

ATTACHMENT A

A. Daily diary deficiencies encountered during joint reviews included missing diaries, unsigned diaries, missing hours of labor and equipment, missing names of laborers and missing equipment identifications. The importance of good diaries can not be overstated. Diaries serve as the foundation for proper contract administration by providing a history of how the project was constructed. They allow for checks on certified payroll, extra work bill validation, defense against disputes, support for progress payments, material sampling and testing notations, verification of commercially useful functions for UDBE work, monitoring impacts on controlling operations, and contract item pay adjustments to name a few. Section 16.7, "Engineer's Daily Reports," of the Local Assistance Procedures Manual (LAPM) provides general information on what needs to be captured on these reports. Samples of these forms are included in the LAPM as Exhibit 16-C.

B. Joint reviews showed that many local agencies are performing labor interviews at a less than acceptable frequency. An important aspect of a local agency's labor compliance program is performance timely construction employee interviews throughout the contract. These interviews help to identify potential labor compliance problems that may not be evident through checks of certified payrolls. Standard frequency rules-of-thumb for interviews are one per trade per month or two per month by varying crafts divided between prime and subcontractors. Exhibits 16-N and 16-P provide sample forms for the employee interviews. In the event problems are discovered, please refer to Section 16.11, "Labor Compliance," of the LAPM.

C. A variety of poor contract time administration practices were observed during joint project reviews. Section 16.5, "Contract Time," of the LAPM provides a brief discussion for contract time administration. Exhibit 16-A is a sample "Weekly Statement of Working Days," which is a valuable tool for properly managing contract time when completed correctly and sent to the contractor on a weekly basis. The form not only captures the working day charging status for a given week, but also defines the controlling operation, weather days, approved contract change order (CCO) time adjustments, other time extensions, adjusted date for contract completion and remaining working days. A related time administration issue is proper documentation for time adjustments granted through CCOs. Project records need to include an analysis supporting any CCO time adjustment. This analysis needs to clearly explain how contract completion was affected due to impacts on controlling operations (i.e. analysis of the critical path). Proper contract time management will help to ensure that the project is finished within the contract time and help avoid potential delay or impact claims.

D. Many local agencies have difficulty with monitoring required material sampling and testing frequencies. Ensuring that materials meet contract specifications and by extension, design assumptions, is one of the most important contract administration functions. Most agencies' quality assurance program (QAP) defines the required sampling and testing frequency for each material and associated test methods. A recommended tool for monitoring required sampling and testing frequencies is a materials summary log. A sample log may be obtained at "<http://cefs.dot.ca.gov/forms/index.html>" and by searching by form number CEM3701. In addition, this form also serves as a test summary log and can easily be used to help monitor failing tests and their resolutions.

E./F. The next two observed items concern the visibility of job posters and documentation that these posters were posted. Required job posters must be visible and easily accessible to workers each work day. When there is a jobsite trailer where workers report at the beginning of a work shift, the posters may be posted on a bulletin board, office shack or equipment trailer. However, frequently there is no jobsite trailer on ARRA contracts. In these cases posters may be posted on a portable latrine, sandwich board or piece of plywood as long as they are visible and easily accessible to the employees. Keeping posters in a binder in a foreman's vehicle is an example that does not provide for worker accessibility. Documenting the posting is a simple process but is often overlooked. It is suggested that a photo of the jobsite posters be taken and placed in the project records. Daily diaries should also record when the posters are placed and removed.

G. Joint reviews also showed that spot-checking of certified payrolls was deficient. In some cases daily diaries did not provide sufficient information to perform the cross-check, while in other cases there were simply no records showing cross-checks took place. An observed best practice was where the certified payroll was accompanied by a corresponding daily diary for the spot-check. The local agency identified the employee on both documents for the day in question, confirmed the classification, verified that at least the applicable wage rate was being paid, and signed and dated the certified payroll sheet. Providing proper documentation of the spot-checks is an important part of a local agency's labor compliance program.

H. Certification documentation for material samplers, testers and laboratories was another deficient area. Many agencies had outdated certificates within their project records that were provided as part their consultant selection process and were not valid at the time sampling and testing were performed. The “Quality Assurance Program (QAP) Manual for Use by Local Agencies,” requires that copies of each sampler’s and tester’s certificate of proficiency be filed within the project files. This manual may be viewed at the following website address “<http://www.dot.ca.gov/hq/LocalPrograms/public/QAP%20Manual.pdf>.” Please ensure that valid certifications are on file in the project records for all samplers and testers working on the project.

I. Another area of concern was lack of supporting documentation for progress payments. Each payment made to the contractor needs an audit trail back to a supporting document that shows how each payment element (e.g. contract item, extra work, etc.) was calculated or measured. This document needs to identify the name of the person who measured the quantity or persons who calculated and checked the quantities. In addition, the document needs to show the date when the measurement or calculation took place. Using the contractor’s requested progress pay document as the supporting document does not provide payment validation. The local agency’s contract administration personnel must measure or calculate each payment element and provide the supporting documentation. Caltrans utilizes a form entitled “Quantity Calculations,” which can be located at the website address “<http://cefs.dot.ca.gov/forms/index.html>” and by searching for form CEM4801. Please ensure that supporting documentation for progress payment elements are properly completed and filed in the project records.

J. Reviews also found insufficient documentation for materials sampling or testing results. In some cases the local agency had clearly not met their acceptance testing frequency identified in their quality assurance program (QAP) while in other cases diaries noted that tests had been taken but corresponding test results could not be located within the project records. Please ensure that sampling and testing frequencies conform to QAP requirements and that test results are received, reviewed and filed in the project records in a timely manner. As previously stated, use of a materials summary log provides an excellent method to monitor, track and report on sampling and testing for each material.

K. The last item concerns lack of consultant selection documentation for construction engineering services such as construction management, materials testing, environmental monitoring and construction surveying. Chapter 10, “Consultant Selection,” of the LAPM provides important information on the consultant selection process. Local agencies need to familiarize themselves with these procedures and ensure that documentation of the selection process, including advertisement and evaluations are retained with the consultant contracts. This documentation needs to be available for review upon request.