable crushing, screening, or washing plants set up or reopened in the vicinity of the project to supply materials for the project, including borrow pits used exclusively or nearly exclusively for the project.
 - (2) **Temporary Plants.** Production of aggregate mix, concrete mix, asphalt mix, other materials, or fabricated items from temporary batching plants, temporary mixing plants, or temporary factories that are set up or reopened in the vicinity of the project to supply materials exclusively or nearly exclusively for the project.
 - (3) **Hauling.** Hauling from the project to roadside production, temporary plants, or commercial plants, from roadside production or temporary plants to the project, from roadside production or temporary plants to commercial plants, and all other hauling not specifically excluded in this subsection.
 - (4) **Other Contractors.** All other contractors working on the project site under contract with the Contractor are considered subcontractors unless specifically excluded in this subsection.
- d. The following will not be considered as subcontracting, but the Contractor shall comply with the prompt payment provisions of AS 36.90:
- (1) **Commercial Plants.** The purchase of sand, gravel, crushed stone, crushed slag, batched concrete aggregates, ready-mixed concrete, asphalt paving mix, and any other material or fabrication produced at and furnished from established and recognized commercial plants that sell to both public and private purchasers.
 - (2) **Hauling.** Delivery of materials from a commercial plant to a different commercial plant, and delivery from a commercial plant to the project site by vehicles owned and operated by the commercial plants or by commercial freight companies that have a contract with the commercial plant. Commercial freight companies are trucking or hauling companies that deliver multiple types of materials to multiple clients, both public and private, on an established route and on a recurrent basis.
 - (3) **Contractors' General Business.** Work within permanent home offices, branch plants, fabrication plants, tool yards, and other establishments that are part of a contractor's or subcontractor's general business operations.
- e. **Owner-Operators.** Hauling of materials for the project by bona fide truck owner-operators who are listed as such on the signed and certified payroll of the Contractor or approved subcontractor is not considered subcontracting for purposes of AS 36.30.115.

The Contractor shall ensure that the required prompt payment provisions of AS 36.90.210 are included in contracts with owner-operators.

The Contractor shall collect and maintain at the project site current and valid copies of the following to prove that each trucker listed is a bona fide owner-operator:

- (1) Alaska Driver's License with appropriate CDL class and endorsements;
- (2) Business license for trucking with supporting documents that list the driver as the business owner or corporate officer;
- (3) Documents showing the driver's ownership interest in the truck, including copies of:
 - (a) Truck registration; and
 - (b) Lease (if truck is not registered in driver's name or in the name of the driver's company).

The Contractor shall maintain legible copies of these records for a period of at least three years after final acceptance of the project.

Owner-operators must qualify as independent contractors under the current Alaska Department of Labor's criteria. Owner-operators may be required to show:

- (1) The owner-operator's right to control the manner in which the work is to be performed;
- (2) The owner-operator's opportunity for profit or loss depending upon their managerial skill;
- (3) The owner-operator's investment in equipment or materials required for their task, or the employment of helpers;
- (4) Whether the service rendered requires a special skill;
- (5) The degree of permanence of the working relationship; and
- (6) Whether the service rendered is an integral part of the owner-operator's business.

The status of owner-operators is subject to evaluation throughout the project period. If the criteria for an independent contractor are not met, the Contractor shall submit amended payrolls listing the driver as an employee subject to all labor provisions of the Contract.

The Contractor shall issue each owner-operator a placard in a form approved by the Engineer that identifies both the truck driver and the vehicle. The placard shall be prominently displayed on the vehicle so that it is visible to scale operators and inspectors.

Notwithstanding the Department's definitions of contracting and subcontracting, the Contractor shall be responsible for determining and complying with all federal and state laws and regulations regarding contracting, subcontracting, and payment of wages. The Contractor shall promptly pay any fines or penalties assessed for violations of those laws and regulations, and shall promptly comply with the directives of any government agency having jurisdiction over those matters.

7.3 Labor Compliance

7.3.1 Wages and Payroll Reporting

All federally funded contracts fall under the Copeland Act and the Davis-Bacon and Related Acts (29 CFR Parts 1, 3 and 5) regarding wages and the conditions of their payment. These regulations require the payment to all project mechanics and laborers of not less than the prevailing minimum wages for the local area that are contained in the latest wage rate decision published by the US Department of Labor. This decision is included in the contract. The regulations also cover such other matters as frequency of wage payments, fringe benefits, overtime wages, and legitimate deductions. Further details are contained in the contract, in the Required Contract Provisions for Federal-aid Contracts section (Form 25D-055).

