

HiCAMS User Guide

Chapter 2: Contract Maintenance

Section 8B: Completing the Subcontractor Approval Form (SAF)

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About Subcontracts

In accordance with Article 108-6 of the NCDOT Standard Specifications for Roads and Structures, the Contractor is permitted to sublet a portion of the work when approved in writing by the Engineer. This is referred to as a Subcontract. The Specifications also allow the Subcontractor to subcontract work with the approval of the Engineer. This is referred to as a Second Tier Subcontract.

In addition, the Contractor may find it necessary to sublet work to certain types of business firms in order to meet the requirements of the contract. Federal Highway Administration requirements establish Disadvantaged Business Enterprises (DBE) program goals for federally-funded projects. The North Carolina General Statutes establish Disadvantaged Businesses program goals (Minority Businesses (MB) and Women Businesses (WB)) for state-funded projects. The Resident Engineer should ensure that the goals established in the contract are met by the Contractor.

The Subcontractor forms that are to be submitted can be found on the NCDOT Electronic Forms download page (<https://apps.dot.state.nc.us/quickfind/forms/>) or go to www.ncdot.gov and under Business Resources, click on the link: Electronic Forms. Use the word Subcontract as the search term, and all the required forms will be displayed for download.

For additional information on Subcontract handling, please consult the current version of the NCDOT Construction Manual or contact the Construction Unit.

Completing the Subcontract Approval Form

The Subcontract Approval Form is available at the NCDOT Electronic Forms page (<https://apps.dot.state.nc.us/quickfind/forms/> - Hint: search for the word Subcontract. Be sure to click on the Search button)

Instructions for completing the form are on the first worksheet of the downloaded spreadsheet.

Completing the SAF

1. The **Line Code Number** should match the Line No. in the Contract.
2. The **Item Description** should match the Item Description in the Contract.
3. If the conditions are met, select the Partial (◆) or Portion (●) indicator from the drop down list.
4. Select **Sub** or **2nd Tier** from the drop down list.
5. The **Quantity** must be less than or equal to the Contract quantity.
6. The **Unit** should match the Unit in the Contract. This is the Unit of Measure for the Line Item.

Note: If the subcontract is for hauling, the subcontract for the trucking firm should reflect a price per ton, not a price per hour. See the Appendix - Calculations section for more information on this topic.

7. If the Subcontract Unit Price has been calculated, enter an asterisk (*) in this column.

Note: The negotiated Subcontract Unit Price or lump sum price must be the actual price agreed upon between the Contractor and the Subcontractor. In the event the subcontract unit of measure differs from that in the Department's contract, the unit of measure shown on the Subcontract Approval Form shall be the same as those shown in the Department's contract. Any conversions necessary to satisfy this requirement shall be the responsibility of the Contractor. The Converted Price (CP) shall be denoted with an asterisk (*).

8. The **Contract Unit Price** must be less than or equal to the Contract Unit Bid Price.

The unit price will always reflect the *value* of the work being performed, regardless of what the Subcontractor is being paid.

For example, if all the "Concrete Parapet Wall" work - including providing the materials - is being done by the Subcontractor, the *value* of that work to the contract is the bid price times the bid quantity. It does not matter what the Subcontractor is actually being paid.

If the Subcontractor is supplying only the labor for creating the Parapet Wall, the Line Code Nos. involved should be noted as Partial, and the Contract Unit Price shown would be less than the bid amount. The subcontract form should indicate that the subcontractor is providing only the labor.

If the Subcontractor is supplying labor and materials for the Parapet Wall on Bridge B but not on Bridge A, the Line Code Nos. involved should be noted as Portion, and the price shown would be equal to the bid amount. The subcontract form should indicate that the subcontractor is doing the work for only Bridge B.

9. The **Subcontract Unit Price** is the actual agreed upon price between the Contractor and the Subcontractor.
10. The **Total Subcontract Amount** is the Quantity times the Contract Unit Price.
11. The **Subcontract Total** is the sum of all the Total Subcontract Amounts.

Additional Notes

Mobilization: If Mobilization is subcontracted, the quantity will always be 1. The Unit Price will be less than the Contract Unit Bid Price to reflect that only a partial amount of the work is being done by the Subcontractor.

Other Lump Sum items: When other lump sum line items are subcontracted, the quantity may or may not be 1. The contractor must indicate whether or not the Subcontractor is doing all the work or portion of

it. For example, if the Lump Sum line item "Construction Surveying" is subcontracted to another firm, the contractor must indicate how much of the work the Subcontractor will be doing. If the subcontractor will be doing 90% of the work, and 10% will be reserved for the contractor, the quantity on the subcontract should be 0.9 and the Unit Price will be the Contract Unit Price. The contractor must indicate that this is a portion of the work and identify what surveying is being by the subcontractor and what will be done by his own forces.

Incidental Work: When an item of work such as "Stationary Signs Installed/Removed" or "Lane Closure" is subcontracted, and the work is incidental to other contract line items, this work should be listed as a partial item for the Line Item to which it is incidental. If that line item has already been allocated to other subcontractors, the incidental work can be assigned to the Line Item for Mobilization.

Calculations

How to calculate a price per ton for Hauling when price is quoted in dollars per hour.

The Line Item quantity is 200 tons.
 The hauling will cost \$50 per hour.
 The hauling will take approximately 10 hours.

Calculate the total value of the hauling. In this case, \$50.00 per hour times 10 hours equals \$500.00.

Divide the total value of the hauling by the quantity that will be hauled to obtain the subcontract unit price. In this case, \$500.00 divided by 200 tons equals \$2.50 per ton.

Revision History

Date	Version	Description	Author
28 September 2010	1.0	Initial Version	Marie Novello