



Province of
British Columbia

Ministry of
Transportation
and Highways

MEMORANDUM

Mr. E.A. Lund
Chief Highway Engineer

March 18, 1994
Construction
Engineering Branch

Telephone: 387-7567
Facsimile: 356-2480

**Re: Technical Circular T-1/93
Revised August 6, 1993
Contract Claims Policy**

On the above noted Technical Circular it has been brought to my attention there is a double level approval in one area. Actually, I made a drafting error that I never picked up.

On the spreadsheet titled;

'DISTRICTS, REGIONS, AND HEADQUARTERS OPERATIONS, MINOR WORKS AND OPERATIONAL SERVICES CONTRACTS⁽²⁾ CONTRACT CLAIMS',

(reference tab on the attached) both the Regional Director/Manager and the ADM, Operations are shown as the approval levels for Minor Works Claims \$20,000 - \$200,000.

What I intended was the ADM, Operations only approves contract claims in those cases where the Minor Works Contract exceeds \$200,000. Revised sheet attached.

A revised T-1/93 is also attached.

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|---------------------------|
| CHIEF HIGHWAY ENGINEER |
| RECEIVED |
| MAR 22 1994 |
| LOG <u>4539-15</u> |
| NOTED _____ |
| TRANSPORTATION & HIGHWAYS |

Rodney L. Chapman
Director,
Construction Engineering

| |
|--|
| REC RLC/swd |
| MAINTENANCE Attachments |
| MAR 24 1994 |
| MINISTRY OF TRANSPORTATION & HIGHWAYS |

Technical Circular T-1/93
(February 1, 1993)
REVISED: August 6, 1993
March 4, 1994

To: All Regional Directors
All Branch Directors
All Major Project Directors

Subject: Contract Claims Policy


Purpose:

This revision is to correct having both the Regional Director and ADM, Operations having to approve Minor Works Contract Claims from \$20,000 - \$200,000.

ADM, Operations only as to approve any Minor Works Contract Claim if the Claim causes the contract to exceed \$200,000.

Contact:

R.L. Chapman, P.Eng.
Director,
Construction Engineering
Telephone: 387-8767


E.A. Lund, P. Eng
Chief Highway Engineer

Attachment

cc: A.D.M. Highways Operations
A.D.M Planning and Major Projects

Technical Circular T-1/93
(February 1, 1993)
REVISED: August 6, 1993

To: All Regional Directors
All Branch Directors
All Major Project Directors

Subject: Contract Claims Policy

Purpose:

To outline policy, procedure, and guidelines for contract claims.

Background:


To set out a consistent pattern of claims handling by the Ministry.

Procedure:

The policy statement attached, outlines the positions to handle contract claims. Primarily the Business unit Manager and respective Contract Supervisor (Ministry representative for Major Works Contract) are to review, evaluate, and manage the claim with the Contractor within appropriate approval levels and provide budgeting advice to Project Managers during the claim process.

Contact:

R.L. Chapman, P.Eng.
Director,
Construction Engineering
Telephone: 387-7567


E.A. Lund, P.Eng.
Chief Highway Engineer

attachment

cc: A.D.M. Highways Operations
A.D.M. Planning and Major Projects

CONTRACT CLAIMS POLICY

1. General and Application

Responsibility for the control and spending of public funds on construction contracts has been primarily placed with Regions and Major Projects. To facilitate the on-site construction and to have a direct business relationship with contractors, the administration of contract claims is also primarily the responsibility of Regions and Major Projects.

The application of this policy is to all:

Operational Service Contracts
Minor Works Contracts
Major Works Contracts

It does not apply to Road and Bridge Maintenance or Consulting Service Contracts.

2. Purpose

The Ministry of Transportation and Highways objectives are:

- Base contract claims handling on the Major Works Agreement
- Expeditiously address all contractor claims. Articles 48, 49 and 50 - Dispute Resolution, Formal Claim, and appeal to the Deputy Minister - of the Major Works Agreement provides maximum time responses.
- Delegate to the lowest level
- Resolve, if possible, at the lowest possible level.

3. Definition

Contract Claim Definition:

A contract claim is a demand by the contractor for either money or time, or both, due to the contractor. On a practical basis most claims are for additional money only.

