

## **CHAPTER 7 CONSTRUCTION CONTRACT ADMINISTRATION DESIGN-BID-BUILD**

### **7.1 RELATED STATUTORY AUTHORITY**

1. SC Code § 11-35-1220 permits the Chief Procurement Officer to prescribe forms for requisitioning, ordering and reporting supplies, services and construction.
2. SC Code § 11-35-3030 permits a maximum of 3.5% of progress payments to be retained pending completion of the work.
3. SC Code § 11-35-3040 permits clauses providing for adjustment in prices, time of performance and other appropriate contract provisions.
4. SC Code § 11-35-3060 requires all construction contracts, including contract modifications, to be within the project's scope and budget as approved by the State Budget and Control Board (the Board).
5. SC Code § 29-6-30 requires an agency to pay to a contractor the undisputed amount of any pay request within 21 days of receipt of the pay request. The law further requires that the contractor pay its subcontractors, and each subcontractor shall pay their subcontractors, within 7 days of receipt by the contractor or subcontractor. This law applies to all state contractors, including design professionals.
6. SC Code § 29-6-40 provides grounds on which the agency, contractor, or subcontractor may withhold application and certification for payment.
7. SC Code § 29-6-50 permits a contractor to assess interest in the amount of one percent per month of the unpaid undisputed amount of a periodic or final pay request not paid within 21 days of receipt of the pay request, providing notice is given as required by the law.

### **7.2 PRE-CONSTRUCTION CONFERENCE**

The Agency should hold a pre-construction conference for all contracts exceeding \$50,000 in value. Items to consider for discussion during the pre-construction conference are located in Table 7.3-1 at the end of this Chapter.

The Agency's project representative and the A/E's project manager should conduct the pre-construction conference. Other attendees should include the agency's construction project manager (if assigned), construction inspectors, the general contractor, and major subcontractors. The Agency should provide for the keeping and distribution of the meeting minutes to all attendees. The Agency may assign this duty to the A/E by contract.

The Agency must give the OSE project manager a minimum of seven days notice of the date, time, and place of any pre-construction conference. If the OSE project manager believes, circumstances warrant his/her attendance, he/she will so notify the Agency. Alternatively, if the Agency desires the OSE project manager's attendance, the Agency should notify him/her.

### **7.3 CONSTRUCTION SCHEDULES**

The Contractor is responsible for providing a construction schedule for the Agency and A/E's information. The contract documents should define the required level of detail. At a minimum, the schedule should:

1. Indicate dates for Commencement, Substantial Completion, and Final Completion;
2. Provide a graphical representation of the major events to occur on the project, including coordination of the project with the work of others, if any;
3. Provide a graphical representation of each phase of construction and occupancy; and
4. Indicate dates that are critical to the project.

The Agency should make sure that the contractor updates and maintains the schedule as required by the contract documents.

## **7.4 SHOP DRAWINGS**

The Contractor is responsible for preparation of shop drawings that are required by the technical specifications. The construction contract sets forth the details for shop drawing submittal, review, and approval.

## **7.5 EVALUATION OF SUBSTITUTIONS**

The Contractor may submit requests to provide materials and equipment different from that specified in the Contract Documents. The Agency has the sole discretion to accept or reject any of these requests. The construction contract provides details for request submittal, review, and approval.

## **7.6 INSPECTIONS**

During the construction period, OSE and any other legally constituted authority has access to the project premises for periodic inspections.

The A/E's Basic Services may include site visits and observations of work-in-progress, Substantial Completion inspections, Final Completion inspections and other inspections per the A/E contract. Details of the A/E's observation requirements are set forth in the A/E contract.

The Agency must assure that inspections required of the owner by the construction contract are performed and documented. The Agency must procure inspection and material testing firms on state contract to provide tests and inspections in accordance Chapter 1 of each of the applicable International Code Council Series of Codes and with Chapter 17 of the International Building Code.

