

46th Annual Michigan
County Engineers Workshop

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2012 Standard Specifications for Construction

Division 1

Major Changes

2012 Standard Specifications

- Incorporated into projects beginning October 2011 letting



2012 Standard Specifications



- Transition Years – Projects with 2003 or 2012 Spec Book for the next few years.

2012 Spec Book – Division 1

- Active Voice Revision
- More Use of Outline Format
- Incorporation of Special Provisions
- Significant Re-organization
- All payment provisions in 109
- Sequence for Contract Revisions 109.05
 - Contract Unit Prices
 - Negotiated Prices
 - Force Account

Active Voice Revision

2003 – 104.03

“Deviations from the plans for the work or from working drawings, will not be permitted without the written order of the Engineer.”

Active Voice Revision

2012 – 104.03

“The Contractor must not deviate from the plans or from Department-approved working drawings and design calculations, unless the deviation is approved by the Engineer in writing.”

Outline Format

2003 – 105.01

“Unless otherwise specified in the contract documents, only new materials or fabricated items conforming to the requirements of the specifications... the Contractor shall provide the information requested on the Department’s testing order form...The Contractor will be permitted to change the source of supply provided the Department is given reasonable time to carry out required inspection and testing...If accepted materials are transferred from another contract...”

Outline Format

2012 – 105.01

“Unless otherwise required by the contract, the Contractor must:

- A. Provide new materials...
- B. ...provide the information requested on the...Testing Order...
- C. Notify the Engineer...when materials are required on site
- D. Provide...a reasonable time to sample, test or inspect...

2012 Spec Book - 101

2003 – “Terms, Format and Definitions”

2012 – “Terms, Format, and Definitions”

2012 Spec Book - 101

- Incorporated 03SP101(A) "Special Provision for Definition Changes"
- New Definitions Added

2012 Spec Book - 101

- New Definitions
 - Limits of Earth Disturbance
 - Used to determine “Clearing” Pay Limits 201.04.A
 - Liquidated Damages
 - Monetary Damages Paid by Contractor to Department for work not completed on time

2012 Spec Book - 101

- New Definitions

- Mathematically Unbalanced Bid

- Bid that does not reflect reasonable actual costs for labor, equipment, materials, plus reasonable profit, overhead and other indirect costs

- Materially Unbalanced Bid

- Reasonable Doubt that a bidder with a mathematically unbalanced bid will result in the lowest ultimate cost

2012 Spec Book – 101

Materially Unbalanced Bid Example

Pay Item: Widgets
Estimated Quantity 10 Each
Correct Quantity 100 Each (Plan Error)
Average Unit Price = \$100 Each

Contractor A

Total Project Bid	\$100,000
Bid \$, Widgets	\$1000
Add +90 x \$1000	<u>\$90,000</u>
Adjusted Total Bid =	\$190,000

Contractor B

Total Project Bid	\$120,000
Bid \$, Widgets	\$100
Add +90 x \$100	<u>\$9,000</u>
Adjusted Total Bid =	\$129,000

2012 Spec Book - 102

2003 – “Proposal Submission, Award and Execution of Contract”

2012 – “Bid Submission, Award and Execution of Contract”

2012 Spec Book - 102

- Updated to reflect current electronic bid procedures
- 2003-102.14 – “Construction Progress Schedule”
 - Much of this moved to 2012-108, “Prosecution and Progress”

2012 Spec Book - 103

2003 – “Scope of Work”

2012 – “Scope of Work”

2012 Spec Book - 103

- 2012-103.02 – “Revisions to the Contract”
- 2012-103.02.B.2 – Adjustment for Major Items of Work decreased below 75% of original contract quantity capped at 75% of original quantity x contract unit price
- 2012-103.02.D – “Suspension of Work Ordered by the Engineer” - *New Subsection incorporates parts of 2003-104.01.B "Authority of the Engineer to Suspend Work"*
- 2012-103.02.F – “Eliminated Work” – *New Subsection replaces 2003-109.05 "Eliminated Work"*

2012 Spec Book - 103

- 2012-103.03 – “Contractor-Engineer Communication” – *New Subsection*
 - Written Contractor Notice and Written Engineer Response for:
 - Significant Changes in the Character of Work
 - Differing Site Conditions
 - Suspension of Work Ordered by the Engineer

2012 Spec Book - 103

- 2003 – 103.03 “Adjustments” - *Eliminated*
 - Significant Change
 - Differing Site Conditions
- Payment will be in accordance with 2012-109.05

2012 Spec Book - 103

- 2003-103.05 – “Traffic Control” – *Moved*
 - Most moved to Division 8 “Incidental Construction”
 - Some moved to 2012-104.11 “Work Zone Safety and Mobility” – *New Subsection*
- 2003-103.06 – “Maintenance During Construction” – *Moved*
 - To 2012-104.07 “Contractor Obligations” (New 104.07.C)