It is important to describe what is **not** a claim:

1. An addition/deletion or change to the contract initiated by the Ministry where compensation to the contractor is agreed on, e.g. Force Account Work.
2. Item addition where the unit price is negotiated.

The contract claim is usually described in one of two forms:

1. Written demand - most common form of contractor claim. (Articles 28.01, 35.01, 37.02, and 39.01 of the Major Works Agreement)
2. Identified by the dispute resolution mechanism of the Major Works Agreement (Articles 48, 49, 50, and 51 - Dispute Resolution, Formal Claim, Appeal to the Deputy Minister, and Arbitration.)

4. Response to Contractor's Claim

Purpose of the policy is to identify the various roles and approvals in the contract claims process.

In the Major Works Agreement the contractor is advised of only three positions to contact. These are the Ministry representative, the main Ministry contact, the Construction Manager for formal claims and the Deputy Minister, the final Ministry decision maker on contractual disputes. The purpose of the Claims Policy is to define the internal workings of responding to a contractor's claim in support of the Major Works Dispute Resolution process.

4.1 Evaluation, Negotiating, and Settling the Contract Claim

The evaluation, negotiation, and settling of a contract claim is primarily a contract and/or technical issue. Contractor claims are to be reviewed, evaluated, and supervised by the functional specialty with the contract claim issue at hand. For example:

Construction Contract Claims - evaluated by Construction Manager

Bridge Contract Claims - evaluated by Regional Bridge Engineer

Paving Contract Claims - evaluated by Project Manager, Paving

The intent is for the Business Unit Manager and Contract Supervisor to evaluate, initiate, manage claims negotiations, and settle with the contractor. Should a higher level approval be required, then the Business Unit Manager recommends to the higher authority level.

For evaluation of the various types of specialty contracts the appropriate Regional Manager would appoint one of the Business Unit Managers.

The Construction Engineering Branch's main role is threefold:

1. Provide general guidelines for all contract claims,
2. Provide advice and expert counsel to Regions, Districts and Major Projects, and
3. Responsible for the management of all litigation.

4.2 Budgetary

4.2.1 Regions:

There is a strong link between the payment of a contract claim and the project budget.

Intent of the policy is to have Project Managers kept informed of claims because of potential budgetary impacts.

On some contract claims there is a business decision to be made. The intent is Project Managers are to be making business decisions if related to the claim.

Budgetary advice is to be provided to Project Managers on all claims from initiation to final settlement.

4.2.2 Major Projects

Budgetary advice is to be provided to the Project Director of any claim value of more than \$10,000.

5. Glossary of Terms

Estimated Claims Amount: Estimated final value of claim.

Contract Supervisor: First line supervisor appointed by District/Region/Branch/Major Projects to be responsible for the contract. On Major Works Contracts the Contract Supervisor is the "Ministry Representative". Normally the Ministry Project Supervisor or Consultant Project Supervisor.

Examples: Paving - Paving Project Supervisor
Construction - Construction Project Supervisor
Bridges - Bridge Project Supervisor
District - Area Manager, District Technician or
other person appointed by DHM

For Minor Works Contracts, the person on the Project Team responsible as the Contract Supervisor may also be the Project Manager.

Regional Manager: Appropriate Regional/Branch Manager for Highways Operations

Business Unit Manger: Functional Manager responsible for contract.

Examples: Electrical - Regional Manager, Operations or designate
Paving - Project Manager, Paving
Construction - Manager, Construction
Bridges - Regional Bridge Engineer
Major Projects - the Construction Manager assigned to Project.

6. Records

On all contract claims there is an important requirement to record and maintain the contract claim information.

On all settled claims, the Business Unit Manager will be responsible to submit the **Claim Register** to the Director, Construction Engineering.

Procedures for submitting the **Claim Register** will be issued separately.

MAJOR PROJECTS

MINOR WORKS CONTRACTS

| Contractor Claim Value | Contract Supervisor | Construction Manager | Project Director | ADM Planning & Maj. Proj. | Construction Engineering Branch (1) |
|------------------------|---------------------|-------------------------|------------------|---------------------------|-------------------------------------|
| \$ 0 - 10,000 | Full Approval | Consultation and Advice | -- | -- | Guidelines and Advice |
| 10,000 - 20,000 | Recom-mends | Full Approval | Consultation | -- | Guidelines and Advice |
| 20,000 - 200,000 | Info | Recom-mends | Full Approval | -- | Guidelines and Advice |

The approval level is only provided for changes that do not cause the total cost of the contract to exceed \$200,000.

