

**109.01 MEASUREMENT OF QUANTITIES**

Standard measurements for all work will be measured as required by the contract. Measurements should be made using instruments with the appropriate units. The method of measurement and computation calculations shall be made by recognized methods used in the highway construction industry. If unusual methods of measurement and computation are used, the methods should be discussed with the Contractor prior to performing the measurements so there is an understanding on how the work will be measured for payment.

The specifications allow that minor quantities of material may be measured by either volume or weight methods. Conversion factors shall be discussed with the Contractor and agreed upon prior to the performance of the work. The agreed conversion factor shall be documented in writing.

Linear measurements for items such as pipe culverts, guardrail, underdrains, etc. shall be measured parallel to the base or foundation (e.g., guardrail would be measured along the long or longitudinal axis).

Measurement and metering devices, such as water meters, must be checked to ensure their accuracy. If these metering devices are found to be inaccurate, the Contractor must recalibrate the device prior to proceeding with the work.

When payment for an item of work is specified to be "Lump Sum," it means complete payment for completion of the item of work. The lump sum payment includes all labor, materials, equipment, overhead, profit, and any other incidental cost associated with the item of work.

When payment for an item of work is specified to be "Plan Quantity," it means that payment is based on the quantities shown in the bid schedule. No measurements are made except for quantity changes that are authorized in accordance with Section 104.02 of this manual.

If the plan quantity is in dispute, the State will re-measure. The request for the change must be in writing. If the re-measured quantity does not exceed the value of the plan quantity by \$500.00, the Contractor must reimburse the department for the expenses incurred for the measurement. **All costs incurred by the department for the requested measurement must be fully documented and accounted for.**

Measurement of stockpiles shall be determined by the cross-section average end area method. Truck measurement will be allowed for quantities less than 100 cubic meters. The volume of material shall be measured in approved vehicles and each vehicle shall be identified. The vehicle bed or box will be measured as a "water level volume" to within one-tenth of a cubic meter. This volume shall not be changed without the consent of the Resident/Regional Engineer. No allowance is made for material heaped above the level water line or for material that settles during transit.

**Weight Measurement****Platform Scales**

The Contractor shall furnish platform scales. Independent certified scale companies hired by the Contractor and approved prior to use shall check all platform scales. A log of the checks shall be kept at each scale location. The ITD-2216, Scale Approval Log Sheet, is provided for this purpose. The form will be placed in the project files after the operation is completed.

Platform scales should be checked by comparing weights to approved commercial scales. If any doubt exists as to the accuracy of any scale, the scale should be inspected and certified again by the Contractor. Equipment for weighing material shall weigh accurately to within one percent (1%). The platform scales may be inspected and re-calibrated at the discretion of the Resident/Regional Engineer. All inspections made shall be documented in the daily diary and entered on the scale log.

If the delivery point for the material is within sight of the weigh person, a checker is not needed provided the situation is recorded.

Under certain conditions such as when stockpiles and seal coat operations are the points of delivery in remote areas, it is possible to accept material without a checker even if the point of delivery is not within sight of the weigh person. The following controls are required to use this procedure:

- a. Written consent by the District Engineer or the Assistant District Engineer.
- b. Documentation in the Resident/Regional Engineer's diary of control procedures.
- c. Use of tally sheets or recording the time on the ticket to show any irregularity in the timing of loads.
- d. Additional periodic checks are made and documented.

The tare weight for each truck shall be determined and recorded daily. The tare tickets should be retained with the daily tickets or tally sheets. No tickets shall knowingly be issued or loads accepted that are heavier than legal weight limits. **No exceptions are made for overweight loads.**

#### **Tickets (DH-224)**

Numbered tickets in triplicate may be used to purchase aggregates, plant mix, or other materials measured and paid for by weight. Ticket books shall be issued by the Resident/Regional Engineer's office. All ticket books and tickets shall be checked against those issued (including voided tickets). Every ticket issued shall be accounted for. Tickets and ticket records are a part of the job records and shall be preserved with other project records.

