

## **Adjustments to Lump Sum and Other Items**

### Adjustments to Lump Sum Items

Make adjustments to lump sum items only when the Project Manager has ordered, in writing, changes to the work included in those lump sum items. These changes are addressed in section 00195.20(a) and in the Change Orders/Force Account/Work by Public Forces section (15) of this Manual.

The Project Manager can make adjustments or\* changes to payment for lump sum items without a Contract Change Order only when:

- The contract specifies the method for paying for the change in that lump sum item, or
- The contract includes an estimated quantity of work under that lump sum item that allows a theoretical unit price to be calculated

If the adjustment or change does not fit one of those two categories, the Project Manager must issue a Contract Change Order to implement it.\*

Examples of adjustments that can be made without a Contract Change Order\* are:

- Additional or less reinforcement in a box culvert or other structure
- Additional or less concrete in a box culvert or other structure
- Changes in metal sign supports or their footings
- Seeding, Mulching, and Fertilizing, when the estimated quantity is shown in the contract (See example Exhibit A, pages 1 through 4)

When the Project Manager orders such an adjustment in a lump sum item, the Project Manager must submit supporting documentation that clearly shows the method and computations that were used to determine the adjusted quantity and the theoretical unit price.

Exhibit A illustrates the documentation that is appropriate for this type of an adjustment. This simple example does not address if mobilization was included in the unit price for this work. If the entity performing that work did not receive separate payment for mobilization, the estimated value of mobilization should be deducted from the bid price before calculating the adjustment.\*

Enter these adjustments in the 6000 series of the Contract Payment System, including a reference to the pay item. Also refer to the Payments to Contractors/Retainage section (25) of this Manual.\*

---

**\*Revised July, 2001**

For questions about possible quantity adjustments, contact the Region Assurance Specialist or the Contract Services Group in the Construction Section.

Other Adjustment items (Fuel, Inspection, Force Work, Liquidated Damages)

The items covered in this section occasionally occur on ODOT projects. Some projects have a few, while many projects have none. Enter these adjustments in the 6000 series, with a reference to the pay item, in the Contract Payment system to adjust the payment to the Contractor.\*

Following is an explanation of each item, including the required documentation that needs to be maintained and submitted to adequately support the adjustment. When the Project Manager makes one of these adjustments, the Project Manager must prepare documentation to justify the adjustment and submit the supporting documentation with the final project documentation.

1. Fuel and Asphalt Escalation

If specified in section 00195 of the contract, ODOT will adjust the payment to the Contractor to reflect changes in the cost of fuel (diesel) or asphalt. Normally, an adjustment is made\* if the current price differs more than 25% from the price that was established at the time the contract was bid. The intent of this specification is to limit the risk to the Contractor or ODOT if the cost of these materials dramatically changes.

The Contract Services Group will compute these adjustments and adjust each progress payment as necessary. The Contract Services Group will maintain the original calculations and will electronically distribute them monthly to the appropriate Project Managers. The Project Manager should ensure that the changes are entered into the project office's personal computer Contract Payment system to keep it current.

2. Out of State Inspection-Section 00165.91

ODOT Provided Weigh Witness-Sections 00190.20(f) or (g)  
Right of Department to Perform Work at Contractor's Expense-Section 00220.60(c)  
Additional material testing done at Contractor's request

As specified in the contract, the Project Manager will adjust payment to the Contractor to cover certain costs incurred by ODOT. These costs are generally for specific items identified in the contract. The Project Manager must notify the Contractor that such adjustment will be made and the reasons for the adjustment. Maintain sufficient documentation, and submit with the quantity documentation, to justify the reduction in payment.

---

\* Revised July, 2001

- 3. Closure Time-Section 00180
- Liquidated Damages-Section 00180
- Incentive (Early Completion)-Section 00198
- Total Closure, Liquidated Damages-Section 00220
- Lane Closure
- Lane Rental
- Additional Railroad Protective Services

When specified in the contract, the Project Manager will adjust payment to the Contractor depending on when a particular portion of the work is opened or completed. It is important that these items are clearly documented so an accurate adjustment can be made to the payment. The Project Manager must have sufficient documentation, and submit it with the quantity documentation, to justify the increase or reduction in payment.

Normally, projects only have regular liquidated damages, which are discussed under Sections 00180.50 and 00180.85 (also discussed in the Contract Time section (13) of this Manual). The Project Manager must issue Weekly Statements of Contract Time, as required by the contract, and must assess liquidated damages on each payment as appropriate.

#### Review Procedure

The Project Manager must have one person prepare or calculate the adjustment to a lump sum or other item and have a different person review the adjustment calculations\*.

The Region Assurance Specialist will periodically review those calculations.

Refer to\* the Submittal of Final Project Documentation section (37) of this Manual for submitting this information with other project documentation.

---

\* Revised July, 2001