

PROCEDURAL GUIDELINES

FOR

BUILDING COMMITTEES



Town of Fairfield

FAIRFIELD, CONNECTICUT 06430

January, 1990



Town of Fairfield

FAIRFIELD, CONNECTICUT 06430

FOREWORD TO THE BUILDING COMMITTEE

Your appointment to the Building Committee marks a very important commitment to the Town of Fairfield on your part. You have volunteered to participate in a task which may be more arduous and lengthy than you envision. Construction of a new facility is an enormously complex undertaking, involving many parties with differing objectives whose efforts must be coordinated to produce the desired facility. Your job is to provide this coordination.

This Guidelines manual has been assembled to help Building Committees understand their responsibilities and perform their activities more effectively. No manual can substitute for common sense and honesty, but these Guidelines will provide a sort of "road map" through this most complicated business.

The citizens of Fairfield depend on you as the Building Committee to oversee the implementation of the Project as described in your Charge, and to use judgment, financial prudence, and ingenuity in accomplishing this challenging assignment. Town officials, the professional consultants, and the contractors are all important assets to you in achieving project objectives, but the final results are the responsibility of you, the Building Committee.

BOARD OF SELECTMEN

Jacquelyn C. Durrell
First Selectman

Eunice Postol
Selectman

Carl Dickman
Selectman

PROCEDURAL GUIDELINES

FOR

BUILDING COMMITTEES

TOWN OF FAIRFIELD
CONNECTICUT

TABLE OF CONTENTS

SECTION 100 GENERAL INTRODUCTION

- 101 Purpose and Scope of the Guidelines
- 102 Organization and Use of the Guidelines
- 103 Typical Project Procedural Diagram
- 104 Funding

SECTION 200 BUILDING COMMITTEES

- 201 Establishment of Building Committees
- 202 Responsibilities of Building Committees
- 203 Statement of Ethics
- 204 Feasibility Committees
- 205 Building Committee Organization (12/90)
- 206 Public Sector Work (12/90)

SECTION 300 BUILDING OVERVIEW COMMITTEE

- 301 Establishment of the Building Overview Committee
- 302 Responsibilities of the Building Overview Committee

SECTION 400 FEDERAL/STATE/TOWN REGULATIONS

- 401 Freedom of Information Act
- 402 RTM Procedures to be Followed by a Building Committee (as amended)
- 403 Purchasing, Contracts, and Expenditures

SECTION 500 PROJECT INITIATION

- 501 Project Initiation Process (9/91)
- 502 Preparation of the Charge (9/91)
- 503 Project Budgeting
- 504 Project Scheduling
- 505 Project Communications
- 506 Project Reporting
- 507 Project Records (11/91)

TABLE OF CONTENTS (Continued)

SECTION 600 PROJECT DESIGN

- 601 Selection of Architect (11/91)
- 602 Consultant Contracts (11/91)
- 603 Design Review

SECTION 700 BIDDING AND CONTRACT AWARD

- 701 Construction Contract Strategy
- 702 Stipulated Sum Contract
- 703 Construction Management
- 704 Other Types of Construction Contracts
- 705 Bidding Procedures

SECTION 800 CONSTRUCTION

- 801 Management and Administration
- 802 Progress Payments
- 803 Change Orders
- 804 Completion and Project Acceptance

SECTION 900 OCCUPANCY

- 901 Post-Completion Activities

SECTION 1000 EXAMPLES (11/91)

SECTION 1100 REFERENCE DOCUMENTS (11/91)

SECTION 1200 MISCELLANEOUS

SECTION 100	GENERAL INTRODUCTION	1
SECTION 200	BUILDING COMMITTEES	2
SECTION 300	BUILDING OVERVIEW COMMITTEE	3
SECTION 400	FEDERAL/STATE/TOWN REGULATIONS	4
SECTION 500	PROJECT INITIATION	5
SECTION 600	PROJECT DESIGN	6
SECTION 700	BIDDING AND CONTRACT AWARD	7
SECTION 800	CONSTRUCTION	8
SECTION 900	OCCUPANCY	9
SECTION 1000	EXAMPLES	10
SECTION 1100	REFERENCE DOCUMENTS	11
SECTION 1200	MISCELLANEOUS	12

SECTION 100

GENERAL INTRODUCTION

SECTION 100 GENERAL INTRODUCTION

101. PURPOSE AND SCOPE OF GUIDELINES

This Guidelines manual is intended to provide information to duly appointed Town Building Committees which will enable them to implement projects in an expeditious and cost effective manner to produce the best value to the Town. The Guidelines include those procedures which are required actions by Building Committees, and also additional information which will assist less-experienced Building Committee members to better understand the complicated process of design and construction.

1. Control

The master copy of the Guidelines manual with all current revisions is maintained in the office of the Town Clerk. The Town Clerk also has a limited number of copies of the manual available for distribution to Building Committees.

2. Distribution

Each member of a Feasibility or Building Committee should have a copy of the Guidelines manual. The Committee Chairman should consult with the Town Clerk to insure that sufficient copies of the manual are on hand for distribution to the Committee members. The Chairman should arrange to have the necessary additional copies reproduced. The Town Purchasing Department will obtain the binders and index tabs required. Required funds for the manuals are in the Committee's budget.

102. ORGANIZATION AND USE OF THE GUIDELINES

The guidelines have been developed to include all of the steps which might be included in a normal building project, starting with the need identification by the Originating Town Agency and going through program development, design, bidding, construction, and post completion occupancy.

In instances where the proposed project involves construction of a facility other than a building (e.g., a park, a seawall, etc.) most of the Guidelines can be used or adapted to special situations as determined by the Building Committee. In these special instances, Building Committees are urged to consult with the Building Overview Committee for discussion and guidance as to the proper actions to be taken.

It is also obvious that the Guidelines cannot anticipate all of the special requirements that might arise in the on-going implementation of every project which lies in the future, due to particular circumstances which may be beyond the control of the Building Committee. In general, it is the responsibility of the Building Committee to utilize the Guidelines procedures wherever applicable and to interpret and/or adapt procedures as may be required in unusual situations. In these cases, the intent of the procedures is to be followed. Here again, the Building Overview Committee is available to assist Building Committees in determining the appropriate adaptations of the procedures.

The first four sections of the Guidelines manual describe the manual itself, the assignment and responsibilities of Building Committees and the Building Overview Committee, and related Federal, State, and Town regulations which each Building Committee should be at least aware of in terms of application to its particular project.

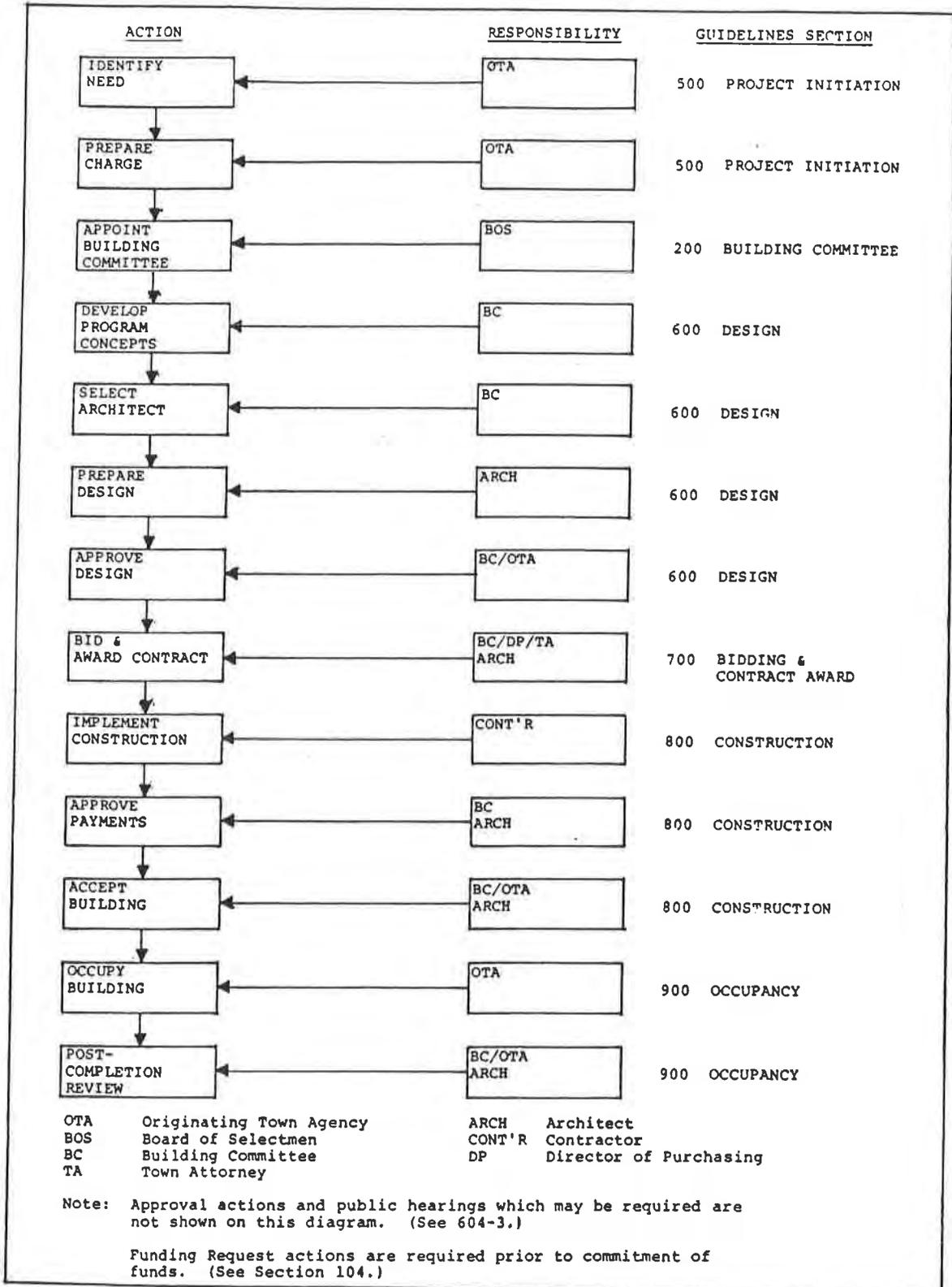
The remaining five sections of the manual list the Guidelines in the sequence in which major activities, i.e., program initiation, design, bidding, construction, and occupancy), normally take place.

The development, publication, and maintenance of the Guidelines is a responsibility of the Building Overview Committee under the direction of the Board of Selectmen.

Proposals for corrections and additions to the Guidelines are welcomed and should be addressed to the Chairman, Building Overview Committee, through the office of the First Selectman.

103. TYPICAL PROJECT PROCEDURAL DIAGRAM

The following chart diagrams the sequence of basic steps which take place in a typical building project. More detailed procedural diagrams are included with various sections of the Guidelines manual to illustrate the steps and procedures which are discussed in those sections.



104. FUNDING

1. General

Currently the Town of Fairfield has a well-established and detailed procedure for requesting and obtaining funds. The Building Committee will require funds not only for the obvious design and construction portions of the project, but also, for example, for the Committee's own activities (secretarial support, postage, etc.) and any incidental costs such as travel expenses, special studies and consultant fees, etc. The identical procedures are followed for all funding requests. Basic steps in the Town funding procedures are shown on the procedural diagram on page 104-4.

The Building Committee is responsible for initiating all funding requests in a timely manner, so that funds will be available when needed. Instances where funding will typically be required are noted in the Guideline procedures.

2. Funding Allocation

The first step in the funding process is to determine how much money should be requested for a particular activity, why it is needed, and when it is needed. The Building Committee then prepares an official Funding Request which will follow the format and provide responses to the "Information and Justification" outline available from the office of the Town Fiscal Officer. (See copy of the Funding Request Outline, pages 104-5 and 104-6.)

