

FORCE ACCOUNT ADMINISTRATION
Oklahoma Department of Environmental Quality
Loan Programs
January 8, 2024

The following guidelines, if properly implemented by the loan recipient, will satisfy the Board's requirements relating to Force Account Administration. Failure to follow these guidelines may result in a determination that a particular expenditure is not an eligible expense to be paid from proceeds of a DWSRF loan.

1. Material and Equipment Insurance.

The loan recipient needs to ensure that insurance is adequate to cover loss and/or damage of materials and equipment that will be incorporated into the above-referenced project. The existing insurance policy(s) needs to be reviewed and additional coverage purchased, if necessary.

2. Inspections and Record Keeping.

The loan recipient may be reimbursed from loan funds for a portion of wages and salaries paid to the individuals performing the physical work on this project. A complete daily time sheet for each employee working on this project must be maintained and submitted to the DEQ for approval prior to reimbursement. In addition, the loan recipient must submit a breakdown showing the portion of each employee's wage or salary that may qualify for reimbursement under Force Account.

The loan recipient's inspector shall maintain a daily inspection record showing the work performed during that day and stating whether the work was performed in accordance with plans and specification and using good workmanship. Any deficiencies and/or discrepancies shall be noted. The inspection reports shall also indicate when any previously noted deficiencies and/or discrepancies were corrected.

Upon project completion, a final inspection shall be made by the engineer-of-record, and the engineer shall certify whether the project was completed in accordance with the plans and specifications, documenting any deficiencies and/or discrepancies.

3. Purchasing Materials and Equipment.

a. Materials and/or Equipment Purchases Over \$100,000.00

- (1) The bidding process must be conducted in accordance with Title 61 of the State Statutes.
- (2) The Bid Package should include the following documents:
 - Advertisement for Bids (By publication, direct mailing, and notice to trade or construction publications)
 - Information for Bidders
 - Affidavits (Business Relationship and Non-collusion)

- Contract (or Agreement) (if applicable, include Warranty)
 - Plans/Specifications
 - Notice of Award
 - Notice to Proceed
 - Specifications
- (3) When an acceptable bid is received, the loan recipient should issue the Notice of Award. After the contract is executed, the loan recipient should issue the Notice to Proceed.

b. Materials and/or Equipment Purchases \$100,000.00 or less.

- (1) Prepare a Request for Proposal (RFP) packet and include the following:
- Announcement (or Advertisement).
 - Instructions for Submitting Quotes.
 - Form for Quotes (similar to a Bid Proposal).
 - Affidavits (Business Relationship and Non-collusion)
 - Warranty requirements, when applicable.
 - Specifications.
 - Plans, when applicable.
- (2) Send the RFP to three or more suppliers and/or manufacturers if possible.
- (3) Open quotes: select the lowest and most responsible quote.
- (4) Issue a Notice of Award.
- (5) Execute a contract with the supplier or manufacturer.
- (6) Issue the Notice to Proceed.

Note: When applicable, a purchase order may be issued in lieu of (4), (5) and (6).

4. Labor Sub-contracts.

a. Labor Sub-Contracts Over \$100,000.00.

- (1) The bidding process must be performed in accordance with Title 61 of the State Statutes.
- (2) The Bid Package should include the following documents:
- Advertisement for Bids.
 - Information for Bidders.
 - Affidavits (Business Relationship and Non-collusion).
 - Contract (or Agreement).
 - Bonds (Performance, Statutory, Maintenance).
 - Notice of Award.
 - Notice to Proceed.
 - Specifications.
 - Plans, when applicable.

- (3) When an acceptable bid is received, the loan recipient should issue the Notice of Award. After the contract is executed, the loan recipient should issue the Notice to Proceed.

b. Labor Sub-Contracts \$100,000.00 or Less.

- (1) Prepare a Request for Proposal packet and include the following:
 - Instructions for Submitting Quotes.
 - Form for Quotes (similar to a Bid Proposal).
 - Affidavits (Business Relationship and Non-collusion).
 - Notice of Award
 - Notice to Proceed.
 - Specifications.
 - Plans, when applicable.
- (2) Send the RFP to three or more sub-contractors, if possible. Indicate a time that quotes must be submitted.
- (3) Open quotes, select the lowest, responsible quote, and issue a Notice of Award.
- (4) Execute a contract with the sub-contractor.
- (5) Issue the Notice to Proceed.

5. Construction Management.

a. Inspections.

- (1) The loan recipient must ensure that full-time inspection is provided when any work is in progress.
- (2) Daily and monthly inspection reports should be kept on file in the loan recipient's office at all times during construction, and available for inspection by the Board.

b. Sub-Contracts.

- (1) Accurate records must be kept regarding such items as hours/days worked, number of workers on the job site, weather related delays, material/equipment delays, etc.
- (2) A payment schedule needs to be established with each sub-contractor, and prompt interim payments made for work that has been satisfactorily completed.
- (3) When a sub-contractor has satisfactorily completed all work, a final inspection should be conducted as soon as possible.
- (4) Obtain a "Release of Claimant" from each sub-contractor before processing the final payment.
- (5) Process the final payment when all conditions for items (3) and (4) have been met.
- (6) The loan recipient should acknowledge acceptance of each sub-contractors work in the minutes of a regularly scheduled meeting.

c. Materials and Equipment.

- (1) Inspect and inventory all materials and equipment when delivered to ensure compliance with the specifications, and correct quantity.
- (2) Ensure that all items are stored in a safe, secure location to protect these items from exposure to the elements and possible theft.
- (3) Ensure that items are delivered to the sub-contractors in a timely manner and to avoid unnecessary delays, or possible litigation. (Have the contractor sign for the receipt of items {provide a written materials/equipment list}).
- (4) Expedite repair and/or replacement for any item that is damaged or stolen. {File a police report of any items stolen or vandalized to protect the insurance coverage.}

d. Operation and Maintenance Manual.

The loan recipient should ensure that a detailed Operation and Maintenance Manual has been prepared. At least two sets should be prepared: one stored in the loan recipient's office, and the one at the treatment plant.

6. Project Closeout

The following documentation must be provided immediately following project completion:

- Release of Claimant (if applicable).
- Final Inspection Report, or a Certificate of Substantial Completion.
- Acceptance of the project by the loan recipient. This can be a copy of the minutes of a meeting of the governing board or a letter signed by the loan recipient's executive officer (such Mayor or Chairman).
- A copy of all executed change orders (if applicable).
- A letter of verification of as-built plans and/or shop drawings sent to ODEQ.