Both state-funded and federally funded contracts fall under the requirements of AS 36, which requires the payment of not less than the prevailing minimum wage rates contained in the latest wage rate decision published by the Alaska Department of Labor and Workforce Development (DOWLD). This decision is also included in the contract. On federally funded contracts, if there is a difference between the federal and the state minimum wage rates, the higher rate will govern. Both the federal and the state wage rate decisions also include minimum fringe benefit rates. The federal wage rates are established at the time of contract advertisement and remain in effect for the life of the contract. State wages are established ten days prior to bid opening and remain in effect for the life of the contract, or 24 months, whichever is less. The count of the 24-month period starts at award of the contract. Upon expiration of the initial 24-month period, the latest state wage rates issued by the DOWLD shall become effective for a subsequent 24-month period or until the original contract is completed, whichever occurs first. This process shall be repeated until the original contract is completed.

The contractor and each subcontractor are required to prepare a weekly payroll and statement of compliance (14 CFR 151.53, 23 CFR 635.118, and 29 CFR 3.4) and submit them to the Project Engineer and to DOLWD within

seven days of the payroll ending date. The payrolls must be project specific, identify each employee by name and work classification, and must include the hour's worked and hourly rate(s), price extensions, and deductions. Bona fide truck owner-operators hauling materials for the project must appear on the certified payrolls (as owner-operators) of the prime Contractor or an approved subcontractor.

Check that the submitted certified payrolls have a statement of compliance that is signed by the contractor or subcontractor (or their agent) who submitted the payroll.

Store certified payrolls as per the record retention schedule in Section 16.15.

8. Contract Administration in the Office

- 8.1. Contract Administration – General
- 8.2. Subcontract Process
- 8.3. Reviewing Materials Submittals & Working Drawings
- 8.4. Other Administrative Approvals
- 8.5. Construction Progress Schedule
- 8.6. Coding, Monitoring Expenses & Reimbursement Requests
- 8.7. Recording As-built Changes
- 8.8. Administrative Reviews & Inspections by Others

8.1. Contract Administration – General

Construction contract administration involves more than simply inspecting and testing the construction operations, and measuring and accepting them. This Section covers many of the other administrative responsibilities of the Project Engineer and project staff. A few of them, along with Section references where more information may be found, are the following:

Communication requirements: coordination with maintenance and operations personnel (Section 3.12) and with federal agency representatives; keeping all the communication channels open with the prime contractor and all of the subcontractors (Sections 3.9 and 9.1); reporting the progress of the project (Section 10.5).

Review and approval requirements: subcontracts (Section 8.2); materials submittals (Section 8.3); mix designs (Section 11.3); transportation management plans (Sections 3.10 and 9.8); storm water pollution prevention plans and hazardous materials control plans (Sections 3.11 and 9.9).

Monitoring requirements: utility relocation or extension agreements; attainment of DBE goals (Section 7.2); construction progress schedule updates (Section 8.5); compliance with federal and/or state labor (Section 7.3) and occupational safety requirements (Section 6.4 and 6.5); compliance with the TMP (Sections 3.10 and 9.8), with the airport construction safety plan (Sections 3.7 and 9.7) and with the SWPPP and HMCP (Sections 3.11 and 9.9); contractor, subcontractor and owner-operator insurance certificates.

Financial requirements: evaluating, recommending and authorizing contract changes (Section 12); preparing progress payments (Section 12); authorizing federal reimbursement requests (Section 8.6); and constantly monitoring the status of project expenses and project funding (Sections 3.1 and 8.6).

Record keeping requirements: documenting and reporting the contractor's operations (Sections 10.3 and 10.5); maintaining the project records (Sections 4.2 and 4.3); keeping quantity records updated (Sections 10.4 and 12.4); updating as-built drawings (Section 8.7).

8.2. Subcontract Process

Within five days of the identification of the apparent low bidder (AS 36.30.115), the apparent low bidder must submit its Subcontractor List (Section 3.4) to the Department, indicating which pay items they intend to subcontract and to which firms. Once the contract is awarded, the contractor is obligated to subcontract the pay items as indicated on the form.