It should be noted that, for minor expenditure requests, such as secretarial support, for example, many of the justification questions asked in the Outline are not applicable, and therefore can be so noted on the Funding Request.

The Funding Request should be completed and reviewed with the Fiscal Officer as required to ensure conformance, and in sufficient time to allow for the Request to be approved by the Board of Selectmen, the Board of Finance, and, finally, the RTM. This process normally takes a month to six weeks.

With RTM approval, the Fiscal Officer allocates the proposed funds expenditure to an appropriate Town budget line item, and assigns an identifying program number to the allocation.

3. Payment Procedures

The Town Purchasing Department has established a standard procedure for making payments against the allocated funds.

The Building Committee completes a Purchase Requisition form, describing the expenditure and identifying the assigned program number. The Building Committee presents the Purchase Requisition, signed by the Committee Chairman, to the Director of Purchasing, who issues a numbered Purchase Order, authorizing the expenditure. Vendors then note this Purchase Order number on their invoices so that the payment will be charged to the proper account. Invoices are approved by the Building Committee, processed by the Purchasing Department, and payment is made by the Accounting Department.

In some cases, involving smaller amounts of money, the Purchase Requisition can be supported by a simple letter or proposal from a vendor (e.g., a secretary offers to type minutes of meetings for \$XX/hour). When large sums of money are involved (architect fees, construction progress payments, etc.) the Purchase Requisition must be supported by an executed contract, which must be countersigned by the Fiscal Officer to verify that funds have been allocated. Details of progress payments during design and construction are covered in Sections 600 and 800.

4. Payment Records

The Building Committee is responsible to ensure that overall project expenditures and commitments do not exceed the total amount allocated for the project. It is therefore very important and prudent for the Building Committee to maintain reliable and accurate cost records, using the cost accounts of the consultants, contractors, and the applicable records of the Town Accounting Department. Projections of future commitments and expenditures must be carefully monitored so that corrective action can be taken in time to avoid potential cost overruns.

5. Funding Procedures Support

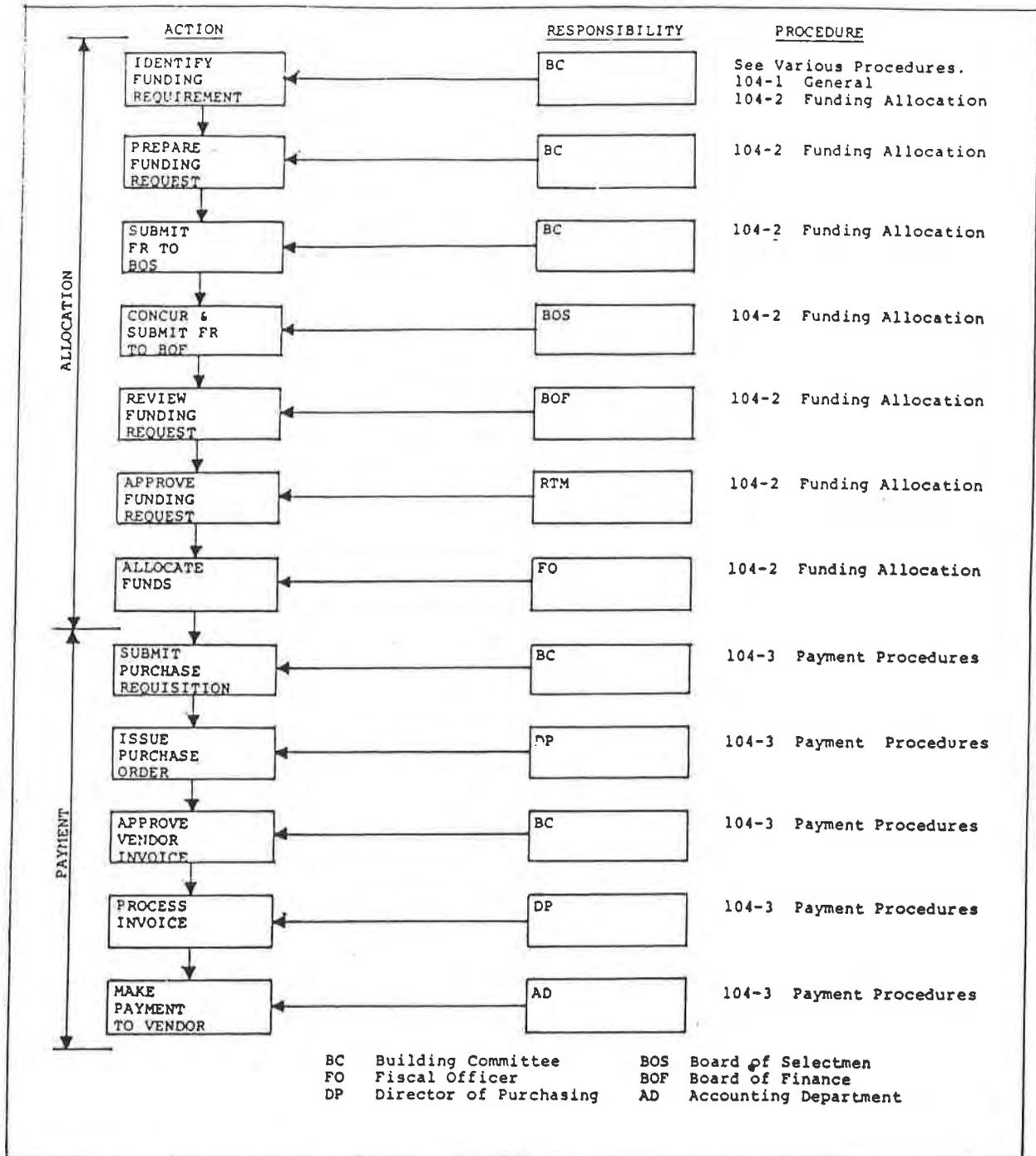
The Building Committee should seek guidance and counseling from the Fiscal Officer and the Director of Purchasing to ensure that all steps in the funding procedures are properly followed. This will allow projects to move forward in a businesslike manner and avoid delays in making payments on time.

6. Overruns and Surplus

No matter how carefully estimates are prepared, circumstances unforeseen or uncontrollable can cause actual costs to vary from the amounts projected in the project cost estimates. In the case of overruns, the overrun may occur on only one item of the total project budget, and the additional required amount can be "moved" from another budget item where a surplus exists or is anticipated. If this is not possible or advisable, the Building Committee must initiate a new Funding Request to cover the required amount, and must follow procedures as described above. In dealing with overruns, the Building Committee must review the Charge to ensure that the extra cost is not being caused by something beyond the scope and intent of the Charge.

With respect to surplus funds, the general policy of the Town is that any surplus monies not required to fulfill the scope and intent of the Charge must be "returned" to the Town for use on other programs. However, there may be cases where the Building Committee may have removed desirable features from the project program as a means of reducing early cost estimate totals. Later, when the cost picture is clearer, and it becomes apparent that there will be a budget surplus, the Building Committee may wish to restore some or all of these features to the program. The operative caveat here is that the restored features must be within the scope and intent of the Charge. In instances where the desired feature is deemed to be outside the intent of the Charge, a revised Charge and appropriate approvals must be obtained.

SECTION 104 - FUNDING PROCEDURES



FUNDING REQUEST OUTLINE

INFORMATION AND JUSTIFICATION

1. Background: Describe the history or other background information. Present enough detail so that an individual with no prior knowledge will be able to grasp the situation readily. Be concise, but don't use buzz words or technical jargon.
2. Purpose & Justification: Explain what is to be accomplished and give justification for the expenditure.
3. Detailed Description of Proposal: Describe in detail what the expenditure involves. Show major components of the cost, including contingency amounts. Attach bids, engineering drawing or other descriptive material where appropriate.
4. Reliability of Estimated Cost: Explain how major cost components were calculated, and by whom. Describe how review of costs for reasonableness was accomplished, and by whom. Refer to attached bids or draft contracts if appropriate.
5. Payback Period
If this expenditure is conducive to increased efficiency or productivity, describe in detail the amounts to be saved and the payback period for the expenditure.
6. Additional Long Range Costs: Describe the reasons for possible additional future expenditures that may result from the action under consideration. This may take the form of future repair costs, etc. if the current request is for the purpose of finding out what is wrong or ascertaining best solution. It might also involve increase in personnel, supplies, maintenance, utilities, or other costs. Give estimate of high/low dollar range of future additional costs if actual figures can't be ascertained. If there are to be no additional costs, so state.
7. Additional Use or Demand on Existing Facilities: Specify whether or not additional burdens will be placed upon existing facilities, service labor, utilities, etc., as a result of this request, and state whether the facilities are adequate to support them.
8. Alternates to this request: Explain the alternates that were considered to accomplish the same results as this request for funds, particularly those involving a lesser expenditure. Also, briefly discuss the alternative of doing nothing. Explain why alternatives were rejected.
9. Safety and Loss Control: Indicate necessary precautions to be taken to eliminate loss exposure in areas of person safety, job related health conditions and security of property.
10. Environmental Considerations: Describe any environmental impacts that may emanate from proposed expenditure, including temperature, odor, or quality of air and water. Explain how any adverse impacts will be handled.

11. Insurance: Specify effect upon insurance rates and coverage resulting from this expenditure.
12. Financing: Outline proposed means of financing the expenditure. Give detail of outside assistance, if available, and state probability (in the form of a percentage, viz 90%, etc.) of actually receiving these outside funds. Consult with appropriate Town officials before completing this section.
13. Other Considerations: Explain any other reasons for the request or other pertinent considerations not already described.
14. Other Approvals: Indicate, in columnar form, names of committees, department, Commissioned Boards, or other bodies whose approval is needed, together with dates approved, show Board of Selectmen, Board of Finance and R.T.M. as last approvals (if required).

SECTION 200

BUILDING COMMITTEES

SECTION 200 BUILDING COMMITTEES

201. ESTABLISHMENT OF BUILDING COMMITTEES

Building Committees are established by the Board of Selectmen after a proposed building project has been properly identified and approved for implementation.

The Board of Selectmen will endeavor to appoint individuals to the various Building Committees who can contribute to the successful implementation of the proposed projects through their experience, background, or special expertise as related to the particular project.

Building Committee members will normally be taxpayers and residents of the Town of Fairfield.

Members of other Town agencies and departments (boards, commissions, committees, etc.) which do not have any approval authority in the project implementation process may serve on Building Committees, especially if they bring special technical knowledge or expertise or a coordinating role to the Building Committee. Members of Town agencies which have approval authority on a particular project may participate in Building Committee activities only as observers.

Building Overview Committee members, aside from assistance in providing technical guidance to Building Committees, may also participate only as observers.

Building Committee members will normally be expected to serve on the Building Committee from the date of their appointment until the project has been completed and accepted by the Originating Town Agency, and the Building Committee activity terminated by the Board of Selectmen.

The number of individuals making up a Building Committee may vary, depending on particular requirements of a proposed project, as determined by the Board of Selectmen.

202. RESPONSIBILITIES OF BUILDING COMMITTEES

Building Committees are responsible to the Board of Selectmen to manage and administer Building Committee activities in a proper manner and to produce a completed project that will be acceptable to the Originating Town Agency.

To accomplish this basic responsibility, Building Committees will:

- o reach agreement with the Originating Town Agency on the scope and intent of the Charge, and ensure that viable alternatives have been properly evaluated to arrive at a Charge which will best serve the interests of the Town.
- o implement the project in accordance with the approved Charge and conduct the implementation of the project in a manner which will produce the best value to the Town in terms of cost, timeliness, and required quality.
- o organize and conduct Building Committee business as stipulated by applicable regulations (see Section 400), and follow procedures as described in the Guidelines as applicable.
- o be aware of or make inquiries into Town, State, and Federal regulations, programs, and aid which might affect the scope, schedule, and cost of the project.
- o be familiar with the responsibilities of the Building Overview Committee and the technical assistance available from the Building Overview Committee.
- o initiate Funding Requests in a timely manner, maintain adequate cost records, and take appropriate actions to avoid cost overruns.

