



استراتژی مدیریت قرارداد

برای مدیران پروژه

راهنمای مدیریت قرارداد مختص مدیران پروژه (Contract Administration Guidelines)

بخش چهارم: مدیریت قرارداد در فاز تدارکات/مناقصه (Procurement/Bidding)

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What we will learn?

- ☐ Introduction to procurement phase
- ☐ Develop bidders list
- ☐ Bidders interest campaign
- ☐ Bidders prequalification
- ☐ Bid advertisement
- ☐ Bid documents distribution
- ☐ Addenda
- ☐ Pre-bid conference
- ☐ Information to bidders
- ☐ Bid opening and evaluation
- ☐ Procurement options
- ☐ Pre-award meeting
- ☐ Notice to proceed (NTP)
- ☐ Schedule maintenance
- ☐ Cost reporting

Bid Documents – Appendix E

☐ See Appendix E: Bid Documents.

❖ Information for Bidders

❖ Form of Bid

Additive (or Deductive) Alternate Bidding

Additive alternate bidding is a technique used by owner-agencies to achieve the maximum project scope within an available budget. Under this procedure, the owner-agency defines its critical project scope components as the 'base' and defines specific additional components as 'alternates' which will be added to the base in a pre-defined order to establish the low bid. The contract will be awarded to the bidder providing the maximum scope within the budget.

While this alternative bidding method is considered to be non-traditional, when implemented in a fair and transparent manner, it is consistent with the competitive bidding principles in 23 U.S.C. 112, and therefore, does not need SEP-14 approval.

The owner-agency must clearly define the priority order in which the alternatives will be considered and added to the base. Some owner-agencies identify the available budget in the bid documents while others do not. Additionally, the bid documents may establish whether the bid prices for unselected alternatives will apply should the owner-agency receive additional funds for the contract.

For a deductive alternate contract, the predefined alternate packets will be deducted from the base in a predefined order to result in a contract that fits the budget.

BID OPENING AND EVALUATION

CM role

☐ The CM may

1. **Assist** the owner in receiving and recording bids at the formal bid opening and
2. **Perform** a thorough evaluation of all information contained in the bid.

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Public bids

- ❑ **Public bids** are typically read aloud at the **bid opening**,
with bidder representatives in attendance (**in-person** or **virtual meeting**).
- ❖ The apparent low bidder is announced based upon the cursory reading of the prices disclosed in the bids.
- ❖ The **formal announcement** of the low bidder is
only made **after a complete review** of all the information.

Difference between apparent low bidder and low bidder?

Is it only a CM that manages the process?

Public bids

Procurement in the public sector might be handled by a purchasing agent (instead of a CM) until the bid is tabulated.

Who is purchasing agents?

Buyers and purchasing agents purchase general and specialized equipment, materials and subcontractor services for construction projects. They are employed by project owners, project designers and engineers, and by general contractors. In smaller organizations buyers/purchasing agents may also perform other tasks.

Should we award of a contract only based on apparent low price?

Award of contract

- ☐ The **award of a contract** only based on apparent low price can be a **serious mistake** if the bid is
 1. Incomplete,
 2. Non-responsive, or
 3. Contains a serious error.
- ☐ The **CM** should **review** all packages for completeness,
confirming that all required information has been **submitted**,
including the required bonds.
- ☐ The **CM** should also **check** that receipt of all addenda has been **acknowledged**.

How to evaluate and who evaluates bids?

Bid evaluation

- ☐ To facilitate the evaluation of bids, the **CM** should prepare a tabulation sheet for the **direct comparison** of all bids, including any alternates and unit prices.
- ☐ Bids are reviewed for mathematical or computation errors.
 1. If the low bid contains a **serious error**,
the **CM** must notify the contractor that they can **withdraw the entire bid**.
 2. In bids containing multiple bid items,
the **CM review** should attempt to determine if the pricing is **“unbalanced.”**
 - ✓ This can be common in unit price contracts and
may indicate an **error in an estimated quantity** that could
drastically affect the final cost of the project.

Should the price be within the estimated range?

Bid evaluation

❑ The **bid prices** should be in the general range

that was **estimated** for the project during the design phase.

1. If bid prices are higher than estimated,

the **CM** must **determine whether**

1. The **owner can proceed** with construction or

2. If **redesign** is required.

2. If the **low bid** is significantly lower (10% or more) than other bids,

the **CM** should contact the contractor

to **confirm capability** of completing the project for that price.

*Since the **resolution of such qualifications** may mean the contractor is **no longer the low bidder**, it may be necessary to meet with the **second-lowest bidder***

Notice of intent to award letter

- ❑ Once the owner has **reached a decision** on the successful bidder, the **CM** issues the Notice of Intent to Award letter for the owner, which **instructs** the selected contractor to **proceed with administrative submittals** such as bonds, insurance, and other requirements prior to signing a contract.

Notice of Intent to Award means a written notice which is publicly displayed, prior to signing of a contract, that shows the selection of a vendor for a contract.