Where a claim value to a Minor Works Contract would result in the total contract value exceeding \$200,000, the claim must be submitted to the Assistant Deputy Minister, Planning and Major Projects for approval.

| Contractor Claim Value | Contract Supervisor | Construction Manager | Project Director | ADM Planning & Maj. Proj. | Construction Engineering Branch |
|----------------------------|---------------------|----------------------|------------------|---------------------------|---------------------------------|
| Contract Exceeds \$200,000 | Info | Recom-mends | Recom-mends | Approval | Guidelines(1) and Advice |
| Litigation (Any Value) | Info | Info | Info | Approval | Direction to Attorney General |

(1) Bridge Engineering Branch for Bridge Contracts

MAJOR PROJECTS

MAJOR WORKS CONTRACTS

| Contractor Claim Value | Contract Supervisor | Construct. Manager | Project Director | ADM Planning and Maj. Projects | Construction Engineering Branch (1) |
|------------------------|---------------------|---------------------|------------------|--------------------------------|-------------------------------------|
| \$ 0 - 10,000 | Full Approval | Consult. and Advice | -- | -- | Guidelines and Advice |
| 10,000 - 100,000 | Recommends | Full Approval | Consultation | -- | Guidelines and Advice |
| 100,000 - 500,000 | Info | Recommends | Full Approval | -- | Guidelines and Advice |
| Over 500,000 | Info | Recommends | Recommends | Full Approval | Guidelines and Advice |
| Litigation (Any value) | Info | Info | Info | Full Approval | Direction to Attorney General |

(1) Bridge Engineering Branch for Bridge Contracts (except litigation)

These Contractor Claims may be authorized provided that the claim does not:

- result in a significant increase to the approved project budget; or
- substantially change the project's approved annual cash flow.

If the claim does result in a significant increase to the approved project budget, or approved project annual cash flow it must be supported by the Assistant Deputy Minister, Planning and Major Projects. If supported by the Assistant Deputy Minister, the claim will be submitted to Treasury Board for approval.

DISTRICTS, REGIONS, AND HEADQUARTERS OPERATIONS

MINOR WORKS AND OPERATIONAL SERVICES CONTRACTS⁽²⁾

CONTRACT CLAIMS

| Estimated Contractor Claim Value | Contract Supervisor | Business Unit Manager | Project Manager | Regional Manager Regional Director | ADM, Operations | Construction Engineering Branch |
|----------------------------------|---------------------|-------------------------|---------------------|---------------------------------------|-----------------|-------------------------------------|
| \$ 0 - 10,000 | Full Approval | Consultation and Advice | Consulted | | | Guidelines(1) and Advice to Regions |
| 10,000 - 20,000 | Recommends | Full Approval | Consulted | | | |
| 20,000 - 200,000 | Provide Information | Recommends | Consulted | Full Approval (Director Only) | Approves | |
| Litigation (any value) | Provide Information | Provide Information | Provide Information | Provide Information | | Direction to Attorney General |

Notes: 1) Bridge Engineering Branch for Bridge Contracts

2) Minor Works Contracts and Operation Services Contracts:
Any claim value resulting in the Contract value exceeding \$200,000 must have the approval of the ADM, Operations

DISTRICTS, REGIONS, AND HEADQUARTERS OPERATIONS

MINOR WORKS AND OPERATIONAL SERVICES CONTRACTS⁽²⁾

CONTRACT CLAIMS

| Estimated Contractor Claim Value | Contract Supervisor | Business Unit Manager | Project Manager | Regional Manager Regional Director | ADM, Operations | Construction Engineering Branch |
|----------------------------------|---------------------|-------------------------|---------------------|---------------------------------------|-----------------|---|
| \$ 0 - 10,000 | Full Approval | Consultation and Advice | Consulted | | | Guidelines(1) and Advice to Regions |
| 10,000 - 20,000 | Recommends | Full Approval | Consulted | | | |
| 20,000 - 200,000 | Provide Information | Recommends | Consulted | Full Approval (Director Only) | | |
| Contract Exceeds 200,000 | Provide Information | Recommends | Consulted | Recommends | Approves | |
| Litigation (any value) | Provide Information | Provide Information | Provide Information | Provide Information | | Direction to Attorney General |

