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# CHAPTER 4

## TASK ORDER ADMINISTRATION

### 4.1 OVERVIEW

After the task order award, the COTR is the key Government official responsible for ensuring successful contract performance. The COTR and the CO work as a team to ensure that task order administration actions protect the Government's interest.

The COTR becomes knowledgeable about the task order, stays informed about A/E consultant (contractor) progress, takes appropriate and timely action in dealing with performance deficiencies, keeps the CO informed and maintains adequate documentation. During administration of the task order, the COTR keeps a contract file available for inspection by authorized representatives of the Government and the consultant for making audits, excerpts, transcriptions or examinations.

The SOW for each task order requires a post-award orientation meeting or kickoff meeting. This meeting can be a conference call or a formal meeting, depending on prior experience with the contractor and the complexity and importance of the project. The meeting includes discussion of particular contract clauses, critical milestones, reporting and quality control requirements, and billing and payment procedures. Through this meeting, the COTR ensures that all parties to the task order share a common understanding of the contract; ensures that the Government and the A/E have set up appropriate processes to monitor and evaluate technical performance, quality and cost performance; and establishes the necessary lines of communications. In addition to this meeting, the COTR later conducts scheduled review meetings to ensure milestones established in the SOW remain on schedule.

The COTR monitors the A/E consultant's performance through progress reports from the A/E, periodic meetings with the A/E, timely review of deliverables and assessment of compliance with stated requirements. The COTR may hold performance evaluation meetings to provide constructive feedback, encourage communication and bring continuous improvement.

Technical monitoring of the project includes progress review, identification of problems or issues not addressed in the task order, requests for needed assistance, technical review by functional discipline experts (from the Division and elsewhere) and instructions for corrective action. The COTR provides quality assurance as an ongoing activity to determine whether deliverables conform to contract requirements.

The COTR also reviews invoices, recommends approval or disapproval and plays an important role in cost monitoring. The COTR reviews payment requests based on satisfactory project progress and in accordance with contract payment criteria.

When conditions require a change or extra work is needed on a project, the COTR coordinates a task order modification to address these changes with the CO. In some cases, the Government can terminate a task order for poor performance by the A/E consultant or for other reasons.

## 4.2 PROGRESS REPORTS

The COTR receives progress reports from the A/E consultant, who presents these reports on a periodic basis using the Progress Report Form. (See [Exhibit 4.2-A](#).)

The A/E consultant should provide enough detail on a progress report to inform the COTR of progress made in completing the task order, of anticipated barriers and of potential solutions to barriers and problems. The A/E consultant's progress report should also describe the specific items of completed work for which an invoice for payment is being submitted. While the completed work may exceed the amount invoiced, the consultant should never invoice for more work than was completed.

The COTR communicates to the A/E consultant the sufficiency of progress reports submitted. If the COTR and A/E consultant cannot reach an agreement on content, or if they have any disputes on this or other issues, then the COTR should immediately inform the CO.

If the COTR finds the progress report satisfactory, the COTR endorses it, forwards one copy of the endorsed progress report to the A/E consultant and places another copy in the design file by the 15th of the following month. The COTR also provides a copy of the progress report to WFLHD A/E Contracts so that they can keep the files current.

If you have not been receiving a progress report with your invoice, inform WFLHD A/E Contracts, and they will review the Statement of Work.

**Exhibit 4.2-A PROGRESS REPORT FORM**



**PROGRESS REPORT**

**U.S. Department of Transportation  
Federal Highway Administration**

INSTRUCTIONS		
Consultants: Submit one copy to the COTR by the 1 <sup>st</sup> of each month. COTRs: Forward one copy of the endorsed report to the Consultant and place one copy in the design file by the 15 <sup>th</sup> of the following month.		
Consultant Firm:	Project:	Date:
Project No.:	Agreement No:	
Actual Deliverables or Performance Milestones:		
Deliverables or Performance Milestones for Next Month:		
Status of Work by Deliverable:		
Reasons for Difficulties or Delay Factors, Potential Impacts to Scope/Schedule:		