2012 Spec Book - 103

- 2003-103.07 – “Final Clean Up” – *Moved*
 - Moved in its entirety to 2012-104.07
“Contractor Obligations” (New 104.07.D)

2012 Spec Book - 104

2003 – “Control of the Work”

2012 – “Control of the Work”

2012 Spec Book - 104

- 2003-104.01.B "Authority of the Engineer to Suspend Work" – *Moved*
 - Moved to 103.02.D "Suspension of Work Ordered by the Engineer"
- 2012-104.01.C "Authority of the Engineer to Direct the Acceleration of Work" – *New Subsection*
 - Only applies when the Engineer directs acceleration for early completion, not when contractor is behind schedule
 - 2012-108.05.B for behind schedule
 - Payment in accordance with 109.05.F
 - 2003 Silent on Directed Acceleration

2012 Spec Book - 104

- 2012-104.04 "Conformity with the Contract" – *Replaces 2003-104.04 "Conformity with Plans and Specifications"*
 - Non-conforming materials specifications moved to 2012-105.08 "Nonconforming Materials"

2012 Spec Book - 104

- 2012-104.07 “Contractor Obligations” – *Combines other subsections*
 - 2003-103.06 “Maintenance During Construction”
 - 2003-103.07 “Final Clean Up”
 - 2003-104.10 “Safety and Health Requirements”
 - 2003-108.04 “Competence of Contractor Supervision”

2012 Spec Book - 104

- 2003-104.08 "Lines, Grades, and Elevations" – *Majority moved to Division 8, Subsection 824*
- 2012-104.10 "Claim for Extra Compensation or Time Extension"
 - Incorporates BOHIM 2008-02 "Review of Contractor Claims"

2012 Spec Book - 104

- 2012-104.11 “Work Zone Safety and Mobility”
 - Expanded 2003-104.11 “Limitations for Construction Equipment On or Crossing Pavements and Structures”
 - Updates old 2003-104.11 Requirements
 - Incorporates language from the “Work Zone Safety and Mobility Manual”
 - Requires the Contractor to develop and provide a work zone traffic control plan

2012 Spec Book - 104

- 2012-104.12 "Approval for the Use of Right-of-Way" – *New Subsection*
 - Process for a Contractor to request the use of ROW
 - Requires written response from the Engineer
 - Requires specific information from the Contractor
 - Incorporates some of 2003-105.06 "Storage of Materials"

2012 Spec Book - 105

2003 – “Control of Materials”

2012 – “Control of Materials”

2012 Spec Book - 105

- 2012-105.08 "Nonconforming Materials" – *Replaces 2003-105.08 "Unacceptable Materials"*
 - Defines alternatives for nonconforming materials
 - Accept with Guaranty Bond or Reduction in Unit Price
 - Reject/Replace

2012 Spec Book - 106

2003 – “Quality Assurance Acceptance Program”

2012 – “Quality Assurance Acceptance Program”

All relocated to Quality Assurance Manual except first paragraph. Reference made to contract and QA Manual.

2012 Spec Book - 107

2003 – “Legal Relations and Responsibilities to the Public”

2012 – “Legal Relations and Responsibilities to the Public”

2012 Spec Book - 107

- 2012-107.12 “Contractor’s Responsibility for Utility Property and Services”
 - All Metro Region contact information has been removed. The contractor must contact the maintenance representative at the appropriate MDOT Region Office for information.

2012 Spec Book - 107

- 2012-107.15.A.4 “Demolition or Renovation Notification” – *New Subsection*
- 2012-107.15.B & C “Construction Site Storm Water Runoff” and “Control of Hazardous and Polluting Materials”
 - Enhanced to include requirements of our Storm Water Permit from the MDNRE.

2012 Spec Book - 108

2003 – “Prosecutions and Progress”

2012 - “Prosecutions and Progress”

2012 Spec Book - 108

- 2012-108.05 "Progress of the Work" – *Incorporates progress schedule requirements from 2003-102.14 "Construction Progress Schedule"*
- 2003-108.02 "Performance of the Work" – *Moved to 2012-108.05.B "Prosecution of the Work"*
 - May require updated progress schedule detailing efforts to meet contract completion dates
 - NOT directed acceleration (2012-104.01.C), NOT compensable

2012 Spec Book - 108

- 2003-108.03 "Limitations of Operations" –
Portions moved to 2012-104.08
"Cooperation by the Contractor"
 - Language pertaining to disputes between two or more contractors.
- 2012-108.03 "Competence of Workers"
 - Stronger language to ensure competence of workers

2012 Spec Book - 108

- 2003-108.04 "Competence of Contractor Supervision" – *Relocated to 2012-104.07 "Contractor Obligations"*
- 2012-108.08.E – Formula for increased quantities, $E = (T \times I)/Q$
 - Time Extension based on the formula, but *not to exceed the actual number of days required to do the work.*

