



# Mission

To build a state-of-the-art hospital facility for our nation's heroes



# Prime Contract

Integrated Design Construct

Fixed-Price Incentive - Successive Targets

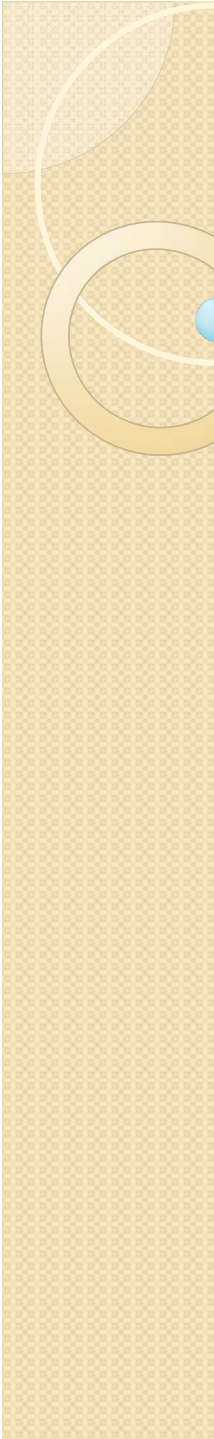
52.216-17



# Purpose

Educational Learning Refresher:

Pay Application & Change Order Process



# Pay Application



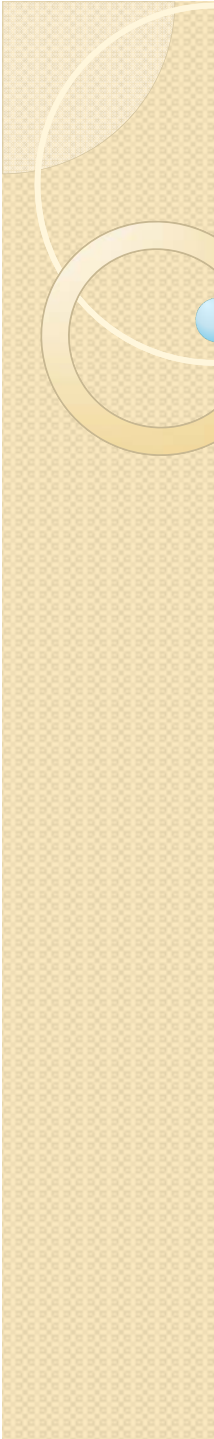
# Pay Application

- Timeline
  - Subs submit to Kiewit-Turner 20<sup>th</sup> of the month prior
    - Internal K-T Review
      - FAR/VAAR Compliance
  - Pencil Review with VA
    - 1<sup>st</sup> week of next month
    - Subs invited
    - Review
    - Agree



# Pay Application

- Timeline
  - VA issues Pay Voucher
    - 14 days from voucher remittance
  - K-T issues payment
    - 7 days\*
      - \* K-T has instituted an ASAP payment process
        - 3-5 day payment



## Change Orders



# Change Orders

- What is a “change”?
- What is the process?



# What is a “Change”?

“The Contracting Officer may, at any time, ...by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract, including changes—

- (1) In the specifications (including drawings and designs);
- (2) In the method or manner of performance of the work;
- (3) In the Government-furnished property or services; or
- (4) Directing acceleration in the performance of the work.”

- FAR 52.243-4(a)



# What are the types of changes?

- Formal
- Constructive
- Differing Site Condition



# Formal Changes

- Official modification to the Contract
  - Unilateral
  - Bilateral
- Must be signed by the Contracting Officer or his designated representative



# Formal Changes - Notification

- Owner issues SF-30
- K-T and Sub respond with PCO:
  - Define days/dollars of impact within 30 days
- Work proceeds
- Submit request for equitable adjustment
  - Negotiate with VA
  - Finalize change



# Constructive Change

“Any other written or oral order (which as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contracting Officer that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contracting Officer written notice stating --

- (1) The date, circumstances, and source of the order; and
- (2) That the Contractor regards the order as a change order.”

