

CHAPTER 500 CONSTRUCTION ADMINISTRATION

SECTION 501 INTRODUCTION

Upon receiving notification of the award of the construction contract, the Construction Administration Section will assign a Project Monitor who will represent the State Construction Office at the project site. The Project Monitor will attend the monthly construction meetings at the site and other meetings as needed to facilitate progress of the project.

Contracts within the State Government Center, in downtown Raleigh and Department of Administration projects will be administered and monitored by the Consulting Services Section of SCO. Those projects will follow the same procedures described below.

SECTION 502 POWERS AND DUTIES OF DEPARTMENT OF ADMINISTRATION [GS143-341](#) -

1. (3) *Architecture and Engineering:*
 - d. *To supervise and inspect all work done and materials used in the construction or renovation of all State buildings and all community colleges whose plans and specifications must be examined and approved under (a.2.) of this subdivision; and no such work may be accepted by the State or by any State agency until it has been approved by the Department*

SECTION 503 NOTICE TO PROCEED

The Designer shall issue separate letters of Notice to Proceed to each prime contractor. This letter shall establish the beginning date for each prime contract, and the required completion date. Copies of each letter issued by the Designer shall be furnished to the Owner CPC and to the State Construction Office representative (Project Monitor) assigned to the project.

The Notice to Proceed shall be issued only after receipt of approved contract(s).

SECTION 504 PRE-CONSTRUCTION CONFERENCE

The Designer shall arrange for a pre-construction conference in coordination with the SCO Project Monitor assigned. He shall then give written notice to all contractors, the Owner and the State Construction Office as to the time and place of this conference. The purpose of this meeting is to review the requirements of the project and the requirements of the State Construction Office and to coordinate activities for all construction. The Designer shall send copies of the minutes of this conference to all contractors, the Owner, the State Construction Office and to other interested parties. [PreCon Meeting Requirements & Agenda](#)

No pre-construction conference will be scheduled or starting date established until all contracts have been signed, approved and distributed to all parties.

SECTION 505 CONTRACT ADMINISTRATION AND INSPECTION

The Designer, where required by the design contract, shall provide inspection and construction administration services for the project, including the following:

505.1 DESIGNER'S AND COMMISSIONING AUTHORITY'S RESPONSIBILITIES DURING CONSTRUCTION [\(NCAC30A.0403\)](#)

A. DESIGNER'S RESPONSIBILITIES DURING CONSTRUCTION

1. INSPECTIONS

Provide liaison and necessary inspection of the project to ensure compliance with the plans and specifications. Inspections shall be by [qualified representatives](#) of the Designer's firm and his consultants. Inspections shall be as often as necessary to ensure compliance with the contract documents, but in no case, less than once per week while work is in progress. When a full-time inspector is required for the project, this is an additional service provided by or through the Designer. The Designer shall be compensated in accordance with the provisions of the design contract.

2. MONTHLY MEETINGS

Establish and conduct a regularly scheduled monthly meeting to be held at the job site.

All in-house consultants and contract consultants whose design is under current active construction shall be present at the job site for monthly meeting.

The consultants shall be available to answer questions and resolve all problems within their respective discipline. These meetings shall be open to subcontractors, material suppliers and any others who can contribute toward maintaining required job progress. The Designer shall request that each prime contractor be represented by both home office and project personnel. These representatives shall have authority to act on behalf of the contractor. It shall be the purpose of these meetings to effect coordination, cooperation and assistance in maintaining progress of the project on schedule in order to complete the project within the contract time. The format of these meetings shall include the following:

- a) Review minutes of last job conference and resolve all uncorrected problems.
- b) Review the construction schedule for completion by all contractors and update when necessary. (Progress of work and field observations since previous meeting).
- c) Review of Designer's Logs. (Issues, Information, & Instructions; Proposals and Modifications)
- d) Review any pending change orders or field orders.

The Designer shall prepare and submit to the Owner and the State Construction Office representative (Project Monitor), minutes of the monthly meeting. These minutes shall include a roster of all participants and all documentation of all items relating to project status and progress.

3. MONTHLY REPORTS

Provide written copies of monthly construction progress reports. These reports shall be submitted in accordance with [Monthly Progress Report](#). One copy shall be forwarded to the Owner's designated representative and one copy shall be forwarded to the State Construction Office representative (Project Monitor). Particular attention shall be given to the information requested in the Monthly Report. Incomplete reports will be returned to the Designer for resubmittal.

