

 Department of Design and Construction		SPECIFICATION BULLETIN	SB 24-017
Title: EXPANDED WORK ALLOWANCE			
Prepared: 12/13/2024		Approved: 12/13/2024	
Mohammad Mahmud, P.E. Director, Specifications		How Sheen Pau, P.E. Associate Commissioner – Infrastructure Design	
Date			

APPLICABILITY:

- This Specification Bulletin (SB) is effective for projects advertised on or after 12/20/2024.

SUPERSEDEENCE:

- This SB supersedes the following SBs: None.

ATTACHMENTS:

1. *Section 9.28 (2 pages)*

REVISIONS TO THE NEW YORK CITY DEPARTMENT OF TRANSPORTATION STANDARD HIGHWAY SPECIFICATIONS, DATED 5/16/2022:

All references contained below are to the New York City Department of Transportation Standard Highway Specifications, Dated May 16, 2022. Said Standard Highway Specifications are hereby revised as follows:

- a) Refer to Section 9.28
Add the new Section in Attachment 1 (2 pages)

For questions regarding this bulletin, please contact Richard Jones, jonesri@ddc.nyc.gov.

SECTION 9.28 – Expanded Work Allowance

9.28.1. PURPOSE.

An Allowance has been established for the items set forth in sub-Section 9.28.3 below (“Expanded Work Allowance” or “EWA”). Payment for the items set forth in sub-section 9.28.3 (“Expanded Work Items”) may be made through the EWA, as directed by the Engineer. “Extra Work”, “overrun”, and “Allowance” are defined by the Standard Construction Contract (see Articles 2.1.16, 26.1, and 2.1.4, respectively) and nothing in this Section alters, or will be deemed to alter the interpretation or application of, the Standard Construction Contract, including but not limited to Articles 25, 26, 28, and 78 of the Standard Construction Contract.

9.28.2. PROCESS.

(a) If the Engineer determines that use of the EWA is appropriate, in their sole discretion, the Engineer will prepare a written scope document for the Expanded Work Items for the Contractor’s execution (“EWA Scope Memo”). The EWA Scope Memo will set forth the maximum amount payable from the EWA prior to the execution of a final cost memorandum (“Maximum Amount”), in accordance with this Section. The Maximum Amount may be increased from time to time by the Engineer, in their sole discretion, except that the Maximum Amount may not exceed 80% of the Engineer’s estimated total cost for such Work (the “Estimated Cost”) unless and until a final cost is determined and a final cost memorandum (“Final Cost Memo”) executed in accordance with this Section.

(b) Neither the Maximum Amount nor the Estimated Cost will be deemed to be the final cost of the Expanded Work Items. The final cost for the Expanded Work Items will be determined in accordance with Article 26 of the Standard Construction Contract. The Contractor must submit its detailed price proposal for the Expanded Work Items, calculated in accordance with the Contract, within the time period set forth in the EWA Scope Memo or within 90 Days after the executed EWA Scope Memo is issued to the Contractor, whichever is sooner.

(c) Once the EWA Scope Memo is executed and the Contractor is directed to proceed with the Work, DDC will make progress payments, as provided in the Contract, up to the Maximum Amount or until the submission period has expired, whichever occurs sooner.

(d) DDC will not make any progress payments for the performance of the Expanded Work Items beyond the submission period set forth in sub-Section C, above, unless and until a final cost has been determined and a Final Cost Memo executed in accordance with this Section. No amounts above the Maximum Amount set by the Engineer will be payable from the EWA, unless and until a final cost has been determined and a Final Cost Memo executed in accordance with this Section. In all events, the Contractor shall promptly and diligently comply with the Engineer’s direction and perform all Work required by the Contract and the EWA Scope Memo.

(e) Upon receipt of the Contractor’s cost detailed proposal, DDC will evaluate the proposal and initiate negotiations, as necessary, to determine the final cost of the Expanded Work Items in accordance with Article 26 of the Standard Construction Contract. The Contractor is responsible to furnish time and material records in accordance with Article 28 of the Standard Construction Contract until a Final Cost Memo is executed. If the parties cannot agree on a unit price or fixed price, the Contractor will be paid on the basis of time and material records in accordance with Article 26 the Standard Construction Contract.

(f) A Final Cost Memo will be prepared by the Engineer to be executed by the parties. The total net sum of the amounts added and/or credited under the EWA Scope Memo and payment of the finalized Final Cost Memo constitutes full accord and satisfaction for the costs resulting from the Expanded Work Items. In the event the EWA is insufficient to pay the full amount of the Final Cost Memo, the parties agree to execute change order documents for the remaining funds, subject to registration in accordance with the New York City Charter.

9.28.3. PRICE TO COVER.

Expanded Work Items are those items set forth below. The EWA may be used, in the Engineer's discretion, for the following Expanded Work Items:

Non-material changes in the Work necessary to complete Contract Work due to site conditions that differ from those included in the Contract Documents and that could not have been anticipated by the Contractor.

Non-material changes in the Work directed by the Commissioner that result in a net change in the cost to the Contractor for the Work to be performed under this Contract, including but not limited to the following:

Overruns of unit price items and quantity increases in portions of work within a lump sum item.

NYCDOT traffic stipulations or permit requirements that significantly differ from those included in the Contract Documents and that could not have been anticipated by the Contractor.

Changes to the sizes of materials or changes to specifications of materials.

Materials/structures not included in the Contract Documents that are necessary to complete Contract Work and that could not have been anticipated the Contractor.

9.28.4. BASIS OF PAYMENT.

(a) The fixed sum must be considered the price bid for this item. The fixed sum is not to be altered in any manner by the bidder. Should the amount shown be altered, the new figures will be disregarded, and the original price will be used to determine the total amount bid for the contract.

(b) The payment(s) made under this item will be equal to the Final Cost Memo prepared by the Engineer and executed by the parties in accordance with 9.28.2(f) above as proof of work performed for this item as approved by the Engineer.

(c) The total estimated cost of this item is the "fixed sum" amount shown for this item in the Bid Schedule and shall not be varied in the bid. The "fixed sum" amount is included in the bid solely to ensure that sufficient monies will be available to pay the Contractor for this work, which may be more or less than the fixed sum amount.

(d) The price will cover the cost of all labor, materials, equipment, insurance and incidentals necessary to complete the work under this section in accordance with the Contract Drawings, the specifications and the directions of the Engineer.

Payment will be made under:

Item No.	Item	Pay Unit
9.28	EXPANDED WORK ALLOWANCE	F.S.