**Exhibit 4.2-A PROGRESS REPORT FORM**  
(Continued)

Actions Taken or Proposed to Overcome Difficulties or Delay Factors:		
Assistance Needed from FHWA:		
Consultant (Signature):	Date:	
<b>ENDORSEMENT - FHWA COTR or PROJECT MANAGER</b>		
Name:	Title:	Date:
Comments:		

### **4.3 SUBMITTALS AND DELIVERABLES**

Each Division has processes and procedures for providing oversight and quality assurance/quality control of the submittals and deliverables developed under the contract task order. The COTR follows these processes to ensure that all parties meet the contract terms and fulfill the quality-level expectation. As required by the task order contract, the A/E contractor also submits documentation about its quality control program.

The COTR schedules periodic progress meetings to review deliverables. In-house, cross-functional teams and partner agencies also perform reviews within the time frame indicated in the contract. In addition, Government staff may visit the A/E consultant's office to verify project progress to date and use of a quality control program.

#### **4.3.1 Forms and Templates**

To view or download review forms and templates, use the links below:

- [DERT Review Comment Sheet.](#)
- [PS&E Review Comment Sheet.](#)



## **4.4 INVOICES AND PAYMENTS**

The COTR completes actions on invoices and payments in accordance with the steps outlined below.

The COTR receives and reviews invoices from the A/E consultant and compares each invoice with the amount of work completed as indicated on the progress reports. An original, hard copy of the invoice is required from the A/E consultant. Items required on the invoice received are:

- Company name and address
- Invoice Number
- Date
- Contract/Task order
- Description of items being claimed

Invoices should include a Progress Report Form, as described in Section 4.2, PROGRESS REPORTS.

### **4.4.1 Review**

The COTR is responsible for reviewing and evaluating the invoice to ensure the claim by the A/E consultant is allowable and reasonable. The COTR reviews invoices both for accuracy concerning acceptable progress on the project and for allowable charges. The Government cannot pay for services considered incomplete or not acceptable. Likewise, the Government can only pay for allowable charges. For example, if the consultant replaces a piece of equipment during the job for a surveying task order, the consultant cannot charge the equipment replacement to the project because it is standard for the survey company to have the equipment, which it likely will use on other jobs.

The COTR may adjust an invoice downward if it includes unallowable costs or if it includes incomplete or unacceptable services. The COTR should always notify the contractor of any downward cost adjustments to invoices.

When an invoice is determined improper, the Government must return the invoice to the A/E consultant as soon as possible, but no later than 7 days after receipt of the improper invoice. The Government is required to identify all defects that prevent payment.

If you receive an invoice that requires adjustment please return to the A/E consultant and have them submit a revised invoice for the correct amount.

### **4.4.2 Invoice Stamping**

Stamp the date when the invoice is received, and keep the envelope if that is where you stamp the date. If you fail to stamp the date, the date placed on the invoice by the A/E consultant is the date that begins the payment period. On the invoice, the COTR includes the information below to indicate actions for Finance.

Contract # \_\_\_\_\_ (This may be either a "C" number such as DTFH70-0X-C-0000X for solicited A/E projects or a "D" number such as DTFH70-0X-D-0000X for projects completed as an order under an IDIQ contract.)

Task Order # \_\_\_\_\_ (This indicates the order number for the project awarded against an existing IDIQ. If the contract is a "C" type, this item remains blank.)

Type: \_\_\_ FFP \_\_\_ LH \_\_\_ CPFF \_\_\_ Other \_\_\_\_\_ (This indicates the type of contract/task order to which the payment is applicable. The types are firm fixed price (FFP), labor hour (LH), cost plus fixed fee (CPFF) or other.)

Recommend Payment \_\_\_\_\_ Date \_\_\_\_\_ (COTR action as indicated in Section 4.4.3 below.)

Approve Payment \_\_\_\_\_ Date \_\_\_\_\_ (Action as indicated in Section 4.4.3 below.)

#### **4.4.3 Payment Period**

The payment period begins on the date the designated office receives a proper invoice. If you fail to stamp the date, the date placed on the invoice by the A/E consultant is the date that begins the payment period. Days counted in the payment period are calendar days, including weekends and holidays. If the due date falls on a weekend or Federal holiday, payment may be made on the following business day.

