

Rule No.: 941 - 7401 - 03000

Agency: Mississippi Department of Transportation

Agency Effective Date: May 15, 2005

Agency Issued Date: March 8, 2005

Secretary of State Authority Date: May 15, 2005

Supercedes Rule:

Division: Contract Administration

Rule Title: Subcontracting

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**The person to be contacted regarding the Proposed Rule is:** Facility and Records Management Director

**Name of person originating the proposed rule:** Neal Dougherty

**Name of supervisor or person who approved the proposed rule:** B. B. House, P. E.

**Purpose:**

Establish Procedures Covering Subcontracting

**Summary:**

**The full text of the proposed rule is:**

**All cites herein refer to the most current version of the cited document.**

In accordance with Federal Highway Administration Federal-Aid Policy Guide CFR 23 Section 635.116, and the [Mississippi Standard Specifications for Road and Bridge Construction](#), the prime contractor is required to perform with its own organization contract work amounting to not less than 40 percent of the total contract price excluding any identified specialty items. Specialty items may be performed by subcontract and the amount of any such specialty items so performed may be deducted from the total original contract before computing the amount of work required to be performed by the prime contractor's own organization. The contract amount upon which the foregoing 40 percent requirement is computed includes the cost of materials and the manufactured products which are to be purchased or produced by the prime contractor under the contract provisions.

Any subcontract request, Form CAD-720, Request for Permission to Subcontract, must be approved by the Executive Director before the subcontractor begins work. The subcontractor will be permitted to perform only the work included in the approved subcontract request. For Federal-Aid projects, Form CAD-725, (Sub) Sub-Contract Certification for Federal-Aid Projects, and Form CAD-521, Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity (Executive Order 11246), must be attached and submitted with Form CAD-720.

To assure that all work (including subcontract work) is performed in accordance with the contract requirements, the prime contractor shall be required to furnish a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work).

*[Reference Mississippi Code 1972, Title 31. Public Business, Bonds and Obligations, Chapter 3. State Board of Public Contractors]*

On projects financed with 100 percent state funds, all subcontractors must be licensed by the Mississippi State Board of Contractors if the amount of the subcontract is in the amount of Fifty Thousand Dollars (\$50,000.00) or more.

PURPOSE: Establish Procedures Covering Subcontracting of Haul

All trucks or hauling equipment used where a pay item or absorbed item is involved, except those owned or rented by the prime or subcontractor and bona fide owner-operator, must be covered by an approved Form CAD-720, Request for Permission to Subcontract. The Executive Director must approve the CAD-720 prior to the commencement of the hauling operation. Exceptions are those trucks or hauling equipment owned or rented by the prime contractor, subcontractor, or bona fide owner-operator. *[Reference Mississippi Standard Specifications for Road and Bridge Construction]*

Electronic links to all materials referenced (manuals, laws, regulations, etc.) relative to the Administrative Procedures Act Rules for the Contract Administration Division may be accessed via the department's internet website as follows:

<http://www.gomdot.com>