

## Condensed List of Recent Audit Results

Mn/DOT auditors have found problems in the following areas in recent audits. Please review the list. For your convenience, they have listed applicable specifications or references.

### Davis-Bacon Minimum Wage Compliance (Payrolls)

- Requests to Sublet missed (Specification 1801) <http://www.dot.state.mn.us/pre-letting/spec/index.html>
- Field Compliance Review on Labor Provisions not done monthly (Contract Administration Manual, 5-591.320, page LABOR-9, XIV. Employee Interviews and Other Labor Related Information) <http://www.dot.state.mn.us/const/tools/conadminmanual.html>
- Poster board does not include all required notices or is not up while work is occurring (Contract Administration Manual, 5-591.320, page LABOR-9, XIII. Poster Boards) <http://www.dot.state.mn.us/const/tools/conadminmanual.html>

### Contract Item Payments

- Contract item Mobilization not paid per Specification 2021 <http://www.dot.state.mn.us/pre-letting/spec/index.html>
- Payments not made monthly at regular intervals during the work (Specification 1906; M.S. 471.425) <http://www.dot.state.mn.us/pre-letting/spec/index.html> <https://www.revisor.mn.gov/statutes/?id=471.425>
- Administratively approved costs for highway construction related consultant agreements not meeting Federal Acquisition Regulations are not eligible for participation in federal funding (Federal Acquisition Regulations 31.109(b)) <https://www.acquisition.gov/far/current/html/Subpart%2031.1.html#wp1089547>
- Lease costs, liability insurance premiums, and performance bond costs should not be prepaid (Generally Accepted Accounting Principle of Matching: expenses should be matched with benefits received) also (OMB Circular A-87/2 CFR Part 225 Appendix A. General Principles for Determining Allowable Costs C. Basic Guidelines 1.g.: to be allowable under Federal awards, costs must be in accordance with Generally Accepted Accounting Principles) <http://www.whitehouse.gov/omb/circulars/>
- Contract payments not eligible for federal participation are coded as participating (OMB Circular A-87/2 CFR Part 225 Appendix A. General Principles for Determining Allowable Costs C. Basic Guidelines 1.d.: to be allowable under Federal awards, costs must be in accordance with federal requirements) <http://www.whitehouse.gov/omb/circulars/>

### Material on Hand Payments

- Invoice not provided by Contractor to the Engineer (Specification 1906) <http://www.dot.state.mn.us/pre-letting/spec/index.html>

### Supplemental Agreements

- Contract changes and resulting cost overruns caused by design concerns may not be eligible for federal participation (23 CFR 630.205(b)) [http://www.access.gpo.gov/nara/cfr/waisidx\\_09/23cfr630\\_09.html](http://www.access.gpo.gov/nara/cfr/waisidx_09/23cfr630_09.html)

**Supplemental Agreements (continued)**

- Substitution of lower Performance Grade Asphalt Binder in place of special provisions required higher Performance Grade Asphalt Binder without Supplemental Agreement and price adjustment (Supplemental Agreement required per July 17, 2008 memorandum from State Construction Engineer)

