



## 2-46.1 Work Proposal

Before the contractor proceeds with force account work, the contractor is required to submit a proposal detailing the equipment, materials, labor, and schedule of operations planned to complete the work. The engineer should review the contractor's proposal and agree with the schedule and resources committed to the work. Equipment and labor rates, mobilization of equipment, availability of equipment, and hours of work should all be discussed and agreed on before beginning work. If a contractor proposes to have a particular piece of equipment available and on standby, the engineer should agree that the equipment needs to be readily available, and should ensure that it isn't prudent to have the equipment mobilized when actually needed.

The engineer must consider the impacts to the project schedule when reviewing the proposed work hours. For non-controlling work, it may be unnecessary and wasteful to pay premium/overtime labor rates to complete the work, while if the work is on the critical path it may be prudent to consider overtime work in order to minimize the impact on the project schedule. This may reduce delay and abate time extensions and/or delay damages.

## 2-46.2 Inspection and Documentation

When the work is performed on a force account basis, a strict daily accounting must be made. The engineer or inspector will check daily with the contractor and record the classification and daily hours of all laborers and forepersons working on the force account work, as well as the daily hours of each unit of machinery. This information should be recorded on a Weekly Force Account Cost Record, which can be found in the Field Information Tracking system. Figure 1 provides an example. A daily itemization of materials must also be kept in the project records.

Before receiving any payment for work performed, the contractor is required to submit detailed statements, including receipted invoices or affidavits for all materials used and transportation charges made. Upon submission of the statements, the engineer is to thoroughly check charges made for agreement with daily records. Particular note is to be made that rates charged for all labor and machinery are the same as those designated in the contract change order. Rates other than those agreed upon in the contract change order are not acceptable, and must be reconciled by either a revision of the contractor's statement, or a modification of the CCO.

Engineers should carefully review force account agreements to ensure that labor classifications and machinery designations are correctly described on the force account cost record. Only rates for rented equipment and specialized equipment not contained in the Rental Rate Blue Book need to be included in the contract change order, together with agreed rates for wages.

[Standard spec 109.4.5.5](#) states that equipment rates contained in the Rental Rate Blue Book apply to contractor-owned equipment used for work to be paid for on a force account basis. When equipment is brought to the site to perform force account work at the engineer's request, but is idle for reasons that are not the fault of the contractor, the contractor is eligible to be reimbursed standby costs.

When equipment is required to be on standby, the contractor continues to incur certain ownership costs (cost of facilities capital), but does not incur operating costs. Blue Book equipment rental rates are generally based on equipment type, make, year, usage, and time. When equipment is on standby there is no wear and tear, nor fuel and oil consumption, therefore these published Blue Book rates need to be adjusted to eliminate costs included in the rental rate that are associated with usage. In other words, costs included in the published rental rates that the contractor has not incurred while the equipment is idle are not eligible for reimbursement because the contractor did not incur these operating costs. Operating costs have been estimated to be approximately 50% of the published Blue Book rental rate. The hourly standby rate is computed using the formula provided in [standard spec 109.4.5.5.3](#).

At the end of each day the contractor's representative and the inspector are to review and initial the hours of force account work done. At the end of each week or when the work is completed, whichever comes first, the contractor's representative and the engineer should agree to the record of work done.

All final estimates on contracts which contain a CCO for payment of work accomplished by a force account agreement must include a summary statement, unless previously submitted, showing costs for labor, equipment, and materials. Itemized statements are to be retained in the region office files.

The force account cost record in Figure 1 is primarily intended to document extra work done on a force account basis by a contractor under a CCO. It may also be used to report on other force account (service and supply) agreements with utilities, railroads, and municipalities. The form has space for recording information pertinent to

labor, machinery, materials, and miscellaneous items.

**Figure 1 Weekly Force Account Cost Record**

Wisconsin Department of Transportation  
Weekly Force Account Cost Report

INSTRUCTION: Labor & machinery hours should be verified & initialed by contractor's rep. & state inspector daily.

Contract ID: 20030217001  
Contractor: LUNDA CONSTRUCTION COMPANY  
Projects:  
Description of Work:  
Removal of bearing pins and delivery to fabrication shop for turning.