When weighing material, the weigh person shall note on the tickets the date, project number, class or type of material, vehicle number, gross and tare weight of vehicle, percent of moisture when it exceeds specified limit, and net load. At the option of the Resident/Regional Engineer, time can be listed on the ticket for control of certain operations. If the scale is equipped with a tare beam, only the net load need be recorded.

The checker receiving the load shall initial both copies, give the yellow back to the driver for delivery to the Contractor and retain the original copy as a check with the copy retained in the book by the weigh person. When requested by the Contractor, the weigh person may keep the tickets until the end of the day.

The checker should note the location on the project on enough tickets to permit subsequent location of the material. The books and tickets shall be turned in to the Resident/Regional Engineer's office for checking at the end of each day. A running total should be maintained by the weigh person in each book to facilitate checking.

### Quantity Tally Sheet

The following procedure will be used for documenting loads of material received by use of the ITD-2010, Quantity Tally Sheet.

- a. The weigh person will fill out the quantity tally sheet in duplicate recording the time, truck number, gross weight and tare weight (if necessary), and net weight.
- b. The checker will also make out a quantity tally sheet recording the time, truck number, and the station placed on a sufficient number of loads to identify the location of all loads. The truck driver may be required to initial the tally sheet for each load.
- c. At the end of the day, a comparison will be made of the checker's tally sheet and the weigh person's tally sheet to assure that all truckloads reached the project. Only loads received by the checker will be included in the total and entered in the ledger. An explanation should be made on all loads weighed but not received on the project.
- d. The Contractor shall be given a copy of the weigh person's and the checker's quantity tally sheets.
- e. Moisture corrections may be made for each load and shown on the weigh person's quantity tally sheet.

### Conveyer Scales

Only conveyer scales that have been certified by the National Type Evaluation Program shall be used. The Contractor must provide a certificate of conformance number that is verified with the Idaho Bureau of Weights and Measures.

The conveyer is to be installed and operated in accordance with the manufacturer's recommendation. Slippage of material along the belt should not occur.

A **Zero-Load Test** should be performed each day. If a belt-conveyer scale system has been idle for a period of two or more (2+) hours, the system shall be run for not less than 30 minutes when the temperature is above 41°F (5°C). Additional warm-up time for colder conditions or other variances is required before beginning the zero-load test. The variation between the beginning and ending indication of the master weight totalizer shall not be more than  $\pm 1$  scale division when the instrument is operated at no load for a period of time equivalent to that required to deliver the minimum totalized load of 1000 scale divisions. The zero-load test shall be conducted over a whole number of belt revolutions, but not less than three (3) revolutions or 10 minutes of operations, whichever is greater. During any portion of the zero-load test, the totalizer shall not change more than three (3) scale divisions from its initial indication.

A **Material Test** shall be performed each week of operation and in accordance with the recommendations of the conveyer scale manufacturer. Use bulk material, preferably the material that the device normally weighs. Convey the quantity of pre-weighed material over the conveyer scale similar to actual loading conditions. The method of weighing the material test load will depend on the capacity of the conveyer scale and the availability of a suitable scale for the test material. Where practicable, the substitution method of weighing should be used. To assure that the test load is accurately weighed, the following precautions shall be observed:

- Containers (railroad cars, trucks, or boxes) must not leak and shall not lose material due to overloading.
- The actual empty or tare weight of the containers shall be determined at the time of the test. Stenciled tare weight on railway cars or trucks shall not be used. Gross and tare weights shall be determined on the same scale.
- When a pre-weighed test load is passed over the scale, the belt-loading hopper shall be examined before and after the test to assure that the hopper is empty and that only the material of the test load has passed over the scale.
- When a railway track scale is used to weigh the test load, not more than 48 hours should elapse between the test on the conveyor scale and the determination of the weight of the test load. When other scales are used, the elapsed time should be no more than 8 hours.
- The test shall not be conducted if the weight of the test load has been affected by environmental conditions.
- On initial verification, at least three (3) individual tests shall be conducted. On subsequent verifications, at least two (2) individual test shall be conducted. The performance of the equipment is not to be determined by averaging the results of the individual tests. The results of all tests shall be within the tolerance limits.

