

Chapter 6 - Extra and Cost-Plus Work

1-600 General

Extra work is new and unforeseen work that cannot be covered by a contract item or a combination of contract items or work that is designated as such by the specifications. All new and unforeseen work is not necessarily extra work.

Before approving extra work the Chief Inspector should carefully review the Contract documents (Standard Specifications, Addenda, Special Provisions, Permits, Plan Sheets, etc.) to make sure the work is not included in other items or the general cost of the Project. If the new or unforeseen work is the same as items included in the Contract, payment must be at the Contract item price unless there has been a significant change in the quantity or character of the work. For significant changes in quantities of items (>25%±), significant changes in the character of work, or differing site conditions refer to Articles 1.04.02, 1.04.03 and 1.04.04 of the *Standard Specifications* and Volume 1, Chapter 5 “Adjustment of Contract Items & Differing Site Conditions”.

1-601 Agreed Price

Whenever possible, efforts are to be made to agree upon prices for extra work. File with the Contract records any calculations made to justify agreed prices for extra work. These calculations must be attached to the price approval letters and included with the back-up for the construction order and must be in such a form that they clearly substantiate and justify the amount paid for the extra work. Agreed prices may be unit prices or lump sum. Before an agreed price may be used to pay for extra work, the Assistant District Engineer (or Transportation Principal Engineer) and the Contractor must agree on compensation and a Change Order must be authorized for processing.

As soon as the extent of extra work has been determined, request the Contractor to submit a proposed agreed price and a request for additional time with supporting documentation if the extra work will impact the completion of the project. When requesting a proposed price, make sure the Contractor knows the specification(s) he will have to follow to perform the extra work. Analyze the Contractor’s proposed price to determine if it is acceptable. Methods to determine if prices are acceptable include:

- Comparison with weighted unit prices.
- Comparison with Actual bids on similar projects.
- Cost-plus analysis using a CON-9 Form. (Check the “Scope Analysis” box if used for this purpose.)
- Other cost estimating guidelines approved by the Assistant District Engineer (or Transportation Principal Engineer), i.e. *Means* estimating books.
- If the parties agree, a measured unit can be completed to establish a production rate. The Project Engineer and Chief Inspector must make sure the production rate is consistent with the normal industry practice. Prior to using this method concurrence must be obtain from the Assistant District Engineer (or Transportation Principal Engineer).

The Project Engineer/Chief Inspector may also initially determine a proposed agreed price based on any method used above and present it to the Contractor. Before proposing a price to the Contractor make sure the Assistant District Engineer (or Transportation Principal Engineer) concurs.

After an agreement has been reached, project staff will prepare a letter for the Assistant District Engineer’s (or Transportation Principal Engineer’s) signature agreeing to the price and process a change order to incorporate the extra work item into the Contract. **Again, it is stressed that whenever possible, the Project Engineer/Chief Inspector must make every effort to agree upon prices for extra work.**

1-602 Cost-Plus

When the extent of extra work cannot be predetermined or an agreed price cannot be reached with a contractor, an order to do the extra work on a cost-plus basis may be pursued by the Project Engineer. Cost-plus work can only be used for payment of extra work unless otherwise specified in the Contract. Once it is determined that the extra work will be performed on a cost-plus basis, the project staff will prepare a letter for the Assistant District Engineer's (or Transportation Principal Engineer's) signature directing the Contractor to perform the extra work on a cost-plus basis. For Cost-plus operations that may exceed \$100,000, the Assistant District Engineer is to notify the District Engineer. If the cost-plus operation exceeds \$250,000 then the District Engineer notifies the Construction Division Chief or Construction Administrator of the Cost-plus work.

After consultation with the Assistant District Engineer (or Transportation Principal Engineer), advance authorization may be given to the Contractor to perform cost-plus work. The Supervising Engineer, Project Engineer and/or inspection staff may issue said direction subject to limits that may be established by the Assistant District Engineer. In each instance a confirmation letter to the Contractor must be issued and signed by the Assistant District Engineer (or Transportation Principal Engineer). Where appropriate, confirming letters for cost-plus work should include the not to exceed amounts in order to better monitor open-ended cost-plus operations.

In addition, the project staff may issue a field directive to the Contractor to perform extra work on a cost-plus basis in emergency situations. The field directive must be followed up with a confirmation letter from the Assistant District Engineer (or Transportation Principal Engineer) to the Contractor.