Notice of contract award – Appendix E

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Another example from EJCDC



NOTICE OF AWARD

Date of Issuance: **June 2, 2020**

Owner: **City of Oelwein**

Owner's Contract No.:

Engineer: **FOX Engineering**

Engineer's Project No.: **1022-18A**

Project: **Wings East Pavement Improvements Project**

Bidder: **Lodge Construction, Inc.**

Bidder's Address: **PO Box 459 Clarksville, IA 50619**

TO BIDDER:

You are notified that Owner has accepted your Bid dated June 2, 2020, for the above Contract, and that you are the Successful Bidder and are awarded a Contract for the project: **Wings East Pavement Improvements Project**.

The Contract Price of the awarded Contract is: **\$441,953.00**

Three (3) unexecuted counterparts of the Agreement accompany this Notice of Award, and one copy of the Contract Documents accompanies this Notice of Award, or has been transmitted or made available to Bidder electronically.

You must comply with the following conditions precedent within 15 days of the date of receipt of this Notice of Award:

1. Deliver to Owner three (3) counterparts of the Agreement, fully executed by Bidder.
2. Deliver with the executed Agreement(s) the Contract security [Bonds] and insurance documentation as specified in the Instructions to Bidders and General Conditions, Articles 2 and 6.
3. Other conditions precedent (if any):
 - a. Before you may start work at site; paragraph 2.01.B of the General Conditions provides that you must deliver to the Owner certificates of insurance which you are required to purchase and maintain in accordance with the Contract Documents.
 - b. Paragraph 2.03 states that before starting construction, a preliminary progress schedule, a preliminary schedule of submittals, and a preliminary schedule of values are required.

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Agreement, together with any additional copies of the Contract Documents as indicated in Paragraph 2.02 of the General Conditions.

Owner:

Authorized Signature

By: _____

Title: _____

Performance bond – Appendix E

- ☐ We will see this in construction phase

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Payment bond – Appendix E

- ☐ We will see this in construction phase

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PROCUREMENT OPTIONS

Procurement options

- ❑ For the procurement of **construction services**, the chart below illustrates the use of the various options.

Selection Criteria	Low Bidder	Best Value	Best Qualifications
Project Delivery	Selection is based solely on price	Selection is based on a weighted combination of Price and Qualifications	Selection is based solely on Qualifications
Design-Bid-Build	Most Common	Common; Price evaluation based on Construction Cost	Rare
Construction Management at Risk	Rare	Most Common; Price evaluation based on CMAR Fees and General Conditions	Common
Design-Build	Common	Most Common; Price evaluation based on fees and GCs; may or may not include Construction Cost	Common
Integrated Project Delivery	Rare	Common	Most Common

Single project award

- ❑ Services for a **single project** or **multiple projects** will be included within a single procurement.
- ❑ By far, the most common procurement method is the single project award.
 - ❖ In this method, the **owner** has a specific project and procures services only for that project.

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Multiple project awards

- ❑ The other procurement option is the **multiple project awards** method which includes several variations.
- ❑ This method can be used to procure both professional services and construction services.
 - ❖ With this method, an **owner** procures the services of one or more firms to perform a series of projects sometimes **referred to as tasks**.
 - ❖ Each project is priced separately, but a **single contract vehicle** is used for all projects.

Multiple project awards

The types of multiple project (task) awards include:

- ✓ Indefinite Delivery/Indefinite Quantity (IDIQ)
- ✓ Single Award Task Order Contract (SATOC)
- ✓ Multiple Award Task Order Contract (MATOC)
- ✓ Job Order Contracts (JOC)

Indefinite Delivery/Indefinite Quantity (IDIQ)

- ☐ With an IDIQ, an **owner** will select one or more firms and award an **IDIQ contract** to **those firms**.
- ☐ **Billing rates** are generally pre-established in the IDIQ contract, and as **subsequent projects or tasks** are identified, the **IDIQ firms** will submit a proposal to the owner based on the requirements and prices set forth in the master IDIQ agreement.
- ☐ When multiple firms hold the **same IDIQ contract**, they will generally be **competing** for subsequent projects and tasks.
- ☐ **IDIQ contracts** are typically awarded for three to five years, often with renewal options.

