

Subcontract requests must be made in terms of the items --- and as-bid prices --- shown in the contract.

In order for the Department to monitor whether the total amount subcontracted has exceeded the limits established in the Specifications or special provisions, the comparison of the amount subcontracted cannot be made using other values (unless, of course, the amounts and prices shown in the actual subcontract are identical to those submitted as part of the bid).

For example, if a contractor wrote subcontracts for the performance of 70% of the work at 90% of the as-bid prices and then used those per-unit prices to calculate the amount of work subcontracted when compared to the parent contract with the Department, the calculated amount subcontracted would be understated by 10% (63% instead of the true value of 70%).

The Department must insist on an apples-to-apples comparison when determining the actual percentage of work subcontracted and will only accept subcontract requests made accordingly --- i.e.; in terms of contract items and as-bid prices.

However, if a subcontractor is only doing a portion of the work related to a specific item, the unit price shown should equate to the actual percentage value of the work compared to the as-bid price.

Example:

Subcontractor is doing 35% of the work related to the specific item.
The as-bid price for the item is \$1.00 and the as-bid quantity is 500.
The subcontract request for this item should be:

500 units @ \$0.35

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