

**CAPITAL IMPROVEMENT PROJECTS PROCEDURES MANUAL**

340 Victoria Road

Asheville, NC 28001

(828) 254-1921

www.abtech.edu

**Table of Contents**

1. Preface

2. Capital Improvement Project Initiation

3. 3-1 and 3-2 Forms

4. Designer Selection

5. Design Contract

6. Amendment to Design Contract

7. Testing

8. Design Reviews

9. Bid Process

10. General Contract

11. Construction Contract

12. Payments

13. Construction

14. Shop Drawings

15. Beneficial Occupancy

16. Owner Training

17. Acceptance and Occupancy

18. Change Orders

19. Field Orders

20. Closeout

21. Warranty Work

22. Year-End Inspections

**1. Preface**

A-B Tech understands the college continues to be subject to all other statutes and rules governing community college capital improvement projects, including but not limited to G.S. 115D, G.S. 143-64.31-34, G.S. 143-128.2, and G.S. 143-129. A-B Tech understands delegated authority does not prohibit A-B Tech from using the services of State Construction.

The Board of Trustees of A-B Tech understands and accepts the responsibility of assuming an increase of delegation for capital improvement projects. The college is committed to following the policies, procedures, and guidelines as provided by General Statute, the Administrative Code, the NCCCS Construction Manual, and the State Construction Manual, as amended by Section 8.19 of SL 2011-145.

This manual was originally created using the State Construction Office (SCO) process and has been adapted for Construction Delegation. One purpose of this manual is to distinguish procedural differences between the Construction Delegation process instead of the SCO review process. Previous SCO-related text remains and is shown in “blue”.

**2. Capital Improvement Project Initiation**

Approval of projects is first initiated by County Commissioners, or NCCCS, (or State)

depending on the funding source after A-B Tech Board approval of list of projects.

1. Board of Trustees approval. This is usually done through a list of projects submitted as preparation for a bond referendum or in response to an individual request.

2. All projects are requested through Capital Project Improvement Request (CIP) at the County or through NCCCS for state bond requests.

3. Vice President for Administrative Services (VPAS) prepares 3-1 and cover letter for State Board approval to NCCCS for all projects over $300,000 and for any project over $4,000,000 with state money involved. The A-B Tech President and the Board chairman will sign and distribute copies to the VP Business & Finance, VP for Administrative Services (VPAS), Capital Projects Coordinator (CPC), and NCCCS.

4. See Designer selection for approval process.

5. See General Contract for approval process and 3-2.

6. The VPAS is designated as the Capital Projects Coordinator (CPC) at A-B Tech.

**3. 3-1’s and 3-2’s**

3-1 & 3-2 are completed and submitted on formal projects (over $500,000) and any project with state funding involved at any amount.

**3-1 ’s** are completed and submitted to the Buncombe County Finance Office and the NC Community College System office. The A-B Tech Board of Trustees must first approve the motion for the project, and then the form is submitted to the appropriate office. Financial details for the project are recorded on this instrument and allow the County and State OSBM to keep a record of the finances associated with the project.

**3-2 ’s** are completed and submitted to Buncombe County & NCCCS after a construction project has been approved by the Board of Trustees. Any monetary change during the course recorded on this instrument, must be approved by the college president, and then submitted to the NCCCS office for approval. Any increase in county funding will have to be approved by the Buncombe County Finance Office.

Approval Flow: (remember to ALWAYS keep copies prior to sending to Buncombe

County Finance Office & System Office)

 Before documents leave A-B Tech – final review should be made by the CPC & then forwarded and signed by the President.

 Send to Buncombe County Finance Dept. – (prepare a Transmittal). Once funding is approved, it will be sent back to A-B Tech with all the necessary signatures.

 Once approved by Buncombe County, forward the original to NC Community College System office – (prepare a transmittal to accompany document). Make sure a copy is kept for our files & stamped with the FILE COPY stamp. NCCCS will have the document included in the upcoming Board meeting for their approval.

 Once approved, it will be sent back to A-B Tech. If the original is received in the Facilities office, forward it to the CPC and make a copy for the VP of Business & Finance. Send the copy along with a Transmittal form. Administrative support for the CPC will file it in the Project Approval folder under the appropriate project.

Note: Approval flow may be altered depending on source of funding. Ask the VP for Administrative Services (VPAS) the process as the form is completed.

When a revision is made to a 3-2, make sure the project number & description is noted on each page in the upper right hand corner of the document.

**4. Designer Selection**

REFER TO RESOLUTION AUTHORIZING THE SELECTION OF DESIGNERS AND APPROVAL AND AWARD OF CONSTRUCTION CONTRACTS. The Capital Project Coordinator (CPC) must review the process to ensure compliance with State Building Commission recommendations and G.S. 143-64.31-.34.

1. Verify the following are in the Files

A. Authorization from Board of Trustees, NCCCS and/or Buncombe

County Finance Officer/ County Commissioners for the project. i.e.: CIP, State Board approval

2. Place designer advertisement through SCO on the IPS web site. The advertisement may have a link with more information.

3. Create a memo to interested designers. Have the same closing date for designer submittals on both the advertisement and the memo. Refer designers to the IPS site.

4. Organize the selection Committee. Committee members will be recommended by the Capital Projects Coordinator (CPC) to the Executive Leadership Team (ELT). ELT approves and the President will appoint the members.