203. STATEMENT OF ETHICS

As an agent of the Town of Fairfield in many of its actions, the Building Committee functions in a highly visible environment involving major technical complexities, large sums of money, strong neighborhood sensitivities, enthusiastic opponents with "better" alternatives, and often tedious approval procedures. The Building Committee activities are therefore under continuous and intense public scrutiny. For this reason, members of the Building Committee must at all times adhere to a strict code of personal ethics and avoid any action which might be misinterpreted as a conflict of interest or not in the best interests of the Town.

As appointed members of a Town committee, the Building Committee members are also subject to the specific requirements of the Town Charter regarding standards of conduct. Because of the importance of this subject to members of the Building Committee, the section of the Charter dealing with standards of conduct is excerpted on page 203-2.

The Town Charter also establishes an Ethics Commission which interprets the Standards of Conduct, investigates possible violations of the Standards of Conduct, and recommends action based on its findings.

A Copy of the Town Charter is included in Section 1100, Reference Document REF-2.

EXCERPT FROM TOWN CHARTER

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IV. STANDARDS OF CONDUCT

A. DECLARATION OF POLICY. Elected and appointed officers and employees of the Town shall demonstrate by their example the highest standards of ethical conduct, to the end that the public may justifiably have trust and confidence in the integrity of government. As agents of public purpose, they shall hold their offices or positions for the benefit of the public, shall recognize that the public interest is their primary concern, and shall faithfully discharge the duties of their offices regardless of personal considerations.

B. CONFLICTS OF INTEREST. No elected or appointed town officer or employee or member of any board, commission or committee shall:

(1) Solicit or accept any gift, directly or indirectly, whether in the form of money, loan, gratuity, favor, service, thing or promise, or in any other form, under circumstances in which it can reasonably be inferred that the gift is intended to influence the officer or employee in the performance of official duties; (Nothing herein shall preclude the solicitation or acceptance of lawful contributions for election campaigns.)

(2) Disclose confidential information gained by reason of the office or position or use such information for the personal gain or benefit of anyone;

(3) Knowingly have or acquire any financial interest or any personal beneficial interest, direct or indirect, in any contract or purchase order for any supplies, materials, equipment or contractual services furnished to or used by the Town in connection with any project, matter or thing which comes within the officer's or employee's jurisdiction or the jurisdiction of the board, commission or committee of which the officer or employee is a member (unless such interest is acquired through being the lowest responsible bidder after public advertisement); or

(4) Engage in any business transaction or activity or have a financial interest, direct or indirect, which is incompatible with the proper discharge of the official duties or which may tend to impair the independent of judgment in the performance of the officer's or employee's official duties.

C. DISCLOSURE OF INTEREST. Any elected or appointed town officer or employee or member of any board, commission or committee who possesses or who acquires such private interest as might reasonably tend to create a conflict with the public interest shall make full disclosure thereof to such board, commission or committee and such person shall be disqualified from action thereon.

D. FAIR AND EQUAL TREATMENT. No elected or appointed town officer or employee or member of any board, commission or committee shall use an official position to secure or grant special consideration, treatment, advantage, privilege, or exemption to himself or herself or to any person beyond that which is available to every other person.

E. PENALTIES AND DISCIPLINARY ACTION FOR VIOLATIONS. The failure to comply with or any violation of the standards of conduct established by this Charter shall be grounds for the removal from office or discharge from employment of the offending town officer or employee or member of any board, commission or committee and the board of selectmen in its discretion may void any contract entered into or adopted in violation of this Charter.

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204. FEASIBILITY COMMITTEES

On occasion, particularly at the inception of a proposed project, the Board of Selectmen may deem it advisable to appoint a Feasibility Committee to explore various aspects of the proposed project, prior to the appointment of a Building Committee and the commencement of design and construction activities. Details of Feasibility Committee responsibilities are described in Section 500.

In general, Feasibility Committees will conduct their activities in accordance with applicable sections of the Guidelines manual.

Normally, members of Feasibility Committees can expect to be appointed to the Building Committee which is established to implement a project after completion and approval of the Feasibility Study. This action will bring project continuity and a better understanding of project objectives to the Building Committee.

205. BUILDING COMMITTEE ORGANIZATION

One of the first important tasks of a Building Committee is to establish the internal organization of the Committee. In setting up this internal organization, the Building Committee will be guided, in general, by Robert's Rules of Order. In addition, however, the Building Committee should be familiar with specific organizational requirements as dictated by law, and should also consider the organizational arrangements which will best serve the objectives of the proposed building project.

A number of organizational considerations are listed below.

1. Required Organization

The Building Committee is required to elect a Chairman, a Vice-Chairman, and a Secretary, all within thirty days of the appointment of the Committee. (See Section 402.)

Duties and responsibilities of these elected individuals are generally as described in Robert's Rules of Order. However, certain special responsibilities should be noted.

a) Chairman and Secretary:

must sign and file a schedule of regular meetings with the Town Clerk. This schedule is normally submitted at least 30 days before the January meeting each year. (See Section 401.)

b) Secretary:

must keep minutes of all meetings, and must file a signed copy of the minutes with the Town Clerk not less than 10 days after approval of the minutes.

The Building Committee may designate a non-member individual (professional paid secretary, for example) to record meeting activities and prepare the actual minutes, but the Secretary is legally responsible for the content and proper submission of the minutes. (See Section 402.)

2. SubCommittees

As a means of sharing responsibilities equally within the Building Committee and also ensuring that necessary actions of the Building Committee are properly managed, the principal activities of the Committee may be assigned to specific

individual members or to subcommittees. Except in unusual situations, the establishment of subcommittees is generally preferred.

Subcommittees are appointed by the Chairman. Individuals with special expertise or interests should be designated for subcommittees where their contributions will be most appropriate.

Some of the possible subcommittees and range of their responsibilities which the Building Committee may wish to consider are discussed below.

a) Administration

- o ensures conformance with FOI requirements. (Section 401.)
- o ensures conformance with RTM and Board of Selectmen requirements. (Section 402.)
- o drafts and required reports in a timely manner.
- o ensures that Project Records and other public documents generated by the Building Committee are maintained and properly filed with the Town Clerk.

b) Finance

- o ensures that funding requests are properly prepared and submitted in a timely manner. (Section 104.)
- o maintains an accurate and current account of expenditures against approved funds. (Section 503.)
- o maintains a comprehensive and up-dated total project budget. (Section 503.)

c) Schedule

- o maintains a comprehensive and constantly up-dated project schedule. (Section 504.) This function is especially significant when a project has important milestones or completion dates to be met.

d) Public Relations

- o oversees preparation of informational material which the Building Committee may wish to distribute.
- o identifies and plans appropriate communications with various entities (abutting neighbors, neighborhood organizations, Town bodies, etc.) which may have special interests in the project. It is especially important to anticipate possible sensitive areas in advance and to

206. PUBLIC SECTOR WORK

Building Committee members must be constantly aware of the fact that Town projects fall under the "public sector" category, and, as such, implementation of the projects is strictly governed and controlled by legally-required procedures and approvals. Therefore, Building Committee members should make a special effort to be familiar with public sector requirements, especially those which relate directly to the specific Town project. (See Section 400.)

Building Committee members who have been associated with private sector building projects must be particularly careful to avoid the urge to "expedite" Town project implementation by short-cutting or eliminating some supposedly cumbersome, unnecessary, or time-consuming step in the implementation process.

In addition to familiarization with the public sector procedures, Building Committee members should acquaint themselves with the general organization and function of Town government, as described in the Town Charter. (See Reference Document REF-2.)

Various Town departments and organizations have been established to carry out the necessary functions of a Town Government. These departments, in general, have paid employees as in private business. Each Town department also has a board or commission made up of elected citizens. It is the duty of this board or commission to establish functional policies and responsibilities for its department and to oversee departmental operations to ensure that the best interests of the Town are being safeguarded.

In this manual, a Town department or organization which originates a requirement for a new facility is called the "Originating Town Agency" (OTA). Similarly, the board or commission having responsibility for the Originating Town Agency's operation is designated the "Board or Commission of Origin" (B/CO). In general, the Building Committee will be working on a day-to-day basis with the Originating Town Agency, and will receive their Charge through the Board of Selectmen from the Board or Commission of Origin.

The Town Clerk publishes a document called "Official Boards and Commissions Book," which lists all Town organizations in detail, while the Town Charter describes the functions and responsibilities of these organizations.

plan effective communications to prevent minor difficulties or misunderstandings from becoming major problems.

e) Architect (and Other Consultant) Selection

- o plans and guides the selection process for architect, clerk of the works, construction manager, and other consultants which may be required for the project. (Section 601.)

f) Construction Administration

- o assists the Building Committee, the Architect, and the Originating Town Agency in actions and decisions involving the technical aspects of design and construction.

SECTION 300

BUILDING OVERVIEW COMMITTEE

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SECTION 300 BUILDING OVERVIEW COMMITTEE

301. ESTABLISHMENT OF THE BUILDING OVERVIEW COMMITTEE

The Building Overview Committee was established by the Board of Selectmen on October 31, 1988, on a pro tem basis, and was fully implemented with the issuance of a "Charge to the Overview Committee" by the Board of Selectmen on December 7, 1988. (See following page 301-2.)

The Building Overview Committee is a continuous standing committee, with the number of Committee members as determined by the Board of Selectmen.

Building Overview Committee members are taxpayers and residents of the Town of Fairfield.

The Board of Selectmen will endeavor to appoint individuals to the Building Overview Committee who have experience and expertise in technical fields related to the implementation of Town building projects.

Members of the Building Overview Committee as of January 1, 1990 are listed on page 302-2.



Town of Fairfield

FAIRFIELD, CONNECTICUT 06430

CHARGE TO THE OVERVIEW COMMITTEE

Recognizing that the Board of Selectmen may not have the expertise, time or training required to perform an in-depth review of the various building projects under the Town's control, the Board of Selectmen will appoint a continuing Standing Overview Committee. The Overview Committee will consist of individuals with experience or training in the fields of any, or all, of the following: engineering, architecture, construction management or related fields of expertise in analyzing the cost, scope and timetables for building projects.

The Overview Committee will give the Board of Selectmen their opinions on the scope, budget, implementation, timetable and any other data they feel will aide the Board of Selectmen in making their decision regarding the project.

To assist in the development of their report to the Selectmen, the Overview Committee will have all data and reports they require made available to them. The Overview Committee may request data at any time during the process, and attend any and all meetings if they so desire.

The Overview Committee may be asked by the Selectmen to follow the building project to completion and report to the Board of Selectmen at regular intervals.

Approved by the
Board of Selectmen
December 7, 1988

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302. RESPONSIBILITIES OF THE BUILDING OVERVIEW COMMITTEE

Based on the Charge dated December 7, 1988, the Building Overview Committee has adopted the following "Mission Statement":

MISSION STATEMENT

The Building Overview Committee will monitor the development and implementation of Town Building programs on behalf of the Board of Selectmen to help ensure that cost-effective and operationally-efficient facilities are provided to the Town in a timely manner.

To accomplish this objective, the Building Overview Committee will:

1. Help ensure that the need for a new facility is properly identified, justified, and approved.
2. Review the "Charge" to the appointed Building Committee to help ensure that the Charge accurately defines the program and the expected results.
3. Review existing Town procedures and guidelines and propose revisions and new procedures to direct the activities of Building Committees in implementing Town building programs.
4. Receive copies of Building Committee reports and minutes and advise the Board of Selectmen of progress.
5. Act as advisors and counselors to Building Committees in the performance of their duties.
6. Act as professional advisers and consultants for the Board of Selectmen on matters related to Town building programs, and provide the same services, when requested by the Board of Selectmen, to other Town agencies.
7. Organize and conduct Building Overview Committee business as stipulated in applicable regulations (See Section 400).
8. Maintain a professional, objective viewpoint on all matters related to Town building programs consistent with "good practice" and the best interests of the Town.