## **7.7 SUBSTITUTION OF SUBCONTRACTORS**

### **A. SUBSTITUTION OF UNLISTED SUBCONTRACTORS**

A Contractor is not required to engage the services of a prospective subcontractor against whom the Agency or the General Contractor has made a reasonable and timely objection. A Contractor may substitute one prospective subcontractor for another, with the approval of the Agency as follows:

1. If the Contractor requests the substitution, the Contractor is responsible for all costs associated with the substitution.
2. If the Agency requests the substitution, then the Agency is responsible for any resulting increased costs to the Contractor.

### **B. SUBSTITUTION OF LISTED SUBCONTRACTORS**

A Contractor may substitute a listed Subcontractor only under conditions allowed by SC Code § 11-35-3020(2)(b)(iii). In considering a request for substitution, the Agency should consider prior interpretations of this statute by the Procurement Review Panel and the Chief Procurement Officer for Construction. Panel decisions are located at <http://procurement.sc.gov/PS/legal/PS-legal-panel-orders.phtm>. CPOC decisions are located at <http://procurement.sc.gov/PS/legal/PS-legal-decisions-ose.phtm>. Of particular interest is the Panel's decision in Protest of Pizzagalli Construction Company, Case No. 1991-8 wherein the Panel ruled that substitution under § 11-35-3020(2)(b)(iii) is only allowed when the facts giving rise to the request for substitution occur after contract award. For further discussion see footnote 3 in Protest of Melloul-Blamey Construction SC LTD, Case No. 2008-003 (Before the CPOC). In Melloul-Blamey, the CPOC stated that the circumstances set forth in SC Code § 11-35-3020(2)(b)(iii)(bb) & (cc) may be exceptions to the rule announced in Pizzagalli.

## **7.8 CHANGE ORDERS**

### **A. GENERAL INFORMATION**

A change order is any written amendment to a construction contract that all parties to the contract agree to. A change order normally modifies one or more of the following elements of the contract:

1. Scope of Work
2. Contract Sum

### 3. Contract Time

Under no circumstances may the contractor proceed with the work of a change order until the Agency approves it. If the amount of the change order exceeds the limit of the Agency's change order certification, OSE must authorize the change order before the contractor may perform any work. The parties may process change orders using OSE Form SE-480.

#### B. CHANGE ORDERS FOR CONTRACTS WITHIN AGENCY CONSTRUCTION CERTIFICATION

When the original construction contract is within the Agency's construction procurement certification limit (as determined by MMO Auditor), process change orders as follows:

1. If the change order does not cause the total construction contract amount to exceed the Agency's construction procurement certification limit, then the Agency may authorize the work. The agency does not need to notify OSE of these change orders.
2. If the change order causes the total construction contract amount to exceed the Agency's construction procurement certification limit, then OSE must approve the change order before the Contractor may perform any work. The Agency must submit the change order to OSE, along with copies of the following:
  - a. The approved Form A-1 (if the project is required to be established as a PIP);
  - b. Last detailed cost estimate prepared before bidding;
  - c. The SCBO advertisement; and
  - d. Bidding Documents including addenda.

The Agency must also submit a Request for Authority to Execute a Construction contract along with all the backup information listed on the bottom of the form. OSE and the Agency will thereafter administer the construction contract as a contract that originally exceeded the Agency's construction certification limit.

Nothing in this provision allows an Agency to issue a change order that will cause a small purchase as defined in Chapter 8 to exceed the limits for the type of procurement method used (i.e. a contract under \$2,500 made without obtaining competitive quotes may not be converted to a purchase in excess of \$2,500).

#### C. CHANGE ORDERS FOR CONTRACTS ABOVE AGENCY CONSTRUCTION CERTIFICATION

1. When the original construction contract award exceeds the Agency's construction certification limit, process change orders as follows:
  - a. If the Change Order has any item or change in work exceeding the Agency's change order certification limit, then OSE must authorize the change order before the contractor can perform any work. The agency must send the change order (both deduct and adds), along with all substantiating data noted in subparagraph 2 below, to OSE for review and approval.
  - b. If the change order has all items or changes in work within the Agency's change order certification limit, the Agency may authorize the work. The agency must send a copy of the change order, along with all substantiating data noted in subparagraph 2 below, to OSE for information within 30 days of the Agency's authorization of any item included in the Change Order.