5. Hold the First Committee Meeting

A. Overview the process

1. The steps and time involved – (30 to 60 day process)

2. The procedures

3. Assemble the selection criteria and establish a consensus

B. Establish criteria

1. Bring suggestions

2. Consider weighting criteria

C. Do not leave the meeting without a draft evaluation form.

D. Review sample SF 254 and Evaluation forms for review by committee members.

E. Distribute Designer proposals

F. Prepare in the meeting the process schedule, and distribute hard copies or e-mail copies afterwards.

G. Schedule Shortlisting/ Selection Meeting, 1 to 2 weeks from the First

Committee Meeting

6. Short listing/Selection Meeting

A. Process

1. Select three in order of preference.

2. Be certain to use the evaluation scores in a manner that they can be transferred to a single spreadsheet.

3. Ask each participant for their top three choices, based on their evaluation form scores

4. Track individual numerical ratings along with the criteria as this will make it very easy to explain to anyone how the selection was made

5. Select three to five firms for interviews, if appropriate

6. After selection, all other designers will be notified by the CPC.

B. Plan the interviews

1. Review the interview procedures

2. Assemble the selection criteria to be considered in the interviews and establish consensus

3. Arrange convenient date for the interviews for committee members and be sure to allow plenty of time for each interview and between interviews.

C. Plan the Briefing Meeting two weeks from the Shortlisting/Selection

Meeting if required (large buildings projects)

1. Set time, location and attendees of Briefing Meeting

2. Send letter of notice for the Briefing Meeting to the preferred designers stating date, time and location of Briefing Meeting.

7. Briefing Meeting

A. Assemble necessary documentation and prepare for transmittal to each firm to be interviewed.

B. Hold a briefing on campus for the short listed firms.

1. Tour the site

2. Hear concerns of the staff and users

3. Ask questions

C. Draw cards to determine order and time of interviews for each shortlisted firm

D. Notify the shortlisted firms that A-B Tech will not provide any special equipment for interviews besides the interview room.

E. ***Exception***: For some projects, briefing on campus may not be necessary. Designer and Committee member(s) can meet one on one.

8. Interviews

A. Allow presentation time and Q&A session, 15 minutes between interviews for discussion by committee members. One hour total

B. Make sure to schedule for a room to use in-between the 15 minutes interview session for Committee members

9. Selection Following Interviews

A. Same as #8B and 8C, except the end result is the selection of three firms in order of preference.

10. Send letter to three firms showing order of selection. At the same time, the CPC is to post the outcome to the Office of Purchase & contract, then a letter to SCO. CPC or VPAS will send a congratulations letter and telephone the chosen designer and set a meeting with designer on Campus to review scope per project scope/funding form.

**5. Design Contract**

The college is responsible for negotiating design fees and preparing design agreements. These duties shall be accomplished by A-B Tech in consultation with the CPC, college staff or contracted resources providing technical construction expertise, college business office staff, and the college attorney. System Office staff will provide periodic feedback to the college regarding design fee trends.

NOTE: Now & All Throughout the design and the construction process, a schedule must be decided upon and adhered to. CPCs are to consistently monitor the schedule.

Subsequent to the scope/funding meeting described in # 10 of Designer Selection.

1. CPC requests designer proposal for review.

2. CPC sends final proposal (through advance planning, through CDs or through construction) for project with scope and budget to SCO VPAS and includes:

A. Complete schedule

B. Proposed fee (Check hourly rates for additional services fees against

SCO limits) C. Consultants

3. CPC sends letter to SCO agreeing to proposal from designer as forwarded to SCO. VPAS prepares Approval Letter with Clarifications that may be appropriate include:

Funds for FF&E that are separate from Construction funds

Owner reserves

Limited duration of contract, such as termination at end of DD

3. After VPAS approval the CPC prepares a Motion for Facilities and Finance Committee approval. Facilities and Finance Committee approves and sends the design proposal to the Board of Trustees for final approval.

4. SCO negotiates contracts VPAS and CPC negotiate contracts. NOTE: the design contract MUST include a clause incorporating a year end inspection. If not, you will have to get the designer to do a proposal after his portion of the project has been closed out.

5. SCO VPAS or CPC writes design contract original plus 3 copies and forwards to the designer for signature and their return to us for our signature.

6. President or VP of Business & Finance signs design contract upon Board of

Trustee’s approval.

7. Copies: CPC sends copies to Designer, VP Business & Finance, NCCCS, and SCO.

8. Executive Director of Business Services enters fees and dates into project data sheet.

9. CPC notifies Office of State Purchase & Contract of selection, when required.

10. Be aware of amendments and extensions to contract at each stage. Copy NCCCS, designer, VP Business & Finance, VPAS, and CPC, and SCO with each amendment.

**6. Amendment to Design Contract**

After the Design Contract has been negotiated, approved, signed and a P.O. has already been created, a need may arise for the Architect to request an increase to the total contract amount. This is referred to as an Amendment to the Design Contract and the steps to complete this process are as follows:

1. The Architect will send the VPAS or CPC a letter requesting and describing the need for an increase. Within the body of the letter, the additional amount the Design Contract is to be increased will be stated.

2. If the CPC agrees to the increase:

 A letter is initiated from this office to the State Construction Office, Attn: Mr. Ryan Scruggs (he receives all information concerning Designer Contracts at the SCO) stating he is in agreement to the Architects increase. The Architect and the NCCCS Director for Administrative & Facilities Services should be courtesy copied at the bottom of the letter, as well as a copy of the letter sent to them.

