



# Arizona Department of Transportation

## INTERMODAL TRANSPORTATION DIVISION Construction Group

### CONSTRUCTION BULLETIN 10-03

**To:**

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**Date:** October 26, 2010**From:** Julio Alvarado, Assistant State Engineer, Construction**Subject:** Department  
Furnished Materials

## Department Furnished Materials (DFM)

*(Supersedes Construction Bulletin 03-01)*

### Purpose

The intent of this bulletin is to:

- Specify procedures when DFM use is acknowledged, either during design or construction, for a construction project.
- Define procedures in the instances where materials designated for salvage are determined to be unusable.

### Background

Construction Bulletin 03-01, issued January 16, 2003, dealt with the same issue. The procedural process is further clarified; requirements for federally funded projects are addressed; a hyperlink for Traffic Operations signals and lighting resources is provided; and the steps to follow specific to salvaged materials are provided.

### Process

On occasion the contractor supplied equipment for completion of a traffic signal or lighting system will fail to meet the specified availability within the allowed time frame. In those instances, it may become necessary for

ADOT to provide traffic signal and lighting equipment. This may become evident either during the design phase or during the construction phase.

#### **REQUESTING DFM FOR A CONSTRUCTION PROJECT DURING THE DESIGN PHASE:**

- The project design team makes a determination that the normal process of bidding the project, and requiring the contractor to provide the traffic signal or lighting materials as part of the standard pay items, will not allow the work to be finished prior to the scheduled completion date.
- The Project Manager identifies whether there is federal funding for the traffic signal or lighting construction.
  - If so, the Project Manager must submit a letter of justification to the Federal Highways Administration (FHWA) project administrator outlining the reason the project should use DFM.
  - The letter of justification to the FHWA must be approved by the project administrator prior to advertising for bid.
  - For federally funded projects less than 25 million dollars (<\$25M), the Project Manager submits a letter of justification to the State Traffic Engineer for approval.
- Upon receipt of the FHWA approval, the Project Manager should forward the letter of justification to use DFM and the FHWA authorization to the Traffic Operations Manager for Signal and Lighting.
  - The request to the Traffic Operations Section (TOS) should have a cover letter that identifies the anticipated project time frames and the estimated equipment and quantities that are needed.

**Note:** Typically the traffic signal and lighting designer will be able to provide the estimated traffic signal and lighting equipment quantities that are needed at the 60% stage of the design. The request may require modification of the type and number of items by the PM when the project design is completed.

- TOS will inform the Project Manager of their decision.
- If the project does not have federal funding the FHWA authorization is not necessary and that entire step can be eliminated.
- The traffic signal and lighting designer must insert project specifications that explain what procedures are required of the contractor to be issued the DFM from TOS. The [specification](#) is available electronically.
- The designer must use the correct item number and description (identified on the Agreement Estimate) for those items being supplied by TOS.
  - Typically the item number has “Department Furnished” in parenthesis following the item description.
  - It is important that the correct bid item number is used to provide an audit trail.
  - The designer must verify with the Traffic Design and the Contracts and Specifications representatives that the correct bid item numbers are being used in the estimate.
- The designer must submit, through the Project Manager, the final and complete list of DFM to TOS when the project is advertised. This allows TOS to know what and how many items they must have on hand to issue to the contractor.
  - Items that are not in stock, or normally not carried in stock, must be ordered and that process will not take place until the project is advertised. Most items - including poles, mast arms, and control cabinets - have a maximum contract delivery date of 90 days.

- During the design phase of the project it is important that the signal designer communicate through the Traffic Design representative to ensure that the type and quantity of materials needed for the design will be available for the project at the estimated construction date.
- Once a project that requires DFM is advertised, the designer must provide the final plans, special provisions, and the complete list of all items to be furnished to TOS.
- When the project is awarded and the pre-construction/partnering meeting is scheduled, the TOS representative should be included so those specific questions relating to DFM can be resolved. It is also important that the initial construction schedule for the entire project be provided to the TOS representative. If TOS cannot send a representative, the Resident Engineer should provide a copy of the construction schedule to TOS.
- When the time approaches for the contractor to receive the materials, the RE must submit to the TOS, in writing, the date and time that the contractor intends to pick up the materials. Before any materials are released from the TOS Warehouse, the Contractor must provide a copy of the Agreement Estimate showing the DFM. TOS should verify that all items released to the Contractor are approved and included in the contract.

