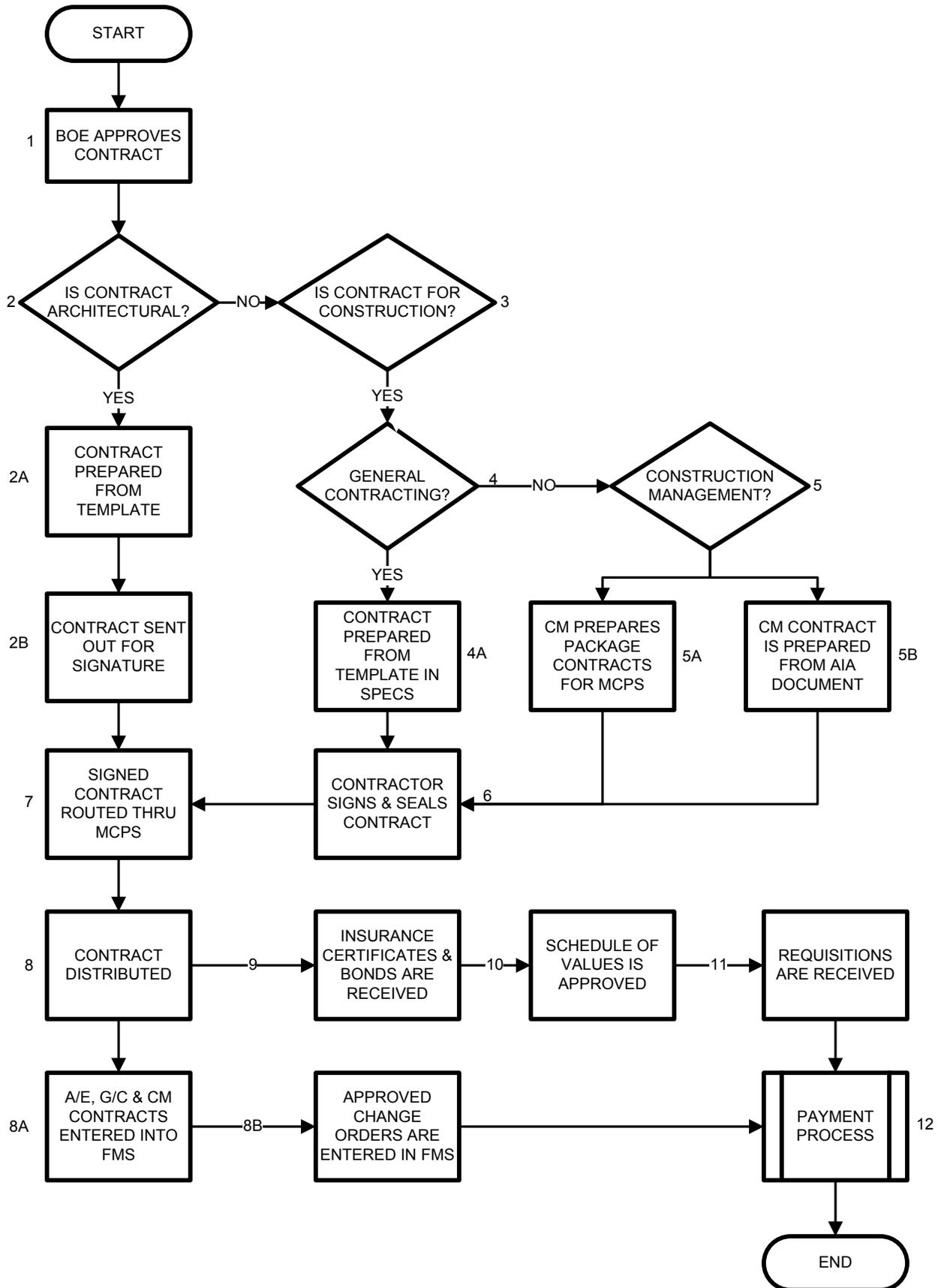


Contract Administration Process



Contract Administration Process

1. The Board of Education approves a contract.

Architectural

2. The contract awarded is architectural.
 - 2A. The day after the Board approves the award, the fiscal team prepares the contract from a template. The variable information regarding what the contract includes will be provided by the director, who is the contract negotiator.
 - 2B. When the contract (3 copies) is completed, it is forwarded to the director's secretary to include in a letter to the architect with reminders regarding fees for additional services, insurance requirements, and the payment process. The architect is requested to sign 3 copies of the contract and return them to construction.
7. When the signed contracts are received, the fiscal team circulates them for review and signature by appropriate MCPS personnel. A contract log is kept during circulation to track where they are in the process.
8. After the contracts are completely signed, they are distributed. One is sent to the architect, one is kept on file in construction.
 - 8A. The fiscal team leader enters the contract (PO) into the Financial Management System (FMS). A copy of the Board approval is attached in FMS and forwarded to the director of Procurement for approval. A copy of the contract is attached to the project in FMS.
 - 8B. Additional A/E services which have been approved by the director are added to the A/E contract by the fiscal team leader.
9. The fiscal team ensures that the insurance certificate with the appropriate coverage is in place for the project. Note should be taken of the expiration date so a current certificate is always on file.
10. The architectural schedule of values is based on the breakdown described in the A/E contract plus additional studies outlined in the fee breakdown.
11. Architectural invoices are presented to the fiscal team to review for accuracy.
12. The payment is processed in FMS.

General Contracting

3. The award is for construction utilizing a general contractor.
4. The day after the Board approves the award, the fiscal team checks with the project manager to determine if the permits have been issued to enable them to send a notice to proceed (NTP) under the director's signature. If the stormwater management/sediment control permit has been received, the contractor may be given a final NTP. By the time the site work is finished, the final building permit should have been issued. If the stormwater management/sediment control permit has not been received, a partial NTP for submittals and shop drawings is issued. When the stormwater management/sediment control permit is received, a final NTP is issued. The NTP includes reminders that the bonds and insurance certificates must be submitted to the fiscal team prior to any work on the site.
