Page 100-42, delete subsection 105.9.c. and replace with the following:

c. With the Contractor’s own organization, perform physical construction that equals at least 30% of the contract amount. For state-tied projects, the contract amount is the sum of the contract amounts for all tied projects. Do not sublet more than 70% of the physical construction on the project.

KDOT will determine whether the Contractor meets the 30% physical construction requirement by evaluating the bid items subcontracted using the following formula.

\[
\text{Percentage of Physical Construction (PPC)} = \frac{(\text{OCA-SA})}{\text{OCA}} \times 100
\]

OCA - Original Contract Amount
SA – Sum of all Original Contract Line Item(s) Amount Bid that are Subcontracted entirely and all portions of Original Contract Line Item(s) that are Subcontracted.

Subcontracted work includes, but is not limited to:
- Contractor markup on subcontract work (field office overhead, home office overhead, profit) that is included in the unit price for the bid item subcontracted.
- Contractor purchased material to be placed by the subcontractor. Include the price of this material in the Original Contract Line Item for the bid item subcontracted.

KDOT will not classify as subcontracted work:
- Contractor manufactured material to be placed by the subcontractor. Do not include in the Original Contract line item for the bid item subcontracted the price of the manufactured material. Only include in the Original Contract Line Item for the bid item subcontracted the portion of the bid item that represents the subcontractor placement.

Example 1 (Original Contract Line Item Amount Bid):
The bid item End Section was bid at $110.00/each.
The subcontractor bid $105.00/each, and is performing all the physical work for the bid item.
The Contractor added $5.00 for administration, overhead and profit.
The SA for this work would be $110.00/each.

Example 2 (Portion of Original Contract Line Item):
The bid item Milling was bid at $12.00/ton.
The subcontractor bid $7.00/ton.
The Contractor is hauling the millings for $5.00/ton.
The Contractor and subcontractor are both doing physical work for this bid item.
The SA for this work would be $7.00/ton.

Example 3 (Contractor purchasing material):
The bid item Hot Mix Asphalt – Commercial Grade (Class A) was bid at $75/ton.
The subcontractor bid $25/ton to construct the HMA.
The Contractor purchased the HMA at $50/ton.
The SA for this work would be $75/ton.
Example 4 (Contractor manufacturing material):
The bid item Hot Mix Asphalt – Commercial Grade (Class A) was bid at $75/ton.
The subcontractor bid $25/ton to construct the HMA.
The Contractor manufactured the HMA at $50/ton.
The SA for this work would be $25/ton.

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