**Material Testing – Grading and Base**

- Preliminary and Final Grading and Base Reports do not list all required tests; testing rates are incorrect; number of tests required and taken do not meet requirements <http://www.dot.state.mn.us/materials/gradingandbase.html>
- Payment reductions not taken for base materials not meeting specification for gradation, shale, and bitumen content (Specification 3138.2, Table 3138-1 and Specification 2211.3, Table 2211-B; Specification 3138.2E Shale; Specification 2211, Table 2211-D, Bitumen Content Acceptance Schedule)  
(OMB Circular A-87/2 CFR Part 225 Appendix A. General Principles for Determining Allowable Costs C. Basic Guidelines: to be allowable under Federal awards, costs must be net of all applicable credits) <http://www.whitehouse.gov/omb/circulars/>  
Also: (Office of Management and Budget (OMB) Circular A-133 Compliance Supplement Part 4 – Department of Transportation, page 4-20.205-3, A. Activities Allowed or Unallowed 1. Federal funds can be used only to reimburse costs that are in accordance with the conditions contained in the project agreement and plans, specifications, and estimates) [http://www.whitehouse.gov/omb/circulars\\_a133\\_compliance\\_09toc/](http://www.whitehouse.gov/omb/circulars_a133_compliance_09toc/)
- Certification of Aggregates and Granular Materials was not completed and submitted prior to placement and payment (Specification 2211.3F1) <http://www.dot.state.mn.us/pre-letting/spec/index.html>
- Quality Control gradations were missed or not submitted prior to placement and payment (Specification 2211.3F1) <http://www.dot.state.mn.us/pre-letting/spec/index.html>  
(Schedule of Materials Control I. Grading and Base Construction Items 1. Gradation) <http://www.dot.state.mn.us/materials/labmcs.html>
- Quality Assurance gradations were missed (Schedule of Materials Control I. Grading and Base Construction Items 1. Gradation) <http://www.dot.state.mn.us/materials/labmcs.html>  
(Grading and Base Manual 5-692.700 Random Sampled Gradation Acceptance Method) <http://www.dot.state.mn.us/materials/gbmanual.html> (Specification 2211.3F2 Acceptance Testing Table 2211-A and notes, in particular note (h)) <http://www.dot.state.mn.us/pre-letting/spec/index.html>
- Extraction for Bitumen Content not done for Class 7B (Schedule of Materials Control I. Grading and Base Construction Items 1. Gradation, Note 7) <http://www.dot.state.mn.us/materials/labmcs.html>
- Dynamic Cone Penetration tests missed (Schedule of Materials Control I. Grading and Base Construction Items 4. Penetration Index Method (DCP)) <http://www.dot.state.mn.us/materials/labmcs.html>
- Relative Density and Relative Moisture tests missed (Schedule of Materials Control I. Grading and Base Construction Items 3. Relative Density and 6. Relative Moisture) <http://www.dot.state.mn.us/materials/labmcs.html>
- Percent Crushing tests missed (Schedule of Materials Control I. Grading and Base Construction Items 8. Percent Crushing) <http://www.dot.state.mn.us/materials/labmcs.html>

**Material Testing – Grading and Base (continued)**

- Moisture Content tests missed (Schedule of Materials Control I. Grading and Base Construction Items 7. Moisture Content)  
<http://www.dot.state.mn.us/materials/labmcs.html>
- Aggregate Quality tests missed (Schedule of Materials Control I. Grading and Base Construction Items 9. Aggregate (Quality))  
<http://www.dot.state.mn.us/materials/labmcs.html>
- Materials Certification Exceptions Summaries did not list exceptions to materials control requirements and resolutions during the course of the project, and prior to or at the time of Final Acceptance (Contract Administration Manual 5-591.430, page MATLCERT-4)  
<http://www.dot.state.mn.us/const/tools/conadminmanual.html>

**Material Testing – Bituminous**

- Verification testing missed (Specification 2360.4N)  
<http://www.dot.state.mn.us/materials/bituminous.html>
- Quality Assurance Cores for Density and Thickness missed (Schedule of Materials Control II. B. Bituminous Production for Specification 2360, 6. Core Density and Thickness) <http://www.dot.state.mn.us/materials/labmcs.html>
- Asphalt Binder Performance Grade testing missed (Schedule of Materials Control II. B. Bituminous Production for Specification 2360, 9. Bituminous Materials)  
<http://www.dot.state.mn.us/materials/labmcs.html>
- Test Summary Sheets do not include review signatures and verification test results (Specification 2360.4F, 13. & 15.) <http://www.dot.state.mn.us/materials/bituminous.html>