The District's and Project's copy of the letter sent to the Contractor directing or confirming the work will be performed on a cost-plus basis is to have attached to it a reasonable estimate of the anticipated costs if not included in the body of the letter.

Before the cost-plus work begins the Chief Inspector should discuss with the Contractor the labor, material and equipment to be used. Knowing the resources ahead of time can avoid misunderstandings and inefficiencies. The Chief Inspector must keep the Project Engineer informed on discussions with the Contractor as the Project Engineer is responsible for the approval of the labor, equipment and materials used in the performance of cost-plus work.

The Chief Inspector must notify the Project Engineer when the start of cost-plus work will begin. The Project Engineer must keep the Supervising Engineer informed of any extra work that will be performed on a cost-plus basis.

CONNDOT must pay the Contractor labor, material and equipment costs used to perform cost-plus work. The *Standard Specifications* are very explicit about the method of payment, and the Inspector must become familiar with Articles 1.04.02, 1.04.03 and 1.04.04 before engaging in cost-plus work.

Cost-plus documentation includes:

- A letter from the Assistant District Engineer to the Contractor directing or confirming the work is being done on a cost plus basis. This letter is to include or have attached as backup a reasonable estimate of the anticipated costs.
- A daily report signed off by the Inspector and Contractor at the end of each workday documenting labor, material and equipment used for cost-plus work. Make sure to document the hours for labor and equipment.

- A completed Daily Report of Cost Plus, Form CON-9, signed by the Contractor and the Inspector for each day work is performed on cost-plus work.
- Representative Certified payroll that documents labor rates reported on Daily Report of Cost-plus, Form CON-9. For cost plus operations that extend more than one period the chief inspector must verify the actual rates paid for each period. Additional payrolls only need to be attached when rates change.
- Contractors costs for insurance, taxes and bonding.
- Quotes for specialized work (if quotes were requested)
- Copies of paid (receipted) bills for all material and rented equipment used.

Receipted bills shall be referenced to an actual invoice, which documents the amount of the cost-plus item. Acceptable documentation for Receipted bills:

- Copies of the cancelled checks for invoiced material/rented equipment.
 - Invoices signed, “Paid in Full” by the Vendor.
 - Invoices Stamped “Paid” and the Contractor’s check number noted and a copy of a bank statement showing the check was paid.
 - Letter or affidavit from the vendor showing full payment was specifically received for noted items. Any credits or changes in value must be indicated.
- Affidavit for material taken out of the Contractor's stock, certifying material quantities claimed and prices claimed. The affidavit must include language that attests the price claimed for materials represents the current fair market value.
 - Quotes for rental equipment (if quotes were requested)
 - Worksheets documenting the allowable equipment rates determined from the *Rental Rate Blue Book*TM published by PRIMEDIA Business Magazines & Media Inc.

The procedures for handling cost-plus work are as follows:

- When the Assistant District Engineer determines that cost-plus work is required, the Chief Inspector will immediately process a Construction Order to establish an item and an “estimated cost-plus” account for that item. For guidance on preparing Construction Orders refer to Volume 1, Chapter 8 – “Construction Orders”.
- Cost-plus operations must have full time inspection. The inspector assigned to oversee a cost-plus operation will complete a Daily Report of Cost Plus for each day cost-plus work is performed and have it signed by the Contractor at the end of the day. Forms other than the Con-9 may be used provided the Inspector prepares them; they include all the requisite information and are signed by a representative of the contractor. The Con-9 form and an alternate daily report form are available in the Construction Manual folder (approved forms folder / con forms folder / Con-9 folder). This report must accurately document the labor, equipment and material used for the cost-plus work for the day. Before signing, the Inspector must compare the daily report with the Contractors’ daily record for the cost-plus work and note any discrepancies on the daily report. If the Contractor refuses to sign the report or does not provide a record for comparison, note this on the Daily Report of Cost-plus and Daily Work Report. These initial reports of cost plus are to be kept in the Volume III with the applicable item.