#### **4.4.4 Prompt Payment Rule**

The Prompt Payment rule ensures that federal agencies pay A/E consultants in a timely manner. Prompt Payment assesses late interest penalties against agencies that pay A/E consultants after a payment due date. This late interest penalty rate was established under the Contract Disputes Act and is referred to as the "Renegotiation Board Interest Rate," the "Contract Disputes Act Interest Rate," and the "Prompt Payment Act Interest Rate." This rate for the period Jan, 06 to Jun, 06 was 5.125%. See the following link for more information: <http://fms.treas.gov/prompt/rates.html>

Payment must be received by the A/E consultant:

- On the date specified in the Contract, or
- In accordance with discount terms when discounts are offered and taken, or
- In accordance with Accelerated Payment Methods, or
- 30 days after the start of a payment period

#### **4.4.5 Approval Actions**

On FFP or LH task orders, the COTR holds approval authority for all invoices *except for the final invoice*. Only the CO can approve the final invoice. For all but the final invoice, the COTR stamps the invoice, sends the original to Finance and maintains a copy for the COTR files.

After completion of the project, the COTR reviews the final invoice and recommends it for approval (if warranted), then submits the final invoice to the CO as part of the overall closeout package. Before, or coinciding with, submission of a final invoice, the COTR prepares a letter to the A/E consultant requiring completion of a final voucher, SF 1034 Public Voucher for Purchases and Services Other Than Personal, and a Release of Claims form. The COTR then forwards to the CO for approval both the signed final invoice and the release.

On CPFF task orders, only the CO holds approval authority for invoices. The COTR reviews the invoice, indicates "Recommend Payment" on the invoice, if warranted, and forwards it to the CO for approval action.

#### **4.4.6 Payment of Invoice**

WFLHD Finance will only pay an invoice for the exact amount billed.

The COTR can approve payment up to 90% of the total task order amount, if invoice(s) submitted meet SOW requirements. Any payment beyond 90% will require approval by the Contracting Officer. The COTR should withhold the 10% of the total task order amount toward the end of the task order life, prior to closeout. If you become aware of concerns by the A/E consultant regarding the money withheld, please refer them to WFLHD A/E Contracts, and they will address the issue.

FAR References regarding payments include:

- 152.216-7 Allowable Cost and Payment (Dec 2002)
- 152.232-7 Payments under Time and Materials and Labor Hour Contracts (Aug 2005)
  - (a) Hourly rate.

## 4.5 TASK ORDER MODIFICATIONS

During administration of the task order, certain conditions of the task order may need to be changed. The very nature of design often requires changes to the process. A task order may be modified to incorporate revised performance requirements, to handle contingencies that develop during the performance period, to deal with situations that were neither anticipated nor expected, or to provide additional funding, alter delivery schedules, extend the contract time, or add work. Justifications for additional A/E consultant compensation may include extra work required by the Division or a change in the character or complexity of the work.

The contract specifies the modification process to avoid later misunderstandings and minimize subsequent disputes. In many cases, the COTR's monitoring becomes the basis for the need to modify the contract. The COTR provides input or makes recommendations concerning modifications as they relate to technical requirements and costs. Procedures for negotiating task order modifications are similar to those for negotiating the A/E consultant's proposals described in [Chapter 2](#). Any written administrative changes by the CO that do not affect the A/E consultant's cost, price or delivery schedule are made in a unilateral task order modification.

Modifications to the terms and conditions of the contract include the contract SOW, the pricing and the description of the products, services or results to be provided. All changes need to be formally documented in writing and approved before being implemented. (See [Exhibit 4.5-A](#) and [Exhibit 4.5-B](#).)

Other considerations for task order modifications include the following:

- A modification must be prepared, processed and executed by all parties to the contract prior to authorizing work.
- The contractor may be entitled to an equitable adjustment in cost, price or delivery schedule.
- The changes should be closely related to the original scope of work. Modifications should not be used to add work of a different type than that authorized by the original SOW.
- The contractor must proceed promptly with a modification as issued.
- The COTR needs to take the initiative when there is a significant change in the scope of services.
- Labor Hour, Time and Materials, and Cost Plus Fixed Fee task orders may have excess funds to be removed as part of the task order closeout process.
- A modification to extend the contract time may be issued even as late as task order close-out.