Reports shall be submitted by the 10th of each month. These reports shall include copies of weekly inspection reports by the Designer and by all consultants involved, consistent with work in progress. A sample form for weekly inspection report is included in this manual.

4. SHOP DRAWINGS

- a) Process shop drawings, provide details, clarifications, interpretations, process material list and other data with sufficient dispatch to avoid delay in the progress of construction.
- b) Design Team shall review shop drawings to verify compliance with the energy conservation options.

5. PROGRESS PAYMENTS

Provide general administration for the construction contract and process payment requests. Requests from contractors shall be submitted to the Designer for approval. After payment requests have been approved by the Designer, the Designer's signature shall be affixed and the payment request will then be forwarded to the Owner in sufficient copies for payment. The Designer's certificate shall show the following:

- a) Total amount of contract
- b) Extra work
- c) Credits
- d) Total of contract plus or minus any changes
- e) Value of work performed to date
- f) Retainage
- g) Amount previously paid
- h) Amount of present certificates
- i) Balance of contract sum

6. FIELD TESTING

Approve results of all field testing on the project; and in addition, observe the operations of all mechanical and electrical equipment items including HVAC and fire alarm components for determining compliance with specification requirements.

7. CHANGE ORDERS

Issue change orders when required. No change in the construction from approved plans and specifications shall be made until a change order or field order has been prepared and approved, except in the case of emergency, as covered in the General Conditions. Change orders shall be prepared with sufficient copies to provide one to each holder of contract documents and one copy for the contractor's surety. Change orders shall be accompanied by a complete breakdown showing computation of the cost, together with a written explanation of the change. The Designer, by his submission of the change order to the Owner, certifies that he has examined and analyzed the change order and has found it to be in order and reasonable. The Owner shall forward all copies of the change order to the State Construction Office for final approval. **Incomplete change orders will be returned to the Designer for correction and completion.** Field Order may be issued to the contractor(s) when necessary, in order not to delay the progress of construction. Sample form of [Field Order](#) and Change Order are included on the SCO website.

B. COMMISSIONING AUTHORITY'S RESPONSIBILITIES DURING CONSTRUCTION (FOR SUSTAINABLE, ENERGY EFFICIENT BUILDINGS, GS 143-135.35 - .40)

The Commissioning Authority efforts will include review of component and equipment submittals by contractors, review of systems to be commissioned, and review the contractor's pre-functional/start up check lists. The Commissioning Authority will provide the projects functional testing procedures, validate the test, adjust, and balance (TAB) effort, and lead functional acceptance testing of commissioned systems. The Commissioning Authority will also review and approve training agendas, O&M manuals, and project as-built documentation. Functional testing must be completed satisfactorily prior to final acceptance of the project.

505.2 SURETY

It shall be incumbent upon the Designer during the construction period to advise the surety company of any indication of failure on the part of a contractor to perform under the terms of his contract. Timely notification to the surety company of any such failure on the part of the contractor is essential. [GS 143-129](#) provides that a bond written on a surety company against which the State of North Carolina has pending an unsettled claim or complaint for a period of more than 180 days, may be rejected by the Owner. Such rejection shall not be subject to protest by the contractor; however, the contractor shall be given a reasonable time to furnish a bond written by an acceptable surety company.

505.3 BENEFICIAL OCCUPANCY/PARTIAL UTILIZATION

The Owner, with the approval of State Construction Office, may use a specified part of the project without significant interference with construction of the other parts of the project. Permission to use part of the project by the Owner shall be obtained from the contractor(s). The Designer shall schedule and conduct a beneficial occupancy inspection, with the approval of State Construction Office. **Beneficial occupancy or partial utilization of the project shall not be permitted until all life safety is satisfactorily inspected by the Designers.** The Designer must complete the State Construction Office "Project Approval Authorization: Partial Utilization (Beneficial Occupancy)" form. Refer to General Conditions, Article 24, for more information.