The source of the above tests is the Handbook 44 by the National Institute of Standards and Technology.

Checkers on a conveyor scale weighing operations should compare the size of the load and the amount on the printed weight ticket for reasonableness. If it is apparent that the conveyor scale is in error, the checker should accept no material until the error is corrected.

An inspector should observe the daily zero-load test and the material test. Also spot checks of the conveyor scales should be made by the inspector each day to observe the amount of material sticking to the belt and to observe the operation of the ticket printer.

The totalizer reading will be recorded each shift by the inspector and differences between the totalizer reading and the total accepted by the checker will be reconciled as soon as possible (preferably no later than the next day).

### **Automatic Weighing Equipment**

Automatic weighing equipment (hopper load cells, electronic platform scales, etc.) may be used with written approval. The Contractor shall furnish documentation assuring that an independent certified scale company has certified the automatic weighing equipment. Frequent checks may be required, but direct and continuous ITD supervision is not required.

The Contractor shall provide printed tickets to the Resident/Regional Engineer. An empty tarred weight of the Contractor's hauling fleet shall be obtained no less than once per day. Any scale checks of the automatic weighing equipment shall be documented in the daily construction diary.

**Volume Truck Measure**

The checker at the point of delivery will record the volume delivered on the blank marked "Net Weight." All other instructions regarding the handling of tickets as stated above shall be followed except that both the pink and white copies will be retained in the book. Once each shift, or at such other interval determined necessary, a load shall be struck level to check on the volume contained in the load. The ITD-2010, Quantity Tally Sheets, may be used in lieu of tickets.

**Conversion Factors**

The Construction section must approve the determination of intended "method of measurement and/or conversion" and the definition of "small amount" prior to commencing the work.

**Moisture Correction**

The specifications state in part: "When payment for aggregate is on the weight basis, the water in excess of (a specified) percent of the dry weight of the aggregate will not be paid for."

This moisture correction means that moisture present at the time of weighing up to the specified percentage will be included in the aggregate quantity for payment. Payment for this moisture will be included regardless of its origin or method of addition and includes the following sources: natural pit moisture, washing of aggregate, or added at the crusher. The quantity of material produced must be reconciled with plan quantities by including the amount of water.

At the end of each shift, the moisture tests that exceed the specified limit will be averaged. This average percentage will be applied to the quantity of material that is in excess of the specified moisture content. One deduction ticket should be prepared in accordance with Idaho T-21. An alternate acceptable method is deducting moisture on each ticket.

When an aggregate from a stockpile is used in a "load, haul, and place" item, any moisture added in excess of existing stockpile moisture will not be paid for except as ordered under Subsection 403.07. In no case shall payment be made for moisture in excess of that allowed in the Specifications.

**109.03 EXTRA AND FORCE ACCOUNT WORK****General**

The Standard Specifications provide that work may be accomplished on a Force Account basis when necessary. In order to avoid misunderstandings and possible claims, a meeting between the Contractor and the Engineer should be held prior to the actual commencement of the work with the following purposes:

- a. Discuss the scope and nature of the work to be performed and establish a plan of operation.

- b. Determine the labor, equipment, and material required to perform the work and the availability of each.
- c. Discuss methods of time keeping for labor and equipment and cost accounting for materials and all documentation required in support of payments to be made to the Contractor.
- d. Discuss subcontracted, sub-subcontracted, owner-operator and professional service work; discuss and identify who will be the General Superintendent (at no pay on force account) and who the Foreman in charge (paid on force account) will be.
- e. Agree on wage rates, material specifications & prices and any travel/subsistence rates prior to the performance of the work, utilizing the appropriate pricing methods and the Specifications.
- f. Agree on equipment rental rates, prior to the performance of the work, utilizing the Blue Book and Specifications. The Engineer may disallow the use of equipment which is not in good working condition or that cannot be operated in a safe manner. The Engineer may also disallow equipment that is cost prohibitive. An example would be the use of a D-9 dozer when a D-6 dozer is all that is required. However, each situation must be reviewed on its own merits. For example, a D-9 dozer may be onsite and a D-6 may not; therefore, upon review, the D-9 may be cheaper when the transportation costs of the D-6 are taken into account. In lieu of disapproval, the Engineer may seek a negotiated agreement with the Contractor for use of the equipment at a reduced rate from that shown in the Blue Book. The negotiated rates will be agreed to in writing prior to the performance of the work. Rental rates higher than shown in the Blue Book may be approved for conditions that would subject equipment to greater than normal wear and tear.

