

All Regional Engineers

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Special Provision for Subcontractor Mobilization Payments

January 14, 2011

This special provision was developed by the Office of the Secretary and the Office of Chief Council as a strategic part of the Department's DBE goal setting document. It has been revised to clarify subcontractor mobilization payments are an advanced payment and not an additional payment.

This special provision should be inserted into all contracts.

The districts should include the BDE Check Sheet marked with the applicable special provisions for the April 29, 2011 and subsequent lettings. The Project Development and Implementation Section will include a copy in the contract.

This special provision will be available on the transfer directory January 14, 2011.

80143m

SUBCONTRACTOR MOBILIZATION PAYMENTS (BDE)

Effective: April 2, 2005

Revised: April 1, 2011

To account for the preparatory work and operations necessary for the movement of subcontractor personnel, equipment, supplies, and incidentals to the project site and for all other work or operations that must be performed or costs incurred when beginning work approved for subcontracting according to Article 108.01 of the Standard Specifications, the Contractor shall make a mobilization payment to each subcontractor.

This mobilization payment shall be made at least 14 days prior to the subcontractor starting work. The amount paid shall be equal to 3 percent of the amount of the subcontract reported on form BC 260A submitted for the approval of the subcontractor's work.

The mobilization payment to the subcontractor is an advance payment of the reported amount of the subcontract and is not a payment in addition to the amount of the subcontract; therefore, the amount of the advance payment will be deducted from future progress payments.

This provision shall be incorporated directly or by reference into each subcontract approved by the Department.

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