

Design & Construction Contracts

State Construction Conference

March 27, 2014

What will we address?

Construction Contracts – Presenter: Bill Murchison

- Award Letters
- Formal Contract Checklist
- Special Focus on Insurance Requirements

Design Contracts – Presenter: Ryan Scruggs

- Design Proposal Letter
- Terms & Conditions of Standard Design Agreement

Timekeeper – Jessica Ross, Administrative Assistant for Contract Administrators

Why is this topic important?

Recent Increase in Number of Projects = Recent Increase in Workload

Our goal to share the information that will result in packages that contain all required information and reduce the number of iterations required to execute the documents, and thus:

EXPEDITE THE PROCESS!

Design Contracts

Typical Issues Encountered
During the Design Contracting Phase
and
How to Quickly Get Your
Design Contract through the SCO System

Standard Design Contract

Standard Form of Agreement Between Owner and Designer

- Basic Services for Design, Bidding, Construction, and Close-Out
- Design-Bid-Build
 - Single Prime
 - Multi-Prime
 - Construction Manager At Risk
- Latest Edition of State Construction Manual
- Terms and Conditions of the Agreement

Top Issues Delaying Design Contracts

- Design Fee Too High
 - Basic Services versus Construction Budget
 - Construction Budget versus Scope of Work
 - Basic Services that include “Additional Services”
- Designer Proposal Lacking Information
- Designer Proposal Not In Compliance with Standard Terms and Conditions

Recommended Format of Designer Proposal

Subject: Department of _____
Building Name - Project Title
Project Location (City)

Dear Mr. Driver:
(Firm Name) propose to provide design and construction administration services for the (Building Name and Project Title) project as described below.

Project Description:
(Describe General Scope of Work)

Scope of Services:
(Describe Detailed Scope of Work for Each Service Discipline such as Architecture, Mechanical-Plumbing Engineering, Electrical Engineering, Fire Protection, Civil Engineering, Structural Engineering, Landscape Architecture, etc.)

Excluded Services:
(Provide List of Services Not Included)

Consultants:
(List Firm Name, Address, and Service Discipline)

Additional Services:
Per the terms of the Standard Form of Agreement Between Owner and Designer for the Designer's Additional Services, the Principals for this project are: (List Principals)

Responsibilities of Owner:
(Record Drawings, Building/Site Plan, Building Reports & Surveys, Project Budget Considerations, Construction Schedule Considerations, Hours of Access to Building/Site, etc.)

<u>Total Project Budget:</u>	
Construction Cost (not to exceed)	\$xxxx
5% Contingency Reserve	\$xxxx
Subtotal	\$xxxx
Design Fee	\$xxxx
Total Project Budget	\$xxxx

<u>Schedule:</u>		
Task	Length	Date
Designer NTP		xx/xx/xx
Submit SD/DD (Allow 30 Days for SCO Review)	x weeks	xx/xx/xx
Receive Review Comments	x weeks	xx/xx/xx
Submit CD (Allow 60 Days for SCO Review)	x weeks	xx/xx/xx
Receive Review Comments	x weeks	xx/xx/xx
Final Approvals (Allow 15 Days for SCO Approvals)	x weeks	xx/xx/xx
Advertise for Bids	x weeks	xx/xx/xx
Receipt of Bids	x weeks	xx/xx/xx
Construction Contractor NTP	x weeks	xx/xx/xx
Complete Construction	x weeks	xx/xx/xx

Design Fee:
(Firm Name) proposes to provide the described services for a fixed fee of \$xxxx. This fee is broken down as follows:

Combined Schematic Design/Design Development	35%
Construction Documents	30%
Bidding	5%
Construction Phase	25%
Close Out	5%
Total	100%

Signature

Designer Proposal

- Project Description
- Scope of Design Services
- Excluded Services
- Consultants
- Additional Services & Principals
- Owner Responsibilities
- Total Project Budget
- Schedule
- Design Fee & Breakdown

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Close Out	5%
Total	100%

Signature

Standard Form of Agreement

Page 1

STATE OF NORTH CAROLINA STANDARD FORM OF AGREEMENT BETWEEN OWNER AND DESIGNER

This AGREEMENT is made this ____ day of _____ in the year ____
between the State of North Carolina acting through _____ hereinafter called the
"Owner", and _____ hereinafter called the "Designer".

WITNESSETH, that whereas the Owner intends to construct a project with a scope consisting of

_____ **SCOPE** _____

hereinafter called the "Project" for which the following has been budgeted:

Code _____ Item _____ SCO File # _____

A. Total Funding \$ _____

B. Less Owner Reserves \$ _____

Total Authorization \$ _____

Total Project Construction Cost is not to exceed (_____ dollars) (\$ _____)

Total Contingency Reserve is (_____ dollars) (\$ _____)

Design Fee is (_____ dollars) (\$ _____)

NOTE: See Article 14

BUDGET

Standard Form of Agreement

Page 2

NOW, THEREFORE, the Owner and the Designer, for the consideration hereinafter set forth, agree as follows:

A. The Designer shall provide professional services for the Project in accordance with the Terms and Conditions of this Agreement and the latest edition of the document entitled "State Construction Manual" which by reference is made a part of this Agreement.

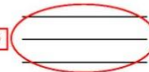
B. The Owner shall compensate the Designer, in accord with the Terms and Conditions of this Agreement, as follows:

(1) For the Designer's **BASIC SERVICES**, as described and defined in Article 1 hereinafter, a Lump Sum of _____ dollars (\$ FEE) is authorized.

(2) For the Designer's **ADDITIONAL SERVICES**, as described in Article 2 hereinafter, a fee must be agreed upon with the Owner and the State Construction Office prior to beginning the work. The agreement must be in writing and attached as an amendment to the Agreement. In arriving at this lump sum fee, the maximum rates that will be considered are as follows:

(a) Principals' time at the fixed rate of one hundred dollars (\$100) per hour For the purpose of this Agreement the Principals are:

PRINCIPALS



(b) Employees' time computed at a multiple of two and five tenths (2.5) times the employees' hourly rate.

(c) Additional services of professional consultants engaged for the normal structural, mechanical and electrical or architectural services, at a multiple of one and two tenths (1.2) times the amount billed to the Designer for such additional services.

(3) The terms and further conditions of payment shall be as described in Article 7, PAYMENTS TO THE DESIGNER.

Standard Form of Agreement

Page 3

C. The Designer agrees to begin work on the Project promptly upon receipt of his fully executed copy of the Agreement and to pursue his work in accordance with the following schedule:

DESIGNER'S PRODUCTION SCHEDULE

PHASE

Schematic Design
Design Development

DATE

CALENDAR DATES

Working Drawings (aka Construction Documents):

Estimate "Out To Bid" Date:

It is the responsibility of the Designer to maintain the above production schedule. If for any reason it appears any phase of the project will be delayed, the designer shall notify the Owner and the State Construction Office, in writing, prior to the due date of that phase with an explanation of the reason(s) for the delay. If the delay(s) are approved by the Owner and the State Construction Office, the schedule may be modified and the agreement amended. Both failure to give the required notification of delay and failure to meet the production schedule constitute failure to perform in accordance with the terms of this Agreement and the Agreement may be terminated in accordance with Article 10-2.

Standard Form of Agreement

Article 1 – Basic Services (Part 1)

TERMS AND CONDITIONS OF THE AGREEMENT

Art. 1	Basic Services of the Designer_____	4
Art. 2	Additional Services of the Designer_____	8
Art. 3	Full-Time Construction Inspection_____	8
Art. 4	The Owner's Responsibilities_____	8
Art. 5	Limitations of Project Cost and Project Scope_____	9
Art. 6	Reproduction Expenses_____	10
Art. 7	Payments to the Designer_____	10
Art. 8	Accounting Records of the Designer_____	10
Art. 9	Ownership of Plans and Specifications_____	10
Art. 10	Termination of Agreement_____	11
Art. 11	Successors and Assigns_____	11
Art. 12	Extent of Agreement_____	11
Art. 13	Professional Consultants_____	12
Art. 14	Supplemental_____	13

ARTICLE 1 BASIC SERVICES OF THE DESIGNER

Schematic Design Phase

- 1-1 The Designer shall consult with the Owner to ascertain the requirements of the project and shall confirm such requirements to the Owner.
- 1-2 He shall prepare schematic design studies (see State Construction Manual), leading to a recommended solution together with a general description of the project for approval by the Owner.
- 1-3 He shall submit to the Owner a statement of probable construction cost based on the area, volume or other current unit costs. (See State Construction Manual.)
- 1-4 The Designer will be permitted to reduce the scope of the project, within reasonable limits approved by Owner, if such reduction is deemed necessary in order to not exceed the total project budget cost as set forth in the body of Page 1 of this Agreement.