MEMBERS - BUILDING OVERVIEW COMMITTEE

(January 1, 1990)

Crawford Hayes (Chairman)	443 Springer Road Fairfield, CT 06430	259-9874
Robert H. Goodenow	225 Colonial Drive Fairfield, CT 06430	259-5950
Morton Kass	48 London Terrace Fairfield, CT 06430	372-9533

SECTION 400

FEDERAL, STATE, AND TOWN REGULATIONS

SECTION 400 FEDERAL, STATE, TOWN REGULATIONS

401. FREEDOM OF INFORMATION

The federal Freedom of Information act (FOI), in essence, requires that all functions of government, federal, state, and local, be open to the public and that all records be available to the public.

The attached Town Notice, dated October 1990, (pages 401-2 through 401-8) summarizes the requirements of Connecticut Statute Chapter 3 regarding FOI. As such, it provides a handy reference with respect to basic FOI regulations. However, although this Town Notice covers most of the essential points regarding FOI, the Building Committee should note that, in some instances, it refers to specific actions relative to the year in which it was written. To provide a current, comprehensive picture of Connecticut FOI requirements, a complete excerpt of Connecticut Statute Chapter 3 is included in Reference Document REF-1 in Section 1100.

Building Committee members must become familiar with the requirements of FOI as these requirements relate to the functions of the Building Committee. The Building Committee is responsible for conducting all of its activities in accordance with FOI regulations.

Instances where the Building Committee may wish to hold executive sessions and FOI regulations are not clear should be reviewed with the Town Attorney to determine if an executive session is appropriate.



Town of Fairfield

OFFICE OF THE TOWN CLERK

FAIRFIELD, CONNECTICUT 06430

October 30, 1990

Dear Chairman:

Our Town Charter directs that all Boards and Commissions shall elect officers at an annual organization meeting, held in December, after properly noticing the Town Clerk's Office. After that meeting, please notify the Town Clerk's Office, in writing, of the Chairman, Vice-Chairman and Secretary elected to serve for the new year.

The Connecticut Freedom of Information Act (FOI) requires your schedule of 1991 meeting dates, including times and locations, to be filed in our office at least thirty days before your first meeting in 1991 (if you plan to meet in early January, your schedule of meetings must be in the Town Clerk's Office in early December). We must receive your schedule of meetings no later than January 31, 1991. Your year's schedule of meetings will be posted to the Town Calendar, and are considered the "regular" meetings of your agency. Any meetings held during the year that are not on the 1991 meeting schedule are considered "Special" meetings.

Special meetings may be called provided that a meeting notice is filed with my office no later than 24 hours beforehand (excluding weekends and holidays). The notice must include the date, time and location of the meeting and the business to be transacted. No other business may be transacted at this meeting.

"Emergency" meetings may be held without complying with the preceding notice requirements. However, you must file your minutes within 72 hours and include the reason why an emergency meeting was necessary.

Twenty-four hours before a regular meeting, your agenda must be available to the public, either in your agency office if you have one, or in the Town Clerk's Office. New business may only be put on the agenda with a 2/3 vote of your agency.

Minutes for regular and special meetings must be available within seven (7) days of the meeting, again, in your agency office or in the Town Clerk's Office.

Votes taken at a meeting must be available within 48 hours (excluding weekends and holidays) in writing, indicating how each member voted on any issue before them.

All Town meetings are open to the public. The Freedom of Information Act allows Executive Sessions under very specific conditions. You must have a 2/3 vote for your agency to go to Executive Session and then only for the following reasons: to discuss specific employees (unless the employee being discussed wants an open meeting); to discuss strategy and negotiations regarding pending claims and litigation; security matters; real estate acquisition (if the price might increase if it were openly discussed); or discussion of any matter that would result in the disclosure of a public record exempt from the disclosure requirement for public records.

Our Ethics Commission's regulations requires every employee and every person on a board or commission to receive copies of the Town Charter Section III E, 11 ("Ethics Commission") and Section IV ("Standards of Conduct"). I ask for your cooperation by giving each of your members a copy of the enclosed.

If there is any way in which the Town Clerk's Office can be of assistance to you, please do not hesitate to contact me.

Sincerely,



Marguerite H. Toth
Town Clerk
Town of Fairfield, Connecticut

Enc.

402. BUILDING COMMITTEE PROCEDURES

The attached "Procedures To Be Followed By A Building Committee" was adopted by the RTM on October 23, 1961. Also attached are proposed revisions to the 1961 procedures with a transmittal letter date of September 23, 1975. These revisions were adopted by the RTM on December 15, 1975.

Research by the Building Overview Committee has to date failed to reveal any Town regulations regarding the activities of Building Committees more current than the attached documents. Therefore, the Guidelines manual does not change any requirements of the RTM Building Committee procedures, but simply supplements and clarifies these RTM requirements.

Building Committees should note, however, that numerous provisions of the 1961 and 1975 RTM Building Committee procedures have been superseded by Freedom of Information regulations. (See Section 401.)

PROCEDURES TO BE FOLLOWED BY A BUILDING COMMITTEE

A. ORGANIZATION

1. Within thirty days after the appointment of a building committee, the First Selectman shall call a meeting to organize the committee at which time it shall elect a chairman, vice-chairman and secretary.
2. The committee shall adopt rules or procedure as it deems necessary provided that such rules shall not be inconsistent with those herein set forth.

B. MEETINGS

1. The presence of four members shall constitute a quorum, unless the committee shall be less than seven (7) in number, in which event a simple majority shall constitute a quorum.
2. All meetings shall be open to the public and notice of meetings shall be given to the press at the same time and in the same manner as the notice to committee members so that meetings may be publicized if possible. Such notice shall include the date, time and place of the meetings and the agenda for the meeting.
3. Participation by the public at such meetings shall be at the discretion of the presiding member and the committee may go into executive session on simple majority vote of the members present.
4. The secretary shall keep minutes of all meetings and shall file a signed copy of the minutes with the Town Clerk not later than ten days after they have been approved.
5. Meetings need not be held on a regularly scheduled basis but should be held as often as necessary for the proper functioning of the committee.

C. REPORTS

1. Progress reports shall be made at least every three months and submitted to the Town Clerk who shall distribute copies to all members of the R.T.M. and to the Commission or board of origin.
2. The final report of the committee shall be filed with the Town Clerk and the commission or board of origin. The report shall include an itemizing of all cash disbursements and a comparison between the original estimates and the actual disbursements by major categories, such as, site improvement, building construction, equipment, architects fees, etc.
3. Prior to issuance of documents for bidding, the final plans and specifications shall be submitted to the commission or board of origin for approval.

D. SUBCOMMITTEES

1. The chairman shall appoint such subcommittees as he deems necessary and proper.
2. The provisions relating to the committee as a whole shall not apply to a subcommittee, but each subcommittee may adopt such rules of procedure as it deems necessary.
3. Reports of all subcommittees shall be made a part of the minutes of the committee meetings.

E. VACANCIES

Vacancies in the committee shall be filled in the same manner as original appointments to the committee.

F. ARCHITECTS

The committee shall make reasonable efforts to interview at least six architects for each building project.

Opted by RTM
October 23, 1961

WILLIAM M. RAVEIS & ASSOCIATES

REAL ESTATE
BUREAU

101 BROAD FAIRFIELD CONNECTICUT 06430

TELEPHONE 259-5065

MEMBER

NATIONAL ASSOC. OF REALTORS
CONNECTICUT ASSOC. OF REALTORS
FAIRFIELD BOARD OF REALTORS
FAIRFIELD MULTIPLE LISTING SERVICE
AETNA INSURANCE AGENTS
INDEPENDENT INSURANCE AGENTS
COMMERCIAL INVESTMENT DIVISION

Sept. 23, 1975

To: R.T.M. Ad Hoc committee members

ROOM - BUSINESS OFFICE

Subject: Building Committee Procedures

SEP 24 1975

FAIRFIELD CONNECTICUT

Dear Members:

Please find enclosed the final wording that we have incorporated within the existing procedures to be followed by Building committees, which was adopted by the RTM on October 3, 1971. I anticipate introducing these changes within the next RTM agenda. Also, I am carbon copying to all persons we interviewed, and Mr. Sullivan and Town Attorney. If there are any questions, please contact me prior to their introduction to the RTM.

Sincerely,

William M. Raveis

R/b
att.

cc: John Sullivan
Noel Newman
Art Abramson
Howard Benedict
Roger Warner
Mort Cass
John Leahy
Dr. John Greenhalgh

To Ad Hoc R.T.M. Committee members

Changes to Current Procedures - Please reference items below
in enclosed procedures Booklet

Item B-4 The secretary shall keep minutes of all meetings and shall file a signed copy of the minutes with the Town Clerk not later than ten days after they have been approved, and shall maintain a calendar indicating when all progress reports are due to the Town Clerk's office (re: below C-1).

Item C-1 The chairman shall submit progress reports at least every three months to the Town Clerk who shall distribute copies to all members of the R.T.M. and to the Commission or board of origin. However, if a progress report to the R.T.M. is missed or late, the chairman must report in writing to the R.T.M. the reasons for its absence or delinquency.

Item F-1 The committee shall interview at least six architects or each building project and shall interview at least two previous Building Committee Chairmen regarding past performance of their architects.

Item G RESPONSIBILITY

The Building Committee will have ~~complete responsibility for the~~ /the duty of completion execution of the entire building project. Furthermore, during the last phase of the project, when a Punch List is submitted by the architect to the Building Committee, it will be the latter's responsibility to submit a narrative progress report via the Town Clerk to the R.T.M. every three months. This should state Reasons why the Punch List items have not been completed, and also determine whether this List might result in delays which may cause financial loss to the town in any manner. Therefore, consultation with the Town Fiscal office during this time is required. In addition, it is necessary for the Building Committee to verify that the Punch List items are part of the original contractual agreements and if some of the Punch List items are not, it must be justified in the Progress Report.

403. PURCHASING, CONTRACTS, AND EXPENDITURES

The attached excerpt from the Town Charter covers requirements for the purchasing of materials and services.

Several provisions of these requirements are of special interest to Building Committees:

- a. "Professional Services" are specifically excluded from competitive bidding procedures. The intent of this provision is to select architects and other consultants on the basis of best qualifications, not the lowest fee.
- b. Contracts are normally let to "the lowest responsible bidder," but this provision may be waived by the First Selectman in special circumstances as justified in writing, and with the concurrence of the Board of Finance.
- c. No financial commitment can be made (i.e., contracts executed) without verification by the fiscal officer that sufficient funds are available.

Contracts as related to professional consultants, construction, and other aspects of building projects are discussed in detail in Guideline Sections 500, 600, 700, and 800.

A copy of the complete Town Charter is included as Reference Document REF-2.

EXCERPT FROM TOWN CHARTER

* * * * *

VII. PURCHASING, CONTRACTS AND EXPENDITURES

A. PURCHASING AUTHORITY. The first selectman and the purchasing agent, acting in conjunction, shall be the general purchasing authority of the Town. All supplies, materials, equipment, other commodities, contracts for public works or services, other than professional services, required by any department, office, agency, board or commission of the Town, including the board of education, shall be purchased by the purchasing authority on requisition, in such form as the selectmen may prescribe, signed by the head of the department, office or agency or chairman of the board of commission. No purchase order shall be issued without the signature of the purchasing agent or, in the agent's absence, that of the first selectman.

B. BIDDING ON PURCHASES UNDER \$4,000.00 AND OTHER CONTRACTS UNDER \$5,000.00. Before any purchase is made or any contract for public work or services, other than professional services, involving an expenditure of more than five hundred dollars, but less than four thousand dollars, is let, the purchasing officer shall procure bids from at least three sources, and such bidding shall be open to any responsible bidder who shall conform to the regulations which may be imposed by the purchasing officer when the bids are requested. The procedures of this section shall apply to franchises and concessions involving anticipated gross receipts in excess of \$5,000.00 and to leases involving rent in excess of \$4,000.00 in any fiscal year.