### **Executing Force Account Work**

If a Foreman is supervising some non-force account work, his time spent on Force Account work must be prorated between the different work activities.

The Contractor is to be reimbursed for all payroll burdens and fringe benefits he/she incurs for labor on Force Account work. Acceptable documentation must be provided.

The contractor directs the work unless a change order is executed that gives this responsibility to the Engineer. The Engineer is responsible to insure that Force Account work is performed in the most cost-effective manner possible.

The Engineer may require the use of any available equipment best suited for the work, recognizing the fact that such use on Force Account work should not cause cessation of work which normally could proceed otherwise, unless it is in the best interest of the Department.

Equipment available by rental from other sources than the Contractor and more economical to the State, considering the type of work, duration of the work, etc., should be brought to the attention of the Contractor with the request he /she make available such equipment.

For rental rates not in the Equipment Rental Blue Book estimate the rate by extrapolating similar equipment or by checking the rates charged by local rental companies. If necessary contact the Construction Section for guidance. Attach a copy of the Blue Book rental rate or other documentation to the ITD-371.

When standby time is to be ordered by the Engineer, there must be a meeting with the Contractor to discuss the situation. Standby rate on equipment as specified. Standby rate should not be utilized for extended periods of time when it would be more economical to release a particular piece of equipment from Force Account and recall its use later when it is again required. Also, standby rate should not be paid when a piece of equipment is down for repairs.

On equipment that must be assembled (such as crane booms, crawler tractor dozer attachments, and concrete deck machines), it will be necessary to pay for the assembly work unless other arrangements are made. On equipment such as cranes, it may be necessary to start paying the agreed hourly rate when the crane leaves the owner's yard and payment will be made until the work is finished. Payment of assembly and disassembly work shall be agreed upon prior to the performance of the work.

When equipment is not operating or handled to provide normal output or production, an agreement at a reduced rate should be negotiated. This applies also when equipment is being driven to the project under its own power.

Transportation costs for moving equipment to and from a project for force account work will be paid. Examples include: haul truck, trailer, driver, and special permit fees.

Small shop tools having a listed rental rate of less than \$10.00/day will be considered incidental and not paid for separately.

If it is necessary for the Contractor to rent equipment from a rental agency, the Engineer is to verify the rate is competitive.

Materials acquired by Force Account must meet the same acceptance criteria as other contract materials unless otherwise approved by change order. Sales tax included on materials invoices shall be considered as part of the actual cost of the materials.

Payment for all overhead and profit is included in the Force Account mark-ups .

### **Payment of Administrative Expenses**

An administrative expense for coordinating work with a first or lower tier subcontractor including professional service contractors or owner operators will be paid at the appropriate rate as stated in Subsection 109.03. If the Force Account work by a subcontractor is performed along with regular contract work reimbursement for administrative expenses will be prorated on the total amount of the Force Account work for Labor, Equipment and Materials supplied by the subcontractor or a lower tier subcontractor. Administrative expenses are only paid once per issue and are never paid for each tier of subcontracting.

### **Reports**

Forms ITD-370, Weekly Force Account Labor Sheet; ITD-371, Weekly Force Account Equipment Rental Sheet; and ITD-372, Weekly Force Account Materials Sheet; and the ITD-373, Force Account Summary Sheet must be used for Force Account work tracking.

## **109.04 ELIMINATED ITEMS**

### **Deletion of Construction Items by Supplemental Right of Way Contract**

From time to time, the Division deletes or substantially changes a construction item on an active contract by negotiating a supplemental right of way contract with a property owner or by modifying an agreement with an irrigation district or other agency. The changes to the construction item may involve a cash settlement in lieu of the planned construction. When such a change is made, the Resident/Regional Engineer must immediately prepare and submit an ITD-400, change order, if required, to document the deletion or modification of the construction items involved.