Design Development Phase

- 1-5 The Designer shall prepare from the approved schematic design studies, for approval by the Owner, the design development documents which shall include site and floor plans, elevations and other drawings, and outline specifications as are necessary to fix and illustrate the size and character of the entire project in its essentials as to kinds of material, type of structure, mechanical and electrical systems, and such other work as may be required, including site and utility requirements.
- 1-6 He shall submit to the Owner a further statement of probable construction cost. (See State Construction Manual.)

Construction Document Phase

- 1-7 The Designer shall prepare from the approved design development documents, working drawings and specifications setting forth in detail and prescribing the work to be done and the materials, workmanship, finishes and equipment required for the engineering, architectural, structural, mechanical, electrical and the site work, and for service-connected equipment; and assemble the necessary bidding information, proposal and contract forms, and conditions of the contract, for approval by the Owner. (See State Construction Manual.)
- 1-8 He shall submit to the Owner a further statement of probable construction cost as indicated by fully developed requirements and current market conditions. (See State Construction Manual.)
- 1-9 The Designer shall request proposals, conduct a bid opening, evaluate same and make recommendations of award to the Owner within two (2) workdays of the bid opening unless negotiations or redesign is required. Upon award of contracts, Designer shall assure proper execution of the contract documents by the contractors and forward to the Owner for his execution and further approval.
- 1-10 Prior to bid opening, the Designer shall fulfill the responsibilities of the Designer as outlined in the "Guidelines For Recruitment And Selection of Minority Businesses For Participation In State Construction Contracts," including:
 - a) Attend the scheduled pre-bid conference to explain minority business requirements to the prospective bidders.
 - b) Assist the Owner to identify and notify prospective minority business prime and subcontractors of potential contracting opportunities.
 - c) Maintain documentation of any contacts, correspondence, or conversation with minority business firms made in an attempt to meet the goals.
 - d) Review jointly with the Owner, all requirements of G.S. 143-128.2(c) and G.S. 143-128.2(f) – (i.e. bidders' proposals for identification of the minority businesses that will be utilized with corresponding total dollar value of the bid and affidavit listing Good Faith Efforts, or affidavit of self-performance of work, if the Contractor will perform work under contract by its own workforce) - prior to recommendation of award.
 - e) Make documentation showing evidence of implementation of Designer's responsibilities available for review by State Construction Office and HUB Office, upon request.
- 1-11 The Designer shall prepare and file the required documents for the approval of governmental authorities having jurisdiction over the project.
- 1-12 In the event that bids and design fees exceed the total project cost as set forth on Page 1 of this Agreement, then the provisions of Article 5 hereof, Limitations of Project Cost and Project Scope, shall apply.

Construction Phase

- 1-13 The Construction Phase will begin with the notification of award of contracts. The Designer shall issue separate appropriate letters of Notice to Proceed to the single prime, construction manager at risk, or separate letters to each prime contractor in the case of separate prime bidding, which letters shall fix and definitely establish the beginning date of time of performance for the respective contract types, and the required completion date. Copies of each such letter issued by Designer shall be furnished to the Owner and to the State Construction Office.
- 1-14 The designer's responsibilities during the Construction Phase shall be as described in State Construction Manual, and as set forth hereinafter. His responsibilities shall include the following:
 - a) Arrange for and give written notice to all appropriate parties as to the time and place as well as conduct of pre-construction conference in coordination with the State Construction Office;

Standard Form of Agreement

Article 1 – Basic Services (Part 2)

- b) Establish and conduct a regular schedule of monthly meetings for contractors' representatives and a representative of the Owner. Such monthly meetings shall be maintained throughout the entire construction period and shall be for the primary purpose of assessing the progress of the work and recommending such remedial actions as are necessary to maintain progress and to complete the project within the contract time. The Designer shall submit to both the Owner and the State Construction Office a full report of each such meeting. Attendance, purposes, results, reports and conduct of these monthly meetings shall be as more fully described in State Construction Manual;
- c) Process and approve, or take other appropriate action in respect of, progress schedules, shop drawings and other required submissions of contractors promptly;
- d) Prepare change orders as required, and have such change orders properly executed and approved before authorizing work on account thereof;
- e) Process contractors' applications for payment promptly for authorized work and issue certificates of payment;
- f) Review "MBE Documentation for Contract Payment" – (Appendix E) for compliance with minority business utilization commitments. Submit Appendix E form with monthly pay applications to the Owner and forward copies to the State Construction Office.
- g) Provide general administration of the performance of construction contracts, including inspection and continuous liaison of the work to ensure compliance with plans and specifications, which inspection shall be by qualified and mutually agreed upon representatives of the designer's firm not less than once per week while work is in progress, and as often as necessary to ensure compliance with plans and specifications;
- h) Require all in-house consultants and contract consultants participating in the design of the project, and as named in Article 13 of this contract, to provide liaison and inspection services with respect to their portion of the design not less than once per week while work related to their design is in progress and as often as necessary to ensure compliance with plans and specifications;
- i) Schedule and conduct final inspection of the project, coordinating the date for such inspection with the Owner and with the State Construction Office;
- j) Assemble written guarantees, affidavits, manuals of instruction for operation, and other required and closing papers of the contractors; issue certificates of final completion, certificates of compliance from various in-house and contract consultants as required by G.S. 133-1.1, final certificates for payment, and set date for beginning of the guarantee period, forwarding all closing papers to the Owner;
- k) Serve as agent of the Owner as described in this contract, and within the limits and conditions of this contract, guarding the Owner against defects but not guaranteeing performance of the construction contractors.

1-15 The Designer agrees that his representatives on the construction project shall be qualified by training and experience to make decisions and interpretations of plans and specifications, and shall be empowered by the Designer to do so; such decisions and interpretations shall be binding upon the Designer as if made by him; all such decisions shall be confirmed in writing at the earliest reasonable date, with copies to the Owner and the State Construction Office, conditioned that such decisions and interpretations shall not modify adversely the requirements of the contract documents; the designer's representatives shall be replaced promptly and without protest at the request of the Owner, if in the opinion of the Owner and the State Construction Office, such representatives are either negligent or unqualified to perform their duties; and all of the above in this paragraph shall be applicable to consultants referred to in Paragraph 1-14(h) above.

Post-Construction Phase

- 1-16 Upon completion of the project, the Designer shall correct the drawings to conform to the project as finally constructed, and shall deliver to the Owner and to the State Construction Office corrected record drawings.
- 1-17 Prior to final payment to the Designer, he shall prepare and deliver to the Owner and to the State Construction Office a final report. (See State Construction Manual.)
- 1-18 Five percent (5%) of the total fee of the Designer shall be retained until approval of the record drawings and final report by the State Construction Office and the Owner. Final payment can be made after letter of approval is received by the Owner from the State Construction Office.

Other Professional Services

- 1-19 If the Designer renders basically architectural services, he hereby agrees that all plans, specifications, detail drawings, construction inspection, etc., for engineering work pertaining to heating, ventilating, refrigeration, power service, or other special mechanical or structural work shall be done by his own organization, by registered professional engineers regularly engaged and particularly qualified by experience and training to do this work, or agrees to employ without additional cost to the Owner, and subject to the approval of the Owner, the services of a registered professional engineer, which contract shall bind the engineer to terms and responsibilities substantially as set forth herein regarding design and construction phase services. (See Article 1.) Copies of this Agreement shall be furnished to the Owner and to the State Construction Office.
- 1-20 If the Designer who is a party to this contract renders basically engineering services, he hereby agrees that plans, specifications, detailed drawings, construction inspection, etc., for architectural work pertaining to this project shall be done by his own organization, by registered professional architects regularly engaged in and particularly qualified by experience and training to do this work, or agrees to employ without additional cost to the Owner, and subject to approval of the Owner, the services of a registered professional architect regularly engaged in the work. This engineer shall enter into a contract agreement with such registered professional architect, which contract shall bind the architect to terms and responsibilities substantially as set forth herein regarding design and construction phase services. (See Article 1.) Copies of this Agreement shall be furnished to the Owner and to the State Construction Office.
- 1-21 The Designer shall be responsible for all Designer administrative cost related to the project, including, but not limited to, the following:
 - a) Providing required number of plans and specifications for review for all agencies involved in the project;
 - b) Paying for all reproduction cost except as set forth in Article 6;
 - c) Paying all cost of handling, mailing, etc., of plans and specifications to the contractors;
 - d) Paying for all telephone calls, travel, administrative overhead cost and any other expense incurred by the Designer except for those items set forth in Article 2, Additional Services of the Designer.

