

NDOT Alternative Delivery

CM/GC Approach to Pricing

Version 4/2025

NEBRASKA DEPARTMENT OF TRANSPORTATION

Roadway Design Division

1500 HWY 2

Lincoln, Nebraska 68502

NEBRASKA

Good Life. Great Journey.

DEPARTMENT OF TRANSPORTATION

TABLE OF CONTENTS

1.	INTRODUCTION.....	1
2.	PRICE VALIDATION IN CM/GC CONTRACTING	1
3.	DEVELOP ESTIMATING COST MODEL	1
3.1.	DEVELOP SCHEDULE AND APPROACH TO ESTIMATING.....	2
3.2.	ESTIMATE COORDINATION MEETINGS.....	2
3.3.	MAINTAIN INTEGRITY AND CONFIDENTIALITY OF THE INDEPENDENT COST ESTIMATE.....	2
3.4.	DEVELOP CONSTRUCTION SCHEDULE	3
4.	PREPARE DESIGN MILESTONE REVIEW PACKAGE	3
5.	DESIGN AND CONSTRUCTABILITY REVIEW WORKSHOP	3
5.1.	QUANTITY TAKE-OFF	3
5.2.	INCORPORATION OF COMMENTS FROM THE FINAL PRICING MILESTONE REVIEW	4
6.	RISK WORKSHOP.....	4
7.	PREPARE MILESTONE ESTIMATE	5
7.1.	QUANTITY RECONCILIATION	5
7.2.	SUBCONTRACTED VENDOR PRICING.....	5
7.2.1.	SUBCONTRACTOR SELECTION.....	6
7.2.2.	SUBCONTRACTOR AND VENDOR SELECTION MEETING	6
7.2.3.	SUBMIT MILESTONE BASELINE SCHEDULE.....	7
7.3.	FINALIZE AND SUBMIT ESTIMATES	7
7.3.1.	GUIDELINES FOR ACCEPTING PRICE BEFORE FINAL DESIGN IS COMPLETE.....	8
8.	PREPARATION OF VARIANCE REPORT	8
9.	REVIEW MILESTONE ESTIMATE AND RECONCILIATION MEETINGS	8
10.	DOCUMENTATION AND ADJUSTMENTS	9
11.	ACCEPTANCE OF GMP	9
11.1.	THRESHOLD FOR ACCEPTING A GMP	9
11.1.1.	GMP WITHIN ACCEPTABLE RANGE	9
11.1.2.	GMP OUTSIDE ACCEPTABLE RANGE.....	10

12.	APPROVAL PROCESS TO AUTHORIZE OR REJECT A CONSTRUCTION SERVICES AMENDMENT	10
13.	REJECTION OF THE GMP	10
14.	FHWA CONSTRUCTION AUTHORIZATION	11

1. INTRODUCTION

The purpose of this document is to outline the process used to validate the Contractor's Pricing on CM/GC projects. The process is followed during the Preconstruction Phase and at each formal pricing milestone to build the Cost Model, determine the Opinion of Probable Construction Cost (OPCC), and negotiate the Guaranteed Maximum Price (GMP) for inclusion in each Construction Services Amendment.

2. PRICE VALIDATION IN CM/GC CONTRACTING

The Contractor will submit its estimate for the cost of the work at logical milestones as the design progresses (typically Baseline, Intermediate, and Final design). This allows NDOT to compare the estimate for the work with the costs estimated by the Independent Cost Estimator (ICE) at each of the milestones. Comparing the estimate (OPCC) with the ICE estimate at pricing milestones allows NDOT to review and resolve pricing differences early in the process rather than at GMP.

Estimates provided at pricing milestones are submitted as non-binding estimates and represent the Contractor's estimated cost to perform the work represented in the milestone submittal. Although non-binding, the estimates are considered a good faith estimate of construction costs and assume that prices for items of work will not vary significantly between pricing milestones.

The final binding GMP is submitted when NDOT and the Contractor agree the design has been sufficiently developed to the point where the work can be priced with an acceptable level of certainty and risk in the GMP. This is usually at Final design but can occur between Intermediate and Final design.