The contract (specifications Section 103-1.02 or GCP 30-02) and AS 36.30.115 state the only grounds under which the contractor may deviate from the Subcontractor List without the possibility of penalty or termination of contract. *Contracting Officers Bulletins 98-001 and 99-003*, clarify the penalties for violating the requirements of the contract and Alaska Statute. The contractor may enter into additional subcontracts as a result of change documents without violating the terms of the contract or Alaska Statutes.

Directions regarding subcontract review are given to the contractor at the preconstruction conference (Section 3.8).

Before a subcontractor (including lower tier subcontractors) can begin work on the contract, the Department must have either received, or reviewed and approved, the subcontractor's information using one of the two following methods:

8.2.1 Self Certification Process

The contractor must submit a Contractor Self Certification for Subcontractors and Lower Tier Subcontractors (Form 25D-042) and other documents required by contract for each subcontractor. The contractor may submit documents to the Regional

Contract Compliance Liaison (RCCL) either directly or through the Project Engineer.

The RCCL reviews Contractor Self Certified subcontracts by comparing each self certification against the Subcontractor's List and DBE Utilization Report.

The RCCL will select at least one in ten contractors self certifications per project for full compliance review. The RCCL will review the subcontractor agreement, licenses, Form 25D-55, and any other documentation relating to the certification (as outlined in 8.2.2 full subcontractor agreements below). The RCCL may select more than the required one in ten for full review, for any reason.

The RCCL does not need to provide written approval to the contractor of Form 25D-042 and subcontracts submitted to the Department.

The RCCL must keep a detailed record identifying which certifications were selected and reviewed for full compliance.

Demonstrating that at least one in ten receives a full compliance review is a condition of FAA and FHWA approval of the Contractor Self Certification process.

8.2.2 Full Subcontractor Agreements Process

In addition to the Self Certification Process described in 8.2.1; the Department may, at its discretion, require the contractor to submit any or all subcontract agreements to the RCCL either directly or through the Project Engineer for review and approval. If the subcontract agreements are acceptable the RCCL will give written approval for each subcontract.

The RCCL reviews the supporting subcontractor agreement and other documentation including:

- Licenses,
- Form 25D-55 for federal-aid contracts
- Mandatory standard language,
- Subcontractor prompt payment requirements (AS 36.90.210),
- Certification that the subcontractor is adequately insured,
- Cumulative percentage of the contract that is being subcontracted.

8.2.3 Unauthorized Subcontractors

Under the terms of the contract, the Project Engineer cannot allow a subcontractor to perform any work on the project prior to the Department receiving the completed and signed Contractor Self Certification (Form 25D-042) and other documents required by the contract. If the contract or RCCL requires full subcontract agreement submittals, no subcontractor can perform any work on the project prior to the approval letter from the RCCL.

If the Contractor does not submit Form 25D-042 or a full subcontract agreement for a subcontractor, and the subcontractor works on the project, upon discovery the Engineer should:

- contact the RCCL
- direct the Contractor to remove the subcontractor from the worksite
- withhold progress payments for the subcontractor's work until proper paperwork is submitted or approved

8.3. Reviewing Materials Submittals & Working Drawings

Certain off-site manufactured, fabricated, structural and/or specialized contract pay items obligate the contractor to provide the Project Engineer with information, verifying that the material or assembly meets the contract requirements, before the items can be ordered. This information, in the form of materials submittals, may vary from manufacturer's tear sheets and catalog cuts on standard manufactured items, to laboratory test results, to certifications establishing a material's point of origin or manufacture, to manufacturer's certifications and, in some cases, to working (shop) drawings on custom manufactured items.

The contract requires the Project Engineer to review and approve all submittals prior to the contractor ordering material. The Project Engineer may also require fabrications or assemblies to be inspected and approved prior to their shipment to the project site.

The contractor can begin making submittals of materials, products, and drawings after they receive a Letter of Award.

The contract requires that the contractor provide the Project Engineer with a list of their materials suppliers (Section 3.8); and a list showing anticipated dates for

procurement of materials and equipment, furnishing of working drawings, and other reviewable items.

8.3.1 Special Clauses

Reserved.

8.3.2 Submittal Process

The contract requires that the contractor prepare a Submittal Register (Form 25D-030) to track working drawings, and other submittal items. Material submittals are tracked with the MCL. The submittal process, with review procedure and time deadlines, is described in the contract under Highway Specification 106-1.08 or Airport Specification GCP 60-08. Some other specifications have alternate submittal review processes and deadlines.