 The SCO is to receive the original signed letter along with the original letter from the Architect requesting the Amendment. Make certain a complete set of what is sent out is copied for our files and stamped at the top FILE COPY. It will then need to be filed away in the proper project folder (Consultant/Designer Contracts-Designer Contract). It will not be necessary to complete transmittal forms to accompany these

letters since they are letters and are self-explanatory.

3. If the VPAS and CPC agree with the request, the CPC will issue to the Architect a Design Amendment – usually four original copies. The Architect will sign all original copies and then forward all original sets to the CPC. Once they are received at A-B Tech, date stamp each set with the current date and send them to the President or VP Business & Finance for signature. He/she will then sign each copy, and have it signed by a witness.

4. After all 4 copies have been executed by the President or VP for Business & Finance and witnessed, 3 copies will be returned back to CPC for distribution. Send one original set along with a Transmittal form to the following:

A. NC Community College System – Sharon Rosado, Director

B. NC State Construction Office – Ryan Scruggs (when applicable) C. Architect

D. Our files – to be filed in the proper project folder - Consultant/Designer Contracts-Designer Contract- along with any additional correspondence from the Architect

Make sure the vendor is on E-Procurement and has an EFT account with Buncombe County. If the vendor is on E-Procurement, create the P.O. on e-Pro, and print out 3 copies of the e-Pro requisition at the end of the transaction. One e-Pro requisition and a copy of the Amendment will be sent to the Business Office. The second e-Pro requisition and the original Amendment will need to be filed in the proper project file (Consultant/Designer Contracts-Designer Contract). Stamp this with the FILE COPY stamp.

**7. Testing**

NOTE: Testing Services (Air Monitoring, Soil Investigations, Construction Materials

Testing), Special Inspections, and Surveys.

Designer is to define scope of work and solicit a Statement of Qualifications (SOQ)

from at least three engineering companies. Designer must have VP of Business & Finance and CPC input on the companies list. Designer will review the SOQs and recommend a company to A-B Tech.

The selected engineering company will develop a detailed proposal based on the specific needs of the Designer. If the proposal is acceptable, the VPAS or CPC will sign the proposal and will request the Purchasing Office to issue a purchase order.

Testing services cannot include in their proposals any references to Limits of Liability, and their professional rates cannot exceed the hourly rate set forth by State Construction.

When the cost of the testing services is known, have the Executive Director of Business Services update the project data sheet.

**8. Design Reviews**

The college is responsible for examining and approving all plans and specifications for the capital improvement projects. College approval is required for each phase of design before the design consultant can proceed with the next phase. In addition, Buncombe County Code Enforcement requires a preliminary review with the designers, will review the construction documents for code compliance, request revisions as required, and issue the building permits after all the construction documents are approved. The CPC, or other college designee, is responsible for coordinating with the design consultant to ensure that applicable reviews by the regulatory agencies as described in Chapter 200 “Regulatory Review Procedures” of the State Construction Manual are submitted and that all subsequent comments are satisfactorily resolved.

The following process applies to projects that fall under the Construction Delegation. Other projects will follow the State Construction Office process described in the SCO Manual

1. The VPAS and CPC recommend Project Team members to the ELT. The ELT appoints the Project Team to oversee the design process. The members typically include the CPC, the appropriate Dean, IT rep, end user reps, and other stakeholders. The Project Team works with the Designer and reviews/approves all phases including programming, schematic design, design development, and construction documents. The Project Team is also invited to attend some monthly construction meetings and advises on an as needed basis during the construction process.

2. The ELT will approve floor plans and exterior elevations on all projects. It also approves space assignments related to new construction and renovations. .

3. Designer is provided information about A-B Tech Facilities Standards and Construction Standards from the VPAS and directed to review the State Construction Office manual at <http://www.nc-sco.com/scomanual.aspx>.

4. CPC & Designer establishes required agency reviews. CPC establishes review for each interval of design as called for on design contract.

5. Designer forwards plans to each required agency.

6. In each design phase and at other appropriate points, the CPC will engage the relevant college departments in design review. These include, but are not limited to, Facilities Maintenance, Security, ITS, Environmental Health & Safety.

7. CPC schedules and conducts stand up review with maintenance staff and designers. Have a completed copy of scope/checklist available for reference.

8. CPC shall review and comment on the submitted documents, incorporating all other reviews, and copies SCO and VPAS. As part of reviews, get parking and lay-down request to Security and incorporate approval into CD’s.

9. Designer replies within two weeks; CPC distributes their comments as appropriate.

10. CPC quickly reviews the designer’s reply to check on changes requested. After receipt of each new phase of documents from a designer, the previous sets can be recycled. (***Note****: Always* ***keep a bid set*** *throughout construction on hand to check against what a contractor used to bid the job).*

11. Upon approval from all reviewing agencies, and Project Team, VPAS or CPC issues a written approval document to the designer for each design phase in order to authorize the designer to begin the next phase.

**9. Bid Process**

The college is responsible for ensuring that the bid process is performed consistent with

G.S. 143-128, GS 143-129 and all other applicable statutes.

1. Verify that all stages of the design reviews are complete and approval letters from SCO, Department of Insurance (DOI) (if required), Buncombe County Code Enforcement, Asheville/Buncombe Zoning, City Engineering, NCDENR, Project Team, ELT, etc. are in place.