C. BIDDING ON PURCHASES OVER \$4,000.00 AND OTHER CONTRACTS OVER \$5,000.00. Before any purchase is made or any contract for public work or services, other than professional services, involving an expenditure of four thousand dollars or more is let, the purchasing authority shall invite sealed bids or proposals, given ten days' notice thereof by at least one publication in a newspaper having a substantial circulation in the Town, and shall make the purchase from or let the contract to the lowest responsible bidder thereon or, if there be two or more responsible bidders, or shall reject all bids or proposals. Any advertisement for bids shall contain a statement reserving the right to reject all bids. The requirements of this section may be waived with the written approval of the first selectman or, with respect to purchases or contracts for the board of education, of the superintendent of schools, concurred in by six members of the board of finance, in any case in which compliance with this Section shall be deemed to be impractical or not in the best interests of the Town. Each waiver of this Section shall contain a statement of the reasons therefor and shall be kept on file in the office of the purchasing authority where it shall be open for public inspection. The procedures of this Section shall also apply to franchises and concessions involving anticipated gross receipts in excess of \$10,000.00 and to leases involving rent in excess of \$5,000.00 in any fiscal year.

D. REQUISITION PROCEDURES. No requisition for any purchase and no contract for public work or other services shall be valid unless it bears the certification or acknowledgment of the fiscal officer or the assistant fiscal officer. The fiscal officer shall endorse a requisition or contract only after the fiscal officer has examined the same and found that it conforms to the requirements of this Section and that there is a sufficient unencumbered balance of an applicable appropriation to pay the same. The fiscal officer shall record the amount of the requisition or contract as an encumbrance against the appropriation from which it is to be paid. If, by making any contract or purchase, the budget allowance of the department, officer, agency, board of commission requesting the same shall be exceeded, the purchasing authority shall bring the request to the attention of the board of finance at its next meeting, and the board may authorize such contract or purchase in accordance with and subject to the limitations of this Charter and the General Statutes. The purchasing authority may bring any request to the attention of the board of finance and secure its approval before executing it.

E. PAYMENT PROCEDURES. No voucher, claim or charge against the Town shall be paid until it has been approved by the fiscal officer or the assistant fiscal officer for correctness and legality. Appropriate checks shall be drawn by the fiscal officer or the assistant fiscal officer for approved claims or charges and they shall be valid without countersignature unless the selectmen otherwise prescribed.

* * * * *

SECTION 500

PROJECT INITIATION

SECTION 500. PROJECT INITIATION

501. PROJECT INITIATION PROCESS

This Section should be read with the procedural flow diagram at hand. (Page 501-2).

The purpose of this Section is to provide a framework to organize and direct the very early beginnings of a project so as to eliminate, where possible, false starts and poor project conceptions.

1. Need Identification

Normally, the Originating Town Agency (OTA) identifies the Need for a particular project, e.g., Public Works Department and the Town Garage, or the Library Administration and the Fairfield Woods Branch Expansion.

2. Need Review/Approval

The appropriate Board or Commission should examine the Need as identified by the OTA, and, if acceptable, formalize it by proper vote, i.e., vote of the body.

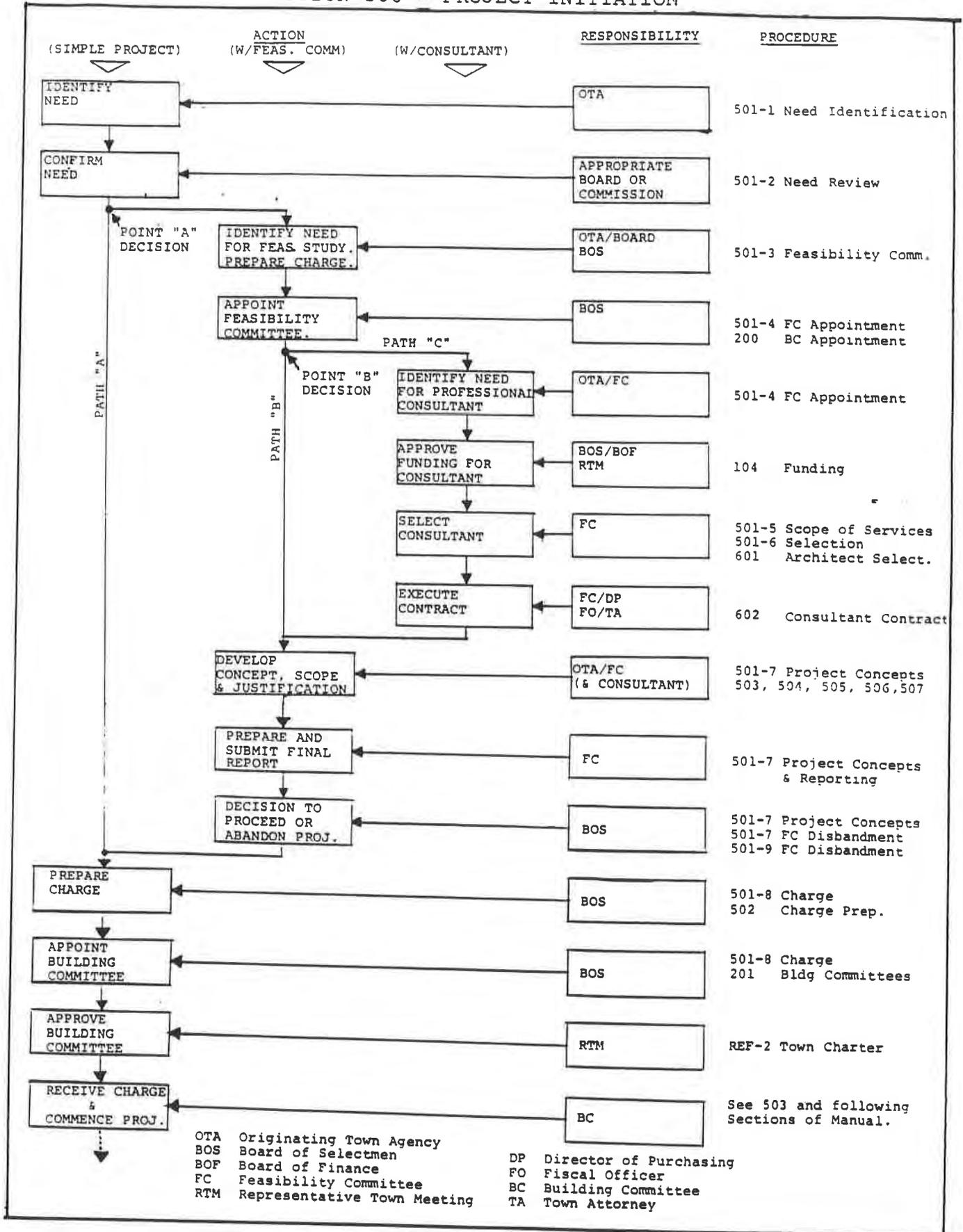
Refer to Point "A" on the procedural diagram. At this point, a major decision is necessary by the Originating Town Agency and its Board or Commission. The necessity of a Feasibility Study must be decided. This decision is normally based upon the information concerning the project which is at hand versus the complexity of the project.

If it is decided that a Feasibility Study is not required, Path "A" in the procedural diagram is to be followed. This path is normally followed only in cases that are absolutely clear in need, scope, schedule, and financial impact upon the Town.

3. Request for Feasibility Committee

If the decision is that the proposed project requires a Feasibility Study, the Originating Town Agency and its Board or Commission should request the Board of Selectmen to appoint a Feasibility Committee. Additionally, the Originating Town Agency and its Board should provide information to the Board of Selectmen which will assist the Selectmen in preparing a Charge for the proposed Feasibility Committee.

SECTION 500 - PROJECT INITIATION



4. Feasibility Committee Appointment

The Board of Selectmen, if in agreement with the Need as defined by the Originating Town Agency and with the request for establishment of a Feasibility Committee, will appoint the Feasibility Committee as described in Section 200. The Feasibility Committee will, in most cases, be made up of people who will probably become members of the future Building Committee for the particular project if the project proceeds beyond the Feasibility Study phase. Normally, a Feasibility Committee would consist of from three to five members and its organization and function will be governed by the same guidelines and regulations that govern a Building Committee.

Refer to Point "B" on the procedural diagram. The Feasibility Committee must decide, after examination of the project Charge and the information at hand, whether there is a need for a professional consultant, i.e., architect, engineer, environmentalist, landscape specialist, etc. If it is decided that such a consultant is not required, then Path "B" in the procedural diagram will be followed. On the other hand, Path "C" will be followed if a need for a particular consultant is identified.

5. Scope of Services - Consultant

If, due to the proposed project's unknowns and complexities, a consultant's services are required, the scope of this service should be defined by the Feasibility Committee and the Originating Town Agency jointly, and reviewed with the Town Director of Purchasing to ensure that the form and content of the Request for Services are acceptable and that the services are available in the marketplace.

6. Consultant Selection

The steps in procedural Path "C", including "Fund Approval" (see Section 104), "Consultant Selected", and "Contract Executed" are the same as those steps required in the procedure for selection of an Architect (see Section 601), with the exception that the number of prospective consultants may be less.

7. Project Concepts and Reporting

The Feasibility Committee, with the assistance of the Originating Town Agency and the Consultant (if utilized) is now in a position to develop the project concept, scope,

and justification, and will consolidate the Study results into a Final Report to be presented to the Board of Selectmen. (It should be noted that, in the event that the activities of the Feasibility Committee continue over a period of more than three months, quarterly "interim reports" are to be submitted to the Board of Selectmen to keep the Selectmen informed on progress and activities of the Committee.)

The findings contained in the Final Report will be used by the Selectmen as the basis for a decision either to abandon further action on the project or to proceed with the preparation of a Charge which will be issued to a Building Committee.

8. Charge

Following completion of the Feasibility Study and acceptance of the Final Report recommending further action on a project, the Board of Selectmen will prepare the Charge for a Building Committee, as described in Section 502.

Concurrently with the preparation of the Charge, the Selectmen will appoint a Building Committee, as described in Section 201. Building Committee appointments are subject to the approval of the Representative Town Meeting.

9. Disbandment of Feasibility Committees

The submission of the Final Report by a Feasibility Committee to the Board of Selectmen is normally the last official responsibility of the Committee. However, as previously noted, individual members of a Feasibility Committee may be requested to serve of the Building Committee to help ensure continuity of project development.

502. PREPARATION OF THE CHARGE

As soon as the need for a Feasibility or Building Committee has been established, the Board of Selectmen will always issue a formal statement, called the "Charge", to the Committee. The Charge officially sets forth what the Committee is expected to accomplish, and, as such, is the single most important document in the entire project implementation process. The Charge forms the basis for all activity connected with a project and establishes the direction toward an end result.

The purpose of the Charge is to give the Feasibility or Building Committee its assignment and the expected results as based on project information available at the time the Committee is formed. Because the two Charges (to the Feasibility Committee or to the Building Committee) are developed at different points in the project process (see the Procedural Diagram, page 501-2) and hence with dissimilar objectives, they may follow the same general format, but with significant differences.

1. Feasibility Committee Charge

Examples of information contained in a Feasibility Committee Charge include:

- o a general description of the need, as identified by the Originating Town Agency and acceptable to the Board of Selectmen.
- o schedule and budget data if available and significant.
- o scope and direction of the study, with alternatives, if any, to be evaluated.
- o special study requirements, if any.
- o a definition of the scope of study conclusions and recommendations expected.

2. Building Committee Charge

Examples of information contained in a Building Committee Charge include:

- o a statement of project requirements and/or specifications as currently conceived by the Originating Town Agency, and/or a functional description of the proposed project.