**Exhibit 4.5-A CONTRACT MODIFICATION E-MAIL**

**From:** (COTR)  
**Sent:** Tuesday, October 07, 2003 10:54 AM  
**To:** (Insert CO's name)  
**Subject:** (Project name and number) modification number XX

Attached are documents requesting a contract modification for extension of time on the current XXXXX contract with (firm). The current contract expires October 15, 2003. Hardcopies of these documents will follow. If you have any questions, please contact me.

XXXXXXXXXX  
COTR



SW4CM\_3.doc



SW4CM\_3\_IGE.xls



SW4CM\_3\_blank.xls

**Exhibit 4.5-B TASK ORDER MODIFICATION LETTER**



WESTERN FEDERAL LANDS HIGHWAY DIVISION  
610 EAST FIFTH STREET  
VANCOUVER, WA 98661-3801

U.S. Department  
of Transportation

**Federal Highway  
Administration**

May 19<sup>th</sup>, 2003

In Reply Refer to:

Mr. XXXXXX  
XXXXXX, Inc.  
xxx E. xxxxxx, Suite xxx  
xxxxxx, xx xxxxxxxx

xxxxxm1fl

Dear Mr. xxxxxx:

**Task Order No. xx-xxxxx**  
IDIQ Contract No. DTFH70-0x-D-xxxxx  
Safety Risk Assessment  
**Project Name**

Enclosed is your fully executed original of Task Order No. xxxxx, Modification No. 000x under your IDIQ Contract No. XXXXXXXXXXXXX. This task order modification xxxxxxxxxxxxxxxxxxxxxxxxxxxx, per the revised Statement of Work.

Modification No. 000x represents a no cost change. The total Firm-Fixed-Price for this task order remains \$x,xxx,xxx.xx. The completion date for all work under this task order remains xxxxx x, 200x.

xxxxx, Operations Engineer, continues as the COTR on this task order. Mr. xxxxxx's phone number is (xxx) xxx-xxxxx.

Should you have any questions, please call me at (360) 619-xxxx, or e-mail <xxxxx@wfl.fha.dot.gov>.

Sincerely yours,

xxxxxxx  
A/E Contracts Coordinator

Enclosures: Task Order 0x-xxxxx, Modification No. 000x,  
SOW

cc  
xxxxxxxxxxx (e-mail)  
xxxxxxxxxxx (e-mail)

## 4.6 TERMINATIONS

Termination of a task order may occur under any of the following circumstances:

- The Government cancels the project covered by a task order.
- The scope of a project changes dramatically, or other project issues emerge that warrant a change in how the project should be delivered.
- Issues of poor performance by an A/E consultant but only after exploration of all other possible solutions to the performance problem. Immediate attention and documentation by the COTR and CO of poor performance by an A/E consultant greatly reduces the likelihood of the task order ending in a termination.

The following are the types of terminations.

- **Termination for Convenience.** This becomes a very costly action for the Government, which must reimburse the A/E consultant for settlement expenses in addition to the settlement agreement. This could happen if the Government decides to cancel a project after award of the task order.
- **Termination for Default (T4D).** The COTR notifies the CO immediately of instances of poor performance by an A/E consultant so that the COTR and the CO can properly document performance issues and address these with the A/E consultant. Examples of poor performance include schedule irregularities, non-responsiveness to inquiries or inadequate quality assurance and quality control. Prior to entering into T4D actions, the CO sends a Cure Notice to the A/E consultant, if time permits. The notice informs the A/E consultant that the Government is considering termination actions and that the A/E consultant must provide an immediate response to the issues identified in the notice. If time does not allow for a Cure Notice, the CO issues a Show Cause Notice to the contractor requesting that the A/E consultant show why the Government should not terminate the task order for default.

Once the Government identifies a task order for termination action, the COTR duties and responsibilities are cancelled. From that point forward, the appointed Termination Contracting Officer performs all documentation and correspondence.