Retain one copy in project files  
Provide one copy for contractor

**LABOR**

Dates and Hours

NAME AND CLASSIFICATION	MON		TUE		WED		THU		FRI		SAT		TOTAL	
	S.T.	O.T.	S.T.	O.T.										
Supervisor	2.00		2.00		2.00		1.00						7.00	0.00
Laborer 2	6.00		4.00		5.00		3.00						18.00	0.00
Laborer 1	5.00		3.00		4.00		2.00						14.00	0.00
Crane operator	3.00		2.00		3.00		1.00						9.00	0.00

**MACHINERY**

Dates and Hours

DESIGNATION	MON		TUE		WED		THU		FRI		SAT		TOTAL	
	S.T.	O.T.	S.T.	O.T.										
Press	3.00		2.00		3.00		1.00						9.00	0.00
Portable crane	3.00		2.00		3.00		1.00						9.00	0.00
Flat bed truck	1.00		1.00		1.00		1.00						4.00	0.00

It is hereby agreed that labor and machinery hours during the week ending 02/07/2004 are correctly shown above.

*Susie Freeman*  
Contractor's Authorized Representative

*Jane Enginer*  
Project Engineer

Figure 1 Weekly Force Account Summary Statement (cont'd)

FORCE ACCOUNT BREAKDOWN CONTRACT CHANGE ORDER NO. 3			
<b>Labor - Base Rate</b>			
Laborers-Unskilled	170 Hours	@ \$ 13.81	= \$ 2347.70
Truck Drivers, 2-Axle	120 Hours	@ 14.01	= 1681.20
Labor Foreman	58 Hours	@ 14.01	= 812.58
Equipment Operators	81 Hours	@ 17.67	= 1431.27
Subtotal.....			6272.75
<b>Labor - Overtime Premium</b>			
Laborers-Unskilled	50 Hours	@ \$ 6.91	= \$ 345.50
Labor Foreman	18 Hours	@ 7.01	= 126.18
Equipment Operators	1 Hour	@ 8.84	= 8.84
Subtotal.....			480.52
<b>Fringe Benefits</b>			
Laborers	228 Hours	@ \$ 2.00	= \$ 456.00
Truck Drivers (health & welfare	\$85.42/wk/driver;		
pension \$13.80/day/driver; other	\$0.40/hr)		
3 Drivers	@	85.42	= 256.26
5 Days x 3 Drivers	@	13.80	= 207.00
120 Hours	@	0.40	= 48.00
Equipment Operators	81 Hours	@ 4.50	= 364.50
Subtotal.....			1331.76
Subtotal of Labor and Fringe Benefits.....			\$ 8085.03
35 percent of \$8085.03.....			+ 2829.76
24.07 percent of (\$6272.75 + 480.52).....			+ 1625.51
Workers Comp = 7.42 percent of \$6272.75.....			+ 465.44
15 percent of (\$1625.51 + 465.44).....			+ 313.64
Total of Labor.....			\$ 13,319.38
<b>Material</b>			
Concrete	10 CY	@ \$ 100.00	= \$ 1000.00
Topsoil	750 CY	@ 7.00	= 5250.50
Wire Mesh	288 SF	@ 2.50	= 720.00
Subtotal of Materials.....			6970.00
15 percent.....			+ 1045.50
Total of Materials.....			8,015.50
<b>Equipment</b>			
End Loader, 2-1/2 CY	47 Hours	@ \$ 46.15	= \$2169.05
Dozer, Cat D7G	34 "	@ 105.25	= 3578.50
Pickup, 3/4 Ton	58 "	@ 9.70	= 562.50
Trucks, 10 CY	120 "	@ 36.65	= 4398.00
Total of Equipment.....			10,708.05
Total Labor, Materials and Equipment.....			32,042.93
5 Percent for Administration.....			+ 1,602.15
FORCE ACCOUNT TOTAL.....			\$ 33,645.08
<b>Wis. Unemployment Compensation = 9.75 Percent</b>			
<b>Federal Unemployment Compensation = 0.80</b>			
<b>FICA = 7.65</b>			
<b>Liability and Property Damage Insurance = 5.87</b>			
Total.....			24.07 Percent

### 2-46.3 Labor Costs

As detailed in [standard spec 109.4.5](#), when the engineer directs the contractor to perform work under a force account, the contractor must submit itemized statements for all costs for that work. Often, payments for extra work use force account procedures to verify a contractor's costs. This is acceptable, as long as the proper procedures have been followed to prepare the force account bills.

[Standard spec 109.4.5.2](#) states that the department will reimburse the contractor based on actual invoiced costs for labor that are paid to the workers, including subsistence and travel costs, health and welfare benefits, pension fund benefits, or other contractor-paid benefits. The department will pay an additional 35% markup for these wages and benefits.

Payroll additives are to be restricted to actual costs.

1. Workers compensation insurance is chargeable for all hours worked on a straight time basis. Overtime premiums are not eligible.