Standard Form of Agreement

Articles 2 - 5

ARTICLE 2

ADDITIONAL SERVICES OF THE DESIGNER

- 2-1 In the event the Owner, with the approval of the State Construction Office, requests in writing that the Designer perform services over, above and beyond the basic services described in Article 1 hereof, then the Designer may be paid for such additional services as herein before provided. Additional services, for which additional compensation may be allowed, are as described hereinafter.
- a) Revising previously approved design development or working drawings or specifications to accomplish changes ordered by the Owner, except where required to get the cost within the total project budget;
 - b) Preparing drawings and specifications for alternate bids for work beyond the scope of that originally contemplated in this Agreement; (when alternates are used to assure keeping project within the total project budget, no additional fee shall apply);
 - c) Arranging for the work to proceed should the Contractor default due to delinquency or insolvency;
 - d) Providing contract administration and inspection of construction should the construction contract time be extended due to no fault of the Designer;
 - e) Making an inspection of the project prior to expiration of the guarantee period and reporting observed discrepancies under guarantees provided by the construction contracts;
 - f) Other services as may be required will be negotiated.

ARTICLE 3

FULL-TIME CONSTRUCTION INSPECTION

- 3-1 The Owner, with the prior approval of the State Construction Office, may direct the Designer in writing to provide full-time construction inspection services. The Designer shall be compensated for the additional expense in a manner as mutually agreed upon between the Owner and the Designer and as set forth in a written amendment to this Agreement. Such additional compensation as is agreed to shall take into account the value of inspection services required to be furnished by the Designer under his fee for basic services. If arrangements are effected for the Designer to provide full-time inspection service, the representative proposed by the Designer to act in his capacity shall be subject to the prior approval of the Owner and the State Construction Office, and the conditions of Paragraph 1-15 under Article 1 hereof shall apply to such full-time inspection representative. The use of a full-time inspector does not negate the conditions of Paragraph 1-14(h) under Article 1.

ARTICLE 4

THE OWNER'S RESPONSIBILITY

- 4-1 The Owner shall provide full information as to its requirements for the project, consistent with the total project budget indicated on Page 1 of this Agreement and subject to the approval of the State Construction Office.
- 4-2 The Owner shall designate, when necessary, a representative authorized to act in his behalf, who shall examine documents submitted by the Designer, and render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of the designer's work. The owner's representative shall observe the procedure of issuing instruction to contractors only through the Designer. The owner's representative shall attend monthly job meetings scheduled by the Designer and shall be empowered

to make commitments for the Owner at such meetings.

- 4-3 The Owner shall furnish or pay for, at cost, to the Designer, a survey of the site; giving grades and lines of streets, alleys, pavement and adjoining property, rights of way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries, elevations at grid points; locations, dimensions, and data pertaining to existing buildings, utilities and trees; or other requirements for the project. The Owner will pay, at cost, for tests and/or reports requested by Owner and the State Construction Office for determining subsoil and conditions. However, this shall not apply in engineering contracts where the survey is part of the design.
- 4-4 The Owner shall provide legal services as may be required or necessary for the project.

ARTICLE 5

LIMITATIONS OF PROJECT COST AND PROJECT SCOPE

Total Project Cost

- 5-1 The total project cost as indicated in the body of Page 1 of this Agreement shall include all costs and expenses for which the Designer is responsible, including the design fee. The contingency fund noted on Page 1 shall be reserved at the time of award of construction contracts.

Cost Limitations

- 5-2 The total project cost, as indicated in the body of Page 1 of this Agreement, is derived from a specific appropriation or funds specifically provided for the particular project described on Page 1. Accordingly it shall be a condition of this Agreement that the Designer shall conform his plans to a design, the construction cost of which together with the addition of design fees, shall not exceed the total project cost limitations as set forth in the body of Page 1 of this Agreement.
- 5-3 In the event that during the several stages of development of his plans the designer's Statement of Probable Construction Cost together with design fees exceeds the limitations set forth on Page 1 of this Agreement, or in the event that after receipt of bids the sum total of the lowest bona fide bids for the entire project together with design fees exceeds the limitation set forth on Page 1 of this Agreement, then the Owner shall have the right to require the Designer, without any additional cost to the Owner, to modify his plans and specifications or redesign the project as may be necessary to bring the construction cost plus design fees within the Total Project Cost limitation set forth on Page 1 of this Agreement.
- 5-4 If the probable construction cost plus design fees, or the sum total of lowest bona fide bids plus design fees, exceeds the limitation of total project cost set forth in the body of Page 1 of this Agreement, and in view of this excess of cost the Owner elects to and does effect arrangements for additional financing sufficient to permit the project to proceed at a total project cost in excess of that originally contemplated by this Agreement, then the Owner may modify the terms of this Agreement with respect to a new authorized and increased total project cost. In order to be valid and binding, any modification of the total project cost by the Owner must be in writing and have the written approval of the State Construction Office.

Scope of Project

- 5-5 The proposed scope of the project is indicated on Page 1 of this Agreement. The Designer will be permitted to reduce the scope of the project, within reasonable limits approved by Owner, if such reduction is deemed necessary in order to not exceed the total project cost as set forth in the body of Page 1 of this Agreement.
- 5-6 The total project cost is the primary control criteria and limitation; the scope of the project is secondary to project cost.

Standard Form of Agreement

Articles 6 - 12

ARTICLE 6 REPRODUCTION EXPENSES

- 6-1 The Designer shall be required to furnish up to 30 sets of complete, approved final plans and specifications for the project. For sets required in excess of the above-mentioned number, the Designer will be paid the actual cost of reproduction. A list of plan deposits not returned to the contractors shall be furnished to the Owner. These deposits, as set forth in Notice to Bidders, shall be credited to the Owner.

ARTICLE 7 PAYMENTS TO THE DESIGNER

- 7-1 Payments on account of the designer's basic services shall become due and payable in an amount sufficient to increase the compensation for basic services to the following percentages of the basic fee upon completion of the phases of work as indicated hereinafter; monthly payments may be made if progress is satisfactory to the Owner. Payments are not to exceed the stated percentages.
- | | |
|---|-----|
| a) Upon approval of Schematic Design Phase_____ | 15% |
| b) Upon approval of Design Development Phase_____ | 20% |
| c) Upon approval of Working Drawings and Specifications_____ | 30% |
| d) Upon Receipt of Bids_____ | 5% |
| e) During the Construction Phase, monthly in proportion to the progress of the work, up to and including final inspection and acceptance_____ | 25% |
| f) Upon the closing of all construction contracts and the approval of record drawings and final report_____ | 5% |
- 7-2 Payments for additional services of the Designer, as defined in Article 2, shall be made at the time of the next payment due under schedule of payments for basic services above.

ARTICLE 8 ACCOUNTING RECORDS OF THE DESIGNER

- 8-1 Records of the designer's personnel, consultants, additional services and reimbursable expenses pertaining to the project, and records of accounts between the Owner and the contractors, shall be kept on a generally recognized account basis, and all such records shall be available to the Owner or his authorized representative at mutually convenient times.

ARTICLE 9 OWNERSHIP OF PLANS AND SPECIFICATIONS

- 9-1 All designs, drawings, specifications, design calculations, notes and other works developed in the performance of this contract shall become the sole property of the State of North Carolina and may be used on any other design or construction without additional compensation to the Designer. The use of the design, including tracings and specifications, by any person or entity, for the purpose other than the project as set forth in the body on Page 1 of this Agreement, shall be at the full risk of such person or entity and the Designer shall be relieved of any liability whatsoever, including claims for personal injury, property damage, or death as a result of such other use.