#### 2. SUBSTANTIATING DATA

The Agency must submit substantiating data containing the following:

- a. Two copies of the completed change order;
- b. One copy of supporting cost and schedule data including the following:

- i. Sufficient detail to explain the scope of work covered by the Change Order (attach plans, specifications, details, written description, adjustments in cost with back-up information, and quantities of material and labor as required for explanation); and
- ii. Contractor's justification for adjustment in the contract sum including properly itemized and substantiating data with sufficient detail to show the following:
  1. That the cost involved is both reasonable and fair to all concerned;
  2. That the cost is appropriately related to the quantities of materials and labor involved, and
  3. That the amount of the contractor's markup (overhead and profit) is as indicated in the contract.

#### D. FAILURE TO OBTAIN OSE REVIEW AND AUTHORIZATION

Failure to obtain the OSE's authorization for a change order, when required by agency certification limits, results in the change order being an unauthorized procurement requiring termination or a justification for ratification.

Failure to submit Agency-approved change orders for the OSE's information within the time specified in 7.8(C)(1)(b) could result in Agency having to have the contractor perform corrective work on the project in an untimely manner to bring the project into compliance with code requirements.

#### E. DETERMINING IF A CHANGE ORDER IS WITHIN AGENCY CERTIFICATION

MMO-Audit and Certification web page contains a link at the bottom of the page to a listing Agency change order certifications. The web page is located at <http://www.mmo.sc.gov/PS/agency/PS-agency-cert-limits.phtm>. To determine whether the Agency or the OSE can authorize the work:

1. The value of a change order item is the total cost required to complete an individual item of work. For example: installation of a drinking fountain may take mechanical, electrical, plumbing, carpentry, painting, and wall covering installation to complete the individual work item.
2. The value of the individual item determines whether OSE's authorization is required.
3. The value determination applies to any change in work whether it deducts or adds to the contract amount.

The Agency may not break down a change order into separate, related items of work to circumvent the requirement for authorization by OSE. For example, an Agency may not break a change order adding a parking lot to a contract down into separate items such as one for grading and one for paving.

#### 7.9 CHANGE ORDERS: DELAYS AND TIME

The Agency must promptly evaluate a contractor's claim for time to avoid claims for acceleration and damages. The Agency must document any adjustment in contract time by change order. Except in the case of continuing delay, the Agency must execute the change order within 14 days after the contractor submits written notice of the claim for additional time, provided that:

1. Any request for adjustment of time includes written substantiation and justification for the change; and
2. The A/E has provided written justification concerning the time claimed.

A claim for Time should include any associated costs and the effect the delay will have on the progress of the work. Only one claim is necessary when an on-going delay is evident during a project.

The Agency should not convert change directives to change orders until time claims and contract values are resolved.

The Agency must send a change order for time to OSE for information.

## **7.10 CHANGE DIRECTIVES: GENERAL**

A change directive allows the Agency to direct the contractor to make urgently needed changes in the scope of the construction contract without completing the change order process described above. In the event that time is of the essence, the use of a change directive may provide relief for the time that it may take for the Agency and the contractor to reach full agreement on the cost or time impact of a change in scope. A change directive must be in writing and should suggest the method the Agency proposes for determining any adjustment to the contract sum and time. The Agency may issue a change directive using OSE Form SE-420 or AIA Document G714.

An agency may issue change directives as necessary. The Agency's change order certification limit does not apply.

The Agency should use a change directive rather than a change order in all cases where there is a lack of total agreement between the Agency and the contractor on the cost and schedule impact of all item(s) contained in a change to the work.

When a change directive provides for an adjustment to the contract sum, the parties must make final adjustment in accordance with the change order provisions of the contract.

Portions of a Change Directive that are not in dispute may be included in the contractor's applications for payment from the Contractor.

The Agency should number change directives sequentially and separately from change orders.

## **7.11 CHANGE DIRECTIVES: SUBMITTALS**

If the Agency or A/E estimates that the change directive will exceed the Agency's change order certification, the Agency, after signing the directive, must submit it to OSE. The Agency must include attachments and documentation with sufficient detail to provide an explanation of the scope or work that is in the change directive. The Agency must submit the change directive to OSE at the same time it issues the change directive to the contractor.

