

SECTION 13 CONTRACT ADDENDA

13.1 PURPOSE

The purpose of this section is to define and describe the addendum process. It is also to ensure the respective units know their roles and responsibilities in addendum processing. Addendum processing must be given highest priority.

Addendum preparation is covered in the DES-OE Web site (<http://oe.dot.ca.gov/opse.html>)

13.2 BACKGROUND

An addendum is a change to the contract documents of an advertised project. Addenda are issued primarily to correct significant errors, omissions, or conflicts in the contract documents. For bidders an addendum is the instrument used to convey material changes made to the contract documents. Once bids have been opened project changes can only be made by rejecting all bids and re-advertising, or by issuing a change order during construction.

Addendum requests are required for AAOE projects. Addendum requests are reviewed by DES-OE and are either denied or approved and processed.

For AADD projects, the district/region makes the decision to issue an addendum and has the responsibility for preparing it.

13.3 RESPONSIBILITIES

13.3.1 PROJECT ENGINEER

- Prepares plans and redlined copy of the project cost estimate for addendum requests for AAOE projects
- Prepares plans and redlined copy of the project cost estimate and Bid Item List for addendum for AADD projects
- Contacts SOE and other functional units regarding additional addendum items
- Consolidates all items from other functional units in addendum requests or addenda
- Obtains approval from FHWA for addendum changes to high profile federal aid projects

13.3.2 DISTRICT OFFICE ENGINEER

- Prepares specifications for addendum requests for AAOE and AADD projects
- Reviews and processes addendum requests for AAOE projects
- Reviews and processes addendum letters for AADD projects
- Transmits addendum requests and addendum letters to DES-OE

13.3.3 PROJECT MANAGER

- Concurs with the addendum requests for AAOE projects
- Concurs with addendum for AADD projects

13.3.4 AFFECTED FUNCTIONAL UNITS

Concur with the addendum requests for AAOE projects. Concur with addenda for AADD projects

13.3.5 DEPUTY DISTRICT DIRECTOR, DESIGN/MAINTENANCE

Approves and signs addendum requests for AAOE projects

13.3.6 DISTRICT DIRECTOR

- Approves and signs addendum requests to recommend postponement of bid opening if the addendum will be issued within 72 hours of bid opening
- Requests approval for Additional Authority to Advertise Delegation

13.3.7 DISTRICT OR REGIONAL DIRECTOR WITH AADD AUTHORITY

- Approves and signs addendum for AADD projects

13.3.8 DES-OE

- Approves, prepares, and issues addendum for AAOE projects
- Issues addendum for AADD projects

13.4 EVALUATE NEED FOR ADDENDA

Evaluate the following when deciding to issue an addendum:

- Importance of the change
- Resources required and available to prepare, process, and issue the addendum
- Impact of issuing the addendum on project schedule including bid opening, award, and beginning of contract work

13.5 ADDENDA REQUEST

Districts request addendum in writing for AAOE projects. The DOE reviews and processes the request. Contract changes proposed by SOE and other functional units must be requested through the district and processed by the DOE. Addendum requests must provide clear, concise, and complete information.

By law, addenda may not be issued within 72 hours of bid opening unless a postponement of the bid opening is provided, DES Decision Document 38, 72 Hours Timely Notice to Bidders of Bid Opening Postponement, signed by Brent Felker, dated January 15, 2003.

If the addendum will be issued more than 72 hours before bid opening, the request must be signed by the Deputy District Director or higher. If the addendum will be issued within 72 hours of bid opening the District Director must approve and sign the addendum request. The request must include a cost-benefit statement that justifies postponing the bid opening to revise the contract documents by addendum.

