

Construction Advisory

CA 2005-12-Rev.
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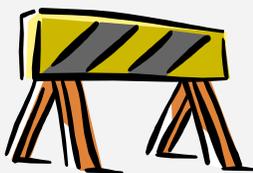
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Index: Authorizations

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Construction Advisory
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BJO:JJG

Contract Modifications

A recent audit discovered an issue relating to the processing of contract modifications.

Delivery staff are reminded to check the oversight (exemption) status of the contract when processing contract modifications. You must obtain FHWA approval on FHWA oversight (non-exempt) projects, as referenced in BOH IM 2002-11.

The following are reminders to aid in the expediting of contract modifications.

- Explanations must be included for line item increases or decreases of more than \$10,000, and for the establishment of all extras and adjustments. The explanation must indicate where the work was done, what was done, why it was needed, how the

cost was determined and deemed reasonable, and whether the modification was pre-approved. Please remember the explanation requirements shown above apply to **all** contract modifications and not just contract modifications that need State Administrative Board approval.

- Do not include Negative adjustments when determining whether an item goes to the State Administrative Board.
- Negative Adjustments and negative extras do not need State Administrative Board approval.
- Field staff should review the following reference documents when processing

contract modifications:

[BOH IM 2004-14](#),
Processing
Contract
Modifications

[BOH IM 2005-11](#),
Federal Highway
Administration
Approval Limits on
Contract
Modifications

[Construction Manual](#), Section
103, pages 103-4
thru 103-24

Please share this information with consultants and local agencies in your area.