OSE will review the change directive for any impact on compliance with building codes and other State standards. OSE will communicate any concerns raised by this review to the Agency.

## **7.12 CHANGE DIRECTIVES: CONVERSION TO CHANGE ORDERS**

When the Agency and the contractor have negotiated a final agreement on the adjustments to the contract sum and the contract time related to the change directive, they must convert the change directive to a change order. The parties should reference the change directive in the change order and attach the change directive to the change order. The Agency must process the change order as set forth in paragraph 7.8.

## **7.13 RESOLUTION OF CONSTRUCTION CLAIMS AND DISPUTES BETWEEN CONTRACTOR AND AGENCY**

### **A. CLAIMS HANDLED BY THE ARCHITECT**

As part of its Basic Services, the A/E acts as the initial interpreter of the requirements of the construction documents, providing information to the Agency and the contractor concerning the acceptability of the work. The party making a claim must submit the claim in writing to the A/E as required by the contract for construction. The party must support their claim with adequate documentation. The A/E will review claims as required by its contract with the Agency, and either approve or reject claims by providing a written decision, giving reasons for the decision. The A/E will notify those involved of any recommended changes in the contract sum or contract time.

If the A/E's initial decision is acceptable to the Agency and the contractor, the parties must prepare a change order as outlined in the contract documents. The Agency must process the change order as outlined in paragraph 7.8.

If the A/E's initial decision is not acceptable to the Agency or the contractor, the Agency should first attempt to resolve the claim by mutual agreement. The State Engineer strongly urges that the Agency and the contractor use every available means to resolve all claims through negotiations and informal mediation. OSE's Project Managers are available to assist.

## **B. CLAIMS HANDLED BY OSE**

If the Agency or the contractor makes a claim after the Agency's approval of the contractor's final payment, the claimant must submit the claim directly to the State Engineer.

### **7.14 CLAIMS BY OTHERS**

The Contractor is responsible for resolving all claims between its suppliers and subcontractors. If the contractor request assistance, the Agency should assist the contractor, suppliers, or subcontractors in resolving their disputes.

When the Agency becomes aware that the contractor is not paying suppliers or subcontractors, the Agency should discuss this with the contractor and notify the surety company. If requested by the Agency:

1. The Contractor should provide justification for not paying the subcontractor or supplier; and
2. The A/E should render an opinion to the Agency as to the Contractor's justification for the lack of payment to a subcontractor or supplier.

The Agency should cooperate with the surety in responding to claims of non-payment from subcontractors and suppliers.

Pending resolution of claims by others, the Agency may consider withholding appropriate sums from payments to the contractor if such withholding is required to protect the interests of the State. However, the Agency must follow the terms and conditions of the contract in withholding any payments.

### **7.15 DISPUTES OR UNRESOLVED CLAIMS**

Only the Agency, the A/E and its direct consultants, and the Contractor and its direct subcontractors are entitled to submit a request for resolution of a contract controversy to the State Engineer.

A party submitting a dispute to the State Engineer for resolution must do so in accordance with SC Code Ann. § 11-35-4230. See chapter 1 of this Manual.

### **7.16 APPLICATION AND CERTIFICATE FOR PAYMENT**

The contractor should submit applications for payment to the A/E in the form of AIA Documents G702 and G703. If the Agency is not using an A/E or other outside consultant, the contractor should submit its pay applications directly to the Agency.

The A/E will review the contractor's application for payment and accompanying progress schedules and other back-up information. Based on the A/E's on-site observations, the A/E will determine the amounts due the Contractor and submit recommendations for payment in writing to the Agency. After review and certification of the amounts due the Contractor, the A/E will send the applications for payment to the Agency.

### **7.17 PROGRESS PAYMENTS TO CONTRACTORS**

When a contractor has performed in accordance with the provisions of its contract, the Agency must pay the contractor the undisputed amount of any pay request within 21 days of the Agency's (or A/E) receipt of that pay request. The law considers the A/E's receipt of the pay request as the equivalent of the Agency's receipt since the A/E is acting as the Agency's representative.