ARTICLE 10 TERMINATION OF AGREEMENT

- 10-1 The Owner may terminate this Agreement for any reason upon ten (10) calendar days' written notice (delivered by certified mail, return receipt requested).
- 10-2 This Agreement may be terminated by either party upon seven (7) calendar days' written notice (delivered by certified mail, return receipt requested) should one party fail to perform in accordance with its terms through no fault of the other.
- 10-3 In event of termination, the Designer shall receive payment for services rendered prior to the receipt of written termination notice from the Owner. If termination results from abandonment or suspension of the project, then the Designer will receive termination expenses in the amount of five percent (5%) of the above due payment. If termination results from non-performance of work, then the Designer will not receive termination expenses. Any work done by the Designer prior to termination shall become the property of the Owner.
- 10-4 For the purpose of evaluating services rendered to termination, the following shall apply:
- | | |
|--|-----|
| a) Schematic Design Phase_____ | 15% |
| b) Completion of Design Development Phase_____ | 20% |
| c) Delivery of Working Drawings and Specifications for review_____ | 25% |
| d) Approval of final drawings and specifications_____ | 5% |
| e) Upon Receipt of Bids_____ | 5% |
| f) Construction Phase monthly in proportion to progress of work_____ | 25% |
| g) Approval of record drawings and final report_____ | 5% |

ARTICLE 11 SUCCESSORS AND ASSIGNS

- 11-1 The Owner and the Designer each binds himself, his partners, successors, legal representatives and assigns to the other party to this Agreement and to the partners, successors, legal representatives and assigns of such other party in respect to all covenants of this Agreement. Neither the Owner nor the Designer shall assign, sublet or transfer his interest in this Agreement without the written consent of the other.

ARTICLE 12 EXTENT OF AGREEMENT

- 12-1 This Agreement represents the entire and integrated agreement between the Owner and the Designer and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written consent.

Standard Form of Agreement

Article 13

ARTICLE 13 PROFESSIONAL CONSULTANTS

- 13-1 The Designer agrees to contract with the following Consultants for specialized portions of the work. Each such Consultant shall be required to comply with the conditions of this Agreement to the same extent as the Designer.

(List All Consultants)

MECHANICAL/ELECTRICAL/PLUMBING
CIVIL
STRUCTURAL
OTHER

Standard Form of Agreement

Article 14

ARTICLE 14
SUPPLEMENTAL AGREEMENT

The lump sum fee shown on Page 2 includes fee charges for anticipated change orders during the construction phase, utilizing the contingency reserve up to the total project authorization of \$_____. **BUDGET**

DESIGN FEE BREAKDOWN

Basic Services
+Additional Services #1
+Additional Services #2

IN WITNESS WHEREOF the Owner and the Designer have executed this Agreement, the day and year first above written.

Witness: **WITNESS**

Designer

By: **SIGN HERE**

Date: _____

Witness:

Owner - State of North Carolina through

By: _____
(Name & Title)


Date: _____

- 13 -

OC-22 Revised January 2009

In Summary




- Understand Need for Budget Based Design Fee
- Understand Need for Any “Additional Services” to be Identified & Explained
- Understand What Information Is Required
- Understand Which Terms and Conditions Cannot Be Changed



Getting Request to Award Letters and Contracts Processed **Quickly** through the State Construction Office

NC State Construction Office Web Site

<http://www.nc-sco.com>



State Construction Office

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State Construction Office

Recent News

The 33rd Annual State Construction Conference will be held on March 27, 2014 at the McKimmon Center:

- [Click Here to Register Online](#)
- [Click Here View Agenda](#)


[SL 2013-242 Procedural Implementation of Article 8C \(GS 143-135.35-.40\) \(pdf\)](#)

[2013-14 Repair & Renovation Reserve Project List \(pdf\)](#)

[Design Review Status](#) and [Construction Status](#) has been relocated to the Interscope dropdown menu.

[SCO Energy Benchmarking Project](#) (revised 2/20/2014)

We are now accepting nominations for our 2015 Frank B. Turner Award and Certificates of Merit. The deadline is January 9, 2015. Please send nominations or requests for more information to alicia.lopez@doa.nc.gov.




Main Office: 919-807-4100
Fax: 919-807-4110

Mailing Address:
1307 Mail Service Center
Raleigh, North Carolina 27699-1307


Physical Location:
Main Building, 1307 Mail Service Center

NC State Construction Office Web Site

<http://www.nc-sco.com>



State Construction Office



SCO Manual

Services

State Building Commission

Interscope

Resources

Contact Us

State Construction Office

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[UPDATED Fire Alarm System Checklist, March 2013](#)

Forms and Documents

[Presentations](#)


[Reports](#)

[SCO Conference](#)

- [• Frank B. Turner Award](#)

[Vendor Link NC](#)

[Links](#)



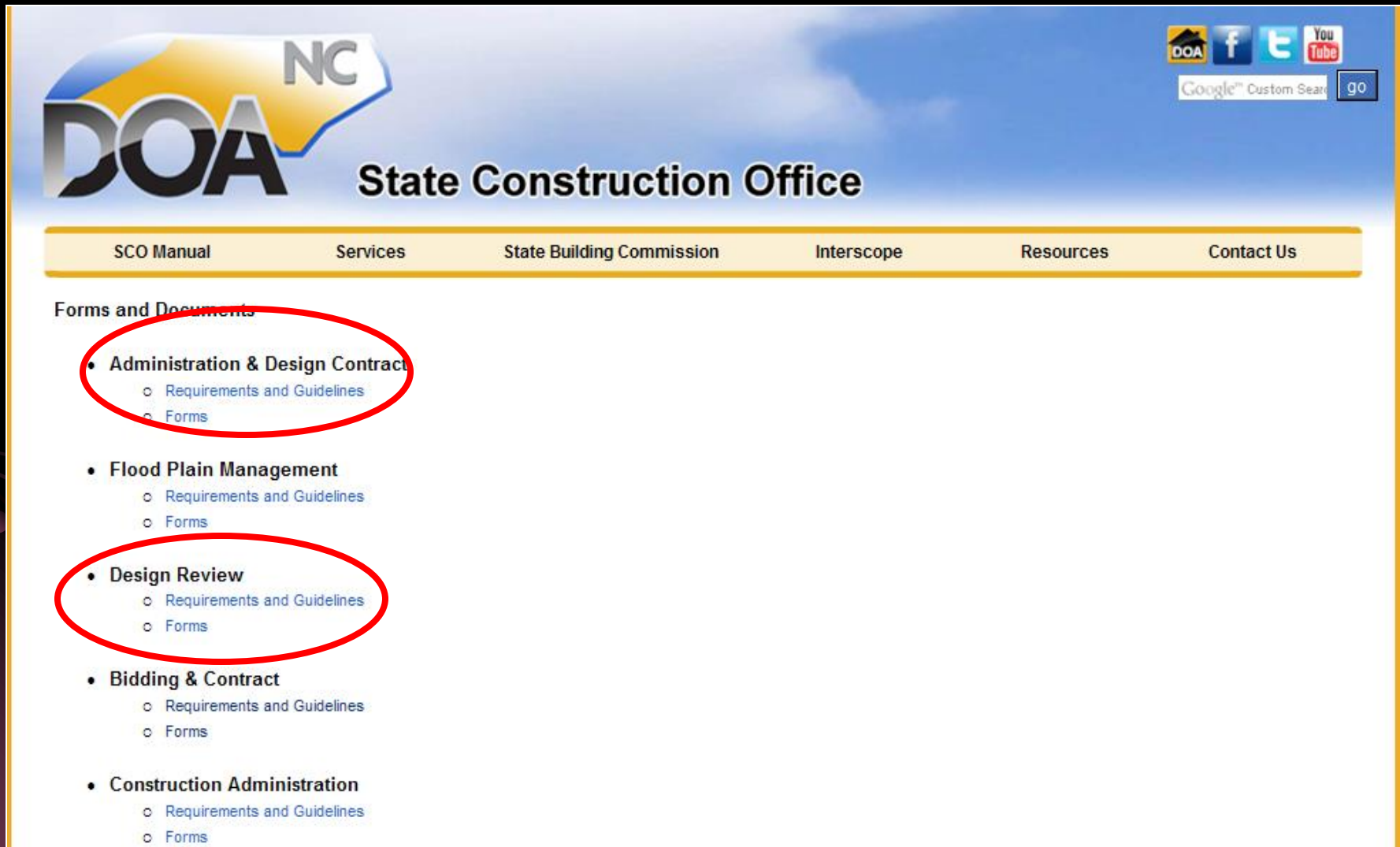
Main Office: 919-807-4100
Fax: 919-807-4110