- o recommendations of the Feasibility Committee.
- o schedule and budget data if available and significant.
- o special implementation requirements or restrictions, if any.

3. Receiving the Charge

The Feasibility Committee or the Building Committee, in receiving its Charge from the Board of Selectmen, must be certain that the Charge is fully and completely understood and accepted. Any uncertainty regarding the assignment must be resolved with the Board of Selectmen before the Committee accepts its Charge and commences work.

In unusual cases, the Committee may find it necessary to reject a Charge or to request drastic revision after initial review exposes unexpected and unacceptable difficulties. The Committee should not attempt to proceed with a Charge which it feels is faulty.

4. Revising a Charge

Both Feasibility and Building Committees must be prepared to maintain a good working relationship with the Originating Town Agency and at the same time assert their independent role in evaluating the desires of the Originating Town Agency to ensure that the requirements and limitations of the Charge are enforced.

Similarly, the Committee must be prepared to resist requests and pressures from "non-official" groups such as neighborhood associations, parents' organizations, and other special interest entities when such requests are not clearly within the scope and intent of the Charge.

Groups proposing requests or exerting pressures to influence the project in a direction not consistent with the objectives of the Charge should immediately be referred to the Board or Commission of Origin. This Board or Commission will evaluate these requests for recommendation to the Board of Selectmen, which has sole responsibility to amend a Charge. The Committee must act positively and quickly in these situations to assert and maintain its control of project implementation.

- b) using cost ranges.

When a high degree of uncertainty regarding a cost estimate exists (as it most certainly will early in a project), it is better to express the project cost as a range, rather than in precise numbers. For example, if the Building Committee guesses that a project total cost might be around \$8 million, the budget cost figure could be better stated as \$7-\$10 million. Another alternative is to use a qualifying adjective, i.e., "approximately," "around," or "about" before the cost figure.

- c) utilizing gross numbers.

If, for example, three estimates are expressed as \$10,000; \$10,200; and \$10,280, respectively, the inclination is to assume that the third figure is more reliable and accurate. This is because scientists and others who work with numbers to estimate quantities attach great importance to the "lowest significant digit." In lay terms, this means that the first number after the zeroes to the left of the decimal point indicates the accuracy of the estimate. In the example above, the estimate of \$10,000 means that the true cost will be closer to \$10,000 than it will be to \$9,000 or \$11,000. The \$10,200 estimate means that the true cost will be closer to \$10,200 than to \$10,100 or \$10,300, and similarly, the third estimate will be closer to \$10,280 than to \$10,270 or \$10,290. The degree of accuracy suggested by the third estimate could be very misleading. The rule is that the implied accuracy of an estimate is 10% of the lowest significant digit.

From this, it is clear that Building Committees should stick to "round," gross numbers wherever appropriate and avoid using numbers which imply more accuracy than is warranted by the information available.

- d) maintaining consistent cost estimating quality.

Cost data for the various items making up an estimate are not always similar in quality or reliability, especially early in a project. The accuracy of an estimate total is always governed by the accuracy of the components. Thus, if an estimate includes only the following known budget items at a point in time:

Building	\$1,000,000
(based on approximate cost of somewhat similar building in neighboring town)	
Design	100,000
(10% of building cost as estimated above)	
Permits	500
(based on building cost as estimated above)	
Total	\$1,100,500

The estimated total cost of the above project, based on the information as given, is not \$1,100,500. This number implies an accuracy of less than \$200, or within less than 1%! A more proper project estimate total (based on the above data) might be \$1.0 million to \$1.5 million. Building Committees must avoid estimate totals which suggest more accuracy than the majority of the estimate components contain, even though the arithmetic may indicate otherwise.

- e) including all cost items.

In the very early conceptual stages, it is very difficult for a Building Committee to ferret out all of the cost items which will eventually be included in a project cost estimate. Yet, to improve accuracy, the budget, from the earliest possible point, should be picking up all cost items which can be reasonably anticipated. The Cost Item Checklist (see Example EX-11) shows a number of both obvious and often overlooked cost items which might apply to a particular project.

- f) using contingencies.

No single entry in a project cost estimate causes more controversy than the contingency line items.

One of the serious budget problems faced by a Building Committee is that questions are always asked about project costs even before the Building Committee, the Originating Town Agency, or anyone else has had any way to develop meaningful cost projections. Yet, as noted above, the Town funding process as described in Section 104 requires that project cost totals must accompany even initial Funding

Requests. In addition, as noted, there are always demands from officials or the public regarding costs as soon as a project is first announced. The danger in all this is that any cost figure mentioned at the early point, no matter how cautiously it is presented, becomes the only figure that is remembered, regardless of how well subsequent cost estimates are substantiated. Reasonable contingency provisions in the estimating calculations will assist in alleviating this situation.

The Contingency Guidelines Chart shown on page 503-6 and the contingency management process described below provide contingency standards for Building Committees which, if followed, will help avoid controversy and misunderstanding. The contingency amounts shown in the Chart are based on a "typical" project, understanding that these contingency percentages will vary, depending on whether the project involves new construction, restoration, or additions, and also on the complexity of the project. In addition, the contingency process must be well managed to be effective and credible.

As can be seen from the Chart, the Design Contingency, which is used to cover design uncertainties, becomes increasingly smaller as the cost data produced by design progress becomes more available and reliable. At the completion of the design phase, the Design Contingency should be zero. At this point, the new uncertainties about bidding and construction require contingency recognition. The Bid Contingency is used to cover unexpected market conditions or price escalations. When bidding is completed and a contract executed, the Bid Contingency is used as required to cover any difference between the estimate and contract price, with any contingency remainder released.

When the project enters the construction phase, two separate contingency categories are set up. One to cover errors and omissions in the drawings and specifications and also unanticipated field conditions, and the other to cover minor changes requested by the Originating Town Agency to improve the functioning of the new facility after construction starts. These change requests must be within the scope and intent of the Charge.

The Change Order process is covered in more detail in Section 800.

CONTINGENCY GUIDELINES

SCHEDULE PHASE Need Identification	ESTIMATE TYPE Order of Magnitude	CONTINGENCY CATEGORY Concepts Contingency	CONTINGENCY AMOUNT (%) 25%-50%	COMMENTS
Charge Preparation Schematic Design Complete	Architect's Estimate (or by Construction Manager)	Design Contingency	20%-30%	Estimates at this point in the project are really "guesstimates" at best and should usually be expressed as a range, i.e., \$3-\$4 million. At this point, the Architect should have a good picture of overall project costs, since he was hired because of experience on similar projects and good estimating techniques.
Design Development Complete	Architect's Revised Estimate	Design Contingency	15%	Reduced contingency because cost data now more available and more accurate.
Construction Documents Complete	Architect's Probable Construction Cost	Design Contingency Bid Contingency E/O & FC Contingency OR Contingency	0% 10% 10% 5%	At this point, design data is complete and estimate is based on known quantities and quality. Contingency now reflects uncertainties of bidding and construction phases.
Bidding Complete	Contract Amount	Contract Amount E/O & FC Contingency OR Contingency	0% 10% 5%	With the Contract amount now known, the Bid Contingency is used as required to cover any shortfall and the remainder is released.
Construction Complete	Contract Amount (plus C.O.s)	E/O & FC Contingency OR Contingency	0% +/-5%	Contingency amounts used as required to cover Change Orders and remainder released.
Occupancy Complete	Final Payment	OR Contingency	0%	OR Contingency used for occupancy requirements - not construction deficiencies, and remainder released.

503. PROJECT BUDGETING

1. General

From the very inception of a proposed project, the question of the cost of the project is a major consideration to all parties concerned--the Building Committee, the Originating Town Agency, the Town financial planning bodies, and, of course, the public. Concerns about "how much will it cost?" begin as soon as the project is conceived and eventually evolve into "how much did it cost?" at the end of the project. The principal responsibility for responding to cost questions falls into the hands of the Building Committee.

This budget responsibility of the Building Committee is also borne out by provisions of the standard AIA contract forms for both the Architect and the Construction Manager (if hired), which place full responsibility for providing and maintaining the Project Budget on the "Owner," which, on Town projects, of course, means the Building Committee. The Building Committee is thus uniquely responsible for overall cost management on its assigned project.

2. Cost Management

Cost management has two principal elements--cost planning and cost control. Cost control relates primarily to expenditures and is guided for the most part by relevant existing Town procedures (See Section 104.) Cost planning, or budgeting, as it is usually known, is a less well-defined process, and much more difficult to accomplish effectively. The following paragraphs provide insight into some of the principles and techniques of the budgeting process for construction projects.

3. Information/Impact Dilemma

Both the accuracy and reliability of a project budget are directly related to and dependent upon the availability and quality of cost information at the point in time when the budget is prepared or revised. Unfortunately, Building Committees face an age-old dilemma in trying to produce meaningful budgets. At the beginning of a project, almost no reliable cost information is available. Details of physical features are missing, future market conditions are unknown, etc.

Building Committees are constantly faced with this problem. For example, as described in Section 104, the Building Committee must seek approval of initial funding before a

reliable, final fixed cost of construction has been established. But, even before this formal approval point, pressures from Town bodies and the public will often force the Building Committee to produce cost figures which are, in terms of accuracy and reliability, more of a guess than reality.

There are several sources for cost information available to the Building Committee early in the project prior to receiving preliminary estimates from the Architect. Among these sources are:

- o experience on other similar Town projects.
- o information from neighboring towns on similar projects.

(Cost data from "similar" projects must be carefully adjusted for inflation and other factors to be realistic.)

- o published building cost data and indexes.

(A number of cost estimating guides are published by firms which constantly collect and analyze building cost data from projects throughout the United States. See Reference Document REF-6.)

Using data from the above sources, and a rough estimate of the proposed building area, the Building Committee can produce an approximate construction cost estimate. Using this cost as a base, allowances and percentages can be calculated for architect's fees, permits, surveys, and other miscellaneous costs to arrive at the first "ball park" project cost estimate.

4. Budgeting Techniques

In attempting to satisfy demands for accurate and reliable cost information, especially early in a project, the Building Committee has a number of tools available that will help alleviate the info/impact dilemma and lead toward more appropriate budget figures. These budgeting tools include:

- a) delaying responses.

Building Committees should avoid giving cost figures when insufficient cost data exists. It is better to say, "We don't know today; we'll have cost figures tomorrow" than to give out misleading and erroneous figures. Delaying responses is not always feasible or desirable, but it can be an appropriate technique to consider in pressure situations.

504. PROJECT SCHEDULING

1. General

Unlike Project Budgeting (Section 506), where the Building Committee has a contractual obligation to produce the total Project Budget, the contractual responsibility for developing project schedules is in the hands of the Architect, the Construction Manager (if hired), and the contractors. Nonetheless, from an overall Town viewpoint, it is the Building Committee which has the ultimate responsibility for ensuring that the Project meets its schedule requirements.

The scheduling process involves three distinct activities. The first is to develop the actual project schedule (using the input of the various sources noted above); the second is to maintain and adjust the project schedule in a responsible way as the project develops; and the third is to manage the project to achieve the schedule dates.

