

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF TRANSPORTATION
CONSTRUCTION DIRECTIVE
MEMORANDUM

GENERAL SUBJECT: <u>Subcontracting</u>	NUMBER: <u>CD-2008-12</u>
	DATE: <u>May 29, 2008</u>
SPECIFIC SUBJECT: <u>Approval of Sublet Requests</u>	SUPERSEDES: <u>CD-94-16,CD-2001-4</u>
DATE EFFECTIVE <u>Upon Receipt</u>	SUNSET/ EXPIRES: <u>May 29, 2013</u>

Original with signature on file in the office
of the Scheduling and Contract Division

W. BYRON COBURN, JR., P.E.
STATE CONSTRUCTION ENGINEER

DIRECTED TO - DISTRICT ADMINISTRATORS

The authority to approve sublet requests on contracts which incorporate the Road and Bridge Specifications is delegated to the District Administrator or their designee(s). The primary contract specification concerning subcontracting is Section 108.01-Subcontracting (Section 105.06 in the 2007 Specifications).

Unless otherwise permitted in the contract, all sublet requests require the written consent of the District Administrator or his designee. The Form C-31 "Subletting Request" is to be used by the Prime Contractor to request approval of proposed subcontractors, and by the Department to evaluate the request and grant approval, if appropriate.

The District Administrator may delegate in writing the authority to approve sublet requests to the designees they deem appropriate. The review and approval process can be done either by a single person or by multiple persons.

Single Person – The designee is responsible for all of the review steps necessary to ensure the sublet request is complete and ready to approve and then to also approve the sublet request. No recommendation for approval signature would be necessary on the C-31.

Multiple Persons – One designee is responsible for either some or all of the review steps necessary to ensure the sublet request is complete and ready to approve and then to sign the C-31 recommending approval of the sublet. Another designee is responsible for any additional review necessary and for actually approving the sublet request.

The designee(s) should verify that the C-31 is complete and that the following information is verified prior to approval of the sublet request:

1. Contractor's name and vendor number
2. Subcontractor's name and vendor number
3. Other information at the top of page one of the C-31

4. Items, item codes, and unit prices
5. Extensions and total amount
6. Request has original signature of company officer (Both Prime Contractor and Proposed Subcontractor). If transmitted by fax or electronically to the Department, a sublet request can be approved so long as the original with original signatures is subsequently received and kept in the Department's files.
7. Evidence of insurance in accordance with Section 103.06(f) of the Specifications
8. Cumulative percentage of all sublets is within contract requirements
9. Subcontractor is currently either prequalified or registered with the State Corporation Commission (SCC), as appropriate. If a subcontractor is currently shown on the Scheduling and Contract Division's on line prequalified list, it is not necessary to check on their SCC registration or standing. If prequalification is not required on the item(s) to be sublet (and the firm is also not currently prequalified), then the firm must be registered with the SCC to do business in Virginia and also be in good standing with the SCC. The Scheduling and Contract Division Prequalification Office should be contacted for assistance in determining the SCC status of a firm.
10. Subcontractor is not debarred as evidenced by a search on the Excluded Parties website www.epls.gov. If the subcontractor appears in a search on this site, contact the Scheduling and Contract Division Contract Engineer for further guidance.
11. If the Contract contains the Special Provision "Required Contract Provisions Federal-Aid Construction Contracts", the actual subcontract between the Prime Contractor and the subcontractor contains the required stipulations in the Special Provision.

If the sublet request is approved, the appropriate sublet number should be assigned by the designee on the C-31, notification of the approval given to the Contractor in writing as soon as possible, a copy sent to the Contractor, and copies sent to others in the District as designated by the District. If necessary, verbal authorization for the subcontractor to work on the project may be given to the Contractor immediately after the C-31 is approved in writing. If the sublet request is denied, the Contractor should be notified of the denial as soon as possible along with the reason(s) for the denial.

If the contract permits verbal approval of sublet requests of \$25,000 or less, the Contractor must still notify the Engineer of the name of the proposed subcontractor, the items to be sublet, and the amount to be sublet. The Contractor may supply the required information on an unsigned C-31. If the information is provided to the Engineer in some other manner, the District Administrator's designee should enter it on a C-31 and mark the top of the C-31 "Verbal Approval" (If the Contractor submits his request on a C-31, it should also be marked as "Verbal Approval"). Once the information is received, the designee(s) should perform the appropriate review and then approve or disapprove the request, as appropriate. If approval is given, the designee should verbally notify the Contractor and confirm the notification by sending the signed C-31 to the Contractor with copies to others in the District as designated by the District.

If the contract contains specifications that require any distribution of the work to be evidenced by a written binding agreement on file at the project site, the contract will also require the Contractor to insert all of the stipulations contained in the "Required Contract Provisions on Federal-Aid Construction Contracts" in each subcontract. The written binding agreement on file at the project site is considered to be the written agreement between the prime Contractor and subcontractor, not the Form C-31; therefore, it is not necessary to attach a copy of the "Required Contract Provisions on Federal-Aid Construction Contracts" to the C-31. If the Contractor does not have any type of field office facility actually on the project site, then compliance with the specification will mean that the written binding agreement is kept at the Contractor's nearest available facility and is readily available for review upon request by the Department.

In accordance with the specifications on subcontracting, there are instances when prequalification is not required. The attached table can be used for guidance to determine the minimum submission and approval necessary for each condition listed. These conditions are not all inclusive and they do not supersede specific contract requirements.

Whether there is an approved Form C-31 or not, firms performing work on the contract may be subject to all contract requirements including insurance, EEO, payroll, and labor rates.

DWMC: Commissioner
Deputy Commissioner
Commissioner's Staff
Division Administrators
District Construction Engineers
District Maintenance Engineers
District Materials Engineers
District Preliminary Engineering Managers
District Location and Design Engineers
District Civil Rights Managers
District Contract Administrators
Regional Operations Directors
Residency Administrators
Area Construction Engineers
Construction Managers
Project Inspectors
Federal Highway Administration
Office of the Attorney General
Virginia Department of Minority Business Enterprise
Virginia Transportation Construction Alliance
Old Dominion Highway Contractors Association
Virginia Asphalt Association
American Concrete Pavement Association
Virginia Ready-Mixed Concrete Association
Precast Concrete Association of Virginia
Division Library

Condition	Prequal. Required	Approved C-31 Required	Notification of Firm's Name & Items of Work	Engineer's Written Approval
Manufacture or Supply of Material	NO	NO	NO	NO
Hauling of Material	NO	NO	NO	NO
Service Rental (Such as barrels or barrier)	NO	NO	NO	NO
Regular Contract Line Items	YES	YES	---	---
Lower Tiers (Items or parts of an item on a previously approved sublet)	NO	NO	YES	YES
Professional Services (Such as construction surveying or wave equations)	NO	NO	YES	YES
Professional Services	NO	NO	NO	NO
Asbestos or Lead Abatement	NO*	YES	---	---
Specialty Items Marked in Contract	NO	YES	---	---
Sublets \$25,000 or less on State Funded Contracts in accordance with Copied Note	YES	YES**	YES	VERBAL

* Must have the appropriate license to perform the specified work.

** To document "Verbal Approval" process