2. Verify capital approval is in place. Check the 3-1 in project approval file.

3. Regarding larger non-State funded projects, over $10 million, Designer should coordinate with the SCO to avoid multiple projects bidding on the same day. Designer contacts State Construction Office for a bid date. Designer forwards copy of Advertisement to CPC for approval.

4. CPC authorizes the designer, by phone & a follow-up letter to advertise for bids.

Designer is instructed by phone & in the follow-up letter, to follow the MBE Guidelines in advertising for bids.

5. Designer advertises the project for one day (Sunday) only, at least 21 days prior to the bid date. No addenda are to be issued seven (7) days prior to the bid date, therefore, schedule pre-bids accordingly. If the project is small (less than

$1.0 million) and not complex, the Owner will allow a reduced bid period, and allow addenda issued five (5) days prior to the bid date.

6. CPC schedules pre-bid and bid opening in same room at A-B Tech.

7. Designer conducts the pre-bid meeting. Minimum agenda is as follows: A. Bid Date, Time & Location

B. Review of Bid and MBE forms

C. Review of Project Scope and Time for Construction

D. Questions from Contractors

E. Review alternates. Follow SCO Guidelines for preferred alternates.

8. Designer conducts the bid opening, following all SCO Guidelines.

**10. General Contract**

REFER TO A-B TECH RESOLUTION AUTHORIZING THE SELECTION OF DESIGNERS AND APPROVAL AND AWARD OF CONSTRUCTION CONTRACTS

1. Following the bid opening, Designer and CPC will determine if bids are within project budget.

2. If not within project budget, determine if other funds are available, or Designer will negotiate with low bid contractor, or if more than 10% (rule of thumb) over budget then re-design and re-bid.

A. If other funds are available, identify them as R&R, or other approved Capital funds. Formal Capital Projects using state or county funds require a 3-2 to be submitted. This can be done concurrently with the award letter, but the award will not be approved until the increase is approved and BOT approves.

B. If negotiated; designer must submit all negotiated items in writing, on the contractor’s original letterhead, that describes the negotiated items and the associated costs. Negotiations shall show complete price breakdowns, including quantities of materials, material cost, labor, etc.

3. Designer submits award recommendation letter to SCO VPAS or CPC and recapitulates total project budget.

A. Designer includes two original certified bid tabulations**,** and Bid

Summary Sheet

B. Designer includes original copies of the bid proposals and MBE data for the low bid contractor(s).

C. Designer includes documentation for any negotiated items as described above.

4. CPC prepares bid award letter following the SCO template including all of the following Attachments:

Bid Tabulation

Designer’s Recommendation of Award

Low Bid Contractor Proposal(s)

MBE Documentation (*if under separate cover, indicate in first paragraph)*

Letter from Contractor of Downward Negotiations, if applicable

Revised 3-2

5. The award letter is then forwarded to SCO and the VP for Business & Finance.

6. SCO returns Contract Award Approval Letter to A-B Tech.

7. Copy of SCO's letter as it is returned with all attachments is to be forwarded.

This should be the LAST piece of correspondence filed in the Bidding File always. Project Manager forwards SCO Award Approval Letter to Designer for notice to proceed with Construction Contract.

8. President and VP Business & Finance obtain Board of Trustees approval before contracts are signed.

**11. Construction Contract**

The College Board of Trustees is the contract award approving authority. The college attorney must review the contract as to form and insure proper compliance with NC legal requirements. The college is fully responsible for managing the resolution of disputes. The College Board of Trustees will adopt a dispute resolution process consistent with G.S. 143-128 and incorporate this dispute resolution process in the terms of the construction contract.

1. The State Construction Office (SCO) VPAS or CPC authorizes the Designer to prepare the construction contracts (5) and then the Designer forwards the contracts to the Contractor for signature. The Designer prepares the contracts as outlined by Section 110.5d of North Carolina Construction Manual, i.e. Blue Book:

A. A copy of the contractor’s proposal.

B. Form of Construction Contract (Section 306, Blue Book)

C. Form of Performance Bond (Section 307, Blue Book), in the amount of 100 percent of the contract.

D. Form of Payment Bond (Section 308, Blue Book), in the amount of 100 percent of the contract.

E. Power of Attorney (an instrument of a surety indicating that the person signing the performance and payment bonds is authorized to act on its behalf)

F. Public liability and property damage insurance and builder’s risk policy, as required in the General Conditions of the Contract (Section 303, Blue Book). Builders Risk policy has to say “builders risk”. Please note that Builders Risk & Installation Floater is considered to be equal for insurance certificate purposes.

2. Contractor(s) sign contracts, performance and payment bonds, and provides certificates of insurance and Power of Attorney sheets and returns to the Designer.

3. Designer reviews the contract information using the SCO checklist and forwards to the AVPFC or CPC for execution.

4. VPAS or CPC will review the contracts in detail using the SCO checklist.

5. The contracts are then forwarded to the President or VP Business & Finance for signature along with a copy of the transmittal, a copy of the award letter, and BOT motion of approval.

6. Once the contracts have been signed, the Accounts Manager forwards the contracts to the State Construction Office for review and approval by the Attorney General’s Office.

7. The State Construction Office retains one copy of the approved contracts, and once the contracts have been signed, the VP Business & Finance retains one copy and forwards the remaining four copies of the executed contracts to the CPC who forwards three copies to the Designer for distribution.

8. The Designer retains one copy of the contracts, forwards one to NCCCS and the remaining copy to the contractor. The Designer schedules the Pre-construction Meeting and the Notice to Proceed is set at the Pre-Con Meeting.