3. DEVELOP ESTIMATING COST MODEL

Successful price justification relies on thoroughly documenting the basis used by estimators to price the work. Both the ICE and Contractor will prepare and maintain detailed documentation to capture a history of scope and risk element evolution throughout the Preconstruction Phase. The Contractor is required to be open and transparent about its approach to pricing and its intended means and methods. NDOT and the Contractor will agree at the pricing meetings on the level of detail and backup that is required regarding equipment rates, labor rates, production rates, permanent material and construction material costs, etc. The Contractor will also provide detail and backup for indirect costs not included in the prescribed construction markup, such as insurance, office supplies and equipment, utility costs, and project management.

In support of the pricing process, both the ICE and Contractor are required to independently develop quantities, construction schedules, and cost models. Both the ICE and Contractor are also responsible for documenting the basis of the estimate at each pricing milestone.

3.1. DEVELOP SCHEDULE AND APPROACH TO ESTIMATING

The parties work together, under the direction of NDOT, to develop a schedule for the pricing process. The schedule is used to facilitate an efficient approach to providing a series of OPCCs during the Preconstruction Phase. The schedule will consider the composition of the design included with each OPCC, such as complexity, the need for pricing information of sub-contractors, and the demand on estimating resources expected to prepare the estimate. Once the parties agree to move forward, the final OPCC will become the GMP.

3.2. ESTIMATE COORDINATION MEETINGS

NDOT, the Contractor, and the ICE hold regular estimate coordination meetings, facilitated by an NDOT representative, to plan and update the work breakdown structure (WBS) for each specific element of the project scope. These estimate coordination meetings focus on key assumptions used to price the work, including but not limited to, labor and equipment rates, agreement on the WBS¹, construction schedule, subcontractor and material plug prices to be used in early pricing, risk identification and mitigation, innovative concepts and constructability suggestions, price escalation, commodities, suppliers and fabricators, long-lead time items, limitations of operations, type of equipment proposed to perform the work, number of shifts per day, hours per shift, risk assumptions, assignment of risks, assumed weather days, material costs, the planned method of measurement, and a description of the planned “means and methods” for constructing the project.

3.3. MAINTAIN INTEGRITY AND CONFIDENTIALITY OF THE INDEPENDENT COST ESTIMATE

Throughout the Preconstruction Phase, including during the estimate coordination meetings, the Contractor may share certain pricing information with the ICE through the pricing facilitator. This sharing may be necessary to progressively facilitate estimate reconciliation. NDOT’s PM will confer with the Alternative Delivery Program Manager regarding what information may be shared. The Contractor shall not discuss its assumed production rates and crew compositions until reconciliation (see Section 7.1).

¹ Although the Contractor is responsible for developing the WBS to match its production-based cost estimate, the proposed WBS is reviewed by the ICE and NDOT during the estimate coordination process and at each pricing milestone. NDOT has ultimate approval authority for the final WBS used to price the work. Bid items in the WBS should conform with NDOT standard bid items as much as possible, understanding that general conditions and indirect costs will be separated out into their own categories within the WBS rather than being spread to the bid items as they would in a traditional bid.

3.4. DEVELOP CONSTRUCTION SCHEDULE

The ICE and the Contractor will independently prepare or, after the initial schedule has been prepared, update the Critical Path Method (CPM) construction schedule for NDOT review and concurrence ahead of the estimating efforts. NDOT, the ICE, and the Contractor will strive to reach agreement on a construction schedule during the Preconstruction Phase of the project, beginning as early as the preliminary pricing milestone. Due to the fact that schedule assumptions such as construction activity durations, sequencing, and constraints are integral to estimating efforts, the current version of the construction schedule will be used as supporting documentation for each respective cost estimate at each subsequent pricing milestone as well as the basis for updating the CPM schedule at subsequent pricing milestones.

Please note that in developing its construction schedule, the ICE is not obligated to use the same assumptions used by the Contractor. This is true both in the development of its initial schedule and when determining the appropriate durations and sequencing for subsequent schedules. Ideally, any differences will be discussed between the parties and a single project schedule will be agreed to prior to GMP.

4. PREPARE DESIGN MILESTONE REVIEW PACKAGE

The Designer, referred to herein as the Engineer of Record (EOR), under the direction of NDOT, will prepare each design milestone review package for each pricing milestone and provide it to NDOT for distribution to the Contractor and the ICE.