The Project Engineer reviews submittals for content and completeness, and to determine whether the project staff or other reviewer has the expertise to determine the submittal's acceptability. If the submittal changes a sealed design in a technical manner (see ACM 13.6), the submittal review should include the designer of record (or designated professional in their section).

If a submittal is incomplete, it should be marked resubmit and returned to the contractor with the reasons listed. The reasons (insufficient information) may or may not include a comprehensive list of missing information.

The Project Engineer distributes complete submittals to the reviewers. The reviewer should mark the submittal with a review stamp or written direction, and sign the mark. Indicate the submittal status as: approved, conditionally approved with the conditions listed, resubmit (due to incomplete information), or rejected (disapproved) with the reasons for rejection listed. When the Project Engineer returns a conditionally approved or rejected submittal to the contractor, the Project Engineer must explain in detail the requirements to make the submittal acceptable.

8.3.3 Bridge Submittal Reviews

The Project Engineer should send shop drawings and other structural submittals that need to be reviewed to the Designer of Record. The Project Engineer should choose which section will review other bridge related items based on Department or consultant staff expertise. The bridge design section also reviews the submittals for temporary bridges used by the public, including an Independent Design Check letter and a

Temporary Bridge Package (design calculations, working drawings, and specifications). See Appendix for Temporary Bridge Submittal Checklist.

8.3.4 Materials Certification List (MCL)

On highway and airport projects, a MCL is included in each contract (ACM 4.5). The MCL lists all material certifications required by contract, and lists Department positions that have approval authority.

The Project Engineer will maintain the MCL in the field office and use the MCL to track the status of all material submittals on airport and highway projects that require material certification. If the MCL is not complete, list other materials that are required by contract to have material certifications on the MCL.

The MCL may require that the Design Engineer of Record, Regional Materials/QA Engineer, Statewide Bridge Engineer, Regional Traffic Engineer, or the Statewide Materials/QA Engineer approve the submittal. Write the date that approval is received in the box on the MCL. After receipt of the approved submittal note the file location of the material certificate.

The Project Engineer may accept a product without a manufacturer's certification (or other Department approvals), if it appears on the Qualified Products List (ACM 4.6) or the FAA AC 150/5345-53, provided it meets contract requirements. An invoice, catalog cut, or proof of purchase is still required, and is stored in project files.

8.3.5 Airport L Series Items

The Airport standard specifications require that materials or equipment in the L series of bid items must be chosen from the current FAA Advisory Circular (AC) 150/5345-53, Airport Lighting Equipment Certification Program. The Project Engineer can only approve material or equipment that is certified by FAA. Any L series bid items not included in the FAA certified list, such as beacon towers and electrical duct, will be evaluated by the Department using submittal documents.

8.3.6 Off Site Testing

If a particular material requires off-site testing and/or inspection, the Project Engineer usually contacts the Project Manager to make the arrangements for use of the Term Contracts managed by Statewide Materials, see Section 11.7 Term Contracts and Job Order Procedures.

8.3.7 Inspection

When each off-site manufactured item is received at the project site, it should be inspected and compared to the approved materials submittal. The item should be undamaged by shipping and storage. Note the inspection in the Inspector's Daily Report or diary.

8.3.8 Project Materials Reports

If the item is an off the shelf purchase or small quantities of miscellaneous materials on the MSTF table, use the Project Materials Report (Form 25D-080) to document the item.

8.3.9 Material Records

The Project Engineer keeps records on all material certifications, material invoices, freight bills, and mill certificates that are submitted. These records must provide enough information to identify the date, company and location of invoice (bill, certificate); project name and number where material will be incorporated, manufacturer, product number, and quantity.

For FHWA and FTA federally funded projects: as per the Cargo Preference Act (see Forms 25D-55H or 25D-55T), keep records of shipments transported by ocean vessel. Submittals consist of 'on-board' commercial ocean bill-of-lading. For more information see the Special Notice in the contract.

8.3.10 Building Plans

If the contract requires the contractor to submit detailed building plans, the Project Engineer and the State Fire Marshal's Office must review and approve those plans (13 AAC 50.027). Building and site development plans may also need to be submitted to local government agencies for their review and approval. When plans have been approved, the State Fire Marshal's permit and local government building permits must be kept in the field office.