13.5.1 REASONS FOR DENYING ADDENDA REQUEST

DES-OE may deny addendum requests if the requested addendum:

- Is not cost effective
- Does not correct significant errors, omissions, or conflicts in the contract documents
- Materially changes the scope, character, cost, or project limits, from those authorized in the NEPA approval, PS&E approval, or E-76 authorization without FHWA approval

13.5.2 CONTENTS OF ADDENDA REQUEST MEMORANDUM

The Addendum Request Memorandum must include:

- Project description
- General description of the proposed changes
- Reason for making the changes and the consequences of not making the changes
- Discussion of the cost impact of the addendum changes
- Approval from other divisions affected by the changes
- Verification that FHWA has approved proposed changes to important elements of federal aid projects
- Signature of the responsible Deputy District Director for the project
- Concurrence of functional units impacted by the proposed addendum changes. For example, if highway specifications are revised and the DOE signed and sealed them, then the DOE's concurrence must be noted in the body of the memorandum.
- Concurrence of the Project Manager

A sample Addendum Request Memorandum is provided at the end of this section.

13.6 FHWA ADDENDA APPROVAL

FHWA approval is not required when an addendum changes portions of a project identified as a delegated project under the provisions of the active Stewardship Agreement. In the case of a high profile project, FHWA approval is not required when an addendum changes portions of a project unless specifically required under the High Profile Project Oversight Agreement for the project. An executed *Prior Approval-Contract Addendum* form be furnished to the Department by FHWA when the formal request for addendum approval is processed. See Appendix B.

An addendum that changes the scope of a federal aid project is required to have an updated NEPA document and E-76.

The Department routinely approves the following types of addenda for federal aid projects:

- a. Addendum affecting the Notice to Bidders such as:
 - Bid Opening Date, time, or location
 - Contractors Licenses
 - Federal Minimum Wage Rates
 - Pre-bid meeting information
- b. Addendum correcting portions of a project that are not identified in the High Profile Project Oversight Agreement as requiring prior FHWA addendum approval.

13.7 ADDENDA PREPARATION

DES-OE issues all addendum to bidders electronically. Electronic copies of addendum are posted on the Caltrans Office Engineer Web site and hard copies are placed in the project Job File. Addendum information is entered in the DES-OE Project Database. Addendum preparation is covered in the DES-OE Web site (<http://oe.dot.ca.gov/opse.html>).

13.7.1 AAOE ADDENDA

The district requests an addendum for AAOE projects. DES-OE approves the addendum requests, prepares and processes the addendum, and signs the addendum letters. DES-OE delineates addendum notation with CADD files for revised or added project plan sheets.

13.7.2 AADD ADDENDA

The district prepares addendum for AADD projects. The district delineates all addendum changes and notation on project plan sheets and submits them as a single PDF file. DES-OE prepares and processes addendum for AADD projects that consist of only Federal Minimum Wage Rate changes. The delegated District or Region Director signs the addendum letter.

13.7.3 SCHEDULE

To allow sufficient time to process an addendum within the scheduled advertising period and to maintain the scheduled bid opening, DES-OE must receive the addendum requests no later than the 3rd Monday before bid opening.

DES-OE may consolidate multiple addendum requests until the 3rd Monday before bid opening. Addenda that affect how the bid is prepared, who might bid on the project, or which suppliers and subcontractors might be interested should be issued as quickly as possible to prevent bid proposal rework.

If the addendum involves major processing as with many plan sheet changes; or impacts on pre-bid submittal review time of prospective bidders, subcontractors, and suppliers, DES-OE must receive the addendum request no later than the 4th Monday before bid opening.

When there is insufficient time for analyzing, preparing and processing the addendum to either postpone the bid opening or cancel the current advertisement and readvertise later should be issued. This is to alert contractors to upcoming changes and prevent redundant bid proposal preparation effort.

Addenda that are issued within 72 hours of bid opening must, by law, include a postponement of the bid opening to ensure a minimum 72-hour period without changes. Addenda that are issued 1 to 2 weeks before bid opening should include a postponement of bid opening to allow the bidders enough time to incorporate addendum changes into their bids.