5. DESIGN AND CONSTRUCTABILITY REVIEW WORKSHOP

NDOT will schedule a Design and Constructability Review Workshop with the EOR, Contractor, and ICE. The workshop should take place within five days of issuance of each design milestone review package. Prior to the workshop, all parties should review the content of the plans so as to have a meaningful workshop. The objective of the workshop is to: (1) allow all parties to understand the work being estimated; (2) allow all parties to provide feedback on the plans; (3) discuss assumptions on means and methods and construction staging or sequencing of work that affects how the project will be estimated and ultimately bid; (4) define and agree upon the scope of work for each WBS activity and bid item; (5) allow all parties to identify any errors, omissions, ambiguities, or other items that need to be corrected prior to pricing, and (6) discuss and agree on an approach to calculate the project quantities.

5.1. QUANTITY TAKE-OFF

As part of the workshop, the ICE and Contractor will agree on an approach to calculating the quantities to be used for estimating the project. The approach will vary depending on the specific pricing milestone and the needs of both the ICE and Contractor. The objective is to have sufficient quantity detail to take full advantage of each pricing milestone, and because of this, what is

needed will vary from project to project. For instance, for one project, it may be sufficient, in calculating steel quantities for a bridge, to use area of steel in the girders and drilled shafts, but it would not be appropriate in another project where the steel would represent a greater percentage of the overall project costs. This would require that the EOR provide additional detail in the milestone design to accurately quantify steel quantities. (See Section 5.2)

5.2. INCORPORATION OF COMMENTS FROM THE FINAL PRICING MILESTONE REVIEW

Following the review of the Final design milestone plans (or the final plans used as the basis of the GMP if earlier than 100%), the EOR will address (and incorporate where appropriate) comments received during the Design and Constructability Review Workshop, repackage the plans and specifications, and resubmit to NDOT. These plans will be used as the basis for the Construction Services Amendment.

6. RISK WORKSHOP

Along with each pricing milestone, NDOT will schedule a risk workshop as part of determining each OPCC. The Contractor will prepare for and attend this workshop along with the NDOT and its representatives (EOR, ICE, owner's representative). The risk workshop should be scheduled shortly after or as part of each Design and Constructability Review Workshop. In advance of the final GMP, NDOT will assign each risk to either the Contractor or to itself. The ICE participates in this discussion to understand risk and contingency assignment. NDOT will maintain the project risk register, which will be updated from time to time based on input from the EOR, ICE, and Contractor as an output to the risk workshop at each pricing milestone. Adjustments to the plans and estimate may be needed based on discussion at the risk workshop. During early risk workshops, a significant amount of time may be spent identifying risks and assigning time and cost impacts for each risk. During later workshops, the focus will be to update the risk register by adding any newly identified risks or removing risks that have been retired.

As part of the risk workshops, a mitigation strategy will be developed for each risk, and each risk will be assigned to a risk champion responsible for carrying out or overseeing the mitigation.

Prior to the final GMP, the costs associated with each risk will be handled in one of the following ways:

- NDOT risks will be covered as part of an owner's contingency with a specific trigger and entitlement defined.
- A reasonable percentage of the sum of all of the risks that are assigned to the Contractor will be included as a line item in the GMP. The percentage used will be based loosely on a Montecarlo simulation or similar probabilistic costing approach.

7. PREPARE MILESTONE ESTIMATE

The following subtasks are performed at each OPCC.

7.1. QUANTITY RECONCILIATION

As part of the Design and Constructability Review Workshop, as discussed above, the parties will agree to an approach to quantity development. Using that approach and the WBS, both the ICE and the Contractor will complete the quantity takeoff process. During this process, they will work through the facilitator to confirm quantity assumptions and request clarifications.

It is recommended that both the ICE and Contractor agree on the order in which they will perform the quantity takeoff so as to be able to perform some level of contemporaneous quantity reconciliation. Quantities will be provided to the pricing facilitator contemporaneously, in the order agreed upon during the Design and Constructability Review Workshop. Using the quantities from the ICE and Contractor, the pricing facilitator will prepare a quantity variance report. The facilitator will hold a series of meetings to discuss and review differences between the quantities to verify that the same assumptions and process are being used to calculate the quantities. After each meeting, the parties will revise their respective quantities, as required, and provide updated quantities to the facilitator. This process will continue until the parties agree on a set of quantities to be used as the basis for the estimate for each OPCC. In order to maintain independence, both the Contractor and the ICE must independently develop quantities.