- FAR 52.243-4(b)



# Constructive Changes

- Government is required to provide an equitable adjustment for Constructive Changes
  - FAR Clause 52.243-4(d)



# Notification Requirements

- The Contractor has the responsibility to provide written notice to the Government that the Contractor considers the direction to be change.
  - FAR Clause 52.243-4(b)
- The Contractor must exert its right to an equitable adjustment and provide a cost proposal within 30 days of:
  1. Formal Change – Receipt of the Modification Document
  2. Constructive Change - Providing the written notification to the Government
  - FAR Clause 52.243-4(e)
- The 30 day period may be extended by the Contracting Officer



# Differing Site Conditions

- Type I – materially different than indicated in the contract
- Type II – unknown conditions differing materially from those ordinarily encountered
  - FAR Clause 52.236-2





# Actions - Differing Site Condition

- Stop Work!
- The Contracting Officer or rep must verify the condition exists **BEFORE** conditions are disturbed!
  - If a condition is encountered and the Contractor works through it without providing notice, the Government is not obligated to recognize the condition existed.
- Written Notice provided to the Government



# Differing Site Condition – Documentation and Notification


- Differing Site Condition Notification Form
  - Locally generated form to satisfy notification requirements established in FAR 52.236-2
- Intended to be a “living” document
- Obtained from K-T



# Differing Site Condition – Documentation and Notification

- Differing Site Condition Notification Form
  - Locally generated form to satisfy notification requirements established in FAR 52.236-2
- Intended to be a “living” document
- Obtained from K-T
- Intended to provide notification
- NOT a contract document

# DSC Form – Notification

 **Kiewit - Turner**  
a Joint Venture

**DIFFERING SITE NOTIFICATION SHEET**

Date/Time Found: 5/7/12

Differing Condition: Asbestos STEAM PIPES RUNNING ALONG EAST  
SIDE OF WHEELING STREET ON VA PROPERTY FROM  
50' NORTH OF 19<sup>TH</sup> to a UNKNOWN DISTANCE SOUTH OF E 17<sup>TH</sup>  
PLACE. SOME RUNS UNDER STEAM TUNNEL & SOME RUNS FROM 668  
SOUTH.

Condition Differs from What? (Drawing #, Report Name, Etc.) CO. CD. 103

- Provide to VA within **1 hour**
- Include as much detail as known at the time
- Send via email; follow-up with hard copy

# DSC Form – Recommendations

KT Recommended Solution: REMOVE APPROX 700' OF ASBESTOS STEEL  
PIPE AS PER SCMP.

Estimated Cost (ROM – Including time if anticipated): \$      K / 15 DAYS

42604	EXCAVATOR	4-operators - 1	10 mil POLY - 25 Rolls
	HAZ TRUCKS - 3	OP - 1	DUCT TAPE - 50 Rolls
	DECON TRAILER	LABOR - 4	PPE - AS REQUIRED

- Completed by Sub and K-T
- Include a Rough Order Magnitude estimate
- Provide basis for the ROM if possible
- VA will provide written direction via SF-30



## Change Order Process



# Change Process

- Subcontractor submits change proposal to K-T
- K-T reviews and submits to VA
- VA reviews
- VA, K-T and Sub negotiate and finalize
- Sub bills for change
  - Pay application process

# Change Process – Visual

Sub submits change proposal to K-T

K-T sends to VA

VA reviews

VA, K-T and Sub negotiate and finalize

VA approves

Sub submits for billing





# Sub Change Proposal

- Governed by FAR 52.243-4; VAAR 852.236-88
- Cost breakdown
  - Labor, Equipment, Material
- Self-Performed work
  - OH – 10%, 7.5%, 5%
  - Profit – 10%, 7.5%, 5%
- Subcontracted work
  - Fee – 10%, 7.5%, 5%
- Follow Subcontractor Pricing Summary Sheet

# Subcontractor Pricing Summary Sheet

- Obtain from K-T
- Completed by Sub as part of PCO
- Supporting documentation required

Yellow fields – sub input  
Grey fields – formulas

VA Denver Medical Replacement Medical Center

**Kiewit - Turner**  
a Joint Venture

**SUBCONTRACTOR / SUPPLIER COST PROPOSAL FORM**

COMPANY NAME: ABC Contracting DATE: 5/13/2013  
CONTACT NAME / PHONE: IB Contractor - (303) 555-1234

PRICING FOR (PER KT, ASI, RFI, CM Issue, ETC.) JSI-100 - QM#725

CHANGE DESCRIPTION: Install landscape irrigation system as per drawing XX.XXX.XX.