Mailing Address:
1307 Mail Service Center
Raleigh, North Carolina 27699-1307

Physical Location:
New Education Building

NC State Construction Office Web Site

<http://www.nc-sco.com/doc>



DOA NC State Construction Office

Navigation: [SCO Manual](#) [Services](#) [State Building Commission](#) [Interscope](#) [Resources](#) [Contact Us](#)

Forms and Documents

- **Administration & Design Contract**
 - [Requirements and Guidelines](#)
 - [Forms](#)
- **Flood Plain Management**
 - [Requirements and Guidelines](#)
 - [Forms](#)
- **Design Review**
 - [Requirements and Guidelines](#)
 - [Forms](#)
- **Bidding & Contract**
 - [Requirements and Guidelines](#)
 - [Forms](#)
- **Construction Administration**
 - [Requirements and Guidelines](#)
 - [Forms](#)

Types of Submittals

- Informal Request To Award
- Formal Request To Award
- Informal Construction Contract
- Formal Construction Contract

For Both Types of Request to Award Letters

- Include the SCO ID# on the letter
- Have an **Approval to Bid Before** You Submit a Request to Award a Contract

Request to Award Letters

Informal Request to Award Letter Includes

- Base Bid
- Alternates
 - Description
 - Amount
- Total Contract Amount
- Statement That The Funds Are Available

Sample Informal Request

*(Suggested Request for Award of an Informal Construction Contract)
(Letter is from the owner to SCO)*

Month Date, Year

Mr. Greg Driver
State Construction Office
1307 Mail Service Center
Raleigh, NC 27699-1307
STATE COURIER: 56-02-01

Subject: *(Official Project Title)
(SCO ID ##-####-##X)*

Dear Mr. Driver:

(Agency) request approval to award an informal construction contract for the subject project to *(Contractor)* in accordance with the contractor's proposal dated *(date)* for:

Base Bid	<i>\$(#####)</i>
Alt #1	<i>\$(#####)</i>
Total	<i>\$(#####)</i>

The proposal is within the funds authorized for the subject project.

Sincerely,

*Name
Title*

Attachments: Bid Tabulation
Designer's Recommendation for Award *(not required if the designer is in house)*
Selected Contractor's Proposal

cc: *List as appropriate to your institution
Project manager
Budget representative*

Formal Request to Award Data

Information for Formal Request to Award

1. Owner's Request
 - a. Account Code
 - b. Item Code
 - c. Funds authorized for the project
 - d. Source of funds
 - e. Indication if the funds are or are not General Funds
 - f. Base bid (amount)
 - g. Alternates recommended (amount)
 - h. Design Fee (amount)
 - i. Construction Contingency (amount)
 - j. Owner's Reserve (amount)
2. Designer's Recommendations
3. Bid Tab
4. Bid Summary
5. Proposal Forms
 - a. Project Name
 - b. Institution
 - c. SCO-ID
 - d. Date
 - e. Signature Page
 - i. Date
 - ii. Signature of Owner/Partner/Pres./V. Pres.
 - iii. If the firm is a corporation the signature must be attested and there must be a seal.
 - iv. If the firm is not a corporation the signature must be witnessed.
6. MBE Forms
 - a. Identification of HUB Certified/ Minority Business Participation
 - b. Affidavit A or Affidavit B
 - i. Affidavit B – OK
 - ii. If MBE participation is > 10% request Affidavit C
 1. Affidavit C (>10% Bid) – Verify firms are listed with HUB
 - iii. If MBE participation is < 10% – Request
 1. Documentation of items checked on A (Must get 50 points)
 2. Affidavit D (<10% Bid)– Verify firms are listed with HUB
7. Bid Security, Bond or Cash 5% of Base Bid
 - i. Bid Bond must have an acceptable signature and indication of attorney in fact.
 - ii. Certified Check or certificate of deposit is acceptable. To be kept until warranty runs out.
 - iii. Unacceptable – Letter of Credit, Money on Deposit and AIA Bid Bond.

Suggested Request for Approval to Award a Formal Construction Contract

Sample Request for Formal

(Sample request to award a construction contract for formal projects)

Month Date, Year

Mr. Greg Driver
State Construction Office
1307 Mail Service Center
Raleigh, NC 27699-1307
STATE COURIER: 56-02-01

Subject: *(Official Project Title)*
(SCO ID#)

Code	Item	Funds Authorized for Project	Source of Funds	General Funds
4XXXX	3XX	\$ Amount	Type of funding	Y or N
<i>(list and total if more than one)</i>				

Dear Mr. Driver:

(Agency) received bids for the subject project on *(date)*. A certified bid tabulation is attached. The bids as received are within the funds authorized for the subject project and support contract award recommended as follows:

General Contract

Contractor Name

City, State

Base Bid	\$
Alternate <i>(list alternates and amounts)</i>	\$ _____
Total Construction Contract	\$

Projects to Date

Current General Contract Award *\$(repeat total from above)*

Previous Contracts

Design Contract \$

Programming Contract \$

(list any previous contracts and dollar amounts such as programming or previous project construction phases, expanding this section as needed)

Total Project Cost	<i>\$(sum this section)</i>	<i>\$(same sum as left)</i>
--------------------	-----------------------------	-----------------------------

Identified Anticipated Cost

Construction Contingency (3% new/5% renovation) \$

Construction Testing \$

Special Inspections \$

Commissioning \$

Furnishings and Equipment \$

(list any known additional items/delete any of the examples not applicable, adjusting this section as needed)

Total Identified Anticipated Cost	<i>\$(sum section)</i>	<i>\$(sum above w/amt at left)</i>
-----------------------------------	------------------------	------------------------------------

Formal Request to Award Submission Attachments

- Designer Recommendation
- Certified Bid Tab
- Bid Summary
- Low Bidders Proposal Form
- Bid Bond (NC State Form - not AIA)
- MBE Forms

MBE Process

MINORITY BUSINESS PARTICIPATION REQUIREMENTS

Provide with the bid - Under GS 143-128.2(c) the undersigned bidder shall identify on its bid (Identification of Minority Business Participation Form) the minority businesses that it will use on the project with the total dollar value of the bids that will be performed by the minority businesses. Also list the good faith efforts (Affidavit A) made to solicit minority participation in the bid effort.

NOTE: A contractor that performs all of the work with its own workforce may submit an Affidavit (B) to that effect in lieu of Affidavit (A) required above. The MB Participation Form must still be submitted even if there is zero participation.

After the bid opening - The Owner will consider all bids and alternates and determine the lowest responsible, responsive bidder. Upon notification of being the apparent low bidder, the bidder shall then file within 72 hours of the notification of being the apparent lowest bidder, the following:

An Affidavit (C) that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, which is equal to or more than the 10% goal established. This affidavit shall give rise to the presumption that the bidder has made the required good faith effort and Affidavit D is not necessary.

* OR *

If less than the 10% goal, Affidavit (D) of its good faith effort to meet the goal shall be provided. The document must include evidence of all good faith efforts that were implemented, including any advertisements, solicitations and other specific actions demonstrating recruitment and selection of minority businesses for participation in the contract.

Note: Bidders must always submit with their bid the Identification of Minority Business Participation Form listing all MB contractors, vendors and suppliers that will be used. If there is no MB participation, then enter none or zero on the form. Affidavit A or Affidavit B, as applicable, also must be submitted with the bid. Failure to file a required affidavit or documentation with the bid or after being notified apparent low bidder is grounds for rejection of the bid.

MBE Forms

Identification of Hub Certified Minority Business Participation

Affidavit A

Affidavit B

Affidavit C

Affidavit D

MBE Forms

Attach to Bid Attach to Bid Attach to Bid Attach to Bid Attach to Bid Attach to Bid Attach to Bid Attach to Bid

Identification of HUB Certified/ Minority Business Participation

I, _____
(Name of Bidder)

do hereby certify that on this project, we will use the following HUB Certified/ minority business as construction subcontractors, vendors, suppliers or providers of professional services.