**Material Testing – Concrete**

- Cores for thickness missed (Schedule of Materials Control, IV. Concrete Construction Items, Paving Concrete (Supplied by a Paving Plant or Certified Ready Mix Plant), Thickness)) <http://www.dot.state.mn.us/materials/labmcs.html>
- Payment reduction for air content falling outside specification not taken (Specification 2461.4A4b(1)) <http://www.dot.state.mn.us/pre-letting/spec/index.html> Also: (OMB Circular A-87/2 CFR Part 225 Appendix A. General Principles for Determining Allowable Costs C. Basic Guidelines: to be allowable under Federal awards, costs must be net of all applicable credits) <http://www.whitehouse.gov/omb/circulars/>; and Office of Management and Budget (OMB) Circular A-133 Compliance Supplement Part 4 – Department of Transportation, page 4-20.205-3, A. Activities Allowed or Unallowed 1. Federal funds can be used only to reimburse costs that are in accordance with the conditions contained in the project agreement and plans, specifications, and estimates  
[http://www.whitehouse.gov/omb/circulars\\_a133\\_compliance\\_09toc/](http://www.whitehouse.gov/omb/circulars_a133_compliance_09toc/)
- Coarse Aggregate Testing on #200 sieve not done (Schedule of Materials Control, IV. Concrete Construction Items, Paving Concrete (Supplied by a Paving Plant or Certified Ready Mix Plant), Thickness)) <http://www.dot.state.mn.us/materials/labmcs.html> also (Specification 3137.2D1(i)) <http://www.dot.state.mn.us/pre-letting/spec/index.html>
- Quality Control verification companion sample gradations missed (Schedule of Materials Control, IV. Concrete Construction Items, Certified Ready Mix Paving and Non-Paving Concrete, Gradation Testing) <http://www.dot.state.mn.us/materials/labmcs.html>
- Quality Control Moisture testing for aggregates missed (Schedule of Materials Control, IV. Concrete Construction Items, Moisture Testing)  
<http://www.dot.state.mn.us/materials/labmcs.html>

**Material Testing – Concrete (continued)**

- Cementitious Materials testing missed (Schedule of Materials Control, IV. Concrete Construction Items, Cementitious Materials)  
<http://www.dot.state.mn.us/materials/labmcs.html>
- Admixtures for Concrete testing missed (Schedule of Materials Control, IV. Concrete Construction Items, Admixtures for Concrete)  
<http://www.dot.state.mn.us/materials/labmcs.html>
- Weekly Concrete Reports; Weekly Certified Ready Mix Plant Reports; Test Beam data; Incentive/Disincentive information; and Field Core Reports are not submitted to the Concrete Engineering Unit (Concrete Manual 5-694.701)  
[http://www.dot.state.mn.us/materials/concrete\\_references.html](http://www.dot.state.mn.us/materials/concrete_references.html)

**Material Testing – Other**

- Agency testing for Post Tensioning Steel Strand not done (Schedule of Materials Control, VII. Metallic Materials and Metal Products 5. Reinforcing Steel D. Prestressing or Post Tensioning Strand; project proposal special provisions, including ASTM A416; 23 CFR 637.205 and 23 CFR 637.207) <http://www.dot.state.mn.us/materials/labmcs.html>  
<ftp://ftp2.dot.state.mn.us/pub/outbound/ocic/award/metro/> (1985-132.pdf, pages 113-SRB; 116-SRB; and 117-SRB, starting on page 452 of 886)  
[http://www.access.gpo.gov/nara/cfr/waisidx\\_09/23cfr637\\_09.html](http://www.access.gpo.gov/nara/cfr/waisidx_09/23cfr637_09.html) (note in particular 23 CFR 637.205(d) and 23 CFR 637.207(a)(1)(ii)(B))
- Contract language tasks Contractor to assume responsibility for all material testing or take possession of Agency samples (23 CFR 637.205 and 23 CFR 637.207)  
[http://www.access.gpo.gov/nara/cfr/waisidx\\_09/23cfr637\\_09.html](http://www.access.gpo.gov/nara/cfr/waisidx_09/23cfr637_09.html) (note in particular 23 CFR 637.205(d) and 23 CFR 637.207(a)(1)(ii)(B))

**Environmental Compliance**

- Withholding for erodible acres not taken (Specification 2105.5, page 162 of 2005 Spec. Book) <http://www.dot.state.mn.us/pre-letting/spec/index.html>
- Notice of Intent to Perform a Bridge Demolition not provided to MPCA and the Engineer by the Contractor at least 10 days prior to the demolition (project proposal special provisions)
- Weekly Erosion Control Inspection Logs not submitted by the Contractor to the Engineer every 2 weeks as required (Specification 1717 Special Provisions)  
Example: <ftp://ftp2.dot.state.mn.us/pub/outbound/ocic/award/d2/>  
(S.P. 2901-18, page 110 of 530, S-22.2)