9. CPC sends one copy of contract to Executive Director Business Services.

10. CPC records Notice to Proceed date, number of contract days, and completion date into HUBSCO reporting system.

**Contract Checklist**

The following items have been reviewed:

**General**

 Contracts are properly collated per section 319, page 166 of the Construction

Manual.

**Construction Contract**

**Page One:**



State form used.

Date at top on or after date of the award letter.

Name of Contractor (Party of the Second Part) is correct and the same in all places on the contract and on both forms.

Project description is accurate.

State Construction Office Project ID Number is on the first page of the contract.

**Page Two:**



Amount is correct and matches award letter. Words and numbers match.

“Summary of Contract Award” is filled in correctly.

For example: Base Bid

Alternate G-1 (single ply roof)

Less Negotiations (see attachments) Total

**Page Three:**



Number of Counterparts is filled in (must have at least four) Name of Contractor matches the first page.

**Signatures:**

Corporation –

 Is signed by the Chair of the Trustees and attested to by Corporate Secretary (President) or Assistant Secretary (Vice President). These two signatures must be by two different people.

Has a corporate seal.

Name on corporate seal matches the name on the contract. Same person signed Contracts and Bonds.

Name of Owner matches first page. (Owner should always be “Trustees of

Asheville-Buncombe Technical Community College”)

Owner has signed contract and had signature witnessed. Any Negotiations or Attachments are attached.

**Performance and Payment Bonds**

 State Bond Forms used. No exceptions – No Riders…AIA Bond Form is NOT

acceptable. See Article 35, General Conditions of the Contract.

**Page One:**



“Date of Contract” matches the date on page one of the Contract. “Date of Execution” is on or after “Date of Contract”.

“Name of Principal” (Contractor) must match name on Contract.

“Name of Surety” is the same on page one and page two and matches the Power

of Attorney sheet.

Address of Surety must be shown.

“Name of Contracting Body” (Owner) matches Name of Owner on Contract.

Amount of Bond is 100% of the construction contract amount. Words and numbers match.

“Project” matches project name on contract.

**Page Two:**



Number of counterparts matches page three of the Contract. Name of Contractor matches page one.

**Signatures:**

Corporation –

 Is signed by the President or Vice President and attested to by Corporate Secretary or Assistant Secretary. These two signatures must be by two different people.

Has a corporate seal.

Name on corporate seal matches the name on the contract. Same person signed Contracts and Bonds.

Name of Surety matches page one.

Attorney-in-Fact signed and had signatures witnessed.

Has Surety’s corporate seal.

Must show Bonding Company address.

If the Attorney-in-Fact is not a resident of North Carolina, then the Bonds are countersigned by a North Carolina RESIDENT AGENT of the bonding company and their address is shown on the form.

Note: This process needs to be completed for both the Performance Bonds & Payment

Bonds.

**Power of Attorney Sheet**

This sheet is the one that comes from the Bonding Agent and is attached behind the

Bonds.

Attorney-in-Fact appears on this sheet.

Monetary limit of the Attorney-in-Fact is at least as much as the Bond amount. The bottom of the Power of Attorney sheet has a place for a date and seal – these are filled in.

 The date at the bottom of the Power of Attorney sheet is on or after the “Date of

Execution” on page one of the Bond.

**Insurance Certificate**

See Article 34, “General Conditions of the Contract”.

Shows General Liability and Worker’s Compensation Insurance. Shows Builder’s Risk or installation Floater Insurance of 100% of the Construction Contract amount.

Cancellation clause is shown in Article 34 of the “General Conditions”. “Certificate Holder” is the Owner and Project Description is correct Section 309 “Approval of the Attorney General” sheet is included.

**12. Payments**

**DESIGNER PAYMENTS**

1. All Designer invoices are seen by the CPC first.

2. When progress payments are made to designers, the CPC makes certain the fees match between their invoice & the contract amount. Deficiencies are brought to the attention of the designer by the CPC. The CPC should approve the to-date billings are on each invoice that is received. The invoices are then forwarded to the Executive Director Business Services.

3. Any project funded by Buncombe County: All approved invoices and pay apps will be sent by the Executive Director Business Services directly to Buncombe County for payment.

4. The CPC is to act promptly on approvals in order to process payments to the designers. Final payment to the designer at 100% completion of a project should be accompanied by a final designer evaluation completed by the CPC.

5. At 50% completion of a design, the Project Manager is to complete a designer evaluation and forward it only to the designer at this time. Final payment to the designer at 100% completion of a project should be accompanied by a final designer evaluation completed by the Project Manager. The final evaluation is sent to the Office of State Construction also.

6. Only two copies of any invoice are necessary. One copy is kept for the file (filed in Consultant Contract file) and the other goes to Executive Director Business Services.

**CONTRACTOR PAYMENTS**

1. All contractor pay applications are seen by the CPC first who makes certain the appropriate number of pay apps with appropriate MBE reporting and sales tax reports are received.

2. The CPC is to act promptly on approvals in order to process payments to the contractors. The CPC (or VPAS) is to sign each pay application.

3. At 50% completion of a project, the CPC is to prepare a contractor evaluation of that contractor's performance to that point with a cover letter to accompany the evaluation. The 50% evaluation is sent only to the contractor at this time.

4. Changes in the amounts authorized by the designer for payment to the contractor are not allowed; however, if there is concern that the contractor is being

overpaid, ask the designer for clarification. If satisfaction is still not obtained, review the payment with the VPAS.

