

# **APPENDIX CA – CONTRACT ADMINISTRATION**

## **APPENDIX TO THE UNIVERSITY OF VIRGINIA FACILITIES DESIGN GUIDELINES**

**September 2004**

## CA.1 BIDDING AND CONSTRUCTION PROCUREMENT

### CA.1.1 METHODS OF BIDDING/PROCUREMENT/CONSTRUCTION

There are several methods of bidding and/or procuring or executing construction. Sometimes in the course of design the methods change, requiring awareness as to the consequences of a change. The methods include competitive sealed bidding, “on-demand” or “Make/Buy” bidding, competitive negotiation using a request for proposal, design/build, construction management, performance by a standing contract (limited application), and performance by Facilities Management personnel. For certain limited scope projects, a request for proposal for construction is issued through Facilities Management Materials Division. Examples of this restricted method are elevator replacements and sidewalk improvements.

It is important to plan and establish with the Project Manager which of the means and methods will be applicable to a project, keeping in mind that it can change. When Facilities Management personnel become over-extended, priorities force change, usually requiring more contract document documentation and contract documentation for bidding and/or construction by third party (non-University) contractors.

Competitive sealed bidding and “on demand” bidding are the most frequently used methods. Public bidding requires the most front-end and Division 1 specification documentation. (See Appendix DIV1 – Division 1 Specifications.) “On-demand” and “Make/Buy” are interchangeable terms for bidding by predetermined contractors who often have good experience and working relationships with the University. “On-demand” bidding requires less front-end documentation because contracts exist that include forms that can be referenced. “Make/Buy” is a term indicating that Facilities Management may also bid a project in competition with “on-demand” contractors.

Competitive negotiation utilizes a request for proposal format. This method is limited to construction costing \$500,000 or less. Negotiation may proceed with two or more contractors premised on a weighted method of evaluating proposals that includes more than the basis of cost.

Design/build and construction management are defined by terminology specific to the Commonwealth of Virginia, although they parallel industry practices. These means and methods are typically established early in projects, subject to approval of the State and/or University.

The University of Virginia Health System has variances from the Commonwealth of Virginia Public Procurement Act for those projects associated with State Agency 209 (hospital inpatient and outpatient services). These projects may have private bid openings, and are not required to provide three or more product manufacturers for specified brand names. This permits the Health System a means of cost control and expediency consistent with their need to remain competitive with private inpatient and outpatient providers.

## CA.1.2

### **FRONT-END AND DIVISION 1 SPECIFICATIONS**

In addition to Facilities Management Division 1 Specification Guidelines available at website <http://www.fm.virginia.edu/fpc/Links.htm>, front-end requirements are established in either the Higher Education Capital Outlay Manual (HECOM) or the Construction and Professional Services Manual (CPSM). These manuals contain specific guidelines for Notice of Invitation for Bid, Instructions to Bidders, Pre-bid Question Forms, Bid Forms, and numerous construction administration forms.

The Higher Education Capital Outlay Manual (HECOM) 2000 parallels the Construction and Professional Service Manual as part of a legislative action intended to decentralize design and construction processing, enabling qualified higher education agencies of the Commonwealth of Virginia, such as the University, to establish design and construction requirements and perform design reviews in lieu of parallel Bureau of Capital Outlay Management actions prescribed in the Construction and Professional Services Manual.

The majority of University of Virginia projects are financed by non-General Funds (State legislated and funded) such as private gifts and grants or revenue produced agency funds. Excluding certain CPSM (DGS Forms) construction administration forms, HECOM forms are applicable.

For projects involving General Funds, all CPSM forms are applicable. Those equivalent to HECOM forms are, however, executed by authorized Facilities Management personnel instead of the Bureau of Capital Outlay Management.

## CA.1.3

### **SUPPLEMENTAL GENERAL CONDITIONS**

#### **.1 Terminology**

Terminology in the General Conditions of the Construction Contract (DGS E&B Form CO-7) differs from that typical of such documents as the American Institute of Architects General Conditions. Of specific construction contract importance the required terminology frequently found in sections of specifications is “General and Supplemental General Conditions”. Terms such as “General and Supplementary Conditions” are not consistent with the General Conditions of the Construction Contract.