2. Types of Schedules

There are several different types of schedules used for construction projects. Each has its place in the project and each serves a somewhat different purpose. No schedule is better than the data from which the schedule is developed. Therefore, in the initial stages of a project, when very little schedule information is available, the Project Schedule will have a different format and detail level than the Construction Schedule produced by the Contractor, when drawings and specifications are complete. Some of the more common schedule types are:

a) Event/Date Schedule

This type of schedule is simply a list of activities or events which will occur at some point in the project, along with dates for completion of these events. Such a schedule is usually utilized in the early stages of a project, when very little detail is at hand about project activities in terms of specific events, their sequence or relationship to each other, or their duration. Thus, the very first project schedule might have only one entry--the completion date. As the project progresses, schedule refinement begins, with dates for design, bidding, construction, and occupancy entered, for example. As more and more project data becomes apparent, the corresponding detail of events and dates builds the project schedule.

b) Bar Chart

The bar chart type of schedule provides a more pictorial representation of project activities than a simple event/date schedule. Each schedule event is assigned a horizontal time line on the schedule chart, with the line representing time, as related to calendar days. The start and finish dates of each activity are shown on the chart, these dates connected by a heavy line or "bar," hence the name. In addition to providing a visual graphic of the project, the bar chart also introduces two important elements not present in an event/date chart, the duration of an event, and its sequence or relationship to other schedule events. For example, the roof installation activity does not precede the foundation work. The bar chart is a very simple and useful schedule tool and it can be started very early in the project. As with the event/date schedule, it can easily be refined and expanded as more schedule data becomes available.

c) CPM/PERT

CPM (Critical Path Method) and PERT (Program Evaluation and Review Technique) are much more sophisticated and complicated scheduling methods, and require utilization of a computer to be truly effective. The amount of schedule data that can be incorporated is almost endless, limited only by availability. CPM is most common in the construction industry. It plots the duration and sequencing of the various schedule events, using a graphic computer output that is not always easy to understand without much study. The advantages, however, are that the output will clearly show the required sequence of events, the duration of each event, and the critical events in terms of schedule end date (i.e., the "critical path").

Many architects and contractors employ some form of CPM as a management device, usually integrated with their entire business operations. Except for the extra schedule management and control opportunities which CPM offers through the architect or contractor, the Building Committee will not normally be directly involved in CPM scheduling. On the other hand, because it is such an effective schedule process, the Building Committee must give serious consideration to CPM familiarity in evaluating consultants and contractors (see Section 601.)

3. Schedule Management

Successful schedule management by the Building Committee requires only a few basic actions:

- a) to work constantly to enter as much event detail into the schedule as is available, as soon as it is available. Rough estimations of events and dates should also be shown at the inception of a project, and then refined as data becomes more reliable.
- b) to revise and adjust the schedule on a regular basis. Revisions to an event must be carefully planned to avoid unattainable "squeezing" of some other event, simply to preserve a fixed completion end date.
- c) to utilize the skills of the Architect, the Construction Manager, if any, and/or the General Contractor to assist in managing the Project Schedule. They are all contractually required to provide this assistance to the Building Committee.
- d) to be aware of and make schedule allowances for the special time requirements for securing Town, State, and Federal approvals. It is especially important to indicate in the Project Schedule when approval request actions, particularly preliminary reviews and discussions, should be initiated. (See Reference Document REF-5.)
- e) to be aware of and make scheduling allowances for any requests for state or federal funding assistance. Deadlines for making applications for this assistance are of special importance and should be highlighted in the Project Schedule.

While all of the points listed above are important in schedule management, the Building Committee should note that the last two items, approvals and state and federal grants, are absolute "show stoppers" if they are not coordinated properly into the Project Schedule. (See paragraph 603-4.)

The discussion of Design Review scheduling in Section 603-2 illustrates how maintaining an aggressive periodic schedule review program can be an effective management tool in guiding project implementation.

505. PROJECT COMMUNICATIONS

1. General

As the Town agency responsible for generating directive communications on its Project, the Building Committee must manage its communications effectively to ensure that direction is given clearly and concisely and in a timely manner. Misunderstanding and confusion must be avoided.

2. Communications Channels

A key factor in effective communications is to respect the communications channels as established in the contracts with the other parties involved in the Project. For example, typical contracts require that (with only a few specific exceptions) all communications (verbally or in writing) from the "Owner" (i.e., the Building Committee) to the General Contractor must pass through the Architect. Similarly, communications from the General Contractor to the Owner must also pass through the Architect. If a Construction Manager is hired, the communications links become somewhat more complex (see REF-4), but again are clearly spelled out in the contract documents.

3. Key Elements

Other important aspects of effective communications include:

- o all important direction should be in writing, dated and signed.
- o verbal direction, if given, should be confirmed in writing.
- o direction should be clear and unambiguous, and the party responsible for accomplishment designated.
- o when the directive requests action, a date should be specified for expected completion or accomplishment.
- o communications should be received in time to permit the required action by the date specified.

4. Public Relations

The above paragraphs deal with the technical and legal aspects of project communications among the contractual parties. A separate and equally important category of communications is

"public relations." This subject is discussed briefly in paragraph 205-2 d.

506. PROJECT REPORTING

1. General

Periodic reports covering the status of the Project serve two important functions. First, they provide a source of information regarding project activity and progress for interested parties (e.g., the Originating Town Agency and the board or commission of origin). Second, they are a record of project status at regular intervals which may have legal and/or historical significance.

2. Distribution

Building Committees are obligated to submit project status reports every three months to the Town Clerk for distribution to the RTM and the commission or board of origin. (See 402.) The Building Committee should also plan to submit regular project reports to the Board of Selectmen as required by the Board of Selectmen.

3. Preparation

The Building Committee should designate an individual to be responsible for preparing the required Project Reports.

Sources of information for the reports will come from data covered in Building Committee meetings and from required reports generated by the Architect, Construction Manager (if any), and/or the General Contractor.

4. Format

Project Reports need not be lengthy, complicated documents. Generally, the Report should cover the following:

- a) a summary of key activity for the period, highlighting activities completed and started.
- b) a statement of Project funding commitments and expenditures (including estimates of future expenditures) as compared to the Total Project Budget.
- c) a summary of project schedule status indicating the outlook for meeting future key dates.
- d) a notation of significant problems encountered, corrective action taken or to be taken, and impact on schedule and budget.

A suggested format for a monthly Project Status Report is shown in Example EX-4.

507. PROJECT RECORDS

1. General

The Freedom of Information act (see 401) requires that public records or files be kept by the Building Committee. These records include "...any recorded data or information relating to the conduct of the public's business prepared, owned, used, received, or retained by a public agency..." (see REF-1).

In addition to conformance with FOI, a well-managed Project Records file provides a source of accurate historical information in the event of legal actions, as well as giving future Building Committees a first hand account of past experience from which to plan their own activities.

2. Records File

Among the documents which should be included in the Project Records file are:

<u>Document</u>	<u>Repository Department</u>	<u>Manual Reference</u>
Minutes of Meetings	Town Clerk	401
General Correspondence as initiated or received by the Building Committee	Town Clerk	401
Contracts	Purchasing	104, 602, 700
Reports and Studies	Town Clerk	501
Architect Selection Documentation	Town Clerk	601
Testing Requests and Reports	Town Clerk	501
Bidding Documents	Purchasing	700
Construction Progress Reports	Town Clerk	801-7
Change Orders	Purchasing	803
Funding Requests and Payment Records	Accounting	104
Purchase Requisitions and Purchase Orders	Purchasing	104
"As Built" Drawings	Engineering	507-4
Clerk of the Works Records	Town Clerk	804-6
Guarantees and Warranties	Orig. Town Agcy	804-8
Maintenance Manuals	Orig. Town Agcy	804-6
Post-Completion Performance Evaluations (Architect, Clerk of the Works, Consultants, Contractor, etc.)	Town Clerk	901-7
Post Completion Building Evaluation	Town Clerk	901-6

Copies of some of the records noted above will be automatically retained in the files of other Town departments. However, to provide a complete documentation of the Project in a single location, all records as required by FOI should be included in the Project Records file, regardless of other Town records.

Most of the documents referred to above can be attached to the Town Clerk's copy of the minutes of the meeting in which the subject of the document was discussed or mentioned in the minutes. This ensures that the document will be filed in the Project Records in a chronologically correct sequence with easy cross reference to the corresponding minutes.

3. Responsibilities

In general, the FOI-required documents which are to be accumulated in the Project Records file are passed from the Building Committee to the Town Clerk, who is responsible for establishing and maintaining the file, and for making the file material available to the public.

The Building Committee's responsibility in this regard is to ensure that all appropriate documents as required by FOI are properly identified and forwarded to the Town Clerk.

4. "As-Built" Drawings

The Town has established a special procedure for "As-Built" drawings (also known as "Record Copy" or "Record Drawings").

It is customary on most construction projects for change orders, unexpected field conditions, materials unavailability or other adjustments to result in actual construction being different from what was shown on the original contract plans. All of these changes are recorded on the as-built drawings so that the Town will have a true and accurate record of what was in reality built.

The purpose of the special procedure is to ensure that all as-built drawings are properly maintained in a secure, centralized, and controlled location as a permanent record of Town construction projects, while providing easy access to copies of the drawings by qualified parties.

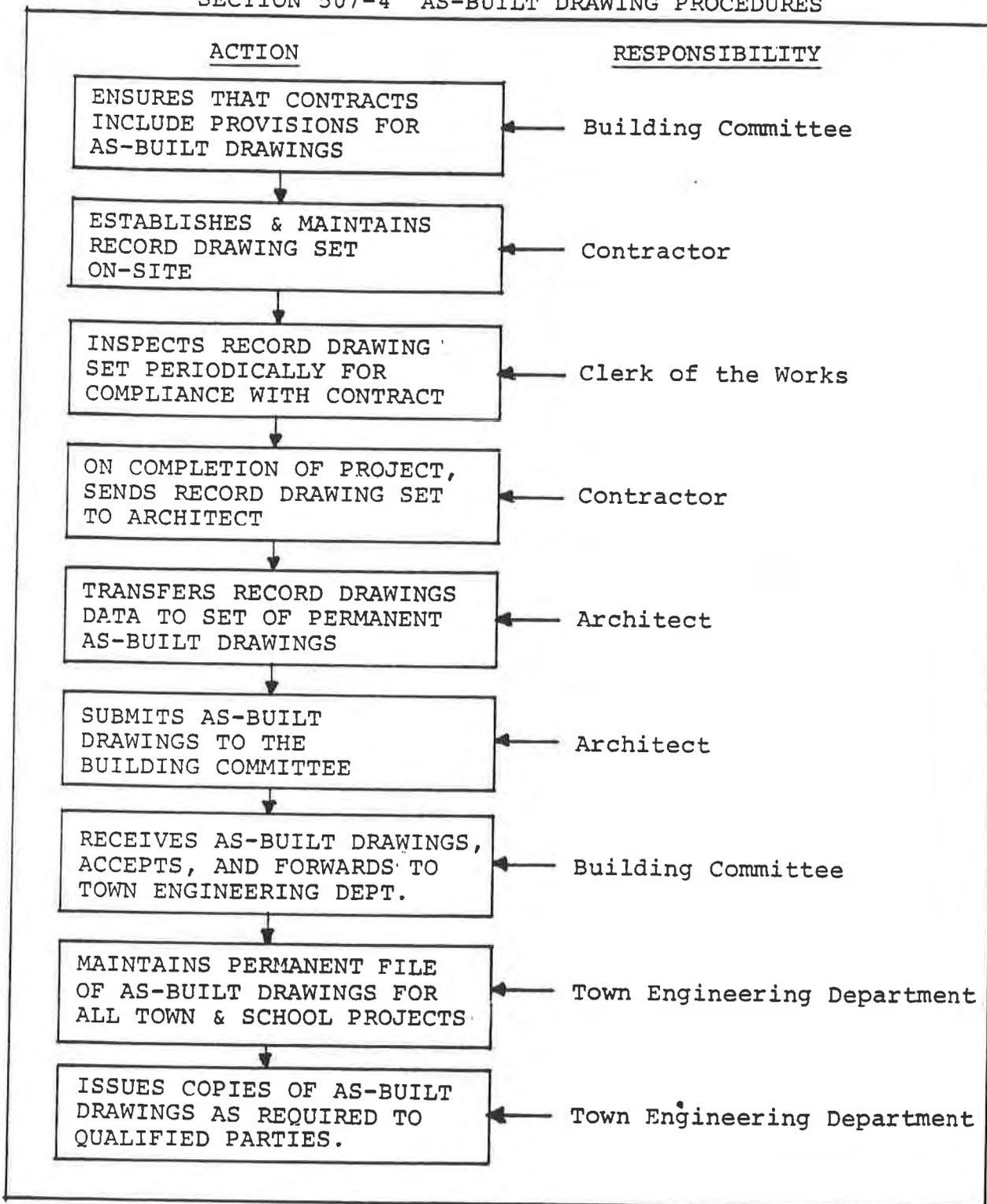
The as-built drawings procedure includes the following steps (see Procedural Diagram on page 507-4):

- a) the contract with the Architect (or other lead design professional) requires the Architect to receive the project record drawings from the Contractor at the completion of construction and to use these drawings

to prepare on mylar (or other durable drafting reproducible medium) a complete set of project drawings representing the project as it was actually built. These as-built project drawings must be submitted to and accepted by the Building Committee prior to final payment to the Architect. This service by the Architect is described in paragraph 3.4.16 of the Owner-Architect Agreement' (AIA Document B141). Building Committees are required to include this optional service in the contract with the Architect, as described in paragraph 602-4.