5. Reduction of retainage is not authorized except in unusual circumstances, and then only upon approval of the designer and the CPC. Final payment to contractors on projects can only be made upon receipt of lien releases, guarantees, and final as-built documents have been delivered to the designer, etc. Use completion checklist.doc to accompany final pay request as well as a completed contractor evaluation. The contractor evaluation is sent to the Office of State Construction as well as to the contractor and the designer.

6. Only two copies of any pay application are necessary. One copy is kept for our files (filed in the proper Contract file) and the other goes to the Executive Director Business Services.

**PAY APPLICATIONS**

1. Check List: make sure all is included in Pay App.

State ID # - on top of pay app form (in Yellow on Sample page) NCCS # - on top of pay app form (in Yellow on Sample page) Tax Form - even though no taxes are applicable to A-B Tech Appendix E form

2. If any of above is missing, notify Designer’s office to get information.

3. Highlight the following on the first two copies of Pay App:

A. Contractor’s Name, Project Name, Application Number

4. Verify the Original Contract Sum against the contract amount in the file (can look

at previous Pay App’s. or General Const. Contract ).

5. Make sure all money changes made to the project (Change Orders) match the $ amount shown on line 2 found in the *Contractor’s Application for Payment* section of Pay App.

A. To do so, compare the figure in line #2 to the *Change Orders* found in the files. These Change Orders in the files should reflect the amount

changed.

6. Double-check all arithmetic on the Pay Application

7. Verify the Contractor and the Architect have signed, dated and certified the Pay

App. The Amount Certified & Current Payment Due should be the same amount.

8. Once CPC has approved Pay App. & returned it, stamp one original copy with the FILE stamp & forward the remaining copies to the Executive Director Business Services. A transmittal to accompany the Pay App. is not necessary.

**13. Construction**

The CPC, in consultation with college staff or contracted resources providing technical construction expertise, is responsible for construction management as described in Chapter 500 (Construction Administration) of the State Construction Manual as the designated project monitor.

1. After contracts are signed, Designer or construction manager schedules a Pre- construction Conference. VPAS or CPC to assign meeting place.

2. Construction can only begin after a Pre-construction Conference. DO NOT SET PRE-CON WITHOUT SIGNED CONTRACTS

3. Designer sets the Notice to Proceed date in writing, usually in Pre-Con Meeting

Minutes.

4. CPC records the time on the agenda and schedules the following meetings to occur during the work (CPC fills in the agenda form). Progress Meetings are generally monthly with State representative contractor (or CM) and all subcontractors, as well as CPCC end user representative. Weekly for managers and contractors):

A. Contractor coordination meetings

 Weekly for contractor(s) coordination with Associate, Construction Managers and Project Managers (PM observer only).

B. Progress meetings

 Weekly with contractor(s), Associate, Construction Manager and

Project Manager, superintendent and subcontractors with work in progress. CPC, Designer and consultants are invited to these weekly meetings.

 Monthly to include State representative Designer, consultants, CPC, all contractors, IT project manager, and A-B Tech end user representative.

C. Job site reviews with user and/or Facilities Service as required.

D. Pre-installation meetings include representatives from related trades.

Owner’s representative to be present.

E. IT briefings –Early in construction, before hardware submittal, the IT project manager, network designer, and access controls vendor shall attend weekly progress meetings with contractor regarding door hardware, access control on doors, and cameras. Later in construction the IT project manager, network designer, and cable vendor shall attend the weekly progress meetings to coordinate with the contractors before rough-in.

F. Project Team briefings as needed.

5. (See Payment section for procedures on payments.) Retainage is released only with the Final Payment. Retainage set at 5% unless User and SCO VPAS or CPC agree to reduce to 2 ½% after completion.

6. At 50% completion, an interim evaluation is performed on the contractor and the designer with copies to each respectively.

7. Contractor notifies Designer of all inspections.

8. Designer notifies CPC and SCO of all agency and pre-final and final inspections.

9. CPC notifies Facilities Services, Operations & Maintenance Staff, and IT, of all inspections.

10. Refer to the following sections for additional information: A. Change Orders

B. Shop Drawings

C. Field Orders

D. Acceptance and Occupancy

E. Warranty Work F. Owner Training G. Closeout

**Shop Drawings**

1. Project manager will specify at the beginning of the project what submittals, if any, the college CPC would like the opportunity of reviewing. These will usually be specialty items or HVAC, or any substitutions that differ from the contract documents.

2. Upon receipt of submittals from Designer for owner approval, the CPC should use due diligence and turn them around ASAP. It should usually not take longer than 4 days for us to review a submittal and return it to the designer.

3. The designer will submit approved copies of all other submittals. These can be filed according to the prime contractor submitting the information.

4. The designer should submit copies of all shop drawings and submittals at the end of the project. If this is the case, the submittals in the file drawer can be discarded and the new copies turned over to Facilities Maintenance. We should not turn submittals over to Maintenance until the completion of the project.

**14. Beneficial Occupancy**

**1. Avoid this process if at all possible – get the entire work finished!**

During the design phase, if it is determined beneficial occupancy will be required, then the project needs to be designed in phases with separate building permits to allow occupancy of some areas before others.

2. The College may need to occupy all/or a portion of the project when the work is substantially complete.

3. Prior to final payment, the College may request the contractor to permit use of a specified part of the project, which may be used without significant interference with construction of the other parts of the project.