505.4 FINAL INSPECTION

- A. Upon notification from the contractor(s) that the project is complete, the Designer shall make a preliminary final inspection of the project. The Designer shall prepare a list of discrepancies (punch list) for the contractor(s). A copy of the punch list shall be sent to the State Construction Office prior to scheduling the final inspection. Upon notification by the contractor(s) that the discrepancies have been completed, the Designer shall verify the completeness of the project and schedule a formal final inspection. For final inspection procedures, the Designer may utilize State Construction Office "Project Approval Authorization: Final Inspection for Owner Occupancy" form.
- B. Final inspection shall not be scheduled until all contracts are completed unless approved by the State Construction Office. Refer to General Conditions, Article 25, for exceptions.
- C. The Designer shall certify in writing that all punch list items have been completed prior to scheduling a final inspection. The date and time of the final inspection shall be set by the Designer and approved by the State Construction Office. The Designer shall furnish written notice of the inspection not less than seven (7) days prior to the inspection. The notice shall be sent to the Owner, the State Construction Office, the contractors concerned, the Insurance Department (Engineering Division), the Board of Health (Sanitary Engineering Division, where applicable), and regulatory agencies exercising jurisdiction on the project. In the event that the project is not ready for final inspection on the date scheduled as determined by the State Construction Office, such occurrence shall be documented in writing and considered in the contractor's and Designer's evaluation.

- D. The Designers (including all in-house and contract consultants for multi-prime contracts) shall be responsible for conducting the inspection in the presence of the above listed parties, and shall tabulate a punch list of defects or discrepancies (if any) for correction by the responsible contractor(s). A scheduled time for completion of the punch list items shall be established as required by contract. Copies of the list will be furnished to all parties concerned.
- E. Upon notification by the contractor(s) that the discrepancies have been completed, the Designer shall schedule another inspection to verify all final punch list items. The Designer shall confirm in writing, the completion of all final punch list items by the contractor(s). Final punch list items not completed by the contractor(s) within the established time of completion shall be dealt with in accordance with the terms of the contract.
- F. Upon completion of the project, the Designer shall compute the total time for completion as allowed in the contract, plus any time extensions granted and determine the number of days, if any, in excess of the contract construction time for which the several contractors appear liable for liquidated damages. The Designer shall then notify the affected contractors of any proposed assessments of liquidated damages and allow the contractors time to respond. The Designer shall then prepare recommendations to the Owner and to the State Construction Office as to the amount of liquidated damages, if any, to be assessed and the portion of such assessment attributed to each of the several prime contractors. Upon acceptance of the project, the Designer shall assemble written guarantees, affidavits, materials of instruction for operation, and other required and closing papers of the contractors; issue certificates of final completion and certificates of compliance as required by [GS 133-1.1b](#) which requires that:
1. The inspections of the construction, repairs or installations have been conducted with the degree of care and professional skill and judgment ordinarily exercised by a member of my (our) profession; and
 2. To the best of my (our) knowledge, and in my (our) professional opinion as an architect or engineer, the contractor has fulfilled the obligations of such plans, specifications and contract; final certificates for payment; set the date for the beginning of the guarantee period; and forward all closing papers to the Owner.
- G. Upon acceptance of the project, the Designer shall provide certificates of compliance to the Owner, the State Construction Office and to the surety company. Also, Certificates of Compliance shall be provided by various in-house and contract consultants as required by law.
- H. The contractors shall not cancel their builder's risk insurance until final acceptance of the project. The contractor shall forward cancellation notice to the Designer and the Owner.
- I. The Owner shall not occupy any portion of the project unless approved by the State Construction Office. Refer to General Conditions, Article 24, for requirements for partial occupancy. In such instances, the Owner must comply with all conditions required by the State Construction Office.

SECTION 506 CONSTRUCTION CLAIMS

Controversies arising from contracts shall be resolved in the following manner:

506.1 CONTRACTOR COMPLAINTS:

- A. The Designer shall be advised of the dispute and he will render a decision.
- B. If the Designer's decision is unacceptable to the contractor, then the Designer will request that the SCO Project Monitor meet with the contractor and the Designer to attempt to resolve the controversy.

- C. On failing to reach a satisfactory settlement as stated in item "B" above, the claim will proceed in accordance with GS 143-135.3.

506.2 DESIGNER CLAIM:

- A. The Owner shall be advised by the Designer of the claim and the Owner in consultation with the State Construction Office will render a decision. If the decision is unacceptable to the Designer, and a satisfactory settlement cannot be achieved, the Designer may request an informal hearing with the State Construction Office in accordance with [GS 143-135.3](#).
- B. On failing to reach a satisfactory settlement as stated in item "A" above, the claim will proceed in accordance with [GS 143-135.3](#).

SECTION 507 CONTRACTOR EVALUATION

The Capital Projects Coordinator is required to follow the procedures established by the State Building Commission, under [NCAC-30F](#) to evaluate the contractor at the completion of the project. Interim evaluation of the contractor is allowed under the SBC rules.