- Notes: 1) Bridge Engineering Branch for Bridge Contracts
- 2) Minor Works Contracts and Operation Services Contracts:
Any claim value resulting in the Contract value exceeding
\$200,000 must have the approval of the ADM, Operations

DISTRICTS, REGIONS, AND HEADQUARTERS OPERATIONS

MINOR WORKS AND OPERATIONAL SERVICES CONTRACTS⁽²⁾

CONTRACT CLAIMS

| Estimated Contractor Claim Value | Contract Supervisor | Business Unit Manager | Project Manager | Regional Manager Regional Director | ADM, Operations |
|----------------------------------|---------------------|-------------------------|---------------------|---------------------------------------|-----------------|
| \$ 0 - 10,000 | Full Approval | Consultation and Advice | Consulted | | |
| 10,000 - 20,000 | Recommends | Full Approval | Consulted | | |
| 20,000 - 200,000 | Provide Information | Recommends | Consulted | Full Approval (Director Only) | |
| Contract Exceeds 200,000 | Provide Information | Recommends | Consulted | Recommends | Approves |
| Litigation (any value) | Provide Information | Provide Information | Provide Information | Provide Information | |

Notes: 1) Bridge Engineering Branch for Bridge Contracts

2) Minor Works Contracts and Operation Services Contracts:
Any claim value resulting in the Contract value exceeding
\$200,000 must have the approval of the ADM, Operations

DISTRICTS, REGIONS, AND HEADQUARTERS OPERATIONS

MAJOR WORKS CONTRACTS⁽²⁾

CONTRACT CLAIMS

| Estimated Contractor Claim Value | Contract Supervisor | Business Unit Manager | Project Manager | Regional Manager Regional Director | ADM, Operations | Construction Engineering Branch |
|----------------------------------|---------------------|-------------------------|---------------------|---------------------------------------|-----------------|--------------------------------------|
| \$ 0 - 10,000 | Full Approval | Consultation and Advice | Consulted | | | Guidelines (1) and Advice to Regions |
| 10,000 - 50,000 | Recommends | Full Approval | Consulted | | | |
| 50,000 - 200,000 | Provide Information | Recommends | Consulted | Full Approval | | |
| Over - 200,000 | Provide Information | Recommends | Consulted | Recommends | Approves | |
| Litigation (any value) | Provide Information | Provide Information | Provide Information | Provide Information | | Direction to Attorney General |

Notes: 1) Bridge Engineering Branch for Bridge Contracts

2) Major Works Contracts:

Any claim value resulting in an increase to the approved contract of either the individual claim, or a cumulative change of \$200,000 with other amendments or more must be approved by the ADM, Operations.

Ann MacDonald
Secretary to the Director
Construction Engineering

January 28, 1993

Re: Technical Circular T1/93
Contract Claims Policy

Attached is the signed original of the above circular along with the current distribution list.

Once copies have been made and distributed please return the ORIGINAL circular to this office for retention.

Thanks.

Sandra M. Weaver
Office of the Chief Highway Engineer

Attachment

DISTRIBUTION LIST FOR TECHNICAL CIRCULARS:

D. Doyle, A.D.M. HIGHWAYS OPERATIONS
B. McKeown, A.D.M. PLANNING & MAJOR PROJECTS
E.A. Lund, CHIEF HIGHWAY ENGINEER
R.G. McDonald, EXEC. DIRECTOR, TRANSPORTATION PLANNING

POLICY REVIEW:

O. King, Project Manager, c/o Howe Sound District Office
M. Langstaff, Mgr., Operations Management Policy
c/o Maintenance Branch

HEADQUARTERS DIRECTORS:

Professional Services:

M. Webster, A/Director, Highway Engineering
O. Tisot, Director, Geotech. & Materials Engineering
W. Bedford, Director, Maintenance
P. Brett, Director, Bridge Engineering
L. Holowachuk, Director, Highway Safety
L. Stewart, Director, Properties
R. Chapman, Director Highway Construction
M. Kent, Director, Highway Environment
I. Smart, Director, Marine

Planning Division:

T. Stevens, Director, Highway Planning
R. Dixon, Director, Planning Services

Major Projects:

G. Singer, Project Director, Vancouver Island Highway
B. Stone, Project Director, Major Projects

Finance and Administration:

R.W. Buckingham, Director

REGIONAL DIRECTORS:

J. Jensen, Regional Director, South Coast
K. Besspflug, Regional Director, Thompson-Okanagan
G. Sutherland, Regional Director, Kootenays
W. Carr, Regional Director, Central/North East
J. Buckle, Regional Director, North West
N. Hope, Regional Director, Vancouver Island

REGIONAL MANAGERS:

Professional Services:

S. Young, Regional Manager, South Coast
G. Miller, Regional Manager, Thompson-Okanagan
B. Eastman, Regional Manager, Kootenays
M. Webster, Regional Manager, Central/North East
D. Nyland, Regional Mgr., Planning & Prof. Serv., North West
A. Davidson, Regional Manager, Vancouver Island

Planning:

D. Parkes, Regional Manager, South Coast
P. Puhallo, Regional Manager, Thompson, Okanagan
D. Barcham, Regional Manager, Kootenays
D. Davis, Regional Manager, Central/North East
T. Pollock, Regional Manager, Vancouver Island

Operations:

G. Stock, Regional Manager, Rehab. & Traffic Operations, South Coast
R. Meidinger, Regional Manager, Rehab. & Maint. Srvs., Thompson-Okanagan
M. Fredrickson, A/ Regional Manager, Rehab. & Maint. Srvs., Kootenays
L. Wagar, Regional Manager, Rehab. & Maint. Srvs., Central/North East
D. Stead, Regional Manager, Rehab. & Maint. Srvs., North West
D. Byers, Regional Manager, Rehab. & Maint. Srvs., Vancouver Island

DISTRICT HIGHWAYS MANAGERS - 28 Offices

District Highways Managers

Bill Sunderwood, Fraser Valley District (Service Area #7)

Peter Milburn, Howe Sound District (Service Area #4 & #5)

Bill Baker, Lower Mainland District (Service Area #6)

Douglas Kirk, Nicola District (Service Area #14)

Dan Williams, Okanagan-Shuswap District (Service Area #13)

Warren Horsnell, South Cariboo District (Service Area #16)

Geoff Freer, South Okanagan District (Service Area #8)

Larry Fransson, Thompson District (Service Area #15)

Christine Legault, Central Kootenay District (Service Area #10)

Larry Patterson, East Kootenay District (Service Area #11)

John Bodnarchuck, Kootenay Boundary District (Service Area #9)

Dean Handley, Selkirk District (Service Area #12)

Tracy Cooper (Mr.), Central Cariboo District (Service Area #17)

Errol Redman, Fort George District (Service Area #19)

Reg Fredrickson, Nechako District (Service Area #23)

Gordon Wagner, North Cariboo District (Service Area #18)

John Clark, North Peace District (Service Area #22)

Kevin Higgins, Robson District (Service Area #20)

Stan Gladysz, South Peace District (Service Area #21)

Loren Kelly, P. Eng., Bulkley Nass District (Service Area #25)

Grant Lachmuth, Lakes District (Service Area #24)

John Newhouse, Skeena District (Service Area #26 & #27)

Bruce Mackay, Stikine District (Service Area # 28)

Peter Wightman, P. Eng., Central Island District (Service Area #2)

Mike Proudfoot, North Island District (Service Area #3)

Richie Harold, South Island District (Service Area #1)

Technical Circular T-1/93
February 1, 1993

To: All Regional Directors
All Branch Directors
All Major Project Directors

Subject: Contract Claims Policy

Purpose:

To outline policy, procedure, and guidelines for contract claims.

Background:

To set out a consistent pattern of claims handling by the Ministry.

Procedure:

The policy statement attached, outlines the positions to handle contract claims. Primarily the Business Unit Manager and respective Contract Supervisor are to review, evaluate, and manage the claim with the Contractor within appropriate approval levels and provide budgeting advice to Project Managers.

Contact:

R.L. Chapman, P.Eng.
Director,
Construction Engineering Branch
Telephone: 387-7567



E.A. Lund, P.Eng.
Chief Highway Engineer

attachment

cc: A.D.M. Highways Operations
A.D.M. Planning and Major Projects

CONTRACT CLAIMS POLICY

1. General and Application

Responsibility for the control and spending of public funds on construction contracts has been primarily placed with Regions and Major Projects. To facilitate the on-site construction and to have a direct business relationship with contractors, the administration of contract claims is also primarily the responsibility of Regions and Major Projects.