Firm Name, Address and Phone #

Work Type

*Minority
Category

****HUB**
Certified
(Y/N)

[illegible]

*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

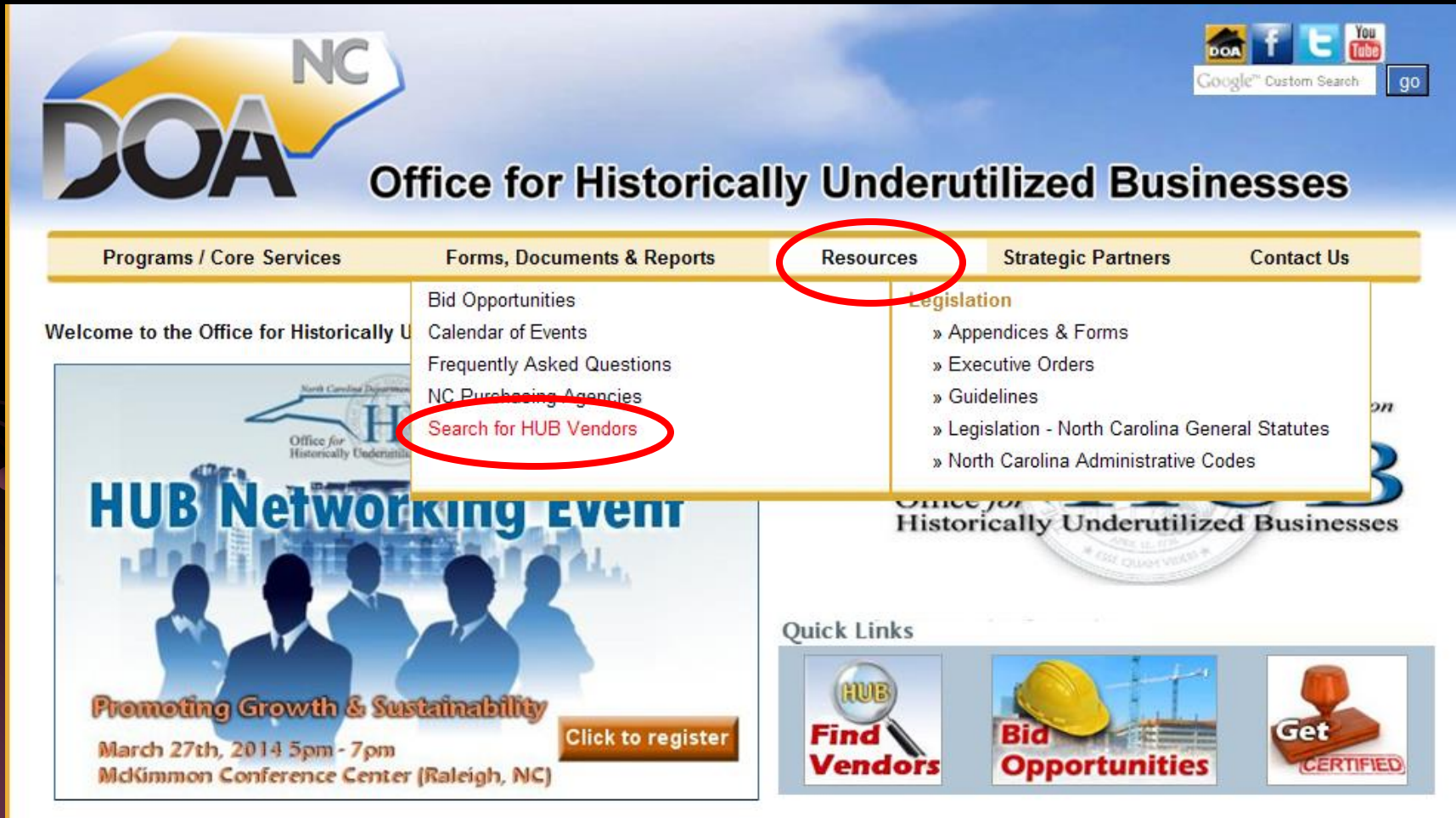
**** HUB Certification with the state HUB Office required to be counted toward state participation goals.**

The total value of minority business contracting will be (\$)_____

MBForms 2002-Revised July 2010

Web Site to Find Out if a Firm is a NC Hub Firm

<http://www.doa.state.nc.us/hub/default.aspx>



DOA NC
Office for Historically Underutilized Businesses

Programs / Core Services Forms, Documents & Reports **Resources** Strategic Partners Contact Us

Welcome to the Office for Historically Underutilized Businesses

HUB Networking Event
Promoting Growth & Sustainability
March 27th, 2014 5pm - 7pm
McGimmon Conference Center (Raleigh, NC)
[Click to register](#)

Resources

- Bid Opportunities
- Calendar of Events
- Frequently Asked Questions
- NC Purchasing Agencies
- Search for HUB Vendors**

Legislation

- » Appendices & Forms
- » Executive Orders
- » Guidelines
- » Legislation - North Carolina General Statutes
- » North Carolina Administrative Codes

Quick Links

- [Find Vendors](#)
- [Bid Opportunities](#)
- [Get CERTIFIED](#)



State of North Carolina
Office for Historically Underutilized Businesses

Search for Vendor Information

This page allows you to search for vendors by one or more selection criteria. To search for a vendor, enter your search criteria in the form below and click the SEARCH button. If any criteria do not apply simply leave that item blank.

City of Durham - To search for businesses to meet participation goals, click http://www.durhamnc.gov/applications/SDBE_public/Index.cfm or call (919) 560-4180.

City of Charlotte - To search for businesses certified as Small Business Enterprise firms with the City of Charlotte, click <http://www.charmeck.org/Departments/Economic+Development/Small+Business+Opportunities/Find+a+Vendor/> or call (704) 336-2473.

Vendor Number:

Company Name: (type in just the first 3 or 4 letters to expand your results)

Contact Last Name: (type in just the first 3 or 4 letters to expand your results)

Email Address: (type in just the first 3 or 4 letters to expand your results)

HUB Certification: Yes

Small Business: Not Specified

City:

Hold down the control(Ctrl) key and click to select multiple counties.

County:
ALAMANCE
ALEXANDER
ALLEGHANY

State: ---All---

Construction Contracts

- Use the Contractor's Legal Name as Listed on the Secretary of State' Website
- Use Everywhere the Name Appears
 - 1st Page of Contract
 - Signature Page of Contract
 - 1st Page of Bonds
 - Signature Page of Bonds
 - Insurance Certificate

Construction Contract Checklist

Construction Contract Document Checklist

(For State Projects)

See Section 405 of "North Carolina Construction Manual".

Use this checklist to check contracts **BEFORE** submitting to The State Construction Office for approval.

If you have questions call (919)807-4100.

General:

- ☐ Must use State form.
- ☐ Contracts must be properly collated per Section 405.10A of the Construction Manual.

Construction Contract:

Page one:

- ☐ Date at top should be on or after date of award letter.
- ☐ Name of contractor (Party of the First Part) must be the same in all places on contract and bonds.
- ☐ Owner's name (Party of the Second Part) must be correct and the same in all places on contract and bond forms.
- ☐ Project description must be accurate.
- ☐ State Construction Office Project ID Number must be on first page of contract.

Page two:

- ☐ Amount must be correct and match award letter.
- ☐ Words and numbers must match.
- ☐ "Summary of Contract award:" must be filled in correctly.

For Example:	Base Bid	\$650,000
	Alternate G-1(single ply roof)	9,500
	Less Negotiations (see attachment)	(8,000)
	Total	\$651,500

Page three:

- ☐ Number of counterparts must be filled in (at least four - coordinate with Owner).
- ☐ Name of Contractor must match first page.
- ☐ Signatures:
 - Corporation:
 - ☐ MUST be signed by PRESIDENT or VICE PRESIDENT and attested by corporate secretary or assistant secretary. These two signatures must be by two different people.
 - ☐ The two signatures must be by two different people.
 - ☐ Must have corporate seal.
 - ☐ Name on corporate seal must match name on contract.
 - ☐ Same person must sign contracts and bonds.
 - Non-corporation:
 - ☐ Must be signed by Owner or Partner.
 - ☐ Must be witnessed.
 - ☐ Same person must sign contracts and bonds.
- ☐ Name of Owner must match first page.
- ☐ Owner must sign contract and have signature witnessed.
- ☐ Any Negotiations or attachments must be attached.