4. CPC is to notify and gain approval from the VPAS and VP Business & Finance of the intent to have beneficial occupancy.

5. CPC request authorization to start the process from the SCO project monitor.

6. If the contractor’s bonding companies, and insurance carriers agree in writing, the designer coordinates with the Code Enforcement, SCO agencies, College and contractors for beneficial occupancy inspections.

7. CPC notifies Facilities Services and Business Office of inspections and completes the Worksheet for Acceptance, Occupancy and Closeout (Worksheet.doc)

8. Designer generates complete punch list and sends to CPC, SCO and the contractors which includes:

A. Date of substantial completion

B. A punch-list of items to be completed or corrected before final payment

C. Establishing responsibility between contractor and owner for maintenance, heat, utilities, and insurance

D. Establishing the date for guarantees and warranties under terms of the contract

E. Consent of Surety

F. Endorsement from insurance company permitting occupancy

9. Designer obtains from SCO/agency approvals and advises acceptability to occupy.

10. CPC notifies Executive Director Business Services of acceptance date to transfer insurance and utility accounts to A-B Tech.

11. The College may exclude the contractor from any part of the project which the designer has so certified to be substantially complete, but will allow the

contractor reasonable access to complete or correct work to bring it to compliance with the contract.

12. Occupancy by the College will in no way relieve the contractor from his contractual requirement to complete the project within the specified time. The contractor will not be relieved of liquidated damages because of beneficial occupancy. The designer may prorate liquidated damages based on the percentage of the project occupied.

**15. Owner Training**

1. CPC needs to make sure ample time for owner training is included in

Contractor’s original approved schedule.

2. Approximately 2 weeks before the schedule shows training taking place, the CPC

needs to check with the Contractor to make sure everything is in line for training.

3. If the Contractor is ready, the CPC needs to notify Facilities Maintenance, User Group, and Contractor, in writing, to schedule training session. If the Contractor did not install the equipment, he needs to ensure that the responsible subcontractor is on site to conduct the training.

4. Submit an approved submittal to Facilities Maintenance on the training item two weeks before training session.

5. If possible, the CPC will attend the training and do a sign in sheet for the file. If the CPC cannot attend, they should ensure the designer attends with a sign in sheet.

**16. Acceptance & Occupancy**

1. All training is to be performed and spare parts transferred before the procedure for Acceptance can begin.

2. Contractor notifies Designer and Construction Manager (CM) that the work is complete.

3. Contractor sends Contractor’s punch list to Designer or CM.

4. PRE-FINAL: Designer or CM schedules and performs a punch list inspection,

(also known as a “Pre-Final”).

5. The CPC arranges for participation by Facilities Services Maintenance, and attends the inspection. However, the CPC should remind all parties that items not in the plans & specifications are NOT punch list items.

6. Designer or CM prepares a punch list from the pre-final inspection, and forwards to contractor with action required and time duration for completion. Contractor notifies Designer or CM when punch list work is complete.

7. FINAL: Designer or CM arranges and conducts agency inspections which include the SCO Representative. (DOI and DOL are contacted by the Contractor). This is the Final Inspection, and the CPC and end user representative is in attendance.

8. Designer or CM prepares punch list, if any, from agency inspections, forwards to contractor with time duration for completion.

9. Contractor notifies Designer or CM that punch list work is complete.

10. Designer, and contractor (or CM) conducts final inspection with CPC and end user representative. The Board of Trustees is responsible for authorizing final project acceptance, based on the recommendation of the CPC and after issuance of a Certificate of Occupancy by Asheville/Buncombe County Code Enforcement, and a Certificate of Compliance by the designer as described in Chapter 505.4 (Final Inspection) of the State Construction Manual.

11. If work is complete, CPC notifies User Group, Business Office, and Board of Trustees that space may be occupied. Forward O & M Manuals and Warranties to Facilities Maintenance.

**Change Orders**

**NOTE:** The CPC, in consultation with college staff and/or contracted resources providing technical construction expertise, shall have the responsibility of managing change orders.

**CPCs are to monitor the percentage of contingency that has been expended and compare to the amount of contracts paid out. The percentage of contingency remaining should be greater than the percentage of amount of the unpaid balance of the contracts.**

When a change order begins, the process should be as follows:

1. Designer notifies CPC of the issue.

2. CPC evaluates:

A. The availability of funds

B. The appropriateness of the request (review with VPAS, and with user as appropriate)

3. After discussion with the CPC, the Designer will recommend action and forward the change order to contractor for execution and:

A. Review the submitted change order for completeness

Sufficient back-up material

Indication of overhead and profit

Verify that the source of the change order request is appropriately marked.

4. Identify the contingency balance on one copy of the change order.

5. Execution of Change Order:

A. Submit all documents to VPAS

B. No payments can be made on a change order until it receives final approvals.

C. Send copy to Executive Director Business Services, VP Business & Finance, and one copy to NCCCS.

State Funded Project Change Orders

**(Original Receipt & before all Signatures)**

 Up to seven original copies of the Change Order will be received from the

Architect. Date stamp each copy.

**SCO Process for Projects funded all or in part with State funds:**

 Upon receipt, check them to make sure they show the State ID # & NCCCS #, and make sure the math is correct. If there are any discrepancies, notify the Architect.