### **Eliminated Items from the Proposal**

The Resident/Regional Engineer will immediately issue a written order (a change order, QVR, letter, or AVO) to the Contractor to eliminate any items of work from the contract if it is found that these items are unnecessary for the proper completion of the work. A change order should be used when major items of work are eliminated and where cost and time concerns are uncertain.

If the Contractor has incurred costs for the eliminated items, reimbursement for actual work done and the costs incurred shall be paid by a change order. Requests for reimbursement for lost overhead and profit are evaluated on a case-by-case basis in consultation with the Construction Engineer.

Change orders should be used when major items of work are eliminated and where cost and time concerns are uncertain. Although items of work may be eliminated, the Contractor is still required to finish the remaining work on the project. Contract items that have unusually high bid prices should not be eliminated solely for the purpose of saving money.

### 109.05 PARTIAL PAYMENTS

Partial payments are to be made to the Contractor at least once each month or bimonthly at the Contractor's request. Progress payments should only be made for acceptable work. When the orders of the Engineer have not been fulfilled, payment may also be withheld. Generally, this withholding of payment is only for the specific work in question.

Timely submission of progress estimates is an **important** part of good contract administration. All estimates, both final and progress, must be submitted as soon as possible. The department intends that all construction work is accurately accounted for and paid without overpayment, even though zero to five percent (0-5%) is being withheld in accordance with the Specifications Section 109.05.

Progress estimates should be sent to the Contractor for signature within three (3) days following the agreed cutoff dates. Because the Contractor's signature is optional on intermediate progress pay estimates, a copy of the estimate may be sent both to the Contractor and internally for processing. Only the final estimate requires the Contractor's signature. Attach a letter of explanation for any item(s) not paid for, any deductions or other issues/adjustments that need clarification or that may be controversial so the contractor knows clearly what is being done.

A pay estimate must be generated and processed at least once per month.  
The Contractor may request up to two (2) estimates per month.

Payment for all work, including extra work ordered, is to be in the progress estimate for the period in which the work was accomplished. Even though a change order has not been completely processed, work can be paid on an estimate if the ITD-02317 has been approved and the work completed in an acceptable manner.

Withholding of all or part of the payment estimates should be considered when the Contractor is out of compliance with the contract provisions including:

- CPM has not been updated correctly or has not been submitted.
- Failure to provide material certifications.
- Failure to provide prompt payment to subcontractors.
- The States interests are deemed to be in jeopardy.

The key ingredient for progress payments is to ensure the work being paid for is acceptable and meets the requirements of the plans and specifications. It may become difficult, from the owners standpoint, to request rework that has already been paid for. The Engineer should not wait until the project is basically completed to prepare a punch list for corrective action. This list should be ongoing and progress payments made accordingly.

**Retainment**

When it comes to retainment, there are basically two options. The Engineer has the discretion to allow for 100 percent progress payments or require a standard retainment of 5 percent. The Contractor's bonding company must endorse 100 percent progress payments.

With 100 percent progress payments, should the Engineer determine at any time that the work is not progressing as scheduled or in a satisfactory manner or deems the State's interest insecure, the Engineer may stop the 100 percent progress payments. At this time the Engineer may withhold any sum as deemed necessary to ensure the work is satisfactorily completed. In order for the Engineer to exercise this contractual right of the owner, inspections, punch lists, designation of unacceptable work, corrective action required, etc., must be known and identified to the contractor.

Based on the contract, the Engineer has the option of withholding on progress payments and/or applying a deduction for retainment.

ITD policy is to allow the contractor to exercise their contractual rights under the existing standard specifications. When work is not in accordance with the plans and specifications, the Engineer is to exercise our contractual rights as explained above.

**Consent of Surety for 100% progress payments**

Subsection 109.05 of the Specifications provides for partial release of retainage and discretionary 100% progress payments contingent upon written consent of surety. The consent letters received must guarantee repayment of any overpayment of tax claims.