If the Agency delays payment to a Contractor by more than 21 days, the Agency must pay the contractor interest, beginning on the due date, at the rate of one percent a month or a pro rata fraction thereof on the unpaid balance as may be due. However, the Agency will not owe interest if the contractor did not notify the Agency that such interest might be due at the time the contractor requested payment.

### **7.18 WITHHOLDING PAYMENT TO CONTRACTORS**

In addition to any retainage stated in the contract for construction, the Agency may withhold additional amounts as required to protect the interests of the State. Reasons for additional withholding are set forth in the contract.

When the Agency has determined to its satisfaction that unsatisfactory job progress has caused or will cause the actual contract time to exceed the specified (or adjusted) contract time, and if the contract includes a provision for assessing actual or liquidated damages, payment shall be withheld from the contractor in amounts necessary to cover the anticipated damages. Such amounts to cover damages for late completion are in addition to retainage, the balance for incomplete work and any amounts withheld for other reasons stated in the contract.

#### **7.19 RETAINED AMOUNTS OF PROGRESS PAYMENTS (RETAINAGE)**

In any contract for construction that provides for progress payments in installments based upon an estimated percentage of completion, the Agency may not retain more than 3.5% each progress payment. Upon final completion of the work, the Agency must include in the final payment to the contractor, retained amounts of progress payments not previously released.

#### **7.20 SUBSTANTIAL COMPLETION**

##### **A. GENERAL**

The A/E should declare substantial completion only if construction is sufficiently complete, in accordance with the contract documents, such that the Agency can occupy or utilize the project (or a portion) for the use for which it is intended. The work remaining for the contractor to complete after substantial completion should be minor in nature such that it will not disrupt the occupants unduly or prevent them from carrying out their normal functions. Examples of such minor work are:

1. Minor paint touch-up,
2. Electrical receptacle cover plate replacement,
3. Adjustments to hardware that is in place,
4. Adjustments to windows, and
5. Repair to minor items.

The Contractor is responsible to correct work that A/E or Owner rejects for failure to conform to the requirements of the contract documents, whether they discover such non-conforming work before or after Substantial Completion.

##### **B. INSPECTIONS FOR SUBSTANTIAL COMPLETION**

The Agency shall give OSE a minimum of 10 (ten) days notice of the date, time and place of the Substantial Completion inspection so that the OSE Project Manager may attend. Where applicable, the following individuals should be present for the inspection, unless the Agency waives their attendance:

1. A/E's Architect of Record;
2. Mechanical Engineer of Record;
3. Electrical Engineer of Record,
4. Other design professionals as applicable;
5. State and Local Fire Marshal's representatives; and
6. Other authorities having jurisdiction.

If additional Substantial Completion inspections are required, the Agency may charge the Contractor for all costs of re-inspection. If necessary, the Agency may deduct the costs of re-inspection from payments due the contractor.

##### **C. DECLARATIONS OF SUBSTANTIAL COMPLETION**

The A/E may declare substantial completion by issuing a certificate of substantial completion using AIA Document G704. The Agency and the A/E should sign the certificate of substantial completion form. The parties should indicate on the certificate the number of days allowed until final completion. The Agency must submit a copy of the fully completed certificate of substantial completion to the contractor and OSE.

Issuance of the certificate of substantial completion terminates the Agency's right to impose Step 1 liquidated damages (if any) and establishes the beginning date for the warranty period.

The Agency must obtain permanent insurance on the work from the Insurance Reserve Fund as soon as it and the A/E issue a certificate of substantial completion.