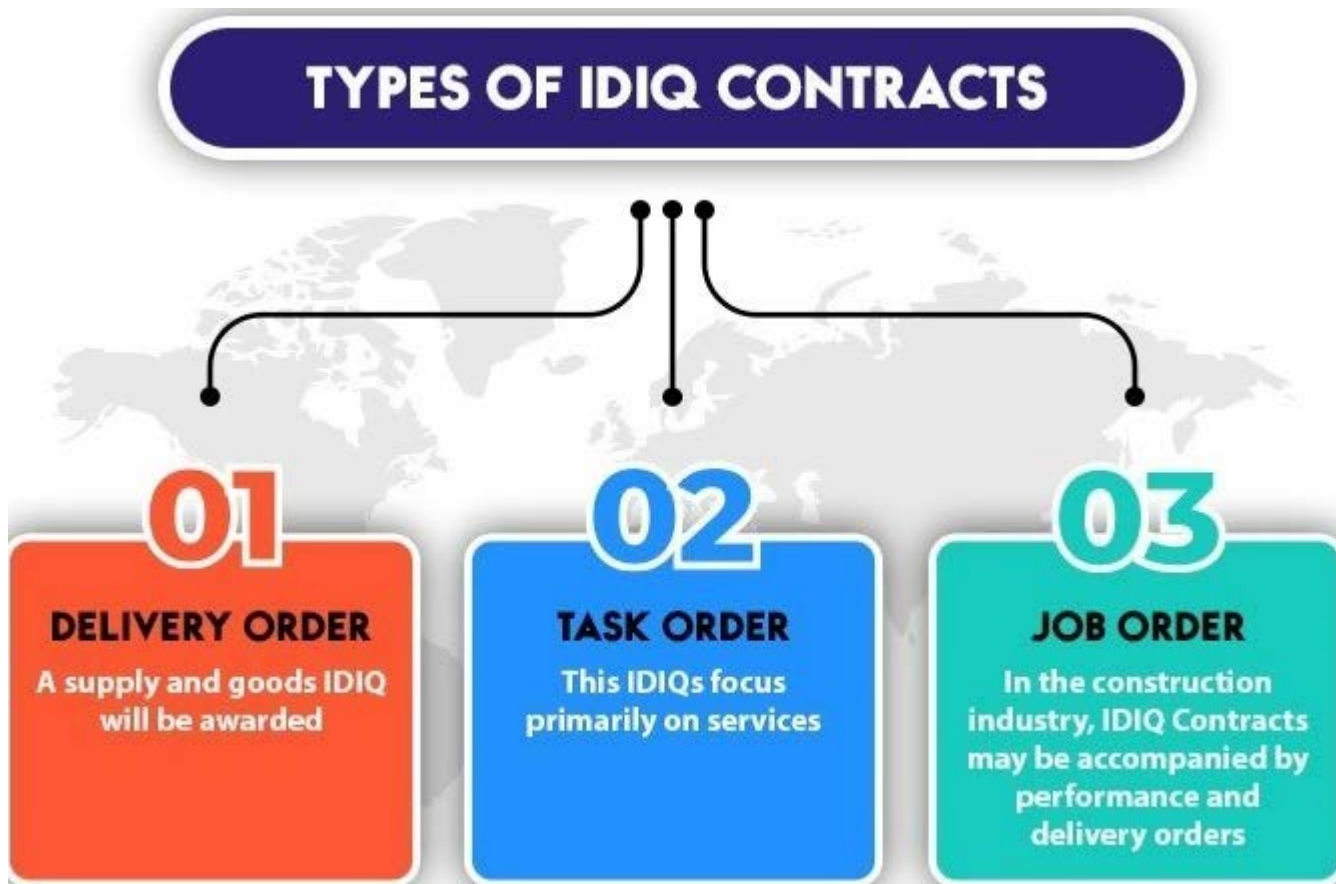
Indefinite Delivery/Indefinite Quantity (IDIQ)

Indefinite Delivery/Indefinite Quantity Contracts

Indefinite delivery/indefinite quantity (IDIQ) contracts provide for the purchase of an indefinite quantity of goods or services at various times over a fixed period of performance. Indefinite quantity provisions sometimes include a guaranteed minimum quantity and normally include a maximum quantity. Deliveries or performance are scheduled by placing orders with the contractor. Examples of variations of IDIQ contracts include:

- **Delivery-order contracts**, which are IDIQ contracts generally used to purchase goods; and
- **Task order** contracts, which are IDIQ contracts generally used to purchase services.

Indefinite Delivery/Indefinite Quantity (IDIQ)



IDIQ – Multiple Award Task Order Contract (MATOC)

- ❑ When a **task order** is issued on the project, it does **not go to a specific company**.
 - ❖ **Instead**, those **companies that are participating** in a Multiple Award IDIQ will compete for each task by **delivering another proposal** and winning the job.
 - ✓ This can either be **very lucrative for a high-performing company**, or **leave others with no revenue** from the contract.
- ❑ A MATOC is a **form of IDIQ contract** that includes **multiple firms** and is typically used for D-B or construction related work.
- ❑ The MATOC contract is **common** in government contracting.

IDIQ – Single Award Task Order Contract (SATOC)

- ❑ As mentioned before, **single Award IDIQs** are given to one contractor, while multiple Award IDIQs are **given to several**.
- ❑ **Like a MATOC**, the SATOC **operates in the same manner** but is **only awarded** to a single firm.

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Job Order Contracts (JOC)

- ❑ JOC is another form of an IDIQ contract and **may be** used in a large project to complete several smaller projects/tasks or for minor/quick response projects.
- ❑ A single JOC contractor is **selected**, and a contract is executed based on a pricing guide (e.g. RSMeans) which is used as the **basis for payment**.
- ❑ As **tasks are assigned to the contractor**,
 1. Pricing proposals are **generated** based on the rates in the pricing guide and
 2. **Multiplied** by a fixed pricing factor, which is **established in the contract** with the contractor.

Most common use of IDIQ

- ☐ The **IDIQ** award is commonly used with professional services.

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PRE-AWARD MEETING

CM role in pre-award meeting

- ❑ The **CM reviews** the project with the recommended successful bidder **prior to** the contract signing

to **ensure that** there is a **clear understanding** of the project scope.