To honor such requests, the consent letter shall contain the following verbiage:

As surety for the above referenced project, we consent to the release of Contract retainage (and/or 100% progress payments). In accordance with Subsection 107.02 and 109.05 of the Standard Specifications for Highway Construction, surety hereby guarantees, under its performance bond, to promptly repay the Idaho Transportation Department for any overpayments, and further agrees to promptly pay any tax claims made pursuant to Title 63, Chapter 15, Idaho Code.

SURETY

ATTORNEY-IN-FACT

**Prompt Payment to Subcontractors**

The Disadvantaged Business Enterprise (DBE) program requires that all subcontractors be promptly paid by prime contractors for items of work as they are performed and accepted by ITD. The following specification is used in all contracts to ensure prompt payment is made:

*The contractor shall pay each subcontractor for satisfactory performance of its contract no later than 20 calendar days from receipt of each payment the contractor receives from the department. The contractor shall return retainage to each subcontractor within 20 calendar days after the subcontractor's work is satisfactorily completed.*

The contractor shall certify with each estimate payment that payment to subcontractors has been made within the prescribed time frames. The certification will be made on forms provided by the department, and returned within 20 calendar days of receiving the estimate payment.

In order to enforce and monitor the prompt payment requirement, the "Certification of Payment" form ITD-02892 shall be sent to the contractor as an attachment to the progress pay estimate. This is the prescribed form referenced in the above specification.

At the pre-construction conference, the contractor shall be instructed to fill out this form and return it to the Engineer within 20 days of receiving each pay estimate.

Once the form is returned, the original is kept in the project files and a copy is sent to the EEO Contract Compliance Officer in Boise.

The ITD-02892, Certification of Payment form is attached for reference (Exhibit 109.05-1).

### **Full Contract Obligation**

Administrative policy A-11-02 Highway Development Program requires that each District Engineer insure that sufficient funds are obligated at all times to cover all current estimated costs on each project under contract. Each District must estimate the project completion cost when construction contract expenditures (CN function code) reach 85 percent of the funds that have been obligated to date. Any additional funds that may be needed must be obligated immediately.

As required by the policy, the Construction Section prepares and distributes a report each month to the District, Roadway Design, Highway Programming, the Assistant Chief Engineer (Design) and the Assistant Chief Engineer (Operations) showing compliance with the full contract obligation provision. The report is based on data from the Roadway Design project tracking system, the Construction Section construction administration management system and Financial Services oracle system.

Each Residency/Region is required to timely assess and report the estimated construction costs, and document the status of obligating any necessary additional funds to support the full contract obligation provision. Note that there may be more than one project within a construction contract. Each project must be assessed, reported and documented as a separate entity within the contract.

The Residency/Region must estimate the final construction costs when construction expenditures reach 85 percent for any project within the contract. However, estimates should be performed earlier when warranted (e.g. large cost change orders or quantity overruns). The Residency/Region Office Manager should evaluate cost percentage expended whenever an estimate is prepared, and (at a minimum) report to the Resident/Regional Engineer when expenditures are near, at or over 85 percent of the obligated funds.

Cost impacts of bid item quantity over and under runs must be assessed as well as costs associated with change order work to mitigate the potential of obligating funds less than, or in excess of, what is actually needed. The estimated construction costs should be reported within the District according to District policy. This is especially important if additional funds must be obligated.

The full contract obligation provision of Administrative Policy A-11-02 Highway Development Program specifically prohibits the approval of change orders in excess of any contingency costs unless sufficient funds are obligated to the project to cover these cost increases.

**ASSIGNMENT OF PROCEEDS**

Section 67-1022, Idaho Code, gives the authority to recognize assignments of obligations owing by the State to the State Controller, who is the only State official authorized to accept an assignment. District personnel, when contacted by Contractors or others concerning assignments, shall obtain their name, address, and phone number and notify the Construction Section.