- On Daily Work Reports record observations and inspections of cost-plus work to provide reasonable basis for agreement on payment.
- Cost-plus payments are processed on a Payment Estimate within thirty calendar days after the work is performed regardless if the Contractor has furnished supporting documents or not.
- When supporting documents are missing the inspector will determine an estimated progress payment by using available information such as Daily Work Reports, previously submitted certified payrolls, prevailing wage scales, previous insurance and tax premiums, subcontracts, invoices, area prices for materials, etc.
- Estimated progress payments for cost-plus work are to be calculated by completing a Daily Report of Cost Plus, Form CON-9 and attaching it to the Daily Work Report, or for a cost-plus operation with limited labor, equipment and materials by making the calculation directly on the Daily Work Report. When a CON-9 is used for progress payment, the “Progress Payment” check box must be selected and the form must indicate the period covered, as shown in Figure 1-6.1. For payment purposes, progress payments will only be for 90% of the total estimated value for labor, material and equipment; 10% will be withheld until the Contractor furnishes all required documentation necessary to final the cost-plus payment. When appropriate, multiple cost-plus sheets may be generated for a day’s activities to allow for estimated payments for a portion of the work and final payments for the remainder (see 1-306A). The description for the estimated progress payment on the DWR will be clearly labeled indicating that this is an “Estimated Progress Payment”. A Summary Sheet is to be provided in the Volume III listing all progress and final payments and reference DWR.
- Before the final cost-plus payment can be made, the final Daily Reports of Cost Plus need to be prepared and checked to verify the information recorded agrees with the signed daily reports, certified payrolls, insurance and tax premiums, receipted bills and allowed equipment rates.
- When a subcontractor performs cost-plus work, an administrative expense is paid to the prime Contractor in addition to the amount determined by the Daily Report of Cost-plus. Refer to the *Standard Specifications* for the appropriate rate.
- Completed Daily Reports of Cost-plus are forwarded to the Contractor for signature.
- Completed original Daily Reports of Cost-plus are kept in a separate Volume III book, along with the supporting payrolls, material receipts, rented equipment invoices, and equipment rate sheets. Contractors’ Cost-Plus sheets or Daily Time Reports are not acceptable as back-up for payment.
- Project Engineers must review the project records periodically to assure that cost-plus payments are current and note this review by signing the Cost Plus sheets in the Volume III. Particular attention is to be given to the signed daily reports and associated Daily Work Reports that document the labor, material and equipment used.

1-602A Labor Rates

The Contractor is responsible to ensure appropriate wage rates are paid to all employees based on the type of work performed. When preparing a Daily Report of Cost-plus, record the actual rate shown on the certified payroll for employees working on cost-plus work. Verify that the employees’ classifications are appropriate for the work performed and the rates of pay are at least equal to the applicable prevailing wage rates, which are usually found at

the Contractor. Before authorizing a superintendent and negotiating an allowable pay rate, the Project Engineer must discuss the need for a superintendent with the Supervising Engineer.

1-602B Labor Markup for Insurance and Taxes

For Worker's Compensation, public liability and property damage insurance premiums, unemployment insurance contributions, social security taxes, and bonding costs for cost-plus work, the Contractor must furnish satisfactory evidence of the cost paid for such insurances and taxes.

The Contractor should be asked to furnish the insurance and tax rates at the Preconstruction meeting; however, they are subject to change and need to be updated at least annually. Keep in mind that insurance and tax costs associated with straight time and overtime can be significantly different. In certain situations, such as when overtime has been approved for cost-plus work for an extended period of time, an insurance and tax rate for overtime hours should also be requested.

The District should request that the Contractor's submittal be addressed in a letter signed by an officer of the company, addressed to the District which identifies a breakdown of labor additives in writing. The letter must include the following:

- Worker's compensation rate,
- General liability and property damage insurance rate.*
- Social Security (FICA) rate,
- State unemployment insurance rate,
- Federal unemployment insurance rate, and

*A copy of the "Declaration Sheet" from their insurance company or a notarized letter certified by an officer of the company for self-insured contractors.

Benefits such as Vacation, Holiday and Sick leave should not be included in the tax and insurance markup for cost plus. This should be included in the benefits column (Health, Welfare and Pension) on the Cost-Plus sheet and must be supported by the certified payrolls. If the contractor includes this as part of their submittal for the tax and insurance markup the contractor shall be asked for a written explanation to be submitted to the District for review.

Insurance for all vehicles including pick-up trucks, company cars and construction equipment is included in the Blue Book rates and is not to be included in the Insurance and Tax rate percentage.

Copies of this submittal are to be maintained in the Volume III.

