

As a result of guidance and direction recently received from the Federal Highway Administration, the Department has changed the way we are going to record the amount of work being subcontracted on a project. This will directly affect the way subcontract requests are submitted to the Department.

Previously, we directed that all subcontract requests must be made in terms of the items --- and “as-bid” prices --- shown in the contract. In order for the Department to monitor whether the total amount subcontracted had exceeded the limits established in the Specifications or special provisions, we wanted to compare the amount subcontracted to the total amount of the contract using a direct “apples-to-apples” relationship of the bid items and bid prices. We cannot do that anymore.

Effective immediately, subcontract requests must now show the items being subcontracted and the actual amounts being paid to the subcontractors for the performance of that work.

When evaluating the work to be subcontracted, the Department will now be comparing the sum of the actual subcontract amounts to the total contract amount to determine if the Specification limits established for the amount of work that can be subcontracted have been exceeded. Exception: the Department will not record an “actual” subcontract amount that exceeds the “bid” amount.

Steve Bartos
Assistant Construction Engineer
Construction Division
Nebraska Dept. of Roads