2012 Spec Book - 108

- 2012-108.09.B "Compensable Delays" – *New Subsection*
 - Incorporates first section of 2003-109.03 "Payments for Increased Contractor Costs", which defines delays attributable to the Department
 - References 2003-103.02 "Changes in the Work" (Differing Site Conditions, Significant Changes, Engineer Ordered Suspension, Extra Work, Eliminated Work)
 - Payment in accordance with 2012-109.05.E "Delay Costs" – *New Subsection replaces 2003-109.03.C payment methodology*

2012 Spec Book - 108

- 2012-108.09.C “Non-Excusable Delays” – *New Subsection*
 - Delays that are the Contractor’s fault or responsibility
 - No extensions of time and non-compensable

2012 Spec Book - 108

- 2012-108.10.C "Assessment of Liquidated Damages" – *Updated*
 - Updated to reflect actual CE costs as required by the Federal Regulations
 - New categories
 - \$10M – less than \$20M
 - \$20M – less than \$50M
 - \$50M or more

2012 Spec Book - 109

2003 – “Measurement and Payment”

2012 – “Measurement and Payment”

2012 Spec Book - 109

- 2003-109.03 "Payments for Increased Contractor Costs" – *Deleted and portions moved to other places in the book*
 - First part moved to 2012-108.09.B "Compensable Delays"
 - 2003-109.03.C - method of payment revised and moved to 2012-109.05.E "Delay Costs"

2012 Spec Book - 109

- 2003-109.05 "Eliminated Work" –
Relocated to 2012 103.02.F "Eliminated Work"
- Payment for all direct costs incurred on the item prior to the work being eliminated

2012 Spec Book - 109

- 2012-109.05 “Payment for Contract Revisions”
 - All payment for revisions to the contract are included in this subsection
 - Payment determined by sequence
 - Contract Unit Prices
 - Negotiated Price
 - Force Account

2012 Spec Book - 109

- 2012-109.05.D.6 "Equipment and Plant" –
*New definitions for Force Account
Equipment rental rates*
 - Base Hourly Rate=Rental Rate + Operating Rate
 - Standby Rate=50% of Rental Rate
 - Payment not to exceed cost of equipment

2012 Spec Book - 109

- 2012-109.05.D.10(a) Force Account Employee Earnings Statement
 - Must show employee earnings to date – *New*
 - Used to determine unemployment insurance cost

2012 Spec Book - 109

- 2003-109.06.C "Materials Stockpiled Off-Site" – *Eliminated*
 - Combined with 2012-109.04.B "Delivered and Stockpiled Materials"
 - No Major Changes

2012 Spec Book - 109

- 2012-109.05.E "Delay Costs" – *New Subsection*
 - Payment method for Compensable Delays
 - Replaces 2003-109.03.C "Payments for Increased Contractor Costs"
 - Used for payment of delay caused by significant change, differing site conditions, and engineer suspended work.

2012 Spec Book - 109

- 2012-109.05.F “Directed Acceleration” – *New Subsection*
 - 2003 Spec Book Silent
 - Only applies when Directed by the Engineer AND for avoiding user delay costs or to complete the project early

2012 Spec Book - 109

- 2012-109.05.F “Directed Acceleration” – *New Subsection*
 - Does NOT include direction per 2012-108.05.B “Prosecution of the Work”

2012 Spec Book - 109

- 2012-109.05.G “Unrecoverable Costs” – *New Subsection*
 - Loss of anticipated profit
 - Consequential damages (loss of bonding capacity, business interruption, etc.)
 - Indirect Costs
 - Attorney fees, litigation fees, etc.
 - Field or home office overhead except as provided in force account markups

2012 Spec Book - 109

- 2012-109.07 “Final Inspection, Acceptance, and Final Payment” – *New Subsections to address interim acceptance*
 - 2012-109.07.A “Partial Acceptance” - *New*
 - For completed portions of work (i.e. stages, locations, etc.)
 - Relieves a contractor of maintenance responsibility
 - Is NOT final acceptance
 - Does NOT relieve responsibility for defective work

2012 Spec Book - 109

- 2012-109.07 “Final Inspection, Acceptance, and Final Payment” – *New Subsections to address interim acceptance*
 - 2012-109.07.B “Delayed Acceptance” - *New*
 - For items designated for delayed acceptance
 - Pavement markings, plantings, etc.
 - Is NOT final acceptance
 - Does NOT relieve responsibility for defective work

2012 Spec Book - 150

2003 – “Mobilization”

2012 – “Mobilization”

There have been no significant changes to this section.

2012 Standard Specifications

- Roll Out Plan
 - Major Changes from 2003
 - Online and Digital Format
 - Investigating “YouTube” as a medium
 - DVD’s
 - Modules for each Division
 - Division 1 completed by January 31’st
 - All Divisions completed by Spring 2012

Questions?