
ALACHUA COUNTY PUBLIC WORKS OPERATING PROCEDURE

DIVISION: Transportation & Development

SECTION: Construction Inspection

PROCEDURE #: ECI-2

SUBJECT: Construction Contract Administration

DATE: 12/06/01 REVISION #:

PREPARED BY: Jim King

APPROVED BY: Matthew Dominy, P.E., Director Of Public Works

POLICY: **The Construction Inspections Office to provide Construction Contract Administration and represent the Director in the implementation of contract provisions.**

Construction contracts shall be administered in accordance with the provisions of the **Contract Documents and Specifications** for a specific construction project. Guidelines for implementation of these provisions are as indicated in this procedure. Specific requirements for inspection and testing are contained in the **Alachua County Road Inspection Standards**.

CONSTRUCTION CONTRACT ADMINISTRATION PROCEDURE

1.0 Scope: This procedure is intended to provide a working guideline for administration of contracts awarded and executed, utilizing the standard Capital Improvement Construction Contract. Primary emphasis is placed on activities related to Sections "C" (General Conditions), "D" (Special Conditions) and "K" (Contract Administration Forms).

2.0 References

- 2.1 Standard Contract Documents and Specifications - Alachua County Public Works.
- 2.2 Florida Department of Transportation Standard Specifications for Road and Bridge Construction, most current revision.
- 2.3 *Effective Construction Contract Administration: Anticipating, avoiding, and resolving construction contract claims.* Wells & Bridges, Inc., 1992.
- 2.4 *Public Construction in Florida: Preventing Problems and Resolving Disputes.* National Construction Law Center, Inc., 1993.
- 2.5

3.0 Pre-Construction

- 3.1 Prior to start of construction, a pre-construction conference shall be held. Written notice of the meeting shall be given. If a water management, DEP or FDOT permit was issued for the work, their representatives will be invited, in addition to the County representatives, Contractor, design engineer, and involved utility companies. The Contractor shall provide written schedules in order to coordinate prerequisite work and utility relocations. The contractor shall provide any specific maintenance of traffic plan required by the contract. Specific external permit requirements shall be discussed to avoid any confusion or misunderstandings between agencies and contractors.
- 3.2 A Notice to Proceed shall be given to the Contractor, prior to start of work. Authorization to proceed date shall be no more than thirty (30) days after date of the pre-construction conference, unless specific exclusion is given in the Special Conditions of the contract or delay is authorized in writing by the Director. Exclusions may be made for the ordering and receipt of proprietary materials, utility relocations, permitting, or right-of-way condemnation / acquisition. Unless specifically restricted in the Special Conditions, the Contractor may begin work any time after receipt of the Notice to Proceed. Even if work has not begun by the specified start date, counting of contract workdays will still commence.
- 3.3 Proprietary designs or shop drawings, required to be provided by the Contractor, shall have the Contractor's engineer stamp and certification prior to acceptance by the County.
- 3.4 Three (3) copies of Contract Documents and drawings will be provided to the Contractor at the pre-construction meeting.

4.0 Work By Others

- 4.1 Schedules established at pre-construction may or may not prevent work delays such as for utility relocation, work to be performed by the County, or removal of private property by citizens. If the Contractor claims work delays, immediate determination must be made of work available without impact. Documentation is imperative! An alternate work schedule should be presented to allow the Contractor to utilize, to the maximum extent, his equipment and manpower. If he is unable to do so, he may claim lost time and additional contract costs, therefore, County documentation of idle personnel and equipment must be made, in order to evaluate his claim.

5.0 Subcontractors

- 5.1 A list of proposed sub-contractors shall be provided with the contractor's bid proposal. County's objections to any of the subcontractors shall be resolved prior to execution of the contract by the Board of Commissioners. Disposition and resolution shall be in compliance with Section C-05 of the contract documents.

- 5.2 Subcontractors are employees of the Contractor. Communications given to subcontractors must be given through the Contractor's designated representative.
- 5.3 The County does not pay subcontractors directly. This is the responsibility of the Contractor and is assured by the Payment Bond. When a "Notice to Owner" is received from a subcontractor or supplier, a copy of the Payment Bond shall be provided to the subcontractor or supplier. Copies of progress payment applications may be provided to subcontractors upon written request.
- 5.4 Subcontractors are bound, by the Contractor, to the applicable terms and conditions of the contract, and are responsible to the Contractor for any deficiencies, errors, acts or omissions. The Contractor, in turn, is responsible to the County for any acts of the subcontractors or suppliers.