- ❑ The **CM** should
 1. **Review** the project's technical requirements with the contractor and
 2. **Confirm** the **absence** of
 1. Any bid errors or
 2. Existence of any **errors and omissions** in the contract documents.
- ❑ The **CM** should
 1. **Review** the sustainability goals with the **contractor** and
 2. **Confirm** they understand their role in obtaining these goals.



CM role in pre-award meeting

- ☐ The **CM** should **discuss** the contractor's work plan and schedule.
- ☐ **All administrative submissions** required prior to commencing work on-site should be **reviewed** including
permits, bonds, insurance, and labor affidavits.

CONTRACTOR'S AFFIDAVIT OF PAYMENT

The undersigned, being first sworn, states as follows:

1. The Affiant, [full name], [if an entity, state the authorized agent of *entity name*], [A] and is authorized to submit this Affidavit.
2. Under a contract with [full name if owner is an individual(s) or enter entity name in the contract] [B] (the "**Owner**"), the Affiant provided labor, laborers, materials, services, machinery, tools, equipment, or fixtures ("**Services**") for improvements of the Owner's real property at [property address] (the "**Real Property**"). [C]
3. The Affiant hereby acknowledges the receipt of \$_____, in payment for the Services provided to or for use on the Real Property prior to _____, 20____. This amount represents [a progress payment] [final payment due] [D] under the contract.

[Full name]

State of Colorado

County of _____[E]

CM role in pre-award meeting

- ☐ Finally, the **CM** must **review** the terms and conditions of the **construction contract**.
- ☐ The **CM** should **ensure** that the meeting minutes from the project review include **all items discussed**.
- ☐ The **minutes** are then added to the **contract documents**.

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NOTICE TO PROCEED (NTP)

NTP preparation

- ☐ **Once** the parties are **satisfied** and the contract has been executed,
the **CM prepares** the NTP for the owner and issues it to the contractor.
- ☐ The **NTP** establishes the construction contract start date and authorizes the contractor
to proceed with the work.
- ☐ The NTP is often accompanied by a purchase order
which the **contractor uses** to apply for payments.

NTP preparation

ARTICLE 4.

TIME OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

- 4.1 The Contractor will commence the Work promptly upon the date established in the Notice to Proceed. If there is no Notice to Proceed, the date of commencement of the Work will be the date of this Agreement or such other date as may be established herein.
- 4.2 Time is of the essence. The Contractor will achieve Substantial Completion, as defined in the General Conditions, within 90 calendar days from the date of Notice to Proceed or the date otherwise established for the commencement of Work. This period will be designated the Contract Time.
- 4.3 The Contractor will also complete the following activities of Work within the interim Milestone dates indicated, as applicable:

ACTIVITY

DATE



Notice to proceed EJCDC C-550

NOTICE TO PROCEED

Date: _____ Project: _____

Owner: _____ Owner's Contract Number: _____

Contract: _____ Engineer's Project Number: _____

Contractor: _____

Contractor's Address (send certified mail, return receipt requested): _____

You are notified that the Contract Times under the above Contract will commence to run on _____ . On or before that date, you are to start performing your obligations under the Contract Documents. In accordance with Article 4 of the agreement the date of Substantial Completion is _____ , and the date of readiness for the final payment is _____ [(or) the number of days to achieve Substantial Completion is _____ , and the number of days to achieve readiness for the final payment is _____].

Before you may start any Work at the Site, Paragraph 2.01.B of the General Conditions provides that you and Owner must each deliver to the other (with copies to Engineer and other identified additional insureds and loss payees) certificates of insurance which is required to purchase and maintain in accordance with the Contract Documents.

Also, before you may start any Work at the site, you must:

_____ [add other requirements].

_____ Owner

_____ Give by: _____
Authorized signature

_____ Title

_____ Date

Copy to Engineer



CSI Form 1.4A

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بخش چهارم: مدیریت قرارداد در فاز تدارکات/مناقصه (Procurement/Bidding)

NOTICE TO PROCEED



PROJECT: _____ DATE: _____

A/E PROJECT NUMBER: _____
TO: _____ CONTRACT FOR: _____

You are hereby notified that the Contract Times stated for the Project will commence on _____ (Date).
On that date, start performing the obligations required by the Contract Documents.

Before commencing Work at the Project Site, deliver the certificates of insurance to the Owner as required by the Contract Documents.

Also before commencing Work at the Project Site, perform:

AUTHORIZED BY: _____
(Owner)

(Authorized Signature)

(Title)

ACCEPTED BY: _____
(Contractor)

(Authorized Signature)

(Title)

(Date)

☐ Attachments

DATE: _____

COPIES: ☐ Owner ☐ A/E ☐ Consultants ☐ _____ ☐ _____ ☐ _____ ☐ File

Page _____ of _____

CSI Form 1.4A (August 2020 version)

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SCHEDULE MAINTENANCE

Master schedule

- ☐ Once the **contractor** has been selected,
the **CM** should update and revise the **project master schedule**
using **information gained** from the bid process.
- ☐ This includes **updating the actual dates** for
 - ❖ Receipt of bids,
 - ❖ Award of contract,
 - ❖ NTP,
 - ❖ etc.
- ☐ Schedule logic, activity durations, and other details
need to be revised to **reflect the contractor's work plan**.

