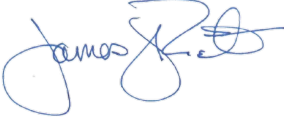


Memorandum

DATE July 8, 2024

TO District Engineers, District Construction Engineers, Assistant District Construction Engineers, Project Managers

FROM James J. Knott, NDOT State Construction Engineer 

THRU

SUBJECT DIRECTIVE CONSTR 24-03
VALUE OF REPLACEMENT FOR MISSING OR DAMAGED SIGNS

CONSTRUCTION DIRECTIVE

BACKGROUND:

Paragraph 2.a. of Subsection 422.05 of the *NDOT Standard Specifications for Highway Construction, 2017 Edition*, states that if signs (provided by the Department) are not returned or are returned damaged beyond reasonable “wear and tear”, the Contractor will be charged the value of the missing or damaged signs. A Special Provision, included in the Contract, voids and supersedes Paragraph 2.a. of Subsection 422.05 and then specifies the value of the signs as the value of replacement to include the established cost of the sign itself plus the administrative cost associated with replacing the sign.

POLICY:

When the Department charges the Contractor for missing or damaged signs, the charges will include administrative costs as detailed below.

The cost of the sign itself will be provided upon request by Traffic Division and includes the materials and labor to fabricate the sign.

The administrative cost associated with replacing the sign is established at \$300 per change order. The Project Manager will strive to consolidate the deductions for missing or damaged signs into a single change order per project.

The amount of time a sign was in use should be considered in determining if damage is beyond reasonable “wear and tear”.

Attachment – Special Provision

CC: Traffic Division

**SIGNS NOT RETURNED OR RETURNED DAMAGED
(4-3-0824A)**

Paragraph 2.a. of Subsection 422.05 in the Standard Specifications is void and superseded by the following:

2. Signs:

- a. If signs are not returned or are returned damaged and the damage was caused by the Contractor and is beyond reasonable "wear and tear", then the Contractor shall be charged the value of replacement of the missing or damaged items. These charges shall be deducted from monies due the Contractor upon final payment. The value of replacement of the missing or damaged signs shall be determined by adding together the:

- (1) The established cost of the sign(s) itself and,
- (2) an administrative cost associated with replacing the sign(s) which may include labor and overhead costs to determine the need for replacement, effecting the deduction of monies due the Contractor and subsequent work for ordering and restocking the missing/damaged signs. The administrative cost has been established at \$300 per change order.