7.2. SUBCONTRACTED VENDOR PRICING

Pricing subcontracted work is a critical part of verifying a fair and reasonable price. Subcontracted work (which includes both subcontractors and vendors) can make up 50% or more of the GMP. This process includes verifying that the Contractor has performed adequate subcontractor and vendor outreach to obtain competitive quotes for all subcontracted work. During early stages of the estimating process, the Contractor may use “plug” prices² or a combination of plug prices and quotes to estimate the cost for subcontracted work. Ultimately, the Contractor will replace plug prices with actual quotes. This replacement typically occurs during the Final design pricing milestone but prior to agreeing to proceed to GMP. When using plug pricing for subcontracted work, the Contractor will share the proposed plug prices with the ICE for validation, and the ICE may request additional justification for the proposed plug pricing if they feel the prices do not reflect fair market value for the work.

To ensure competitive pricing, the Contractor is expected to make a good faith effort to solicit multiple quotes for all subcontracted work and for all materials. If obtaining multiple quotes for any subcontracted work is not feasible, the Contractor will use a transparent and collaborative

² Plug prices are estimated costs provided by the Contractor based on past relevant experience or preliminary informal and non-binding estimates and discussions with subcontractors and vendors.

process that explains to NDOT why multiple quotes are not obtainable. NDOT may also request that the Contractor look at self-performing the work, if possible, to help ensure competitive pricing. The Contractor may use a system of its choice to receive and collect quotes from subcontractors and vendors. However, all quotes received by the Contractor shall be shared with and made available to NDOT and the ICE.

7.2.1. Subcontractor Selection

In general, the Contractor is expected to select the low bidder to perform the work. However, there are justifiable exceptions. The Contractor will discuss all exceptions with NDOT. The following are some common examples of situations where the Contractor may decide to select a subcontractor or vendor that is not the low bidder:

- Accounting for or adjusting a quote for exclusions. It is common for a subcontractor's quote to contain various exclusions. The Contractor must then account for the cost of these exclusions in its pricing, which can affect the outcome of the bid analysis: for example, when one subcontractor indicates that the Contractor is responsible for hauling off spoils, while another includes that cost in its quote.
- Electing to use a non-low bidder to mitigate the threat of performance risk based on history of past performance with that particular subcontractor. The Contractor must provide documentation to support any such claims.
- Selecting a non-low bidder to meet the project's DBE commitment.

The Contractor will involve the ICE in discussions about final subcontractor selection.

7.2.2. Subcontractor and Vendor Selection Meeting

Prior to submitting estimates, the Contractor will facilitate a subcontractor and vendor selection meeting with NDOT and the ICE. The Contractor will use this meeting to discuss the quotes, explain how the quotes are distributed to the bid items, clarify any support services required for each Subcontractor and Vendor, and review any relevant pricing exclusions from the quotes. During this meeting, the Contractor will review solicitation efforts and demonstrate to NDOT that it has received the minimum number of quotes desired (typically three). The pricing facilitator will oversee discussions between the Contractor and the ICE to coordinate decisions on subcontractor and vendor selection. In determining which subcontractor costs to include in its estimate, the ICE may follow its own approach which may include the following options:

- Use a Different Quote: The ICE may use a different quote from what is used by the Contractor. If the ICE uses a quote different from the Contractor's, they are expected to discuss and justify the choice openly with the Contractor during reconciliation. Although the ICE will be expected to use the lowest quote for the work, the estimating teams will have open discussion during the subcontractor/vendor selection meeting about best value selection, weighing factors such as risks (including subcontractor performance or

schedule risk), exclusions, DBE participation, and support services required with each individual quote.

- Estimate the Work as Self-Performed: The ICE may price the subcontracted work as self-performed. In general, the ICE will not generate independent cost estimates for the work that is to be competitively bid within the subcontracted scope. However, they will not be precluded from pricing the work as self-performed if they believe that a lower price for the work can be achieved by self-performing the work.
- Use Independent Judgment: The ICE may use subcontractor and vendor pricing based on its experience and independent judgment. In this case, the ICE should be prepared to discuss and justify its price with the Contractor during reconciliation and must demonstrate that its price is based on market conditions for the project area rather than basing its pricing on historic values or average unit bid prices.
- Make Recommendations on Alternative Subcontractors/Vendors for Consideration: The ICE may make recommendations to the Contractor on the use of alternate subcontractors and vendors not previously considered. This option should be used on a limited basis. If the ICE has concerns that the Contractor's solicitation outreach effort is not satisfactory, they will discuss this openly with the Contractor and NDOT prior to estimate submission and have open discussion with the Contractor to suggest alternative choices for subcontractors/vendors that the Contractor had not considered.