**Note:** The special provision requires “10 days written notice from the contractor before picking up the materials. The department-furnished materials will not be issued without a contractor supervisor and an ADOT inspector present at the supply center to verify and sign for the materials.”

- After all the materials have been issued to the contractor, TOS submits an invoice, identifying the item number, description and quantity from the Agreement Estimate, and the purchased material cost charged against the project TRACS number to Contract Accounting (and a copy to the RE for filing in the project DFM folder), with a copy of the initial request/approval to use DFM, and the TOS response, if applicable. A copy of the FHWA letter approving the use of DFM must be provided along with the invoice, in order for the costs to be charged to the construction project TRACS number as a federally eligible cost.
- Contract Accounting reviews the invoice and transfers the cost of the materials from the TOS TRACS number for DFM to the construction project TRACS number, accompanied by the appropriate construction Org number.

#### **REQUESTING DFM FOR A CONSTRUCTION PROJECT DURING THE CONSTRUCTION PHASE:**

- The Resident Engineer (RE), in consultation with the Regional Traffic Engineer, determines that a Change Order is necessary requiring additional, or different, traffic signal materials than what was originally called for in the project plans.
- The designer or RE determines if the contractor can receive the necessary materials through his vendor in time to meet the project time constraints. If so, the materials are provided by the contractor.
- If the contractor cannot provide the materials in time to meet the project time constraints the designer or RE contacts TOS to determine if the materials needed for the Change Order are available.
- If the RE determines that DFM is necessary, the RE must submit a formal request to TOS outlining the justification for the request. The request must include the project description, project number, TRACS number and if the project is federally funded.
- The contractor’s bid item should be reduced by the invoice amount of the DFM in the Change Order.

- Generally, the contractor shall not be eligible for any additional incentive payment due to their request for DFM that would not be earned without the DFM. All projects with this incentive situation should receive approval from the Assistant State Engineer for Construction prior to making any incentive payments.
- If the project is federally funded, the RE must receive prior written approval from the FHWA administrator to use DFM on the project. For federally funded projects less than 25 million dollars (<\$25M), the Project Manager must submit a letter of justification to the State Traffic Engineer for approval.

**Note:** [Sample request letters](#) to FHWA are available electronically.

- The request for DFM is submitted to TOS, with the FHWA authorization if federally funded.
- If TOS approves, TOS will respond to the RE with the time and date the requested DFM materials will be available for the contractor to be picked up.
- The RE must execute a Change Order that includes sealed traffic signal sheets reflecting the design modifications. Other requirements are: DFM specifications, bid items that reflect the material and related installation cost of DFM, and price deduction for materials not used, (or salvaged to ADOT for the new materials no longer to be installed on the project).
- After the field office issues the Change Order the contractor can pick up the materials. The contractor must submit in writing the date and time that he intends to pick-up the materials. No materials will be released from the TOS Warehouse unless the fully executed Change Order is provided to TOS.

**Note:** The special provision requires “10 days written notice from the contractor before picking up the materials. The department-furnished materials will not be issued without a contractor supervisor and an ADOT inspector present at the supply center to verify and sign for the materials.”

- After all the materials have been issued to the contractor, TOS submits an invoice for purchased materials charged against the project TRACS number and the applicable construction Org to Contract Accounting (and a copy to the RE for filing in the project DFM folder), with a copy of the Change Order to use DFM, and the TOS response, if applicable. A copy of the FHWA letter approving the use of DFM must be provided along with the invoice, in order for the costs to be charged to the construction project TRACS number as a federally eligible cost.

## **SALVAGED MATERIAL**

Materials may be designated by the project plans and/or special provisions to be removed and salvaged from the project and delivered to the supervisor of a designated ADOT yard. In these cases the following must be adhered to:

- The project supervisor must coordinate with the Traffic Signal and Lighting Operations Manager to determine if any of the material is suitable to transfer to the Warehouse.
- Inspection must occur to determine material condition is adequate prior to transport.
- The determination should be documented.
- If the determination is made that the material is not needed or the condition does not warrant transfer, it is imperative that a Change Order be executed to document the disposal of the material.

Any questions should be directed to the Traffic Operations Manager for Signal and Lighting (MD013R).