- 4A. The fiscal team prepares the contract from a template. The contract template for the general contracting delivery method is included in the project specifications. The contract is dated one day after Board approval and care must be taken to include all of the contract documents, (drawings and specifications) as well as completion dates which may be phased. This information is in the specifications. Drawing numbers should be verified with the plans. The project manager and architect should advise the fiscal team regarding the number and dates of addenda for the project.
6. To expedite execution of the contract, the contractor is requested to come to the construction office along with the company seal to sign the contract.
7. Once the contractor has signed, the fiscal team routes the contract for additional review and signature. A contract log is kept during circulation to track where they are in the process.
8. After the contracts are completely signed, they are distributed. One is sent to the architect, one is kept on file in construction.
- 8A. The fiscal team leader enters the contract (PO) into the Financial Management System (FMS). A copy of the Board approval is attached in FMS and forwarded to the director of Procurement for approval. A copy of the contract is attached to the project in FMS.
- 8B. Approved change orders are added to the construction contract by the fiscal team leader.
9. The general contractor must provide the 100% Labor and Material Payment Bonds on the specified AIA documents as well as the subcontractor bonds identified and requested in the specifications. Insurance certificates are

reviewed by the fiscal team leader to determine adequate coverage and the expiration date noted to request a new one when necessary.

10. A schedule of values will be presented by the contractor for approval by the project architect, the construction inspection team and the fiscal team. It is broken down into 16 CSI (Construction Specifications Institute) categories as shown in the sample requisition in the specifications. The fiscal team reviews to ensure the total equals the contract value and to review the breakdown of the Division 1 which includes the general conditions, and any allowances.
11. When requisitions are received from the contractors, they must be signed by the architect who indicates that the requisition process outlined in the specifications has been followed. The requisition must include a breakdown of MBE subcontractors or suppliers on page 3 who have participation in the project and their billing and payment history during the course of the project.
12. The requisition then follows the payment process outlined in PO Creation & Payments.