Schedule distribution

- ❑ The **CM** then **distributes** an updated project schedule report,
including an **explanation of the effects** of this information on the overall project.
- ❑ The **CM** should **enforce** the project schedule reporting requirements,
making sure information from the contractor is provided in a timely manner.
 - ❖ This often requires
 1. **Reviewing** the project's scheduling specifications **with the contractor** and
 2. **Assisting** in **formulating** preliminary schedules and reports.

COST REPORTING

CM role in cost reporting

- ☐ The **CM** should **update** the cost report to **reflect actual bid prices** **compared** to the budget figures.
- ☐ This may include
 1. **Updating** cost elements in a **cost-loaded**,
 2. **Updating** computerized project master schedule and
 3. **Preparing** the appropriate cash flow projections.



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بخش پنجم: مدیریت قرارداد در فاز ساخت/اجرا (Construction)

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What we will learn?

- ☐ Introduction to construction phase
- ☐ Contract & specification requirements
- ☐ Pre-construction submittals
- ☐ Pre-construction conference/meeting
- ☐ Construction management plan
- ☐ Document existing conditions
- ☐ Owner-furnished items
- ☐ Permits, insurance, labor affidavits, and bonds
- ☐ Communication procedures
- ☐ Meetings
- ☐ Documentation procedures
- ☐ Information management
- ☐ Quality
- ☐ Field reports
- ☐ Safety





What we will learn?

- ☐ Change management
- ☐ Cost control
- ☐ Schedule monitoring
- ☐ Progress payments
- ☐ Status reports
- ☐ Entitlement evaluation
- ☐ Damage assessment
- ☐ Record drawings
- ☐ Record drawings
- ☐ Commissioning (Cx) and functional performance testing

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INTRODUCTION TO CONSTRUCTION PHASE

Time of contract award

- ☐ During the phases **before construction begins**,
the **planning** and **organizational** efforts have been performed to implement the PMP.
- ☐ At the **time** of construction contract award,
the **standards for measuring** the timeliness, quality, and cost of the **contractor's performance** are already established.
- ☐ The next step is to **ensure** those standards are met by administering the contract.

2.1 Preconstruction

The period between the procurement phase (bidding/negotiating/purchasing) and the beginning of actual construction work on the site is known as preconstruction. The preconstruction period is a period in which the owner, architect/engineer, and contractor get organized for construction, and the contractor prepares and submits the preconstruction submittals. There are a series of activities that must occur before the contractor can begin construction. It is during this time that the following generally occurs depending on the project delivery method being used:

- If the project has been bid among prospective contractors, a successful bidder is identified by the owner to be the contractor.
- A letter of intent to award the contract is issued by the owner to the successful bidder.
- An owner-contractor agreement is executed; the successful bidder is now the contractor.
- Bonds, if any, are furnished by the contractor and delivered to the owner.
- Insurance certificates are furnished by the contractor and delivered to the owner.
- Building permits are issued by the authorities having jurisdiction (AHJs).
- A notice to proceed is issued by the owner if the date is not stipulated in the agreement.
- The contractor starts buying out the project and awarding subcontracts and purchase orders.
- Site conditions are verified.
- A preconstruction meeting or conference is held.
- The contractor mobilizes onto the site.

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بخش پنجم: مدیریت قرارداد در فاز ساخت/اجرا (Construction)

Preconstruction definition

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CM construction tasks – Appendix A

Construction Phase Tasks	
✓ Pre-construction conference ✓ Contract & specification requirements ✓ Construction management plan ✓ Partnering ✓ Documentation of existing conditions ✓ Assignment of owner-furnished items ✓ Permits, insurance, labor affidavits, and bonds ✓ Communication procedures ✓ Meetings ✓ Documentation procedures ✓ Computerized information management ✓ Quality assurance/quality control	✓ Field reports ✓ Safety ✓ Change management ✓ Cost control ✓ Schedule monitoring ✓ Progress payments ✓ Status reports ✓ Entitlement evaluation ✓ Damages assessment ✓ Record drawings ✓ Punchlists ✓ Commissioning and functional performance testing

CM construction tasks – Appendix F

D. Program Oversight of Construction Phase				
1	Provide program oversight services regarding scheduling, cost tracking, and reporting for specialty components of the bond projects, including but not limited to the following:			
	a) Demolition in coordination with the owners facilities department surplus properties procedure	A,C,I	R	
	b) Safety/security upgrades (and coordination with the owner's IT department and police department)	A,C,I	R	
2	Provide overall planning services for technology equipment and infrastructure upgrades for the bond projects (in coordination with the owners IT department parentheses. Including:		R	
	a) Large-scale additions, renovations, and modifications	A	R	
	b) Classroom equipment upgrades	A	R	
	c) Infrastructure refresh	A	R	
	d) Data infrastructure upgrades including telephone and wireless	A	R	
	e) Infrastructure upgrades	A	R	
	f) Hardware refresh	A	R	
3	Provide construction phase reports, reviews, and recommendations, and/or coordination and the following areas:			
	a) Job site meetings, master schedule, construction schedule, monthly schedule updates, reports to the board	A	R	
	b) Submittals, quality assurance, technical inspection and testing, schedule of values, progress review, recovery schedule, schedule revision, monthly contractor payment, monthly status report, cash flow projection	A	R	
	c) Change order system, CO evaluate, CO negotiation, CO reports	A	R	
	d) Contractor claims, safety plan, owner furnished items, allowances and contingencies, non-conforming work, photographs	A	R	

CONTRACT & SPECIFICATION REQUIREMENTS

Requirements and obligations

- ❑ Once awarded, the **first task** in contract administration
it is to **review** the requirements and the specific obligations of
the contractor (or CM/GC), the CM (as agent), and the owner.
- ❑ These **requirements and obligations** are set forth in the contract itself, largely in
 - ❖ Specifications,
 - ❖ Contract clauses,
 - ❖ Special clauses, and
 - ❖ Applicable industry standards.