## **7.21 CERTIFICATE OF OCCUPANCY**

### **A. REQUIREMENTS FOR RECEIVING A CERTIFICATE OF OCCUPANCY**

The State Engineer or his designee will issue a certificate of occupancy for any building or structure that is constructed or renovated with state funds, or is built on state property. The Agency must obtain a certificate of occupancy for all buildings and structures for which OSE requires a building permit. Agencies must coordinate with OSE to determine if a building permit and Certificate of Occupancy are required for a specific project. The Agency may not use any building or change an occupancy classification for any building requiring a building permit until the State Engineer has issued a certificate of occupancy. The State Engineer will issue the certificate of occupancy upon completion of the following:

1. The OSE Project Manager receives and accepts all A/E and independent inspector inspection reports;
2. The A/E provides copies of tests to the Agency (and OSE as requested) for the following:
  - a. Fire sprinkler system,
  - b. Mechanical equipment,
  - c. Plumbing (including domestic water sanitary testing)
  - d. Fire Alarm,
  - e. Electrical,
  - f. Emergency power,
  - g. Structural, and
  - h. Soil,
  - i. Other testing that may be listed in the contract documents;
3. The A/E and Agency have received all items that are required for Substantial Completion (see paragraph 7.20) per the contract documents; and
4. The A/E inspects the building or structure and determines the construction to be in accordance with the Contract Documents.

The State Engineer or his designee may in his sole discretion issue a temporary certificate of occupancy before the entire work is complete, upon certification by the Agency, A/E, and contractor that such portion of the work is safe for occupancy and the OSE project manager, after a review of the project, agrees.

### **B. REVOCATION OF A CERTIFICATE OF OCCUPANCY**

The State Engineer has the authority to suspend or revoke a Certificate of Occupancy if:

1. The certificate is issued in error;
2. The certificate is issued on the basis of incorrect information supplied; or
3. It is determined that the building or structure (or a portion thereof) is in violation of any part of the building codes.

## **7.22 RECORD DOCUMENTS**

At the end of the project, the Agency should receive from the A/E one set of record documents (including reproducible plans that reflect all changes that are on the contractor provided "red line" drawings and specifications) and warranty/guaranty information. The Agency should refer to the A/E's contract and the contract for construction for details on these drawings.

## **7.23 FINAL COMPLETION**

### **A. FINAL COMPLETION INSPECTION**

When the contractor believes his work is completed, he will so notify the A/E and request a final inspection. Upon receipt of this notice, the A/E will:

1. Survey the work to verify that the project is ready for final inspection;
2. If the he/she disagrees with the contractor's assessment of the status of the project, notify the contractor accordingly;
3. If the he/she agrees with the contractor's assessment of the status of the project, schedule a final completion inspection, with the Agency and contractor.

The A/E will perform the final completion inspection, along with those attending the inspection and, if the results are acceptable, declare in writing that the project is finally complete.

### **B. DECLARATION OF FINAL COMPLETION**

The declaration of Final Completion terminates the Agency's right to impose step 2 liquidated damages (if any).

## **7.24 CONTRACT CLOSURE AND FINAL PAYMENT**

Closure of the construction contract, including final payment to the Contractor, requires the following:

1. A declaration of Final Completion issued by the A/E and accepted by the Agency;
2. The Contractor's submission, to the A/E, of the following:
  - a. An affidavit, in the form of the AIA G706, that wages, bills for materials and equipment, and other indebtedness connected with the work have been paid.
  - b. A certificate in the form of AIA G715 issued by an authorized representative of the contractor's insurance company certifying completed project insurance coverage as required by the contract documents;
  - c. A statement that the Contractor knows of no reason that the completed project insurance will not be renewable to cover the period required by the Contract Documents;
  - d. Consent of surety, if any, to final payment, in the form of AIA G707;
  - e. Other information required by the Agency establishing the Contractor's payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims and security interests arising out of the contract, all in the forms as designated by the Agency;
  - f. Inspection reports that may not be a part of the record documents;
  - g. Redline drawings showing the as-built conditions;
  - h. Warranties;
  - i. Operation and maintenance manuals; and
  - g. A final payment application.

Upon final completion and the Agency's receipt and approval of the contractor's final payment application, the Agency must pay the contractor all funds remaining due including all amounts retained from progress payments.

## **7.25 ONE-YEAR CORRECTIVE WORK PERIOD**

The contractor is contractually bound to correct all deficiencies noted within one-year after the date of substantial completion. Based on the requirements of the agreement between the Agency and the A/E, the Agency should have the A/E inspect the project ten months after substantial completion for any deficiencies that may have developed during the one-year period after substantial completion. Upon completion of the inspection, the A/E should issue a written report to the Agency, OSE, and the contractor

indicating deficiencies the contractor must correct. Upon receipt of the report, the contractor is obligated to correct the noted deficiencies.