Construction Management

5. The award is for construction utilizing a construction manager. Projects delivered with the construction management (CM) delivery method follow a different process. Major bid packages are developed by the CM and bid directly to MCPS to satisfy State of Maryland bidding requirements. The value of these packages should come to at least 80% of the total construction value. These contracts are awarded by MCPS and then immediately assigned to the CM. Once all the package bids have been received, the CM includes those prices along with other tasks not included in those packages as well as the general conditions, CM fee and a construction contingency. The CM presents the project Gross Maximum Price (GMP) to DOC management for review. Negotiations are conducted based on current market rates, and past experience. The final negotiated GMP is sent to the Board of Education for approval.

Note: MCPS uses “Construction Management at Risk” rather than “Construction Management at Agency”. It was experience with the “at agency” delivery method that led MCPS to conclude that risk to MCPS was too great due to having responsibility for the schedule and cost control for gaps in package scopes. By inclusion of a contingency that may not be exceeded in the CM’s GMP, staff feels that there is better cost control of the project. Additionally, assignment of the prime contracts to the CM moves the responsibility for the schedule to the CM rather than MCPS.

The construction management delivery method is used for new schools or modernization projects as well as projects that are considered particularly complex due to the nature of the construction.

- 5A. Each bid package has an MCPS contract written, (usually by the CM for efficiency) as well as a contract between the CM and the Subcontractor (A401 shown in the specifications) to acknowledge the assignment. The contracts are dated one day after Board award and care must be taken to include all of the contract documents, (drawings and specifications) as well as completion dates which may be phased. This information is in the specifications. Drawing numbers should be verified with the plans. The project manager and architect should advise the fiscal team about the number and dates of addenda for the project.
- 5B. The contract template for a project utilizing a construction manager as a constructor is based on an MCPS modified AIA121 which is not included in the specifications since the final GMP is negotiated, not bid. The CM must provide a breakdown of the general conditions, a preliminary project schedule and a spreadsheet showing the final negotiated GMP by division. It will also outline the general conditions, fee and contingencies. These documents are included as part of the CM contract.
6. To expedite execution of the contract, the CM is requested to come to the construction office along with the company seal to sign the contract.
7. Once the CM has signed, the fiscal team routes the contract for additional review and signature. A contract log is kept during circulation to track where they are in the process.
8. After the contracts are completely signed, they are distributed. One is sent to the architect, one is kept on file in construction.
- 8A. The fiscal team leader enters the contract (PO) into the Financial Management System (FMS). Copies of the Board approval and the signed contract are attached in FMS and forwarded to the director of Procurement for approval.

Note: MCPS should receive signed copies of all of the contracts prepared by the CM for the signature of the assigned subcontractors to be routed for signature. Once they have been signed, MCPS distributes them to the assigned subcontractor, the CM and keeps one in the file. They do not get entered into FMS since their contract value is subsumed under the CM's GMP contract.

- 8B. Approved change orders are added to the construction contract by the fiscal team leader.
9. The CM must provide the 100% Labor and Material Payment Bonds on the specified AIA documents. Insurance certificates should be reviewed by the fiscal team leader to determine adequate coverage and the expiration date noted to request a new one when necessary.

Note: MCPS should also receive all the payment and performance bonds as well as insurance certificates from the subcontractors required by the contract documents.

10. A schedule of values will be presented by the CM for approval by the project architect, the construction inspection team and the fiscal team. It is broken down into 16 CSI (Construction Specifications Institute) categories as shown in the sample requisition in the specifications. The fiscal team reviews to ensure the total equals the contract value and to review the breakdown of the Division 1 which includes the general conditions, the fee if CM, and the allowances.
11. When requisitions are received from the contractors, they must be signed by the architect who indicates that the requisition process outlined in the specifications has been followed. The requisition must include a breakdown of MBE subcontractors or suppliers on page 3 who have participation in the project and their billing and payment history during the course of the project.
12. The requisition then follows the payment process outlined in PO Creation & Payments.