Contract documents

The documents typically used in the administration of a construction contract include the following:

- Owner-architect/engineer agreement
- Owner-contractor agreement(s)
- Conditions of the contract
- Specifications
- Drawings
- Bid form or proposal, when attached as an exhibit to the agreement
- Precontract revisions, including addenda with items relating to contract documents
- Notice to proceed
- Contract modifications, including change orders

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Owner-Contractor agreement

The owner-contractor agreement typically includes articles relating to the following:

Contract Documents. A detailed list of all written and graphic documents that are part of the contract. The individual responsible for CCA should ensure that all parties to the contract are referencing the same documents. The dates and titles of the documents and the number of pages in each need to be checked against the agreement to ensure the correct documents are being used.

Electronic models and Building Information Modeling (BIM) may be outlined as supplementary resources.

Contract Time. Start and completion dates or allotted calendar days for the project.

Contract Sum. The basis on which applications for payment will be made. Includes the listing of any unit prices, allowances, and accepted alternates.

Payment Procedures. Identifies when the contractor will submit applications for payment and when payment by the owner to the contractor will be made. This article also includes the provisions for retainage.

Comparison of standard owner-contractor agreements

AMERICAN INSTITUTE OF ARCHITECTS	AIA Document A101™ Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum AIA Document A102™ Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (commonly referred to as a GMP contract) AIA Document A103™ Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee without a Guaranteed Maximum Price
CONSENSUSDOCS	ConsensusDocs® 200 Standard Agreement and General Conditions Between Owner and Constructor (Lump Sum) ConsensusDocs® 500 Standard Agreement and General Conditions Between Owner and Construction Manager (Where CM is At-Risk)
CONSTRUCTION MANAGEMENT ASSOCIATION OF AMERICA	CMAA Document CMAR-1 Standard Form of Agreement Between Owner and Construction Manager (Construction Manager At-Risk) CMAA Document A-1 Standard Form of Agreement Between Owner and Construction Manager (Construction Manager as Owner's Agent)
DESIGN-BUILD INSTITUTE OF AMERICA	DBIA 520 Standard Form of Preliminary Agreement Between Owner and Design Builder
ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE	EJCDC C-520 Suggested Form of Agreement Between Owner and Contractor, for Construction Contract (Stipulated Price) EJCDC C-525 Standard Form of Agreement Between Owner and Contractor, Cost - Plus

Conditions of contract

The conditions of the contract typically contain the following general topics:

- General provisions and definitions
- Owner's responsibilities
- Contractor's responsibilities
- Architect/engineer's responsibilities
- Subcontractors (definition and relationships)
- Construction by owner or separate contractors
- Changes in the work
- Contract time
- Payments to contractor and completion of work
- Protection of persons and property
- Insurance and bonds
- Correction, removal, or acceptance of defective work
- Miscellaneous provisions
- Suspension of work and termination of the contract
- Claims and disputes

Major standardized general conditions in use for construction projects

AMERICAN INSTITUTE OF ARCHITECTS	AIA Document A201™ General Conditions of the Contract for Construction
CONSENSUSDOCS	ConsensusDocs® 200 Standard Agreement and General Conditions Between Owner and Constructor
CONSTRUCTION MANAGEMENT ASSOCIATION OF AMERICA	CMAA CMAR-3 General Conditions of the Construction Contract Between Construction Manager and Contractor
DESIGN-BUILD INSTITUTE OF AMERICA	DBIA 535 Standard Form of General Conditions of Contract Between Owner and Design- Builder
ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE	EJCDC C-700 Standard General Conditions of the Construction Contract



Specifications

- ☐ The specifications are typically organized in accordance with the **CSI MasterFormat®**.

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Contract Drawings and Electronic Models

Drawings and electronic models are graphic representations of the work. They show materials, locations, dimensions, sizes, interrelationships of materials, details of connections, and shapes and forms. CCA and contractor project management are responsible for understanding the relationship between drawings, specifications, and the other components of the contract documents.

Because most general conditions require that drawings and specifications are complementary, the architect/engineer must be familiar with conflict resolution procedures for discrepancies which may arise between such documents during construction.

Contract Modifications

After execution of the agreement, contract documents can be modified by change orders, change directives, or minor changes. Each of these documents modifies the contract; therefore, it is important to understand the documentation procedures and the relationship of the changes as they apply to other contract documents.