Reimbursement for insurance-and-taxes (the total of the above items) should not exceed 60 percent for general construction work. For steel erection and bridge painting work, the maximum additive should not exceed 80 percent. If the additive exceeds the above rates, the District should require the Contractor to submit a justification for the higher rates to the District for review and approval. The District is to copy the Office of Construction on their response letter to the Contractor. Also, if a Contractor's rate changes by 5 percent or more at any time, this change must be brought to the attention of the OOC District liaison.

Figure 1-6.2 shows how various insurance and taxes should be compensated for work performed on cost-plus operations, when premium time is authorized.

Figure 1-6.2 Premium Time Labor Additives

Insurance and Taxes	Paid on Premium Portion	Effect
Workers Compensation	No	None Paid on Premium Portion (1)
Social Security	Yes	6.2% of All Overtime
Medicare	Yes	1.45% of All Overtime
State Unemployment (Only up to 1 st \$15,000 of wages per year)	Yes	1% to 6.9% of Overtime
Federal Unemployment (Only up to 1 st \$7,000 of wages per year)	Yes	0.8% of Overtime
General Liability Insurance	No	None Paid on Premium Portion (1)
Union Dues	No	None Paid on Premium Portion (1,2)
Health Insurance	No	None Paid on Premium Portion (1)

(1) Example: If someone works 1 hour of overtime and normally makes \$20 per hour (regular rate), then the total amount paid to that person is \$30 (1.5 times \$20). Only the \$20 is subject to the add-ons identified on the chart as “No”. The ones stated as “Yes” would be applied to the entire \$30, assuming they have not reached the maximum amounts. (Benefits with maximum amounts are listed in the table.)

(2) Payment differs union to union, depending on the agreement.

Figure 1-6.3 illustrates the labor mark-up for insurance and taxes. It is recommended that this be distributed with the written notice of preconstruction meeting to the contractor. If it is anticipated that a subcontractor will be performing cost-plus work the form should be completed prior to the start of work. A sample form can be found in the approved forms section of the Manual.

Figure 1-6.3 Labor Mark-Up for Insurance and Taxes Preconstruction Form

LABOR MARK-UP FOR INSURANCE AND TAXES		
PROJECT NO. :	_____	
DATE:	_____	
DESCRIPTION:	_____ _____	
CONTRACTOR:	_____	
ADDRESS:	_____	
TOWN/CITY, STATE, ZIP:	_____	
TELEPHONE NUMBER:	_____	
<p>I certify the below rates, which are to be used for cost-plus or cost-plus related work on the subject project. Revised rates will be provided annually or as needed in certain cost associated situations.</p> <p>(Ex.: Straight time vs. overtime or additional risks)</p>		
	<u>Straight Time Portion</u>	<u>Premium Portion</u>
Workers Compensation Rate:	_____	_____
General Liability and Property Damage Insurance Rate: <i>(Note: Insurance for construction equipment)</i>	_____	_____
Social Security (FICA) Rate:	_____	_____
State Unemployment Insurance Rate:	_____	_____
Federal Unemployment Insurance Rate:	_____	_____
Total of Above Rates =		
<p>NOTE: A copy of the "Declaration Sheet" from our insurance company (or certified letter if self insured) is attached.</p>		
	_____ Signed by Officer of Company	_____ Date
Certified by Notary		

1-602C Bonding Costs

Increased bonding costs associated with cost-plus work will be typically reimbursed in a single lump sum payment near the completion of the project after the Contractor has furnished documentation that substantiates the increased costs. Documents supporting increased bonding costs are to be maintained in the Volume III. The bonding cost should be between 0% and 2% of the total cost of the cost-plus work. If the bonding cost is greater than 2%, check with OOC to see if the percentage rate is acceptable.

1-602D Specialized Work

The Contractor may be directed to perform specialized work requiring skills, tools and equipment substantially different than those ordinarily used by the Contractor and its subcontractors. Items of work that are covered by the Standard Specifications or the original Contract documents are not specialized work unless specifically designated as such in the original Contract documents.

Approval from the Assistant District Engineer must be obtained before classifying work as specialized,. Prior to performing such specialized work, the Contractor shall obtain and submit to the Engineer a minimum of three price quotes for the work, if requested by the Engineer. For specialized work, the Contractor will be reimbursed its actual costs plus administrative expenses per Standard Specification Article 1.09.04 (e).