6.0 Changes In The Work

- 6.1 Changes in the work must be documented prior to execution of a change by a Change Order or a Field Change Order,
 - 6.1.1 A Field Change Order may be used for minor changes, deletions or additions to the work, such as overruns and under runs of items not bid as lump sum. Minor changes, such as substitutions of items of equal unit cost may be documented on a Field Change Order. An example of this would be the placement of Type E curb in lieu of Type F curb. No changes resulting in a change of unit cost or changes resulting in additional bid items may be made on a Field Change Order. Overruns on existing pay items, other than items payable by lump sum, may be documented on a Field Change Order, however, if the change in quantity will substantially reduce the available amount of Field Change Order money, a Change Order to increase the amount of the contract is recommended. Field Change Orders are not processed to the Commission or County Manager for approval, and only require approval of the Director.
 - 6.1.2 A Change Order is required when a change of unit price is necessary, when a new pay item is required, when a change to the contract work days is necessary, or when overruns on any pay item or combination of pay items exceeds the amount of funds authorized for Field Change Orders. When excessive overruns necessitate a Change Order, the documents presented need only increase the quantities, however, if the change is large enough to make the construction of the item either more costly or more economical, a change in unit price may also be considered. Any changes in unit price should be negotiated with the Contractor, and documented, and attached to the Change Order when submitted for approval.
 - 6.1.3 The County Manager or Public Works Director may approve 6.1.3 Change Orders or Board of County Commissioners as appropriate. The Public Works Director may approve changes in contract amount, which do not exceed \$50,000 and do not cumulatively exceed 10% of the contract amount. This process may

be utilized until the total of changes will exceed ten percent (10%) of the original contract amount or \$500,000 whichever comes first. The Board of County Commissioners must approve changes exceeding the above amounts or which expand the scope of work. The Public Works Director may approve any Change Orders that reduce the contract amount.

7.0 Payment

- 7.1 Payment application may be processed in two ways: Contractor generated or County generated. Application by either process shall be formatted with the titled columns shown on the application form in the contract.
- 7.2 Applications shall include all work completed thru the 25th of the month that application is made. Application shall be verified, approved, and processed to Finance and Accounting by the 15th of the month following. Items submitted for payment shall be items completed and accepted, or a percentage of incomplete items that is payable in accordance with FDOT contract estimate procedures. Payment may be made for received and stockpiled materials as long as payment does not exceed a cost shown on an appropriate invoice and the invoice cost does not exceed 75% of the contract unit cost of the material when installed and accepted.
- 7.3 Applications must be cost coded with account numbers, prior to approval by the Director.
- 7.4 Upon approval for payment, a copy of the application should be provided to the Contractor, Construction Inspections, and project master file.
- 7.5 Once a Change Order is approved, which adds a pay item or changes a unit price or estimated quantities, subsequent pay applications shall be revised to reflect the changes. A double asterisk (**) shall be placed next to revised pay items and a note at the bottom of the pay application shall identify the Change Order numbers.
- 7.6 Field Change Orders shall not be reflected on pay applications.
- 7.7 On projects utilizing Federal Funds, copies of the Contractor's payroll must be submitted with the payment application. Employee payroll must be verified that it meets requirements of the zone listing for salaries payable under the Davis-Bacon Act. This verification must be discreetly verified with each employee prior to processing the Contractor's payment application.
- 7.8 Final payment for a contract shall not be processed for payment prior to receipt of a Final Affidavit and Release of Lien. Prior to the completion of this form, the Contract Administrator for the contract will need to provide the Contractor with the amount of the final payment. The amount of final payment will include all funds due (zero retainage). If any questions remain as to payment of

subcontractors or suppliers, an affidavit from each subcontractor or supplier releasing the County from liability may be appropriate. Engineering certified as-built drawings, or any warranty information or operator's manuals applicable to equipment, shall also be supplied prior to final payment

- 7.9 If during the course of the contract work, liquidated damages, additional engineering, design work, or testing costs were incurred by the County, and the Contractor was liable for the costs, a deduction in final payment may be necessary. This may be accomplished by deducting amounts due to the County from the amount due the Contractor on the final payment application cover sheet. Appropriately annotate the deduction and provide an explanation on the bottom of the sheet. This may be done without a Change Order being completed, as the Contractor signature on the application form is adequate substantiation of the deduction for Finance and Accounting's purposes.
- 7.10 Final Payment Application shall be forwarded to Finance and Accounting with copies of the Final Affidavit and Release of Lien and Certificate of Completion. Originals of the Release of Lien shall remain in the project file. Original of the Certificate of Completion shall be forwarded to the Contractor and a copy shall remain in the project file.
- 7.11 Payment application with a release of retainage may be processed prior to Final Payment Application when delays are encountered in the completion of the project and the County agrees to accept completed work. A Release of Lien must be submitted by the Contractor for all work completed and accepted by the County, and a copy must accompany the Payment Application. Retainage shall be held for work not completed and accepted, or for monies for which negotiations may be required.