Precontract Revisions Including Addenda

Precontract revisions include addenda, which are written or graphic instruments issued to clarify, revise, add to, or delete information in the procurement documents or in previous addenda. Addenda are typically issued by the architect/engineer before the bid or final negotiation. As portions of addenda may affect the contract documents, it is imperative that construction process participants properly account for these changes by posting or documenting the appropriate addenda information in the affected areas of the drawings and specifications.

PRE-CONSTRUCTION SUBMITTALS



Pre-construction submittals

Preconstruction submittals are required prior to commencement of work. Examples of such submittals include the following:

- Certificates of Insurance
- Construction Bonds
- Subcontractor and Product Lists
- Schedule of Values
- Schedule of Inspections and Testing
- Submittal Schedule
- Construction Progress Schedule

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Contractor's construction schedule

- ☐ Schedule preparation
- ☐ Owner-furnished, contractor-installed items
- ☐ Work by owner and under separate contracts
- ☐ Items not in the contract
- ☐ Submittal processing and lead times
- ☐ Order and delivery lead times
- ☐ Anticipated weather conditions and potential delays
- ☐ Time impact analysis
- ☐ Establishing the project's critical path (early completion and late completion)
- ☐ Establishing the project float
- ☐ Schedule meetings and updates
- ☐ Schedule revisions
- ☐ Contract time
- ☐ Impact of penalty and bonus provisions
- ☐ Impact of liquidated damage provisions



Comparison of the standard general defining contract time

AIA DOCUMENT A201™ General Conditions of the Contract for Construction	"8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work." "8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined."
CONSENSUSDOCS® 200 Standard Agreement and General Conditions Between Owner and Constructor	"2.4.6 "Contract Time" is the period between the Date of Commencement and the total time authorized to achieve Final Completion in Paragraph 6.1.1." "2.4.10 "Day" means a calendar day."
CMAA CMAR-3 General Conditions of the Construction Contract Between Construction Manager and Contractor	"7.1.1 The contract time is the period of time allotted in the Contract Documents for completion of the Work as defined herein including authorized adjustments thereto." "7.1.2 A "day" is a calendar day of twenty four (24) hours measured from midnight to the next midnight. ..."
DBIA 535 Standard Form of General Conditions of Contract Between Owner and Design-Builder	"1.2.4 Day or Days shall mean calendar days unless otherwise specifically noted in the Contract Documents." "8.1.1 Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 5 of the Agreement." Article 5 in DBIA 520 Agreement States: "5.1 Commencement Date. Design-Builder shall commence performance of the services set forth in this Agreement within five (5) days of Design-Builder's receipt of Owner's Notice to Proceed ("Date of Commencement") unless the parties mutually agree otherwise in writing. Design-Builder shall complete such services no later than (_____) calendar days after the Date of Commencement."
EJCDC C-700 Standard General Conditions of the Construction Contract	"1.01 A.15 Contract Times—The number of days or the dates by which Contractor shall: (a) achieve Milestones, if any; (b) achieve Substantial Completion; and (c) complete the Work." "1.02 C.1 The word "day" means a calendar day of 24 hours measured from midnight to the next midnight."

PRE-CONSTRUCTION CONFERENCE/MEETING

Chair a meeting

- ❑ To begin, the **CM** should chair a meeting of **all key project participants** as soon as possible after the construction contracts are awarded.
- ❑ The **purpose** of the **pre-construction conference** is to
 1. **Introduce** the key team members to each other,
 2. **Familiarize** everyone with the **various administrative requirements** of the **project** and
 3. **Ensure** that each participant understands **what is required** to fulfill their contracts.

Who should participate?

Attendees at this meeting

Attendees at this meeting should include the following:

- | | |
|---|--|
| <ul style="list-style-type: none">✓ The owner or its authorized representative(s).✓ Key members of the CM's staff.✓ Representatives from the designer and its principal sub-consultants.✓ The general contractor or each prime contractor, including executives, project manager, and project superintendent(s). | <ul style="list-style-type: none">✓ Major subcontractors, represented by their project managers and/or superintendents.✓ The commissioning agent.✓ The sustainability consultant.✓ Representatives of relevant public agencies, utilities, or regulatory authorities.✓ Any important material or equipment suppliers.✓ Representative(s) from other active projects that may be impacted.✓ Any others deemed key project participants. |
|---|--|

NOTE

If other active projects may affect or be affected by the project in question, it is a good idea to invite a representative from that project to the pre-construction conference.

What should be discussed?

Topics need to be discussed

- ❑ The coordination of the activities of utilities, public agencies, other contractors, and the owner's field or operational personnel needs to be discussed to **clarify** how they will interface with the **contractor's operation**.
- ❑ In addition, correspondence distribution should be **reviewed** including **submittals** and **shop drawings**.
- ❑ Other topics to discuss are applicable procedures, number of copies required, timing of submissions, turnaround time for review, and designer's specific responsibilities.
 - ❖ The types of project meetings and schedule for each should also be established.

Topics need to be discussed

- ☐ The CM should **review** project safety plans and procedures to **clarify each party's responsibility**.
- ☐ Construction permit requirements and status should be reviewed to ensure they are being obtained **expeditiously**.
- ☐ The **contractor(s)** and **CM** should discuss the logistics of their on-site offices in terms of
 1. Proximity for communication and meetings,
 2. Computer network, and
 3. Space availability.