 On one of the copies, highlight the following (See attached Example):

- Change Order No. - Contractor:

- Project: - Amt. of This Order:

Once the above steps have been completed, give the entire packet to the VPAS for his/her signature. He will need to pencil in the contingency amount on the line located in the middle of the page where the Owner states the contingency fund balance. Keep in mind, this amount should not to be viewed by anyone except the State Construction Office (SCO) & Facilities unless the VPAS advises otherwise.

 VPAS will return the packet with the contingency amount on one set and his/her signature on the A-B Tech Owner signature lines on all sets. Make a copy of the first page of the Change Order that has the contingency amount written in. Highlight this amount and all the areas mentioned above, and stamp it with the FILE COPY stamp (see attached Example). This copy will remain in the files along with the cover letter from the architect that accompanied the packet.

 Prepare a mailing label addressed to the SCO & send all original copies along with an A-B Tech transmittal form (see EXAMPLE) to:

State of NC – Department of Administration

State Construction Office

Attn: *name of SCO Monitor (Jerry Rogers or Tom Roberts)*

1307 Mail Service Center

Raleigh, NC 27699-1307

Print a total of three Transmittal Form copies. One will be attached to the Change Order packet and sent to the SCO. Keep one copy for the file (it will need to be attached to the C/O copy), and place one in the Transmittal notebook (no attachments here). Stamp the copy that goes in the file with the C/O copy using the FILE COPY stamp. Attach the Transmittal copy to the C/O copy and cover letter from the Architect.

These are to remain in the files. The copy for the Transmittal Notebook will also need to be stamped COPY & placed in the notebook.

 The SCO Monitor assigned to the job will need to review and sign the SCO

signature line before the process will be complete.

 After he has received all Change Orders and approved them with his signature, he will forward fully executed sets back to the Architect. The Architect will then forward two sets back to CPC (it will usually take a couple of weeks (+/-) to get them back). The set that had the contingency amount penciled in will not be sent back to A-B Tech (remember this figure is not for the general public).

Once the fully executed copies are received, they will need to be distributed. One original copy of the Change Order will stay in the Facilities file.

**Non-State Funded Change Order Process**:

Architect (or CM) prepares CO, signs 6 copies and send to contractor

Contractor signs and returns all 6 copies to Architect (or CM), who forwards to the CPC, CPC reviews, VPAS signs, and CPC distributes fully executed COs to:

1 to project file

1 to VP Business & Finance

1 to CM (if applicable)

1 to contractor

1 to NCCCS

1 to Architect

**Field Orders**

**1.** In order to keep projects moving, in the event of a sudden, unforeseen and unavoidable condition, a field order can be issued and prepared by the designer. It must include a not-to-exceed amount for the work required.

2. Normally this is only requested when additional work must be completed without waiting for a change order to be approved. A field order does not take the place of the change nor can it be used for inclusion in a pay application.

3. All parties must sign and can do so via facsimile; however, a formal request must be issued to cover the actual cost of the work associated with that field order.

**17. Closeout**

1. Designer prepares final contractor closeout documents per State Construction

Manual, Section 205.4.f & g.

2. CPC forwards Contractor Evaluation to VP of Business & Finance with final pay application.

3. VPAS and CPC complete the contractor evaluation and CPC checks final certificate of payment and forwards Project Completion Documentation List along with Contractor’s Affidavit of Release of Leins, Contractor’s Affidavit of Debts and Claims, Consent of Surety to final Payment, and Final Certificate of Payment to VPAS for payment approval.

4. Upon approval of above, final payment can be made.

5. Upon completion of the contractor’s evaluation, a copy is sent to the contractor for review and comment. The final evaluation is then forwarded to the Office of State Construction upon receipt of contractor’s comments, or within 2 weeks, whichever comes first.

6. Designer submits as-built drawings and other closeout documentation to the CPC, and the SCO. A-B Tech requires 1 full size reproducible set, one CD with PDFs of all Record drawings and specifications, and one compact disk (CD) of all Record drawings in the latest version of AutoCAD of all as-built drawings

7. CPC checks as-builts against change orders requests (using datasheet if necessary), and known changes that occurred and all other closeout documentation that has been received.

8. CPC should let Operations & Maintenance know that the record drawings are available in the library.

9. The CPC uses the Project Completion Documentation List to verify that all closeout documentation has been received and forwarded to the Service Center or SCO as appropriate.

10. Once both the Project Manager and the SCO and the CPC has approved the as- builts and final project submittals, the Designer may submit their final invoice. CPC submits both the designer’s final invoice and the completion closeout checklist with the designer’s evaluation to the Business Services office for payment.

11. Once the Office of State Construction has forwarded A-B Tech their closeout letter, the VPAS can approve the designer’s final invoice.

12. Once project is completely closed out, the VPAS can revise 3-2 and transfer remaining funds to another capital project.

**18. Warranty Work**

1. Deficiencies are reported by Users to the Facilities Maintenance (O&M).

2. Facilities Maintenance will forward Warranty Call Back Notices to the CPC who will forward to the Contractor for remedy. Designer is copied.

3. Any correspondence between CPC and Designer and/or Contractor needs to include all copies of the Warranty Call Back Notices.

**Year End Inspections**

1. CPC schedules walk-through of work with designers 30 days prior to end of year

“warranty” period.

2. CPC and Designer record deficiencies and gather Work Orders from the past year from the Facilities Manager.

3. Designer notifies Contractor, in writing, of warranty deficiencies, cc & notifies

VPAS and CPC.

4. CPC monitors progress and “closes” items on completion.