



Purpose

As part of the effective administration of WSDOT construction contracts, there are a number of quality assurance programs that are critical components of ensuring WSDOT's interests are met. The quality assurance programs are outlined on page 3 & 4. These quality assurance programs support Project Engineer Offices, Regions, Headquarters and the Ferries Division. The programs are administered on a statewide basis out of the State Material Laboratory in Olympia and require a number of components including personnel, program development and oversight, computer software applications, audits, testing, and the ongoing maintenance/operation of those various systems.

In order to equitably distribute the costs associated with administering the quality assurance programs across the contracts that utilize the services, as well as ensure consistent funding for those costs into the future, a documentation charge was implemented in the mid 1990's. The formula for the documentation charge was developed to create a consistent assessment that would be applied to each contract. The formula is based on the total contract costs, the current State Materials Laboratory Hourly Rate and a factor referred to as the documentation rate modifier. The formula for the documentation charge is:

(Contract Award Amount × State Materials Lab Hourly Rate X Documentation Rate Modifier)

Guidance

Informational

Background

The documentation charge is assessed at the time a State construction contract is awarded and typically ranges from a few hundred dollars per contract up to as \$40k to \$50K, depending on the size of the project. However, the upper end of the assessment is capped, so the assessment will not exceed \$195,000 on any contract in order to avoid excessive payments from large dollar contracts. The documentation charge is typically broken out over the life of the contract with payments taken each quarter to avoid large one time payments. The table below shows the 2015/2016 Fiscal Year documentation charges to Regions and Mega Project construction contracts.



Fiscal Year 2015/2016 Documentation Charge						
Region	Total Contract Dollars Awarded	Average Charge	Maximum Charge	Minimum Charge	Total Charge	Percent of Contract Award
Northwest	\$96,850,204	\$6,462	\$45,560	\$403	\$213,261	0.22%
North Central	\$17,144,155	\$4,926	\$1,331	\$1,032	\$39,415	0.23%
Olympic	\$43,939,834	\$3,946	\$24,855	\$724	\$94,719	0.22%
Southwest	\$16,966,185	\$4,019	\$12,215	\$282	\$40,190	0.24%
South Central	\$47,922,833	\$7,029	\$39,423	\$261	\$105,436	0.22%
Eastern	\$15,897,352	\$3,396	\$10,931	\$164	\$37,360	0.24%
Ferries	\$3,083,968	\$1,106	\$2,720	\$192	\$6,637	0.22%
Mega Projects	\$850,458,524	\$179,324	\$195,000	\$161,920	\$649,422	0.15%

Currently the documentation rate modifier is 0.00001875, and the modifier has been held constant since 2008. Each year the estimated amount of money recovered by the documentation charge is compared to the estimated cost required to support the quality assurance programs it funds. The estimated documentation charge recoveries for each fiscal year are calculated based upon the project costs in the advanced schedule of projects that gives a twelve month forecast of projects going to contract. This estimate is compared to the yearly estimated cost required to support the quality assurance programs. The documentation rate may be adjusted up or down with the goal of ensuring the documentation charge recovery's balance with the quality assurance programs expenditures each fiscal year.

Resources

Example Documentation Charge Calculation:

Example A: Contract award amount \$3,000,000

The formula for the documentation charge is:

(Contract Award Amount × State Materials Lab Hourly Rate X Documentation Rate

Contract award amount \$3,000,000

State Materials Laboratory Hourly Rate: \$107.23

Documentation Rate Modifier: 0.00001875

Documentation Charge Calculation: \$3,000,000 × \$107.23 X 0.00001875 = \$6,032

- The Documentation charge would be a onetime payment of \$6,032.

Similar to above Example B (Mega Project): Contact award amount \$125 million.

The formula for the documentation charge is:



State Construction Office
Engineering and Regional Operations

Documentation Charge

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(Contract Award Amount × State Materials Lab Hourly Rate × Documentation Rate)

Contract award amount \$125,000,000

State Materials Laboratory Hourly Rate: \$107.23

Documentation Rate: 0.00001875

Documentation Charge Calculation: $\$125,000,000 \times \$107.23 \times 0.00001875 = \$251,320$

- *This is over the maximum allowed Documentation charge, so only a \$195,000 charge would be assessed. For contract award amounts over \$25 million the charge is broken up over the life of the contract, in this case six payments of \$32,500 each with one payment taken each 6 months.*

Additional Information

The quality assurance programs covered by the documentation charge are shown in more detail below:

- Qualified Products List (QPL)
 - Online database of over 1,300 construction materials that are pre-approved for use in WSDOT construction contracts.
- Aggregate Source Approval (ASA)
 - Online Database that contains information on over 800 aggregate sources and is utilized to approve aggregate materials on WSDOT construction contracts.
- Materials Tracking Program (MTP):
 - The MTP computer program manages and tracks material submittals on WSDOT Construction contracts. This program is the entry point for management of the Record of Materials (ROM) and documentation and materials on highway construction contracts can be tracked with this program.
- Quality System Program:
 - Consist of the Independent Assurance and Qualified Tester Program, biannual inspections of the Region Materials Laboratories and the State Materials Laboratories AASHTO accreditation processes. The Qualified Tester Program is utilized by Regions and the State Materials Laboratory to track the status of WSDOT tester qualifications statewide, and is also utilized to report WSDOT Independent Assurance program compliance (percent qualified testers) to the FHWA each year.
- Construction Quality Audit Program
 - Audits that are performed to document conformance of Project Engineer Office project records to DBE compliance, contract administration and inspection requirements, and



materials acceptance and approval standards. The audit results are provided to the Project Engineer, HQ Construction, and the FHWA. The goal is to perform a construction quality audit on at least one project per Project Engineer office every three years.

- Record of Materials (ROM)
 - Computer software program that is used to identify the number of acceptance and verification actions required for acceptance of materials on WSDOT construction contracts.
- Cement Assurance Program (CAP):
 - This program requires that the cement suppliers submit cement mill test reports and quarterly cement samples to the State Materials Laboratory for testing. Cement producers, importers/distributors, and suppliers that certify Portland cement or blended cement send samples directly to the State Materials Laboratory on a quarterly basis (once every four months) for testing and comparison with the manufacturer's mill test report per WSDOT Standard Practice QC-1. The CAP eliminates the need for project offices to take cement samples on projects that utilize concrete as well as addresses the concern that cement test take 28 days to complete, so test results taken from project cement samples are not be available until well after the concrete was utilized on site.
- Construction Audit Tracking System (CATS):
 - Is a construction and inspection audit system used by WSDOT for all design build projects and can be applied to all other WSDOT construction, testing and inspection processes. This system provides a communications process that allows WSDOT and contractors to resolve non-compliance issues found during construction inspections.
- Statistical Analysis of Materials (SAM):
 - Supports the SAM computer program that performs statistical calculations needed for acceptance of aggregate and asphalt on WSDOT construction contracts.
- Materials Testing System (MATS):
 - Supports the MATS computer program that tracks material samples sent in for testing and reports out test results that are emailed directly to Project Engineer offices.