#### **.2 Insurance**

For renovations projects Section 12 of the General Conditions of the Construction Contract is frequently modified per example language found at website <http://www.fm.virginia.edu/fpc/Links.htm> example. The University through State-provided self-insurance provides builder’s risk or all-risk insurance on effected existing buildings and site improvements, exclusive of the contractor’s or subcontractor’s equipment and tools, limiting the insurance provided by the Contractor to the dollar amount of the contract work.

## CA.1.4

### **SPECIAL CONDITIONS**

The following **Special Conditions** shall be included in the Specifications:

#### **Article 1: Laws And Regulations**

The Contractor is advised that since this project is on State property, building codes and zoning ordinances of local political subdivisions do not legally apply.

Should building permits be required, they will be obtained and paid for by the University.

#### **Article 2: Architect's And Engineer's Status**

The Architect/Engineer shall, within ten (10) calendar days after receipt of the Contractor's Change Order Proposal, either recommend to the Owner the proposal for conversion to a Change Order or notify the Contractor, in writing, the reasons for not approving the change.

#### **Article 3: Contractor's Project Personnel**

In addition to a competent foreman or superintendent, the Contractor shall provide a Project Team consisting of a Project Manager and General Field Superintendent, all to be approved by the University.

#### **Article 4: Payments To Contractor**

The Architect/Engineer shall, within seven (7) calendar days after receipt of the Contractor's application of payment, either certify the schedule of values and forward the request for payment to the Owner with a copy to the Contractor for such amount as the Architect/Engineer determines is properly due, or notify the Contractor, in writing, of the reasons for withholding the application for payment.

#### **Article 5: Board On Changes**

- a. When a proposed change order is estimated to exceed \$50,000 or materially change the scope of the project, a Board on Changes (BOC) consisting of the Director of Facilities Planning and Construction (FP&C), Division Manager, Construction Administration Manager, Project Manager, a Representative of the Contractor and the Architect/Engineer (A/E) for the project shall be appointed. The Chief Facilities Officer (CFO) as deemed necessary might appoint additional representatives including professional cost estimators and building committee members.

If the change is estimated to exceed the \$50,000 threshold in total, but is composed of several discreet changes each of which is under the threshold, use of a BOC is at the discretion of the Director of FP&C. **The norm shall be to issue the change with the discreet changes combined as a single change order.**

- b. The Board shall negotiate the cost of the proposed change and submit a formal report prepared by the A/E, or if there is no A/E, by the University Construction Administration Manager or Project Manager. All board members shall sign the report. Any member who does not concur shall sign a dissenting report, which shall be appended to the majority report. Once the Board Report has been approved, the A/E shall be directed to prepare the formal change order.
- c. The Board Report shall contain the following information:
  - (1) A general description of the change and why it is required.
  - (2) The date of meeting of the Board and the members present.
  - (3) A narrative of the negotiation. (one page maximum).
  - (4) The wording recommended for the formal change order.
  - (5) The cost of the work and any extension of time negotiated by the Board.
  - (6) A summary of the calculations used in arriving at the negotiated price. Explain specifically how any differences between the A/E's and the Contractor's estimates were resolved.
  - (7) Attachments:
    - (a) The Contractor's "final" cost estimate and the A/E's cost estimate.
    - (b) The University's estimate (or professional estimate). "If required"
    - (c) Such additional details (for example, working sheets on which quantities, unit prices, and their extensions are shown) as are necessary to permit a reviewing authority to determine the reasonableness of the recommendation.

#### **Article 6: Hazardous Materials**

Prior to the start of construction, the Contractor shall furnish a list of materials to the Construction Administration Manager that may be brought onto the job site. If additional material, not included on the list, is to be brought to the job site, the Contractor shall give the Construction Manager 48-hour notification to allow coordination with and review by the Office of Environmental Health and Safety. When requested by the Construction Administration Manager, the Contractor shall furnish Material Safety Data Sheets for any materials to be brought on the job site.

#### **Article 7: Minority Statement**

Contractors awarded a contract must submit information regarding the dollar volume subcontracted to minority firm (s) and women owned firm (s) including the name (s) address (es), phone number (s), and total dollars directed to these firm (s). This information must be submitted by the project completion to:

Contract Administrator for Construction  
Facilities Management Annex, Room 114  
University of Virginia  
575 Alderman Road  
Charlottesville, VA 22903

NOTE: "Minority business enterprise" means a business enterprise that is owned and controlled by one or more socially and economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances, or background, or other similar cause. Such persons include, but are not limited to, Blacks, Hispanics Americans, Asian Americans, American Indians, Eskimos and Aleuts.