Montana Department of Transportation	Date Issued: March 31, 2008
	Date Effective: March 27, 2008
CONSTRUCTION MEMO	Related Specifications: 109.04.2
Subject: Force Account	

To: Distribution

From: Lisa Durbin, P.E.,
Construction Administration Services Engineer

This memo rescinds and replaces the construction memo issued by Mark Wissinger on October 11, 2002 and page 2-10 of the Construction Manual, entitled *Progress Payments*. Additionally, this memo reflects a supplemental specification effective with the March letting.

Force account is the basis of payment to perform extra work when procedures of negotiation are unsuccessful. The intent of the force account procedures are to reimburse the contractor for the actual costs of the work, plus some profit to avoid a negative impact to the contractor. The markups for equipment, materials and labor include profit and overhead. No additional profit will be added. Payment for force account work is to be made on the monthly estimate representing the time period in which the work was actually accomplished.

Statements of Daily Force Account Work
The quantities used in force account work must be tracked and recorded daily, both by MDT project personnel and by the contractor. On existing contracts, this information is tracked by MDT on notes sheets. On SiteManager contracts, the information is tracked in SiteManager and a report with the quantities is generated. The Project Manager or designee must meet daily with the contractor to review the quantities. The notes or reports are given to the contractor at that time. The contractor does not sign and return the report.

The force account information with the rental rates and payroll information is then provided to the contractor weekly or biweekly, to track cost information.

Materials
Materials are paid for according to the specifications, and include a 15 percent markup. Only materials incorporated into the contract are paid for.

Labor
Labor is paid for according to the specifications, and includes an 80 percent markup. Only labor used exclusively for the force account work, including a foreman, will be paid for. A foreman onsite to manage the contract will not be paid for, unless they are performing part of the force account work.

Only labor showed on a certified payroll is eligible for payment. If the contract does not require certified payrolls, a payroll must be submitted just for the force account work.

Equipment
Equipment is paid for according to Departments Equipment Rental Rate Guidelines, and includes a 10 percent markup.

Each District has one computer that can access the Equipment Rental Rates. However, only one person can access it at a time. For equipment rental rates, contact the District Engineering Officer, Traci Steen or Jeff Kirby.

copies: District Construction Engineers
Engineering Project Managers
Kevin Christensen, P.E.
Construction Engineering Services Bureau
Construction Administration Services Bureau
Steve Garrison, Legal
Sheila Cozzie, Civil Rights
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