1-602E Administrative Expenses

This Administrative mark-up is paid to Contractors in connection with Extra Work performed by an authorized subcontractor. The measurement and payment for the extra work is done in accordance with Standard Specification Article 1.09.04, specifically the reimbursement for the Contractor's administrative expenses is established in Article 1.09.04 (e) as a percentage.

The Department will pay the Contractor this additional payment over and above the percentage described in the Standard Specification Article 1.09.04 (a), (b), (c) and (d). Administrative expenses are applied at the conclusion of the extra work. When the extra work is concluded depends on how the scope of work was originally requested and subsequently directed to be done in accordance with Article 1.09.04.

- When a scope of work is in the specifications for a Contract item that is an estimated cost in the Bid Proposal then the appropriate time to apply the Administrative mark up should be detailed either in the sections Submittals, Construction Methods, Method of Measurement and Basis of Payment.

Examples:

- The Department includes in a contract an estimated item, Service Connections and the Contractor uses a subcontractor to perform the work that is certified by the utility. Because of the varying conditions and types of connections at each location, the work is directed to be performed on a cost-plus basis. After the completion of each Service Connection the cost-plus operation is considered concluded and therefore the Administrative mark up is added for that connection based on the cost associated only with that connection.
- The Department includes in a contract an estimated item, Construction Communication Equipment and the Construction Methods require three (3) proposals for the equipment to be submitted for selection. Upon the selection of the proposal and subsequent purchase of the equipment the cost-plus for that scope is considered concluded and therefore the Administrative mark up is added for that equipment purchase based on the cost associated only with that purchase. In addition to the purchase of the equipment, the communication specification requires a service plan that is billed monthly. When

receiving invoices on a monthly basis the cost-plus for that scope is considered concluded and therefore the Administrative mark up is added for that service based on the cost associated only with that invoice.

- When a scope of work is requested as extra work and the Contractor's submitted price could not be justified and this work is direct on a cost-plus basis, the cost-plus operation is concluded when the original requested unit is finished and then Administrative mark up for any subcontractor's cost is added for that unit.

Examples:

- The Department requested a price for two (2) C-L Catch Basins on an each unit basis and the unit price could not be justified so the work was directed on a cost-plus basis. The drainage work in the Contract is performed by a subcontractor in addition to a variety of other items. The two (2) C-L Catch Basins are to be installed in different stages. After the completion of each C-L Catch Basin the cost-plus operation is considered concluded and therefore the Administrative mark up is added for that unit based on the cost associated only with that unit.
- The Department requested a price for two (2) C-L Catch Basins on a lump sum basis and the lump sum price could not be justified so the work was directed on a cost-plus basis. The drainage work in the Contract is performed by a subcontractor in addition to a variety of other items. The two (2) C-L Catch Basins are to be installed together in a special weekend road closure. After the completion of both C-L Catch Basin the cost-plus operation is considered concluded and therefore the Administrative mark up is added for that work based on the cost associated both catch basins installed.

If either, the specifications do not clearly identify the appropriate time to apply the Administrative mark up or when the Contractor's submitted price is direct on a cost-plus basis, but because when negotiating the scope of work differed or could not be known, then the appropriate time to apply the Administrative mark up must be agreed upon prior to performing the work.

The administrative markup for cost plus work is payable to the (Prime) Contractor only. Additional markup when multiple tiers of subcontractors are involved is not allowed.

Inspectors should be aware that the July 2008 Supplement to the Standard Specifications includes the following new provision:

- (e) **Administrative Expense:** When extra work on a cost-plus basis is performed by an authorized subcontractor, the Department will pay the Contractor an additional 7.5% for that work; such payment will be in addition to the percentage payments described in (a), (b), (c) and (d) above, as a reimbursement for the Contractor's administrative expense in connection with such work.

1-602F Rental Rate Blue Book™

Contractor owned equipment including equipment owned by a subsidiary, affiliate, or parent company of the Contractor that has been authorized for cost-plus work is reimbursed at the applicable rental rate determined from the *Rental Rate Blue Book™* published by PRIMEDIA Business Magazines & Media Inc. This information is obtained from the District Office.

The maximum hourly rate used in paying for Contractor-owned equipment is the applicable monthly rate in the *Rental Rate Blue Book™*, divided by 176 (176 working hours per month).