8.4. Other Administrative Approvals

On projects involving truck haul operations, a bona fide *truck owner-operator* is not considered a subcontractor and is not an employee of the contractor provided that he or she complies with the contract conditions establishing owner-operator status. The truck owner-operator does not have to be on the subcontractor's list.

However, the contractor is responsible for reviewing the credentials of each owner-operator and approving

that status. Prior to the review and approval of their credentials, owner-operators are treated as employees of the contractor and must appear as employees on the certified payroll.

Truck owner-operators must submit to the contractor their Alaska Driver's License, their truck registration, their Alaska Business License, and proof of ownership or their ownership interest in the truck. The contractor must review and approve this information before the contractor can list the owner-operator as such on their certified payroll. The contractor must maintain this documentation in the files for the period of time specified in the contract. In addition to these requirements, the truck owner-operator must qualify as an independent contractor under Alaska Department of Labor criteria; further details on this and on other owner-operator matters are contained in the contract.

If the Project Engineer receives notice of the *loss of a contractor's insurance coverage or bonding coverage*, through cancellation or insolvency, the contractor must immediately be notified that he or she must completely restore the lost coverage. The contract specifies the time frames, if any, that apply and the procedures the contractor must follow in replacing the coverage.

If a contractor wishes to designate a third party to receive the payments on the contract or wishes to transfer the remaining work to another contractor, this is known as an *assignment*. The approvals of the contracting officer and of the contractor's bonding agent are both required. The contractor must present a written request to the Project Engineer, in accordance with the contract. The request will be subject to the review of the contracting officer. If an assignment of payments is approved, it is for the contractor's convenience only, and does not relieve the contractor of any contract obligations. When applicable, withholding and/or liquidated damages are withheld, it is the same as if the assignment had not occurred.

8.5. Construction Progress Schedule

A copy of the contractor's current construction progress schedule should be posted in the field office. The contractor's progress on the individual pay items and the overall estimated value of work completed to date, should be calculated and posted on the schedule each week. This gives the Project Engineer and project staff members an idea of the contractor's actual versus intended progress.

If the contractor falls behind or consistently works ahead of the schedule, or if significant changes are made to the contract via contract change documents or quantity changes, to the extent that the dates and sequence of the information lose their significance as a scheduling or monitoring tool, the Project Engineer should request that the contractor submit a revised progress schedule. Revised schedules should be reviewed in the same manner as the original schedule (Section 3.5).

8.6. Coding, Monitoring Expenses & Reimbursement Requests

Staff members involved in coding invoices for payment, including contractor payment, must be careful to properly establish the eligibility for reimbursement of each item authorized for payment, and properly code each item. If questions arise concerning eligibility of the individual items, the Project Engineer should consult with the Group Chief/PM and Project Control.

The Project Engineer or regional traffic control coordinator should randomly spot check law enforcement billings to ensure the dates and times invoiced are in substantial agreement with the actual work. Ensure billing is consistent with the overall law enforcement agreement. Compare the billable hours with independent records in the project staff diary or daily report. If dates and hours are not in substantial agreement, resolve the billing discrepancies with law enforcement. Document the items spot checked, discrepancies found, and their resolution.

- On federally funded projects, construction costs are divided into two categories: participating expenses and non-participating expenses (Section 2.2). This breakout of expenses is shown on the progress payments on the Recapitulation Sheet (Form 25D-199) by properly coding the construction costs to either participating or non-participating phase codes.

The Group Chief/PM or designee should review total expenses in each funding category (participating and non-participating), and accumulation of expenses for each support group. The Group Chief/PM should periodically compare the buildup of expenses with the support groups' budgets categories. If expenses in any budget segment look out of place, review the individual charges via an ALDER on-line audit trail or request a printed audit trail from the project control

unit. Any excessive or potentially erroneous expenses should be brought to the attention of the project control unit, and the support group that incurred the expense. If there is an error the responsible party must initiate the correction.

Support groups may submit a revised budget for the Group Chief/PM's or designee's approval. If the need for additional funding in the construction phase arises, the Group Chief/PM should coordinate with the project control unit. Each project's financial situation is unique, but in all cases the more advance notice that the project control unit has, the more likely it is that additional funding will be available.

On federally funded projects, the Department requests reimbursement for eligible expenses from the federal funding agency (14 CFR 151.61 ff and 23 CFR 140.105).