Sample Construction Contract

*Note: For Community College projects - Delete "State of North Carolina, through" as owner and use "Trustees of (insert name of community college)"

FORM OF CONSTRUCTION CONTRACT

(ALL PRIME CONTRACTS) SCO ID# 14-12345-99A

THIS AGREEMENT, made the 25th day of September in the year of 2014 by and between Excellent Contractor Inc. hereinafter called the Party of the First Part and the State of North Carolina, through the Unknown State Agency hereinafter called the Party of the Second Part.

WITNESSETH:

That the Party of the First Part and the Party of the Second Part for the consideration herein named agree as follows:

1. Scope of Work: The Party of the First Part shall furnish and deliver all of the materials, and perform all of the work in the manner and form as provided by the following enumerated plans, specifications and documents, which are attached hereto and made a part thereof as if fully contained herein: advertisement; Instructions to Bidders; General Conditions; Supplementary General Conditions; specifications; accepted proposal; contract; performance bond; payment bond; power of attorney; workmen's compensation; public liability; property damage and builder's risk insurance certificates; approval of attorney general; certificate by the Office of State Budget and Management, and drawings, titled:

On Time Project

Consisting of the following sheets:

A-1 to A-25, S-1 to S-45, E-1 to E25 and M-1 to M-2

Dated: 1 January 2012 and the following addenda:

Addendum No. _____	Dated: _____	Addendum No. _____	Dated: _____
Addendum No. _____	Dated: _____	Addendum No. _____	Dated: _____
Addendum No. _____	Dated: _____	Addendum No. _____	Dated: _____
Addendum No. _____	Dated: _____	Addendum No. _____	Dated: _____

2. That the Party of the First Part shall commence work to be performed under this agreement on a date to be specified in a written order of the Party of the Second Part and shall fully complete all work hereunder within _____ consecutive calendar days from said date. For each day in excess thereof, liquidated damages shall be as stated in Supplementary General Conditions. The Party of the First Part, as one of the

Performance and Payment Bonds

- The standard bond forms do not have a bond number.
- If the surety puts numbers on the bonds the two bonds may not have the same number.
 - Use different numbers.
 - Put “Performance” after the number on the Performance Bond and “Payment” after the number on the Payment Bond.

Performance and Payment Bonds

Bond No(s): *09131557 Performance; **015037735 Performance; ***82063682 Performance;
****929548927 Performance; *****8233-83-46 Performance

FORM OF PERFORMANCE BOND

Date of Contract: February 5, 2014

Date of Execution: February 7, 2014

Name of Principal
(Contractor): [REDACTED]

* [REDACTED]
** [REDACTED]
*** [REDACTED]
**** [REDACTED]
***** [REDACTED]

Name of Surety: [REDACTED]

Name of Contracting
Body: The State of North Carolina through [REDACTED]

Amount of Bond: Sixty Nine Million Eight Hundred Sixty Six Thousand and
00/100 Dollars (\$69,866,000.00)

Project: [REDACTED]

KNOW ALL MEN BY THESE PRESENTS, that we, the principal and surety above named, are held and firmly bound unto the above named contracting body, hereinafter called the contracting body, in the penal sum of the amount stated above for the payment of which sum well and truly to be made, we bind, ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the contracting body, identified as shown above and hereto attached:

NOW, THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the contracting body, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

Insurance

Contract General Conditions

Article 34

Deals With Insurance

Article 34

ARTICLE 34 - MINIMUM INSURANCE REQUIREMENTS

The work under this contract shall not commence until the contractor has obtained all required insurance and verifying certificates of insurance have been approved in writing by the owner. These certificates shall document that coverages afforded under the policies will not be cancelled, reduced in amount or coverages eliminated until at least thirty (30) days after mailing written notice, by certified mail, return receipt requested, to the insured and the owner of such alteration or cancellation. If endorsements are needed to comply with the notification or other requirements of this article copies of the endorsements shall be submitted with the certificates.

a. Worker's Compensation and Employer's Liability

The contractor shall provide and maintain, until final acceptance, workmen's compensation insurance, as required by law, as well as employer's liability coverage with minimum limits of \$100,000.

b. Public Liability and Property Damage

The contractor shall provide and maintain, until final acceptance, comprehensive general liability insurance, including coverage for premises operations, independent contractors, completed operations, products and contractual exposures, as shall protect such contractors from claims arising out of any bodily injury, including accidental death, as well as from claims for property damages which may arise from operations under this contract, whether such operations be by the contractor or by any subcontractor, or by anyone directly or indirectly employed by either of them and the minimum limits of such insurance shall be as follows:

Bodily Injury: \$500,000 per occurrence

Property Damage: \$100,000 per occurrence / \$300,000 aggregate

In lieu of limits listed above, a \$500,000 combined single limit shall satisfy both conditions.

Such coverage for completed operations must be maintained for at least two (2) years following final acceptance of the work performed under the contract.

c. Property Insurance (Builder's Risk/Installation Floater)

The contractor shall purchase and maintain property insurance until final acceptance, upon the entire work at the site to the full insurable value thereof. This insurance shall include the interests of the owner, the contractor, the subcontractors and sub-subcontractors in the work and shall insure against the perils of fire, wind, rain, flood, extended coverage, and vandalism and malicious mischief. If the owner is damaged by failure of the contractor to purchase or maintain such insurance, then the contractor shall bear all reasonable costs properly attributable thereto; the contractor shall effect and maintain similar property insurance on portions of the work stored off the site when request for payment per articles so includes such portions.

d. Deductible

Any deductible, if applicable to loss covered by insurance provided, is to be borne by the contractor.

e. Other Insurance


The contractor shall obtain such additional insurance as may be required by the owner or by the General Statutes of North Carolina including motor vehicle insurance, in amounts not less than the statutory limits.

f. Proof of Carriage

The contractor shall furnish the owner with satisfactory proof of carriage of the insurance required before written approval is granted by the owner.

Insurance Submission

OP ID: VW


CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
 03/14/13

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, this policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: [Redacted] [Redacted] [Redacted]	AGENT: NAME: [Redacted] PHONE: [Redacted] FAX: [Redacted] E-MAIL: [Redacted] ADDRESS: [Redacted]
---	---

INSURED: [Redacted] [Redacted] [Redacted]	INSURER(A) AFFORDING COVERAGE: INSURER A: [Redacted] INSURER B: [Redacted] INSURER C: [Redacted] INSURER D: [Redacted] INSURER E: [Redacted] INSURER F: [Redacted]
--	--

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE	TYPE OF INSURANCE	AVAILABLE AMOUNT	POLICY NUMBER	POLICY EFFECT DATE	POLICY EXPIRATION DATE	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		CPP 2046692	07/16/13	07/16/14	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED EQUIPMENT \$ 300,000 VEHICLE (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPLETED \$ 2,000,000
	GENERAL AGGREGATE LIMIT APPLIES FOR: POLICY <input checked="" type="checkbox"/> <input type="checkbox"/> LOC					
A	<input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED <input type="checkbox"/> ALLOC <input checked="" type="checkbox"/> HIREN AUTO <input type="checkbox"/> SCHEDULED <input checked="" type="checkbox"/> AUTO <input type="checkbox"/> NON-SCHEDULED AUTO		CA 2046691	07/16/13	07/16/14	COLLUSION SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ PRODUCTS \$
A	<input checked="" type="checkbox"/> UMBRELLA / MB <input type="checkbox"/> EXCESS / MB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> SCHEDULED <input type="checkbox"/> AUTO		CPP 2046692	07/16/13	07/16/14	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> OFF-SHORE (EXCLUDED) <input type="checkbox"/> FATAL ACCIDENT BENEFIT <input type="checkbox"/> SICK AND DISABILITY BENEFIT	T.Y.N. N.Y.A.	WD 2046694	07/16/13	07/16/14	X WORKERS COMP. LIMITS S. BENEFIT LIMITS \$ 100,000 S. DISABILITY - EMPLOYMENT \$ 100,000 S. DISABILITY - POLICY LIMIT \$ 500,000 Limit 2,438,419 Deductible 1,000
C	Builder's risk		IHS-A041154-00	08/01/13	08/01/14	

DESCRIPTION OF OPERATIONS / LOCATIONS / VESSELS (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 RE: East Carolina University School of Dentistry Spruce Pines Service Learning Center SLO Project No. 07-07054-000
 Notwithstanding the preprinted cancellation provisions on this form, coverages afforded under the policies will not be cancelled, reduced in amount nor will any coverages be eliminated until (continued next page)

CERTIFICATE HOLDER ECU1001 The State of NC through [Redacted] [Redacted] [Redacted]	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE [Redacted]
---	--

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The endorsements may **not** exempt

“cancellation for non-payment of premium”

from the required notification duration and

method of notification.