The application of this policy is to all:

Operational Service Contracts
Minor Works Contracts
Major Works Contracts

It does not apply to Road and Bridge Maintenance or Consulting Service Contracts.

2. Purpose

The Ministry of Transportation and Highways objectives are:

- Base contract claims handling on the Major Works Agreement
Expediently address all contractor claims. Article XII - Dispute Resolution - of the Major Works Agreement provides maximum time responses.
- Delegate to the lowest level
- Resolve, if possible, at the lowest possible level.

3. Definition

Contract Claim Definition:

A contract claim is a demand by the contractor for either money or time, or both, due to the contractor. On a practical basis most claims are for additional money only.

It is important to describe what is **not** a claim:

1. An addition/deletion or change to the contract initiated by the Ministry where compensation to the contractor is agreed on, e.g. Force Account Work.
2. Item addition where the unit price is negotiated.

The contract claim is usually described in one of two forms:

1. Written demand - most common form of contractor claim.
2. Identified by the dispute resolution mechanism of the Major Works Agreement (Article XII - Dispute Resolution).

4. Response to Contractor's Claim

Purpose of the policy is to identify the various roles and approvals in the contract claims process.

In the Major Works Agreement the contractor is advised of only two positions to contact. These are the Ministry representative, the main Ministry contact and the Deputy Minister, the final Ministry decision maker on contractual disputes. The purpose of the Claims Policy is to define the internal workings of responding to a contractor's claim in support of the Major Works Dispute Resolution process.

4.1 Evaluation, Negotiating, and Settling the Contract Claim

The evaluation, negotiation, and settling of a contract claim is primarily a technical issue. Contractor claims are to be reviewed, evaluated, and supervised by the functional specialty with the contract claim issue at hand. For example:

Construction Contract Claims - evaluated by Construction Manager

Bridge Contract Claims - evaluated by Regional Bridge Engineer

Paving Contract Claims - evaluated by Project Manager, Paving

The intent is for the Business Unit Manager and Contract Supervisor to evaluate, initiate, manage claims negotiations, and settle with the contractor. Should a higher level approval be required, then the Business Unit Manager recommends to the higher authority level.

For evaluation of the various types of specialty contracts the appropriate Regional Manager would appoint one of the Business Unit Managers.

The Construction Engineering Branch's main role is threefold:

1. Provide general guidelines for all contract claims,
2. Provide advice and expert counsel to Regions, Districts and Major Projects, and
3. Responsible for the management of all litigation.

4.2 Budgetary

4.2.1 Regions:

There is a strong link between the payment of a contract claim and the project budget.

Intent of the policy is to have Project Managers advised of claims because of potential budgetary impacts.

On some contract claims there is a business decision to be made. The intent is Project Managers are to be making business decisions if related to the claim.

Budgetary advice is to be provided to Project Managers on all claims.

4.2.2 Major Projects

Budgetary advice is to be provided to the Project Director of any claim value of more than \$10,000.

5. Definitions

Estimated Claims Amount: Estimated final value of claim.

Contract Supervisor: First line supervisor appointed by District/Region/Branch/Major Projects to be responsible for the contract and designated "Ministry Representative". Normally the Ministry Project Supervisor or Consultant Project Supervisor.

Examples: Paving - Paving Project Supervisor
Construction - Construction Project Supervisor
Bridges - Bridge Project Supervisor
District - Area Manager, District Technician or
other person appointed by DHM

For Minor Works Contracts, the person on the Project Team responsible as the Contract Supervisor may also be the Project Manager.

Regional Manager: Appropriate Regional/Branch Manager for Highways Operations

Business Unit Manger: Functional Manager responsible for contract.

Examples: Electrical - Regional Manager, Operations or designate
Paving - Project Manager, Paving
Construction - Manager, Construction
Bridges - Regional Bridge Engineer
Major Projects - the Construction Manager assigned to Project.

6. Records

On all contract claims there is an important requirement to record and maintain the contract claim information.

On all settled claims, the Business Unit Manager will be responsible to submit the **Claim Register** to the Director, Construction Engineering.