On FHWA-funded projects, the Department's Federal Aid unit prepares the project Progress Vouchers using the expenditure information in IRIS. One billing covering a number of projects is submitted directly to the FHWA. The Project Engineer and project staff involve themselves in this process through their review of their projects' expenditure information in IRIS.

On FAA-funded projects the reimbursement requests are prepared, on a grant-by-grant basis, according to regional procedures using the same IRIS expenditure information. Reimbursable Services Agreements (RSAs) or utility agreement billings are prepared by the regional finance unit, using the financial information in IRIS.

8.7. Recording As-Built Changes

The Project Engineer should clearly identify to all project staff members the set of drawings that is set aside for recording as-built changes (see Section 4.2). Throughout the project, as changes occur to the design shown in the plans and as new pay items are added to the contract and original items are deleted, project staff must revise and update the designated set of marked up as-built drawings in the field office on a timely basis. The Project Engineer should impress on each staff member the importance of entering the changes to the plans immediately on the drawings.

The Project Engineer or project staff member associated with the change should enter all corrections, revisions, or additions to the work on the

as-built drawings. New drawings or sketches should be added to the set as appropriate. Certain information on the drawings does not need to be updated, particularly information of no significance to the finished project like temporary construction features, staged construction schedules, or temporary traffic control measures.

Update the following information on the as-built drawings: changes in horizontal or vertical alignment; changes in typical sections or new typical sections; new or revised utility locations; changes to electrical wiring diagrams and installations; changes to automated traffic recorders; as-built location and dimensions of all structures; changes in survey control or right of way/property monuments; changes in drainage features; as-built data on materials sources including areas developed and waste areas (if included in the drawings); as-built location and dimensions of piles, foundation elevations and subsurface structural details; revisions/substitutions of materials or equipment; estimated quantities should be revised to final quantities; all change document work. In short, any change made during construction to a permanent feature of the project, should be correctly shown on the final as-built drawings.

8.8. Administrative Reviews & Inspections by Others

The Project Engineer and project staff, in addition to inspecting the contractor's operations, are themselves subject to inspections and reviews by numerous groups.

Periodically the Group Chief/PM will visit the project site, as may other regional employees including the contracting officer, the design engineer, traffic and safety, environmental, and maintenance and operations employees.

8.8.1 Regional Quality Reviews

On all projects, the regional quality assurance/review unit may make periodic field reviews to check project documentation, record keeping and progress payment quantity calculation procedures, as well as to inspect field laboratory equipment, record keeping, and testing procedures.

8.8.2 Annual Regional Traffic Reviews

Each region must conduct an annual work zone traffic control and safety review (except for the year the joint review is held in that region) according to P&P

05.05.015. The Regional Construction Engineer must write a review summary memorandum to the Chief of Design and Construction Standards within three weeks of the review.

8.8.3 Annual Joint Traffic Control Review

D&ES will perform a joint traffic control review in one region each year as defined in P&P 05.05.015. The reviews are rotated each year, so each region has a review every three years. The reviews may evaluate all aspects of the traffic management plan (including TCP, PIP and TOP) implementation, traffic routing plans, impacts on traffic delay, safety, inter project coordination, quality of daily reviews by the contractor and Department personnel, project records, and other aspects of the project.

D&ES will write a review summary memorandum and distribute it to the regions and to the FHWA within three weeks of the review. Significant issues identified in the review will be reported to FHWA and Department construction personnel at regional spring construction meetings.

8.8.4 Statewide D&ES Reviews

D&ES staff may review projects and project records to evaluate the implementation of TMPs, work zone traffic and safety, and SWPPPs, and for conformance with the *Alaska Construction Manual* and the Department's policy and procedures. D&ES staff will not direct the Project Engineer, project staff, or the contractor.

Regional construction management will be notified before a review occurs. Regional staff will, typically, participate in the review to assist and inform the reviewer. The results of the review will be distributed to the regional construction management.

8.8.5 Other State Reviews and Audits

The Department's Internal Review unit auditors and Legislative Budget and Audit auditors, may review the project's records as they relate to financial matters such as contractor and consulting engineering contract payments and reimbursement requests to federal and other agencies. DOLWD may conduct OSHA safety inspections. DEC may conduct SWPPP inspections.