Topics need to be discussed

☐ Other related subjects include

1. Parking,
2. Vehicle and equipment traffic,
3. Storage areas, and
4. Site access
5. All contractually required computer and telecommunications equipment,
6. furniture, etc.

should be reviewed.

Topics need to be discussed

- ☐ Public information and community interaction procedures need to be discussed and spokespersons identified.

- ☐ It is also customary to review
 1. Project QA/QC procedures,
 2. Contract document precedence in the case of ambiguity,
 3. Reporting of nonconforming work,
 4. Decisions regarding nonconforming work, and
 5. Specific inspection and testing requirements.

Topics need to be discussed

- ❑ The CM should review the project scheduling requirements to include
 1. The overall time allotted for project completion and
 2. Any intermediate milestones to be accomplished.
- ❑ The **contractor** should **identify** the plan or sequence in which the project is to be constructed.
 - ❖ Related constraints or issues should be discussed.
- ❑ The CM then
 1. **Establishes** when a formal schedule is to be **prepared** and
 2. **How often** it is to be **updated**,
 3. As well as specific submission requirements and format.

Topics need to be discussed

- ☐ The parties should discuss **all potential material and equipment issues** such as
 1. Substitutions and “or equal” items,
 2. Long lead time purchases, and
 3. Any owner-furnished items.
- ☐ The CM also reviews progress payment procedures including
 1. Applicable forms,
 2. Lien waivers,
 3. Timing of application,
 4. Promptness of payment,
 5. Retention,
 6. Partial release of retention, and
 7. Final payment.

Topics need to be discussed

- ❑ Since cleanup and rubbish removal is often a **source of irritation**, all ground rules and special requirements contained in the **contract documents** should be discussed during the pre-construction conference.
- ❑ **Commissioning requirements** need to be reflected in the schedule and the commissioning agent should **attend the pre-construction conference**.

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Topics need to be discussed

- ❑ The CM should **review all relevant policies and procedures** including
 - ❖ How to handle the discovery of changed conditions,
 - ❖ Owner- or designer-initiated price changes and required documentation,
 - ❖ Time extensions,
 - ❖ Deductive changes,
 - ❖ VE change proposals, and
 - ❖ Payment for change order work, including additional costs for general condition term extensions.
- ❑ **Notification requirements** to discuss should include the specifics of where notices are to be sent.
- ❑ **Time limitations** need to be detailed and who can authorize extra work should be reviewed.

Topics need to be discussed

- ❑ The **pre-construction conference** is also an opportunity to review issues related to project completion so that there are no surprises.
 - ❖ This includes **defining** substantial completion and procedures dealing with **completing the punchlist items**.
- ❑ Warranty requirements and how “call backs” will be handled should also be discussed.

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Topics need to be discussed

❑ Finally, **contract closeout requirements** such as

- ❖ Record drawings,
 - ❖ O&M manuals,
 - ❖ Commissioning documentation,
 - ❖ Owner training requirements,
 - ❖ Lien releases, and
 - ❖ Final payment,
- should be reviewed.

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Meeting Document Samples – Appendix D

- ❑ See Appendix D: Meeting Document Samples.
 - ❖ Checklist for Pre-Construction Meeting
 - ❖ Pre-Construction Meeting Agenda
 - ❖ Pre-Construction Meeting Minutes Example

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CONSTRUCTION MANAGEMENT PLAN

Preparation

❑ At this point, the

1. **CMP and PPM should be updated** to include the **contractor(s) and any other new members** to the project team,
2. As well as any **changes** in procedures or responsibilities arising out of the **pre-construction conference**, including
any **changes** to the project sustainability goals and requirements.

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DOCUMENT EXISTING CONDITIONS

CM role

- ☐ Because of the potentially **litigious nature** of construction projects, the **CM** can minimize the potential damage of claims by implementing a **thorough review** of existing conditions of property impacted by the construction.
- ☐ The CM conducts
 1. A walk-through of the project site and
 2. Records the condition of existing structures and other areas of note.
- ☐ The **inspection** can be recorded by
 1. Photo or video
 2. With a date stampto preserve a **benchmark of existing conditions** prior to construction.

Contractor role

- ☐ It is **recommended** that the **contractor participate** in the inspection to **minimize opportunities** for disagreement later concerning damage caused by the contractor.
- ☐ This process can also be used to document existing materials and quantities that may be **reused or recycled**.

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OWNER-FURNISHED ITEMS

Owner-furnished items during construction phase

- ☐ As discussed previously, to obtain **time or cost savings** or ensure product control, the owner may contract separately for **certain long lead** or **specialty items**.
- ☐ During the construction phase, the **CM assists the owner** in establishing the **procedures** for the transfer of owner-provided materials and equipment.

What does this require?

Owner-furnished items during construction phase

❑ This requires

1. **Identification** of specific personnel (either contractor or owner) responsible for administration of the suppliers and
2. **Determining** responsibility for
 - ❖ Delivery coordination,
 - ❖ Shipping charges,
 - ❖ Insurance,
 - ❖ Receipt,
 - ❖ Unloading,
 - ❖ Storage, and
 - ❖ Installation.

PERMITS, INSURANCE, LABOR AFFIDAVITS, AND BONDS

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