The *Rental Rate Blue Book™* rates reflect an amount an equipment owner should charge during a contractual period to recover equipment related costs based on single shift 8 hour/day, 40 hour/week, 176 hour/month basis. These rates take into consideration normal owner and operating costs for contractor-owned equipment including major overhaul costs; however, the estimated operating cost/hour may not include extraordinary operating expendables. The

excluded operating expendables will be noted on the worksheet. To obtain payment for operating expendables the Contractor must provide satisfactory documentation of their actual cost.

When equipment is exclusively assigned to cost-plus work and is consistently working in severe conditions, the Contractor may be entitled to additional payment for maintenance costs.

When requesting a *Rental Rate Blue Book*TM rate, make sure to provide sufficient information to obtain the correct rate. The information provided should include year, make, model, H.P., diesel or gas, wheel or track, rollover protection, transmission type, attachments, bucket sizes, lifting capacity, etc. Inspectors need to exercise caution, as the wrong rate may be inadvertently provided if insufficient information is provided.

If there is no rental rate readily available from the *Rental Rate Blue Book*TM for a piece of equipment, the publisher should be contacted to determine if they can provide one. If they can not, a rate can be established by using rates listed by other publishers, organizations or rental companies or any other method approved by the Assistant District Engineer.

1-602G Idle Equipment

For any piece of Contractor-owned equipment assigned exclusively for cost-plus work the Contractor is guaranteed reimbursement for a minimum of 8 hours of use time, idle time, or combination thereof, excluding weekends, legal holidays which the Contractor does no work and other days he is ordered not to do Contract work. Idle time is only reimbursed at 50% of the applicable rental rate, excluding operating costs.

If the Contractor is actively working on cost-plus work, payment for contractor owned equipment that is idle or partially idle is as follows:

- For equipment that is also being used for non-cost-plus work no idle time is paid for the day.
- If a piece of equipment remains idle during any day or portion of a day, excluding Saturday, Sunday or a holiday which the Contractor does no work, or any other day the Contractor is ordered to do no work, payment is made at 50% of the applicable rental rate, excluding operating costs up to a maximum of 8 hours. When a contractor works a nonstandard 40 hour workweek, i.e. four – ten hour days and a piece of equipment remains idle for a portion of the day the Contractor is reimbursed for the equipment idle time for the workday, up to a maximum of 8 hours. For instance, a contractor uses a piece of equipment for only one hour during a 10 hour work day; the Contractor would be reimbursed for 1 hour at the active and 7 hours at the idle rate for the piece of equipment.
- If a piece of equipment is idle for the entire workday that is on Saturday, Sunday or a holiday which the Contractor does no work, or for any other day the Contractor is ordered to do no work, no payment is made for the piece of equipment.
- If the equipment is used for part of the work day that is on Saturday, Sunday or a holiday, payment is made for the actual number of hour's active and idle time, if any, up to a total of 8 hours for the day.

1-602H Rented Equipment

The Project Engineer may direct the Contractor to rent equipment when it is determined the equipment is needed to perform cost-plus work. Before directing the rental of equipment, discuss with the Contractor the equipment they have available and the equipment needed to perform the work and how long they think the equipment will be needed. If after discussion, it is determined that a certain piece of equipment is needed that the Contractor does not have, ask the Contractor to furnish published rates from the rental company they plan to use.

The rates furnished should include:

- a daily rate per hour for equipment used for 7 consecutive days and less,
- a weekly rate per hour for equipment used from 8 to 21 consecutive days, and
- a monthly rate per hour for equipment used more than 21 consecutive days.

If the rates appear high, ask for additional quotes. You can also check the rates with those listed in the *Rental Rate Blue Book*[™]. The Contractor will be reimbursed the actual rental rate paid based on original receipted bills for the rental expenses incurred unless otherwise specified in the specifications.

Note: Rented Equipment that comes with an operator is not exempt from prevailing wage requirements. The operator must be reported on a certified payroll, refer to Volume 1, Chapter 12 – “Civil Rights.”

1-602I Materials

If the contractor is also the producer of the materials they shall provide an affidavit or a letter signed by an officer of the company and notarized in accordance with Article 1.09.04(c).

Sales tax included on invoices for work permanently incorporated into the project will not be reimbursed. It is the Contractor’s responsibility to obtain the Contractor’s Exempt Purchase Certificate from the State of CT Department of Revenue Services (CERT-141). Anything that is not permanently incorporated into the work may be considered temporary and therefore subject to sales tax. The tax exempt form (within the CM folder/approved forms/tax) from DRS has a very thorough set of instructions.