Construction Advisory

Required Signature on Construction Pay Estimates

The purpose of this construction advisory is to clarify the requirements and procedure for construction pay estimates to facilitate making progress and final payments to the contractor for work completed in conformance with requirements of the project. The FHWA Contract Administration Guide defines these as: “Progress payments are compensation to the prime contractor for the value of the work performed during a covered period”. It goes on to say: “Payments should be based on estimates, prepared by the engineer, of the value of the work performed and materials delivered or stockpiled in accordance with the contract”. In order to meet prompt payment provisions, MDOT also stipulates that these pay estimates be generated on a bi-weekly basis throughout the project for all work completed to date.

A recent review of the construction project files revealed an issue that MDOT engineers have not been properly signing the pay estimates, thus not certifying their contents and accuracy as expected by the federal requirements outlined above. Since the payment process starts when Field Manager software generates the pay estimate, the authorizing signatures must be completed in a timely manner.

Effective immediately, all pay estimates will require an original signature by the delivery engineer no later than 48 hours after generation. This signature may be delegated to the assistant delivery engineer if they have been assigned to the project. However, anytime an assistant delivery engineer signs an estimate, their signature must include “signed for” under the typed name of the official delivery engineer in responsible charge of the project. A signed original must be kept in the project files and/or digitally signed pay estimates in the project’s electronic construction directory within ProjectWise.

This construction advisory further serves as notice that additional changes and guidance on construction pay estimates will be issued through a Bureau of Highway Instructional Memorandum in the next several months. This upcoming BOHIM will reflect the current business practices for construction pay estimates utilized on all MDOT projects.

Please share this construction advisory with consultants and local agencies within your jurisdiction, as well as your Transportation Service Center staff.