Procedures for submitting the **Claim Register** will be issued separately.

MAJOR PROJECTS

MINOR WORKS CONTRACTS

| Contractor Claim Value | Contract Supervisor | Construction Manager | Project Director | ADM Planning & Maj. Proj. | Construction Engineering Branch (1) |
|------------------------|---------------------|-------------------------|------------------|---------------------------|-------------------------------------|
| \$ 0 - 10,000 | Full Approval | Consultation and Advice | -- | -- | Guidelines and Advice |
| 10,000 - 50,000 | Recom-mends | Full Approval | Advised | -- | Guidelines and Advice |
| 50,000 - 200,000 | Info | Recom-mends | Full Approval | -- | Guidelines and Advice |

The approval level is only provided for changes that do not cause the total cost of the contract to exceed \$200,000.

Where a claim value to a Minor Works Contract would result in the total contract value exceeding \$200,000, the claim must be submitted to the Assistant Deputy Minister, Planning and Major Projects for approval.

| Contractor Claim Value | Contract Supervisor | Construction Manager | Project Director | ADM Planning & Maj. Proj. | Construction Engineering Branch (1) |
|----------------------------|---------------------|----------------------|------------------|---------------------------|-------------------------------------|
| Contract Exceeds \$200,000 | Info | Recom-mends | Recom-mends | Approval | Guidelines and Advice |
| Litigation (Any Value) | Info | Info | Info | Approval | Direction to Attorney General |

(1) Bridge Engineering Branch for Bridge Contracts

MAJOR PROJECTS

MAJOR WORKS CONTRACTS

| Contractor Claim Value | Contract Supervisor | Construct. Manager | Project Director | ADM Planning and Maj. Projects | Construction Engineering Branch (1) |
|------------------------|---------------------|---------------------|------------------|--------------------------------|-------------------------------------|
| \$ 0 - 10,000 | Full Approval | Consult. and Advice | -- | -- | Guidelines and Advice |
| 10,000 - 100,000 | Recom-mends | Full Approval | Advised | -- | Guidelines and Advice |
| 100,000 - 500,000 | Info | Recom-mends | Full Approval | -- | Guidelines and Advice |
| Over 500,000 | Info | Recom-mends | Recom-mends | Full Approval | Guidelines and Advice |
| Litigation (Any value) | Info | Info | Info | Full Approval | Direction to Attorney General |

(1) Bridge Engineering Branch for Bridge Contracts

These Contractor Claims may be authorized provided that the claim does not:

- result in a significant increase to the approved project budget; or
- substantially change the project's approved annual cash flow.

If the claim does result in a significant increase to the approved project budget, or approved project annual cash flow it must be supported by the Assistant Deputy Minister, Planning and Major Projects. If supported by the Assistant Deputy Minister, the claim will be submitted to Treasury Board for approval.

DISTRICTS, REGIONS, AND HEADQUARTERS OPERATIONS

MINOR WORKS⁽¹⁾, OPERATIONAL SERVICES⁽²⁾, AND MAJOR WORKS CONTRACTS⁽³⁾

CONTRACT CLAIMS

| Estimated Contractor Claim Value | Contract Supervisor | Business Unit Manager | Project Manager | Regional Manager Regional Director | ADM, Operations | Construction Engineering Branch (1) |
|----------------------------------|---------------------|-------------------------|-----------------|---------------------------------------|-----------------|-------------------------------------|
| \$ 0 - 10,000 | Full Approval | Consultation and Advice | Advised | | | Guidelines and Advice to Regions |
| 10,000 - 50,000 | Recommends | Full Approval | Advised | | | |
| 50,000 - 200,000 | Provide Information | Recommends | Advised | Full Approval | | |
| Over - 200,000 | Provide Information | Recommends | Advised | Recommends | Approves | |
| Litigation (any value) | Provide Information | Provide Information | Advised | Provide Information | | Direction to Attorney General |

- Notes: 1) Bridge Engineering Branch for Bridge Contracts
 2) Minor Works Contracts and Operational Services Contracts:
 Any claim value resulting in the Contract value exceeding \$200,000 must have the approval of the ADM, Operations
 3) Major Works Contracts:
 Any claim value resulting in an increase to the approved contract of either the individual claim, or a cumulative change of \$200,000 or more must be approved by the ADM, Operations.