

New Jersey Department of Transportation

CONSTRUCTION ADVISORY

NUMBER: 19	Force Account – Idle Equipment	05/09/2014
CATEGORY: Payment		

In order to have a more uniform application of payment for idle equipment consistent with the Contract, the following guidance is provided.

Section 104.03.08.7.a.1 states:

The Department will calculate the “rental” hourly rates by dividing the monthly rate by 176. The Department will not use weekly, daily, or hourly rates. The Department will apply rental hourly rates for every hour the equipment is in active use, except that for any 30-day period, the Department will limit the total amount paid for each piece of equipment to a maximum of the monthly rate.

Therefore, payment for equipment at the full “rental” hourly rate or active rate is only provided for that equipment that is necessary for the force account and is in *active* use. If a piece of equipment is only needed for a portion of the workday, and is no longer needed for that day, the Contractor may remove the equipment and no further payment is made for that piece of equipment.

Section 104.03.08.7.a.5 states:

The Department will not make payment for idle time for equipment required for only portions of the force account work, except where the equipment has been held on the work site on a standby basis at the request of the RE and, but for this request, would have left the work site. Portions of the work include hours when the equipment is inactive within a working day. For the idle time for each piece of equipment, the Department will make payment at one-half the rate established as specified in 104.03.08.7.a.1. Idle time is limited to the Contractor's normal working hours. Idle time is further limited to a maximum of eight hours a day and a maximum of 176 hours in a 30-day period.

Rarely is any single piece of equipment engaged in active use 60 minutes of every hour and for every hour of the workday. Equipment that is engaged in intermittent use should be considered as being in active use so long as there is not a prolonged period of being idle that warrants the NJDOT's administrative effort. Generally, if a piece of equipment is in intermittent use for any time during a one hour period, it can be considered as active, but where its use can be cleanly demarked between active/idle with the hour then it can be appropriate to record such use to the nearest ½ hour.

RE's should understand that payment for equipment should not be made at either the active rate or the idle rate if the equipment is no longer needed. RE's should also understand that if equipment is not requested to remain on a standby basis by the RE, the Contractor is free to reallocate its use, including removing the equipment from the project site. If such equipment were needed again, and it was no longer on the project site, we would provide payment for transporting the equipment back to the project site.

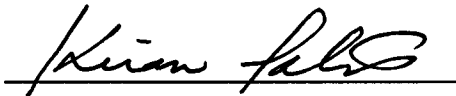
The following examples are provided to illustrate various circumstances:

Case A. The Contractor actively uses an excavator for the first 2 hours after which, the equipment is not required for the remainder of the force account activity. Payment should be made for 2 hours at the active rate, and no payment is made for idle time. This is so regardless of if the Contractor actually removed the equipment. However if the RE specifically requested the excavator to remain on a standby basis, then payment would be made at the idle rate for the duration of the time such direction was made.

Case B. The Contractor does not need a generator until the last two hours of the activity, after which it is in active use for 2 hours. Payment should be made for 2 hours at the active rate. No payment for is made for idle time unless the RE specifically requests the generator to be available at a predetermined time prior to its active use.

Case C. The Contractor uses a roller intermittently throughout a 12 hour workday with no distinct period of inactivity lasting more than a half hour. Payment should be made for 12 hours at the active rate, and no payment is made for idle time.

Case D. The Contractor uses a truck for the first hour of the activity, after which it is not active for 4 hours and then is active for the last 2 hours of the activity. The RE requested that the truck remain on a standby basis after the first hour for the remainder of the activity period. Payment should be made for 3 hours at the active rate, and 4 hours at the idle rate.

A handwritten signature in black ink, appearing to read "Kiran Patel", is written over a horizontal line.

Kiran Patel, PE, PMP, CPM
Director, Construction Services & Materials