Workers Compensation

WC 32 03 01C

This is frequently part of the base policy which means it will be referenced in the policy. Include the policy sheet that list WC 32 03 01C and include a copy of the endorsement.

WC 32 03 01A

WC 32 03 01C

This endorsement provides “certified mail return receipt requested.”

This endorsement provides only 15 days notification and therefore another endorsement is require to provide 30 days notification.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 32 03 01 C

(Ed. 1-14)

NORTH CAROLINA AMENDED COVERAGE ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because North Carolina is shown in Item 3.A. of the Information Page.

The Cancellation Condition of the policy is replaced by this Condition:

D. Cancellation and Nonrenewal

1. You may cancel this policy.

If you cancel this policy, you must mail or deliver advance written notice to us stating when the cancellation is to take effect.

2. We may cancel this policy.

(a) If this policy has been in effect for fewer than 60 days and is not a renewal policy, we may cancel this policy for any reason by giving you at least 30 days prior written notice of cancellation and the reasons for cancellation by registered or certified mail, return receipt requested.

(b) If this policy has been in effect for at least 60 days or is a renewal policy, we may not cancel this policy without your prior written consent, except for any one of the following reasons:

(1) Nonpayment of premium in accordance with the policy terms.

(2) An act or omission by you or your representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining the policy, continuing the policy, or presenting a claim under the policy.

(3) Increased hazard or material change in the risk assumed that would not have been reasonably contemplated by you and us at the time of assumption of the risk.

(4) Substantial breach of contractual duties, conditions, or warranties that materially affects the insurability of the risk.

(5) A fraudulent act against us by you or your representative that materially affects the insurability of the risk.

(6) Willful failure by you or your representative to institute reasonable loss control measures that materially affect the insurability of the risk or written notice by us.

(7) Loss of facultative reinsurance or loss of or substantial changes in applicable reinsurance as provided in G.S. 38-41-30.

(8) Your conviction of a crime arising out of acts that materially affect the insurability of the risk.

(9) A determination by the Commissioner that the continuation of this policy would place us in violation of the laws of North Carolina.

(10) You fail to meet the requirements contained in our corporate charter, articles of incorporation, or bylaws, when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

(c) If we cancel for any of the reasons listed in paragraph (b), we must provide you with at least 15 days prior written notice of cancellation stating the precise reason for cancellation. We may provide this notice by registered or certified mail, return receipt requested, to you and any other person designated in the policy to receive notice of cancellation at the addresses shown in the policy or, if not indicated in the policy, at the last known addresses. Whenever notice of cancellation is given by registered or certified mail, cancellation will not be effective unless and until that method is employed and completed. Notice of cancellation may also be given by any method permitted for service of process pursuant to Rule 4 of the North Carolina Rules of Civil Procedure. Failure to send notice as provided in this paragraph to any other person designated in the policy to receive notice of cancellation invalidates the cancellation only as to that other person's interest.

WC 32 03 01A

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 32 06 01A

CANCELLATION AND NON-RENEWAL ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because North Carolina is shown in item 3.A. of the Information Page.

It is hereby understood and agreed that all cancellation provisions in the policy addressing the required number of days notice for cancellation by us or non-renewal by us are amended as follows:

- a. ____ days notice will be given for notice of cancellation for non-payment of premium.
- b. ____ days notice will be given for notice of cancellation for any other reason.
- c. ____ days notice will be given for non-renewal.

Notwithstanding the provisions above, in no event will the number of days notice for cancellation or for non-renewal be fewer than the number of days required by North Carolina law.

In the event of cancellation or nonrenewal of the policy, we will mail notice to the named insured, and to the additional person(s) or organization(s) named in the Schedule below, as required by North Carolina law:

SCHEDULE

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured
Insurance Company

Policy No.

Endorsement No.
Policy Effective Date

Countersigned By _____

WC 32 06 01A

[Back to List](#)

Counter Signature on an Endorsement

If the endorsement has a spot for a counter signature or authorizing signature make sure it is signed.

Possible Flow of Documents for Informal Projects

Suggested Flow of Documents from Request for Proposal to Start of Construction for Informal Projects

1. Designer solicits at least three bids
2. Designer opens bids
3. Designer prepares a Bid Tab and sends it to the Owner
4. Designer and owner decide on alternates, evaluate bids and determine lowest bidder
5. Designer submits, to the owner, a recommendation consisting of:
 - a. Recommendation for Award
 - b. Bid Tab
 - c. Copy of Contractor's "Proposal and Contract"
6. Owner submits to SCO a request for approval to award a construction contract consisting of:
 - a. Letter requesting approval to award a construction contract
 - b. Copy of Designer's recommendation
 - c. Bid Tab
 - d. Contractor's "Proposal and Contract"
7. SCO issues an Approval to Award letter to the Owner
8. Owner signs the contract, gets insurance documents from contractor and distributes copies to contractor, designer and SCO (with a copy of the Insurance Certificate and Insurance Endorsements)
9. Designer schedules the preconstruction conference
10. Designer conducts preconstruction conference, issues minutes, and issues Notice to Proceed
11. Contractor starts work

Possible Flow of Documents for Formal Projects

Suggested Flow of Documents from Bid to Start of Construction for Formal Projects

1. Contractor submits bid consisting of:
 - a. Form of Proposal
 - b. Bid Bond
 - c. Identification of HUB Certified/Minority Business Participation
 - d. Affidavit A or Affidavit B as appropriate
2. Designer opens bids
3. Designer prepares Bid Tab and Summary of Bids
4. Designer and Owner decide on alternates, evaluate bids and identify Apparent Low Bidder
5. Designer notifies Apparent Low Bidder and request submission of Affidavit C or Affidavit D as appropriate
6. Contractor submits, to the Designer, MBE documents consisting of one of the following:
 - a. Affidavit C
 - b. Affidavit D and documentation of items checked on Affidavit A
7. Designer submits, to the Owner, a recommendation consisting of:
 - a. Recommendation for Award
 - b. Contractor's Form of Proposal
 - c. Contractor's Bid Bond
 - d. Contractor's Identification of HUB Certified/Minority Business Participation
 - e. Contractor's Affidavit A or Affidavit B
 - f. Bid Tab
 - g. Summary of Bids
 - h. Contractor's Affidavit C or Affidavit D with documentation of items checked on Affidavit A
8. Owner submits to SCO a request for approval to award a construction contract, consisting of:
 - a. Letter requesting approval to award a construction contract
 - b. Designer's Recommendation for Award
 - c. Contractor's Form of Proposal
 - d. Contractor's Bid Bond
 - e. Contractor's Identification of HUB Certified/Minority Business Participation
 - f. Contractor's Affidavit A or Affidavit B
 - g. Bid Tab
 - h. Summary of Bids
 - i. Contractor's Affidavit C or Affidavit D with documentation of items checked on Affidavit A
9. SCO Prepares Approval to Award a Construction Contract and Submits to OSBM
10. OSBM Verifies if funds are available and returns approval to OSBM
11. OSBM emails approval to award to Owner
12. Owner notifies designer to prepare construction contract documents and obtain signatures
13. Designer prepares construction contracts and forwards to Contractor for signature
14. Contractor signs contract, attaches following documents and forwards to designer for review
 - a. Contract
 - b. Performance Bond
 - c. Payment Bond
 - d. Power of Attorney for Bonds
 - e. Insurance Certificates
 - f. Insurance Endorsements

Contact Information

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 - jessica.ross@doa.nc.gov
- Cindy Register: 919-807-4127
 - cindy.register@doa.nc.gov

Questions?