8.8.6 Federal Reviews

On federally funded projects, federal agencies can inspect the contractor's operations and the field operations of the Department (14 CFR 151.49a). The

funding agency, The Office of Management and Budget, and the Inspector General may inspect the project's records.

The United States Coast Guard and the American Bureau of Shipping (and COE, USFW, NMFS, and DEC) may conduct periodic inspections of marine vessel projects to insure compliance with their agencies' regulations.

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Alaska Department of Transportation & Public Facilities

Contractor Self Certification for Subcontractors and Lower Tier Subcontractors (Form 25D-042)

Project Name: [REDACTED]

Project Number: [REDACTED]

Federal-Aid Number: [REDACTED]

Submission Number: [REDACTED]

Subcontractor or Lower Tier Subcontractor:
[REDACTED]

Contractor Certification

Agreement as included herein refers to the legally binding written contract between the Contractor and Subcontractor or between the Subcontractor and Lower Tier Subcontractor and identified in items 1 or 2 below.

- A written agreement ("Agreement") has been executed between Contractor and the above listed subcontractor.
- A written agreement ("Agreement") has been executed between [REDACTED] (Subcontractor) and the above listed Lower Tier Subcontractor

- The Subcontractor is qualified to perform the work.
- The Subcontractor has adequate insurance as required by the Contract, or the Contractor has adequate insurance for the Subcontractor(s) as required by the contract.
- The subcontractor is on the DOT&PFs current Bidder's Registration List.
- The "Prompt Payment" clauses (AS 36.90.210) are included in the Agreement language.
- All requirements and pertinent provisions of the Contract, including but not limited to; DBE provisions, and minimum wage rates, are included in the agreement.
- Form 25D-55(A, H, or T as applicable) Required Contract Provisions for Federal Aid Construction Contracts, is inserted (shall not be incorporated by reference) in the Agreement
- All Agreements with Subcontractors and with Lower Tier Subcontractors will be in continued compliance with all provisions of the Contract
- The Contractor remains responsible for all quality control and proper performance of all requirements of the Contract.
- The Contractor will continue to perform at least thirty percent (30%) of the Contract work with his own organization.
- This Contractor Self Certification does not relieve the Contractor and his surety, or either the Contractor or surety from any liability or responsibility under the Contract.
- The Contractor certifies firms or individuals debarred or suspended by the Department, FAA, FHWA, or FTA are not employed or subcontracted under this construction project.

Total Agreement Amount: [REDACTED]

Total Agreement Amount is [REDACTED] % of the Total Contract Award Amount.

Total cumulative subcontracts (including this Agreement) are [REDACTED] % of the Total Contract Award Amount.

Subcontractor or Lower Tier Subcontractor

Federal I.D. No. (if no Federal I.D. No., use owner SSN): [REDACTED]
Business License Number: [REDACTED]
Contractor's License Number: [REDACTED]
Electrical/Mechanical Administrator's License Number (if applicable): [REDACTED]
Surveyor's License Number (if applicable): [REDACTED]
Phone Number: [REDACTED]
Address: [REDACTED]
City: [REDACTED] State: [REDACTED]
Estimated Starting Date: [REDACTED]

Department's Request for Information – If the Department at any time makes written request for the Agreement, licenses, proof of insurance, or any other information relating to the certifications contained herein, the Contractor will deliver an executed copy of the Agreement and /or other requested information to the Department within five calendar days. If the Contractor fails to provide the requested information within five calendar days, or if the Contractor fails to include required language and conditions in the Agreement, the Department may suspend all work relating to the Agreement. The Contractor shall not be due any additional compensation or contract time if the Department suspends work due to the Contractor's failure to provide requested information or failure to include required language and conditions in the Agreement.

False Statement or Omission – If a false statement or omission is made in connection with this Contractor Self Certification the Contractor will be excluded from participating in the self-certification process for the remainder of this Contract and for the following construction season. Contractors excluded from the self-certification process will be required to submit all necessary information for the Department's approval of proposed Subcontractors or Lower Tier Subcontractors.

Any false statement or omission made in connection with this Contractor Self Certification may be cause for suspension, a determination of non-responsibility on future bids, and may be cause for revocation of award, default, or debarment. The person or entity making the false statement or omission is subject to any and all civil and criminal penalties available pursuant to applicable state and federal law.

I certify the above information and statements are true, correct, and complete.

Contractor: [REDACTED]

By: _____ **Date:** [REDACTED]

Title: [REDACTED]