2. Truck drivers' total salaries must be excluded from computation of public liability and property damage insurance, as these insurance costs are covered by equipment ownership expense.
3. Federal unemployment insurance is contributed by the employer on the first \$7,000 paid to each worker in a calendar year. Year to date employee earnings are to be reported in the force account bill. The federal rate is 6.2%. However, employers who have made all required payments to their state system in a full and timely manner receive a 5.4% "credit", making the effective federal rate 0.8%.
4. State unemployment compensation is contributed by the employer on the first \$14,000 paid to each worker in a calendar year. Year to date employee earnings are to be reported in the force account bill. These percentages are subject to change by legislative action.
5. Federal Social Security tax is contributed at the rate of 6.2% plus 1.45% for Medicare, a total of 7.65% on the first \$118,500 paid to an individual as wages. After the first \$118,500 in wages, the rate for Medicare continues at 1.45%.

Figure 2 provides an example of a force account bill, showing the form to be used to account for all of the labor cost complexities.

**Figure 2 Sample Force Account Bill**

**This sample bill does not establish any policy relative to the amount to be allowed for any particular item of materials or equipment or as representing actual rates for insurance. Its sole purpose is to standardize the form of force account bills.**

**SAMPLE OF A FORCE ACCOUNT BILL SHOWING FORM TO BE FOLLOWED**

**CONTRACTOR'S LETTERHEAD**

Route: \_\_\_\_\_ Section: \_\_\_\_\_ County: \_\_\_\_\_ Auth. No.: \_\_\_\_\_ Date Submitted: \_\_\_\_\_

Force account bill for Additional Pipe & Collars Contract No.: 20070113099

	Days Worked			Standard Time	Over Time	Rate	Insurance Amount	Payroll Amount	Earnings to Date	Payroll Amount Eligible for Unemployment Tax	
	7/2/06	7/3/06	7/5/06							F.U.T.	S.U.T.
Joe Sachman, Foreman	6	8	10	22	2	\$23.70	\$568.80	\$592.50	\$35,000.00	\$0.00	\$0.00
Tom Sellers, Laborer	6	8	10	22	2	\$20.70	\$496.80	\$517.50	\$8,000.00	\$0.00	\$517.50
Ben Marcus, Laborer	6	8	10	22	2	\$20.70	\$496.80	\$517.50	\$6,000.00	\$517.50	\$517.50
Ed Miller, Laborer	6	8	10	22	2	\$20.70	\$496.80	\$517.50	\$7,100.00	\$417.50	\$517.50
John Hintz, Laborer	6	8	10	22	2	\$20.70	\$496.80	\$517.50	\$10,600.00	\$0.00	\$417.50
Sarah Bischell, Truck Driver	6	8	8	22		\$21.00	\$462.00	\$462.00	\$27,000.00	\$0.00	\$0.00
Lawrence Smith, Operator	6	8	8	22		\$27.97	\$615.34	\$615.34	\$40,000.00	\$0.00	\$0.00
Subtotals, Labor							\$3,633.34	\$3,739.84		\$935.00	\$1,970.00
*Laborer Pension & Welfare Funds - 96 hours @ .32								\$30.72			
*Operating Engineer Pension & Welfare - 22 hours @ .55								\$12.10			
Subtotals, Labor								\$3,782.66			
Plus 35% of \$3,782.66								\$1,323.93			
Subtotals, Labor								\$5,106.59			
Plus: Workmen's Compensation Ins. 3.48% of \$3,633.44								\$126.44			
Public Liability and Property Damage Ins., excluding payroll of truck drivers 2.0% of \$3,171.34								\$63.43			
**Federal Unemployment Tax 0.8% of \$935.00								\$7.48			
***State Unemployment Tax 6.8% of \$1,970.00								\$133.96			
Federal Social Security Tax 7.65% of \$3,739.84								\$286.10			
Total Payroll Additives								\$617.41			
Plus 10% of \$617.41								\$61.74			
<b>Total Labor</b>								<b>\$679.15</b>			
								<b>\$5,785.74</b>			

\*These are not suggested rates, as these rates vary widely between Union Locals. This is intended as an example only.  
 \*\*Do not include costs for employees which have reached the \$7,000 ceiling on Federal Unemployment Tax (F.U.T.)  
 \*\*\*Do not include cost for employees with have reached the \$9,000 ceiling for State Unemployment Tax (S.U.T.)

I hereby certify that the above statement is a copy of the portion which applies to the above stated work and that the rates shown for taxes and insurance are actual costs.

Signed: \_\_\_\_\_  
(Contractor)