**NOTE:** Failure to perform this inspection, prior to the end of the one-year period after substantial completion, could void any recourse for correction of patent deficiencies by the contractor or any enforcement under the Performance Bond.

**7.26 PROJECT CLOSE-OUT**

When an Agency determines that a PIP project is complete, the Agency shall submit a Form A-1 to the Capital Improvements Unit for approval to close out the project.

When an agency determines that a Non-PIP project is complete, the Agency shall submit written notification to the OSE to close out the project.

**TABLE 7.3-1. PRE-CONSTRUCTION CONFERENCE**

<b>Item No.</b>	<b>PRECONSTRUCTION CONFERENCE ITEM</b>	<b>USER COMMENTS</b>
1.	Introduction of all team members and their responsibilities;	
2.	Project organizational structure and chain of command;	
3.	Duties and expectations of the Agency, A/E, and contractor,	
4.	Contract disputes, mediation, partnering, resolution;	
5.	Project scope of work;	
6.	Schedule of values, schedule of completion;	
7.	Schedule of progress meetings;	
8.	Project work schedule, normal working hours, normal work week;	
9.	Required notice for scheduling overtime, outages, interruptions;	
10.	Safety issues - general and special;	
11.	Temporary and permanent utilities;	
12.	Security, keys, fencing, site access, limited access to certain areas;	
13.	Project sign;	

**TABLE 7.3-1. PRE-CONSTRUCTION CONFERENCE**

<b>Item No.</b>	<b>PRECONSTRUCTION CONFERENCE ITEM</b>	<b>USER COMMENTS</b>
14.	Designated parking areas, delivery areas;	
15.	Designated storage areas, bonded storage, security;	
16.	Designated toilets, break areas, vending areas, smoking areas;	
17.	Daily clean-up, trash removal, dumpster, trash areas;	
18.	Submittals, shop drawings, testing, reports, approval process;	
19.	Required permits, licenses, local inspections, testing;	
20.	Demolition items to be salvaged for agency, if any, notification, storage area;	
21.	Requirement to locate utilities prior to excavation;	
22.	Contractor's bonds (as required by SC Law), names of surety companies, required notification for claims;	
23.	Builders' Risk Insurance and contractor's insurance;	
24.	Agency furnished equipment, rough-in, trim;	
25.	Application for Payment in the form of AIA G702, payment dates, payment for stored materials;	
26.	Prompt payments to contractors in 21 days, subcontractors 7 days thereafter;	
27.	Timely notification by the Contractor in writing to the A/E of any alleged agency-caused delay and the estimated cost of the delay;	
28.	Additional weather related time extensions monthly;	
29.	Change orders, change directives, clarifications;	

**TABLE 7.3-1. PRE-CONSTRUCTION CONFERENCE**

<b>Item No.</b>	<b>PRECONSTRUCTION CONFERENCE ITEM</b>	<b>USER COMMENTS</b>
30.	Required inspections by A/E, agency, and inspectors (where applicable),	
31.	Inspection report routing;	
32.	Material and soil testing requirements;	
33.	Review requirements for substantial completion	
34.	Substantial Completion inspection, and notification procedure	
35.	Substantial Completion certification by the A/E;	
36.	Occupancy, Partial occupancy;	
37.	Assessment of liquidated damages;	
38.	Required Operation and Maintenance Manuals ( <i>provide prior to Substantial Completion</i> );	
39.	Instruction and training of maintenance personnel ( <i>provide prior to move-in/occupancy</i> )	
40.	Warranties, manufacturer start-up, guarantees ( <i>provide prior to Substantial Completion</i> )	
41.	Record drawings, as built drawings;	
42.	Final Completion inspection, punch list;	
43.	Retainage withheld, consent of surety company before release of retainage;	
44.	One-year inspection (A/E to inspect the facility 10 months after substantial Completion).	
45.	Contractor is responsible for making corrections to items found during the one-year inspection.	