The Contractor is under no obligation to use any recommendations provided by the ICE, and ultimately, the Contractor, following the rules and restrictions of NDOT, is responsible for selecting the subcontractors to perform the subcontracted work. During the subcontractor and vendor selection meeting, the Contractor will provide a list of subcontractors/ vendors contacted during the meeting to document the solicitation outreach efforts for the ICE even if some of the subcontractors/vendors that were contacted did not respond to the solicitation. The ICE will not contact subcontractors and vendors directly to try to solicit pricing on its own.

7.2.3. Submit Milestone Baseline Schedule

Prior to estimating, the Contractor will share a copy of the proposed construction schedule with the ICE and NDOT and include any input from subcontractors regarding subcontractor work. More detail on the process to be followed for reviewing and concurring with the Contractor's proposed construction schedule is outlined in Section 3.4. It is necessary for the Contractor to update its schedule while preparing the cost estimate so that it aligns with the durations and assumptions used in the estimate.

7.3. Finalize and Submit Estimates

Following the pricing milestone meetings and subcontractor/vendor selection meeting, the estimates are finalized:

- Contractor Estimate: For pricing milestone estimates, the Contractor prepares its “good faith” estimate at each pricing milestone. For the Final design milestone, the Contractor prepares the GMP, which represents its contractual price, or bid, to construct the work.

The Contractor shares its detailed open book Cost Model with NDOT along with its OPCC for each pricing milestone.

- Independent Cost Estimate: The ICE prepares its estimate for the work at each pricing milestone. The ICE’s estimate is transmitted exclusively to NDOT and is held “in the blind” to all other parties.

7.3.1. Guidelines for Accepting Price Before Final Design is Complete

If NDOT and the Contractor agree that the project plans and specifications are sufficiently defined to construct the project before final design is complete, and both parties are comfortable proceeding with the Construction Services Amendment given the remaining risks and uncertainties, NDOT may elect to proceed with negotiating the GMP based on plans and specifications that are not 100% complete.

8. PREPARATION OF VARIANCE REPORT

NDOT will prepare a summary variance report at each pricing milestone comparing both the Contractor’s estimate and the ICE’s estimate. To preserve the integrity and independence of the ICE’s estimate, the variance report shared with the Contractor will not reveal the ICE’s pricing (otherwise known as a “blinded variance report”), but will note whether the Contractor’s estimate is within acceptable range or outside acceptable range of the ICE. The blinded variance report will be shared with the Contractor in advance of reconciliation meetings.

9. REVIEW MILESTONE ESTIMATE AND RECONCILIATION MEETINGS

After the variance report has been finalized, NDOT and the ICE will review the Contractor’s OPCC or GMP, the variance report, and the Contractor’s open book Cost Model.

NDOT will schedule and facilitate estimate reconciliation meetings with the Contractor and the ICE. During the reconciliation meetings, the ICE and the Contractor will attempt to reconcile pricing differences. The reconciliation process gives the Contractor, NDOT, and the ICE opportunities to understand each other’s perspectives about pricing assumptions, risk assignment, and construction means and methods. The goal is to reconcile pricing differences so that the OPCC or GMP, as applicable, is determined to be fair and reasonable, and with respect to the GMP, that NDOT can execute the Construction Services Amendment.

NDOT may, at its discretion and with concurrence with the Contractor, elect to involve representation from its EOR in the reconciliation meetings. Bringing the EOR into the discussions can help provide input and clarification to assist in resolving differences that relate to the

interpretation of the plans and specifications or the scope of work. It also allows the EOR to hear discussions on what may need to be changed in the plans and specifications to clarify scope or address risk assignments (such as moving work from the lump sum to a provisional item).

The open book process requires the Contractor share certain materials containing information that clarify how the proposed pricing was derived such as crew compositions, production rates, historical fuel consumption, the derivation of equipment rates, and all other information and backup for justification of the Contractor's cost.