**LABOR:**

	CLASSIFICATION	BASE/MH	FRINGE/MH	BURDEN/MH	MAN-HOURS	BURDEN TOTAL	TOTAL MINUS BURDEN
1	Exc Operator	\$ 27.50	\$ 5.85	\$ 8.34	24	\$ 200.16	\$ 800.40
2	Laborer	\$ 16.50	\$ 6.90	\$ 5.85	72	\$ 421.20	\$ 1,684.80
3	Loader Operator	\$ 22.50	\$ 8.25	\$ 7.50	12	\$ 90.00	\$ 369.00
4						\$ -	\$ -
5						\$ -	\$ -
6						\$ -	\$ -
7						\$ -	\$ -
<b>SUBTOTAL LABOR:</b>							<b>\$ 2,854.20</b>

**EQUIPMENT:**

	CLASSIFICATION	DESCRIPTION	\$/HOUR	HOURS	TOTAL
1	CAT 322	Excavator	\$ 124.00	24	\$ 2,976.00
2	Loader		\$ 118.00	12	\$ 1,416.00
3					\$ -
4					\$ -
5					\$ -
6					\$ -
7					\$ -
8					\$ -
<b>SUBTOTAL EQUIPMENT:</b>					<b>\$ 4,392.00</b>

**MATERIAL:**

	CLASSIFICATION/DESCRIPTION	\$/UNIT	UNIT	QUANTITY	TOTAL
1	Irrigation tubing and supplies	\$ 21,565.00	EA	1	\$ 21,565.00
2	Backfill Mat	\$ 225.00	TN	20	\$ 4,500.00
3					\$ -
4					\$ -
5					\$ -
6					\$ -
7					\$ -
8					\$ -
<b>SUBTOTAL MATERIAL:</b>					<b>\$ 26,065.00</b>

<b>SUBTOTAL SELF PERFORMED WORK:</b>		<b>\$ 33,311.20</b>	(Labor Burden not incl)
First \$20k	10% OH:	\$ 2,000.00	
\$20k to \$50k	7.5% OH:	\$ 998.34	
>\$50k	5% OH:	\$ -	
<b>SUBTOTAL:</b>		<b>\$ 36,309.54</b>	
First \$20k	10% PRO RT:	\$ 2,000.00	
\$20k to \$50k	7.5% PRO RT:	\$ 1,223.22	
>\$50k	5% PRO RT:	\$ -	
<b>TOTAL SELF PERFORMED WORK:</b>		<b>\$ 39,532.76</b>	(Labor Burden not incl)
<b>Lab or Burden:</b>		<b>\$ 711.36</b>	(OH&P Not Allowed)
<b>TOTAL SELF PERFORMED WORK:</b>		<b>\$ 40,244.12</b>	

# Subcontractor Pricing Summary Sheet

- Include lower-tier subcontractor costs
- Standby, if applicable
  - Labor
  - Equipment

SUBCONTRACTORS:			
	COMPANY	FUNCTION	TOTAL
1	Trees & Us	Removal of 4 trees, planting of 2 trees	\$ 29,800.00
2	Green With Envy	Sod Installation - 2500sqft	\$ 21,450.00
3			
4			
5			
6			
7			
8			
SUBTOTAL SUB CONTRACTED:			\$ 51,250.00
First \$20k			10% OH: \$ 2,000.00
\$20k to \$50k			7.5% OH: \$ 2,250.00
>\$50k			5% OH: \$ 62.50
TOTAL SUB CONTRACTED:			\$ 55,562.50
TOTAL SELF PERFORMED AND SUB CONTRACTED ABOVE:			\$ 95,806.62

STANDBY:							
STBY LABOR:							
	CLASSIFICATION	BASE/MH	RANGE/MH	UB. \$/MH	MAJN-HOURS	BURDEN TOTAL	TOTAL MINUS BURDEN
1	Exc Operator	\$ 27.50	\$ 1.85	\$ 8.34	4	\$ 33.38	\$ 133.40
2	Laborer	\$ 16.50	\$ 6.90	\$ 5.85	8	\$ 46.80	\$ 187.20
3						\$ -	\$ -
4						\$ -	\$ -
5						\$ -	\$ -
6						\$ -	\$ -
7						\$ -	\$ -
SUBTOTAL LABOR:							\$ 320.60