The Construction Engineer will contact the party in question and provide them with the necessary information and/or forms (Exhibit 109.05-2a-d) for pursuing the assignment. This form can be downloaded from the internet at the following address: <http://www.sco.state.id.us>. Following approval of the assignment by the State Board of Examiners, the State Controller will send copies to the Assignee, the Assignor, and ITD's Controller. The Controller will arrange for preparation of the ITD-2709, Expenditure Voucher, in accordance with the assignment.



STATE BOARD OF EXAMINERS  
Request for Recognition of Assignment

"Assignor" as used herein is \_\_\_\_\_

Address \_\_\_\_\_

"Assignee" as used herein is \_\_\_\_\_

Address \_\_\_\_\_

"Board" as used herein is the State Board of Examiners, State of Idaho.

"Controller" as used herein is the State Controller and Secretary to the Board.

WHEREAS, the Assignor is or may be obligated to make payments to the Assignee to its contractual or other obligations as described as follows:

Contract No. \_\_\_\_\_, PROJECT NO.: \_\_\_\_\_

Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

WHEREAS, Assignor has agreed with Assignee to assign all rights of payment for the above obligations to Assignee as reflected by the attached Agreement; and

NOW THEREFORE, pursuant to I.C. Sec. 67-1022, Assignee requests the Board to specially approve assignment of the above obligations on the conditions listed below:

**EXAMPLE ONLY - DO NOT COPY THIS FORM**

(1) Assignee agreed that its rights shall be subordinate to any claims the State of Idaho or any of its agencies or instrumentalities have or may have against Assignor in the future. These claims include, but are not limited to contracts, tort claims, taxes, fines or penalties of any kind.

(2) If the state receives more than one claim against the amounts owed to Assignor, Assignee shall pay to the state the total cost of evaluating such claims. These costs include, but are not limited to reasonable attorney's fees, the valuation of the conflicting claims and any other costs for such evaluation, including but not limited to transcript costs or any travel costs as necessary. Assignor warrants that the State of Idaho is made whole in any dispute over the sums involved.

(3) In the event of any payment made by the state to Assignee on the above conditions, Assignee agrees to defend, indemnify and hold the State of Idaho for any claims made against the state as a result of such payments to Assignee. It is intended that the State of Idaho be made whole in any dispute involving such payments made to Assignee.

The undersigned certifies that he/she is duly authorized by Assignor to execute this Agreement.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

ASSIGNEE

ASSIGNOR

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

State of \_\_\_\_\_ )  
: ss.  
County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_ known \_\_\_\_\_ to be the ASSIGNEE whose name is subscribed to the within and foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year \_\_\_\_\_ the first above written.

(SEAL)

\_\_\_\_\_  
Notary Public for \_\_\_\_\_  
residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

**EXAMPLE ONLY - DO NOT COPY THIS FORM**

of \_\_\_\_\_ )  
: ss.  
County of \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_, known to me to be the ASSIGNOR whose name is subscribed to the within and foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

Notary Public for \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission exp: \_\_\_\_\_

The Board, having duly considered \_\_\_\_\_, request pursuant to I.C. Sec. 67-1022, specially \_\_\_\_\_ request on \_\_\_\_\_ assignment shall be effective seven (7) days \_\_\_\_\_ by the State Board of Examiners.

\_\_\_\_\_  
J.D. WILLIAMS, Secretary  
State Board of Examiners and  
State Controller

Note: After the Assignee and Assignor have completed this form it should be mailed to:

State Controller  
Attn: Phyllis Richards  
P.O. Box 83720  
700 West State Street  
Boise, Idaho 83720-0011

After the State Board of Examiners approves the Assignment, each of you will receive an executed copy.

**109.06 PAYMENT FOR MATERIAL ON HAND**

The Specifications provide for payment for materials on hand when delivered on the project or stored in an acceptable storage place. An "acceptable storage place" shall be considered as one that is under the control of the Contractor and generally located on or adjacent to the project site.