SAMPLE ADDENDUM REQUEST MEMORANDUM

Memorandum

TO: Chief, Office of Plans, Specifications and Estimate Date: May 17, 2004

Attention: Area Senior

FROM: DEPARTMENT OF TRANSPORTATION - 04 File: 04-123454

SUBJECT Request for Addendum

Request an addendum be issued to redefine the limits of trimming of plants for sound wall construction, to correct a final pay quantity, and to change a structural section for construction on State Highway in Sonoma County in and near Cottonwood.

The structural section beneath the concrete barrier has been revised. This is a significant change that will save the State about \$100,000. The change was the result of a cost-reduction study after submittal of the PS&E to reduce the project's cost to within its budgeted cost.

Clearing and grubbing was erroneously given standard treatment. The environmental report requires that clearing and grubbing be kept to a minimum in this environmentally sensitive area. The impact on the work and cost of this change in clearing and grubbing is minimal. It could probably be handled by change order. It is offered in anticipation that an addendum will be justified for other reasons and that the effort to incorporate this change could be incidental.

The final pay quantity of minor concrete (minor structure) was erroneously calculated and checked. The actual quantity is twice as what is shown in the estimates and on the plans. The omitted quantity is minimal and amounts to some \$1000. To leave it as it is would be biddable, as adequately provided for in the Standard Specifications, but would not be consistent with our policy on final pay quantities. An addendum would not have been requested for this change alone.

The proposed addendum should address the following items:

- Project Plan Sheet No. 3 and 21 are revised. Redline prints of proposed changes are attached.
- In the special provisions, in section 10-1.11, Clearing and Grubbing, delete the second paragraph and add the following:

- Only such trimming and pruning of plants as is necessary for construction of sound wall shall be performed. The Engineer shall be notified a minimum of 48 hours before any trimming and pruning of plants necessary for construction of sound wall.
- In the Copy of the Bid Item List, the estimated quantity of Item No. 31 is revised from 6 m³ to 10 m³. A redline print of the BEES is attached.
- DES-SD has been contacted, and they had no addendum items to include.
- Ken Jones, FHWA Field Operations Engineer, has reviewed the structural section change and concurred with the proposed change on April 26, 2004.
- John Smith, DOE, has prepared the specification changes required. No other staff approvals were necessary.

Deputy District Director, Project Development

Attachments:

cc: IBG

ADDENDUM CHECKLIST

- ___ 1. Contact DES-OE Bid Book & Addenda Unit to confirm addendum number, processing schedule, and addendum date.
- ___ 2. Postpone bid opening if necessary or appropriate.
- ___ 3. Confirm new bid opening date with DES-OE Scheduling Unit.
- ___ 4. Use correct and current AADD addendum form letter and e-mail notification letter from Addenda Letters folder on the Sun Server at (\\svfms01\hqoevo\PSE Prep\Letters\Addenda Letters)
- ___ 5. Verify that the following project information is consistent between the addendum letter and the contract documents:
 - ___ 5a. Contract No.
 - ___ 5b. District, County, Route and Post Mile designations
 - ___ 5c. Federal aid number(s), if project has federal funds
 - ___ 5d. Project title
 - ___ 5e. Bid opening date
- ___ 6. Follow instructions in the *Addenda Preparation Procedures Guide* to prepare revised plan sheets, revised Bid Item List pages, and other attachments.
- ___ 7. The addendum date and number are correct on the letter and all attachments.
- ___ 8. References in the letter to project plan changes are accurate.
- ___ 9. Added plan sheets are numbered correctly.
- ___ 10. References in the letter to Notice to Bidders and Special Provisions book changes are accurate.
- ___ 11. Added specifications are numbered correctly.
- ___ 12. References in the letter to Bid Item List changes are accurate.
- ___ 13. Revised Bid Item List pages have the correct number of columns and are numbered correctly.
- ___ 14. Previous addenda for this project have been checked to avoid redundant changes
- ___ 15. Complete the "Addenda Data Info Form" and return to DES-OE Bid Book & Addenda Unit.