STBY EQUIPMENT:				
	CLASSIFICATION /DESCRIPTION	\$/HOUR	HOURS	TOTAL
1	CAT 322 Excavator	\$ 124.00	4	\$ 496.00
2	Loader	\$ 85.00	4	\$ 340.00
3				\$ -
4				\$ -
5				\$ -
6				\$ -
7				\$ -
8				\$ -
SUBTOTAL EQUIPMENT:				\$ 836.00

SUBTOTAL STANDBY COSTS:		\$ 1,156.60	(Labor Burden not incl)
First \$20k	10% OH:	\$ 115.66	
\$20k to \$50k	7.5% OH:	\$ -	
>\$50k	5% OH:	\$ -	
SUBTOTAL:		\$ 1,272.26	
First \$20k	10% PRO RT:	\$ 127.23	
\$20k to \$50k	7.5% PRO RT:	\$ -	
>\$50k	5% PRO RT:	\$ -	
SUB-TOTAL STANDBY COSTS:		\$ 1,399.49	(Labor Burden not incl)
Labor Burden:		\$ 80.16	(OH&P Not Allowed)
TOTAL STANDBY COSTS:		\$ 1,479.65	

# Subcontractor Pricing Summary Sheet

- Include suspension costs, if applicable
- Signature required

**SUSPENSION OF WORK:** (En titlement based on Government Suspension of Work - FAR Clause 52.214-14)

	CLASSIFICATION/DESCRIPTION	Day Rate	Days	TOTAL
1	Gov't suspension of work - supported by Fregnet	\$ 4,132.00	24	\$ 99,168.00
2				\$ -
3				\$ -

Subcontractor's A Rate: 7.045% (Please provide audited rate)

TOTAL SUSPENSION OF WORK COSTS: \$ 6,990.35 (No Fee allowed)

TOTAL SELF PERFORMED WORK:	\$ 40,244.12
TOTAL SUB CONTRACTED:	\$ 55,562.50
TOTAL STANDBY COSTS:	\$ 1,479.63
TOTAL SUSPENSION OF WORK COSTS:	\$ 6,990.35

**TOTAL VALUE OF CLAIM: \$ 104,277**

I certify that this proposal is made in good faith; that the supporting data is accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which I believe the Government is liable; and that I am duly authorized to certify this proposal on behalf of the Subcontractor.

*L.B. Contractor*  
 Name: L.B. Contractor  
 Title: Project Manager



# Fragnets

- VA provided K-T a format for Time Impact Analysis (TIA) or “Fragnet” submission
- As support, KT needs input from Subcontractors with change order requests:
  - Change Activity
  - Event Duration
  - Predecessor Activity
  - Successor Activity



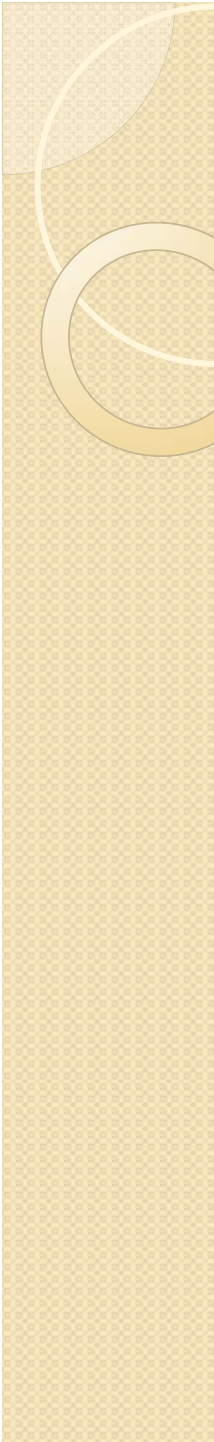
# Electronic Access to FAR and VAAR

- <http://farsite.hill.af.mil/>
- Note date of each FAR and VAAR clause in the contract



## K-T Website

- <http://www.denvervahospital.com/>
- Presentation posted 5/13 on the “Events” page

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- **Disclaimer – All information presented is to the best of our knowledge and data available. Information is subject to change based on VA direction.**