An exception to this interpretation may be made in the case of precast or prestressed concrete beams, steel bridges, handrail, or signs. Depending on the individual circumstances, storage in the supplier's yard or other facilities away from the project may be acceptable. When storage is away from the project and verification of the materials is made by other than project personnel, the inspecting party setting forth the items and quantities of materials on hand shall write a letter to the Resident/Regional Engineer.

The amount paid for materials on hand should represent the fair value of the materials, including freight and sales tax, as evidenced by invoices or estimates of production costs or bid prices less the cost of the work remaining to incorporate the material into the project. The Contractor must request such payments in writing.

Lump sum items include materials, labor, equipment, and profit. Materials on hand will be paid as a percentage of the lump sum item. As an example, if a lump sum item is \$100,000 and an invoice is received from the contractor for \$25,000 for materials then .25 will be posted to the field ledger for payment of this material. If an additional invoice is received from the contractor for \$15,000 then an entry of .15 will be made to the field ledger to cover this payment for material. This percentage of material is calculated from the whole lump sum, not the remaining balance of the lump sum. The total of materials, labor, equipment, and profit will not exceed the quantity of 1. The percent of materials should not exceed 75% of the whole.

Invoice quantities will not exceed the authorized quantity of the contract item. When multiple invoices are received the material on hand unit price shall be adjusted to reflect the new amount needed to balance with the corresponding field ledger. The pay estimate and ledgers will show entries for items when there is a change in the unit price of material on hand. The field ledger and the material on hand ledger will round to the nearest penny.

The material on hand entry is made using a specific funding source. The field ledger must balance with the appropriate funding in the material on hand ledger for accurate project accounting.

On multi-project contracts the material on hand will be posted on projects based on the split in the Detailed Estimate, unless the material being paid for is to be used on only one project.

To correct a payment made for material on hand in excess of the plan quantity paid a corrective entry will be made to the material on the hand ledger to deduct the overpayment of material on hand.

An ITD-345, Field Ledger Sheet, should be prepared and maintained for each contract item containing any payment for material on hand.

**109.07 ALLOWANCE FOR MATERIALS REMAINING ON HAND**

Project personnel should verify plan quantities and be continually alert for conditions that will change the quantities required for the project to avoid having large quantities of material remaining on hand at the completion of a job.

When aggregates are crushed and stockpiled prior to use, the Contractor must be responsible for determining the quantity in the stockpile. Contractors should be discouraged from producing excess material in anticipation of selling the excess to the department. The Specifications clearly state that the option to purchase excess aggregate lies with the department, not the Contractor. Normally, material remaining on hand will be measured by the average end area method.

Refer to Administrative Policy A-29-02, Construction Materials Remaining on Hand, and Section 104.03 of this manual for further information about handling materials remaining on hand.

## 109.08 ACCEPTANCE AND FINAL PAYMENT

By the time the project is completed, most of the quantities should have been reviewed and substantially checked. The remaining quantity checks should be completed immediately and the records inspection completed by the District Records Inspector in a timely manner. The final estimate should be submitted to the Contractor by certified letter, which requires a return receipt.

The Contractor should be informed of the necessary forms that are required to accompany the final estimate before payment can be made. The letter should also discuss any penalties that are due to pending lab results will be withheld from the retained percentage, when applicable.

Pending asphalt failures may also be deducted from the retained percentage and should be noted in the letter if applicable. If 100% progress payments have been made, the Contractor must be directed to submit a check to ITD covering the amount of the asphalt penalties.

The materials summary should be completed as soon as possible and does not have to accompany the final estimate. **In no case should the final estimate be held up for completion of the materials summary.**

The final inspection and review of final estimate and records, ITD-1996, and other required forms must be submitted with the final estimate. This report should reflect the total project cost as listed on the final estimate. Pending costs of asphalt price adjustments or pending claims should be disregarded. If there are pending claims, the Contractor should be informed in the letter of transmittal that the claims are being analyzed and that acceptance of the final estimate will not jeopardize settlement of claims filed prior to the final estimate.

On planting projects, the final estimate cannot be submitted until the end of the plant establishment period. However, all monies, including the retainage, can be paid to the Contractor except the retainage on the plants. The Contractor should be advised in writing of partial acceptance of the contract.