NDOT and the Contractor may not be able to resolve all differences in pricing during reconciliation meetings. If not, then NDOT and the Contractor will decide to (a) acknowledge differences, move forward with design, and attempt to continue reconciling differences during later pricing milestones, or (b) agree that reconciliation is not possible and terminate the contract to allow NDOT to procure the construction of the project through some other method. If there are Construction Services Amendments that have been previously executed, the Contractor is usually allowed to continue that work.

10. DOCUMENTATION AND ADJUSTMENTS

The Contractor and ICE may agree upon changes to bidding assumptions that affect pricing based on reconciliation discussions. If agreement is reached, the Contractor and ICE will adjust the respective cost models, narratives, and schedules to reflect any changes and resubmit them to NDOT. Any pricing changes will be carried forth to the next pricing milestone or GMP.

NDOT retains a copy of the Contractor's estimate, the variance report, estimating assumptions (including the narrative), and the CPM schedule for each pricing milestone.

11. ACCEPTANCE OF GMP

11.1. THRESHOLD FOR ACCEPTING A GMP

NDOT's expectation is to get a fair market price for the work. The estimate prepared by the ICE represents this fair market price. The GMP is considered acceptable if it is lower than or does not exceed the ICE estimate by more than a percentage established by NDOT. The acceptable GMP is presented to the Award Committee for further consideration as outlined later in this section. If the GMP exceeds the ICE's estimate by more than NDOT's acceptable threshold, NDOT will continue reconciliation efforts or will reject the GMP.

11.1.1. GMP Within Acceptable Range

If the GMP is within the allowable range for acceptance and is within NDOT's budget, NDOT audits the following aspects of the Contractor's GMP:

- Review the GMP for unbalancing or other irregularities.

- Confirm that the open book Cost Model backup is complete and that it matches the GMP.
- Review the Contractor's baseline construction schedule and confirm it matches the assumptions used to develop the GMP.

Any deficiencies to the requirements above must be remediated before presenting the Construction Services Amendment to the Deputy Directors of Operations and Engineering for approval.

11.1.2. GMP Outside Acceptable Range

If the GMP exceeds the ICE by more than the allowable range, or the GMP contains irregularities, NDOT and the Contractor may (at NDOT's sole discretion) proceed with reconciliation efforts in an attempt to negotiate a fair and reasonable price for the work. If the GMP is not acceptable due to irregularities, reconciliation efforts will focus on bringing the irregularities to the Contractor's attention so that it may revise and resubmit its GMP.

If reconciliation is not possible due to other reasons, NDOT will present the results to the Deputy Directors of Operations and Engineering and proceed as directed. If this body rejects the GMP, NDOT proceeds with the process outlined in Section 12 to package the project for procurement using other means.

12. APPROVAL PROCESS TO AUTHORIZE OR REJECT A CONSTRUCTION SERVICES AMENDMENT

Formal acceptance or rejection of the GMP and authorization to execute a Construction Services Amendment requires approval from the Deputy Directors of Operations and Engineering, and, if federal funding is involved, concurrence from FHWA. When a final recommendation on the GMP is prepared and the basis for GMP have been provided, the Alternative Delivery Program Manager will coordinate with FHWA and the Deputy Directors of Operations and Engineering to schedule a meeting to obtain concurrence to accept or reject the GMP and, if accepted, execute a Construction Services Amendment. As part of the Construction Services Amendment, the Contractor will convert the pricing detail in the bid book into a schedule of values and submit it for review and approval.

If NDOT or FHWA determine that the GMP is not acceptable, NDOT will notify the Contractor that the GMP is not acceptable, and the project team will proceed with the reconciliation efforts in order to attempt to negotiate the GMP or reject the GMP.

13. REJECTION OF THE GMP

If reconciliation negotiations do not result in an acceptable price for the work and the Deputy Directors of Operations and Engineering rejects the GMP, NDOT will procure the Work in question through any other lawful method. The Alternative Delivery Program Manager will notify the

Contractor in writing regarding the decision to terminate and reprocure the work. The Contractor's right to appeal the decision, if any, is outlined in the Contract.

14. FHWA CONSTRUCTION AUTHORIZATION

If the work has federal funding, NDOT will submit a Request for Construction Authorization to FHWA prior to executing the Construction Service Amendment. FHWA must authorize federal funds for construction each time the Contractor's contract amount is increased to incorporate a Construction Services Amendment.