- b) the contract with the Contractor requires him to maintain a separate set of project record drawings on-site, on which current legible notations are made by him to record the project as it is constructed, as described in paragraph 3.11 of the General Conditions (AIA Document A201). On completion of the project, these record drawings must be forwarded to and accepted by the Architect, prior to final payment to the Contractor, as described in paragraph 804-8.
- c) During construction, the Town's on-site construction representative, the Clerk of the Works, is required to examine the Contractor's record drawings periodically to ensure that the drawings are being properly maintained and the appropriate information recorded. (See Example 12, Clerk of the Works Contract.)
- d) The Building Committee forwards the approved set of as-built drawings received from the Architect to the Town Engineering Department, which has been designated by the Board of Selectmen as custodian to establish and maintain an organized central repository for as-built drawings for all Town and school construction projects.
- e) The Town Engineering Department will use the reproducible as-built drawings to make copies as requested for a particular project by qualified individuals or agencies. The original reproducible as-built drawings, however, remain permanently in the central repository files.

SECTION 507-4 AS-BUILT DRAWING PROCEDURES



SECTION 600

PROJECT DESIGN

SECTION 600. PROJECT DESIGN

601. SELECTION OF ARCHITECTS

1. General

This Section describes the procedures to be followed by a Building Committee to select the Architect for the assigned building project. These procedures, as outlined in the following paragraphs, are to be utilized for all projects which follow normal implementation steps of design and construction. (See procedural diagram, page 601-2.)

Similar procedures are to be used by Feasibility Committees in selecting professional consultants for assistance in preparing feasibility studies.

Where a project has unusual features which might require adjustment or change to the the described procedures, the Building Overview Committee should be consulted for assistance in adjusting procedures and obtaining required approval of any changes to the procedures.

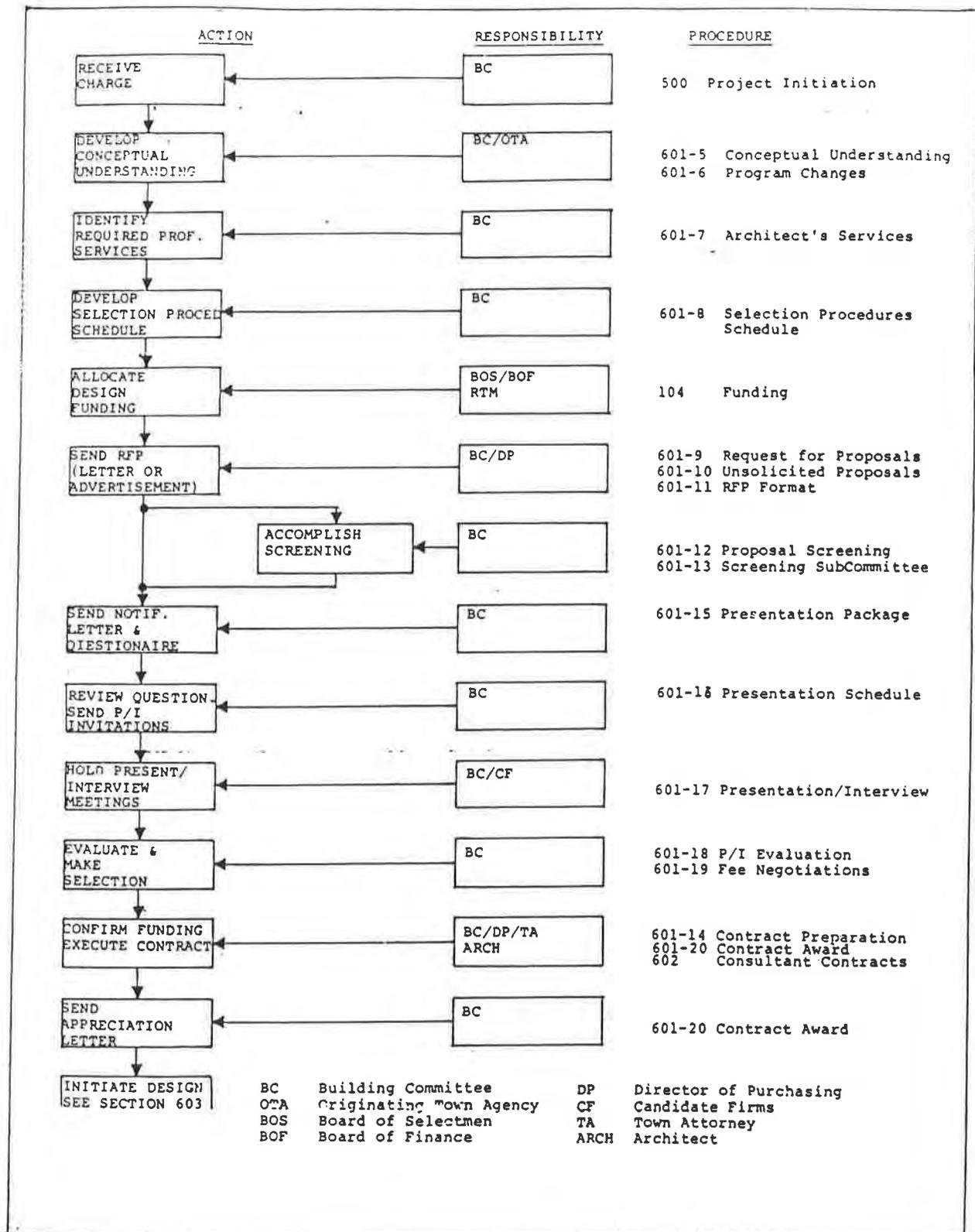
All materials and communications received during the evaluation and selection procedure from candidate firms are to be regarded as confidential matter. Members of the Building Committee must refrain from discussing this material with anyone outside the Building Committee except as required with other Town agencies. Material submitted by a candidate firm shall not be disclosed or discussed with any other candidate firm. (See 203 Statement of Ethics.)

2. Objectives

Proper utilization of the Architect Selection procedures will:

- o ensure that the significant program requirements are clearly defined and communicated equally to all candidate firms, and that meaningful responses are obtained from these firms.
- o place the emphasis of the selection decision on the quality and capability of the candidate firms as demonstrated by the presentation and interviews. The Building Committee must also recognize that the final decision involves perception, judgment, and common sense rather than blindly applying a rigid quasi-mathematical formula, or "points" system. The Architect's fee is an important consideration, (as discussed in 601-20), but the lowest fee is not the prime evaluation factor. (See Section 403.)

SECTION 601 - ARCHITECT SELECTION



- o assist the Building Committee in making a selection decision which will produce the best value to the Town. The procedures provide an objective methodology to guide discussion and analysis which will help reveal the comparative strengths and weaknesses of candidate firms. Personal desires, political pressures, and other non-objective influences can be largely avoided through a conscientious utilization of these selection procedures by the Building Committee.

3. Non-Architect Consultants

On certain projects, the principal design consultant might be an Engineer or other non-architect professional consultant, as determined by the Building Committee after reviewing project requirements. These selection procedures should, for the most part, be equally applicable to these non-architect situations.

4. Building Overview Committee

The Building Overview Committee is prepared to counsel the Building Committee in all aspects of this procedure except the final selection decision itself, which is the sole responsibility of the Building Committee.

5. Conceptual Understanding of Project

Before the Architect Selection procedures are initiated by the Building Committee, the Building Committee must have at least a conceptual understanding of the proposed project to provide a basis for soliciting proposals and the evaluation and selection process. Included in the conceptual understanding should be:

- o type of facility, size, location, and possible special design and technical requirements.
- o tentative concept of order-of-magnitude budget and schedule requirements.
- o tentative idea of the probable construction approach:
 - competitively-bid lump sum general construction contract.
 - negotiated general construction contract with a guaranteed maximum price. Savings, if any, may be shared between Owner and Contractor.

- construction management employing competitively-bid multiple prime contract and on-site construction work management.
- design/build, which provides a guaranteed maximum price based on preliminary drawings and specifications, and offers the potential for schedule acceleration.

These construction contract types are discussed in detail in Section 700.

Most of the information for the conceptual understanding as outlined above may be available from the Charge as initially received from the Originating Town Agency. If not, the Building Committee must work with the Originating Town Agency to arrive at mutual agreement on the conceptual understanding.

6. Program Changes

At this early conceptual stage of program development, much of the information listed above may be vague and extremely limited. This tentative program will therefore always be subject to change as the project proceeds.

Once the Architect is contracted and functioning, his recommendations may also necessitate reconsideration of early project data as initially developed by the Building Committee. Flexibility in evaluating and adapting the project program to valid new information as it becomes available is a key function of the Building Committee in producing a meaningful project program.

It is the responsibility of the Building Committee to maintain an on-going liaison with the Originating Town Agency to keep the Originating Town Agency informed as program development proceeds. Major changes to the program not covered or anticipated in the Charge must be approved by the Originating Town Agency.

The cost impact of changes must be carefully monitored by the Building Committee, and potential budget problems must be reviewed with the Originating Town Agency.

7. Architect's Services

In addition to the conceptual understanding of the proposed project, the Building Committee must have a clear picture of the full range of services which typically are offered by Architects so that the Building Committee can identify and

The Building Overview Committee is available to assist the Building Committee in determining what architectural services are appropriate for the proposed project.

Reference Document REF-3 provides additional detail about the Architect's services.

8. Selection Procedures Schedule

Before commencing implementation of the Architect Selection procedures, the Building Committee should also develop a detailed schedule for the Selection procedures, showing each of the steps in the procedure and dates for initiation and completion of each step. (See Schedule, Example EX-1.)

9. Initial Request for Proposals

The Architect Selection procedure is normally initiated by requesting proposals from interested architects. The Request for Proposals (RFP) is accomplished by placing an advertisement in local papers, or by sending letters directly to various architects. If the advertisement method is selected, the Building Committee shall obtain assistance from the Town Purchasing Department in preparing and placing the advertisement. A sample advertisement is shown in Example EX-2.

The RFP letter to the architects has the advantage of giving the Building Committee more control over the number of architects to be considered by limiting the number of letters sent out. (See Example EX-3.)

The Building Committee can obtain names of architects from various sources:

- o state agencies may be willing to provide names of architects with experience in certain types of projects.
- o the Connecticut Society of Architects may also provide names of experienced architects for certain projects.
- o boards or commissions of neighboring towns may have experience with architects on similar projects.
- o local architects, engineers, or contractors may be familiar with names of architects with the necessary qualifications.

- o former Town Building Committees and especially the Town Purchasing Department can give assessments of architects' performance on previous projects. It should be noted that RTM procedures require that the Building Committee shall interview at least two previous Building Committee chairmen regarding past performance of their architects. (See Section 402.)

The RTM Building Committee Procedures, as amended (402) require that the Building Committee interview a minimum of six candidate firms. Except in special situations, six firms should also be the maximum number of firms to be considered. Interviewing and evaluating more than six firms becomes very time-consuming, unwieldy, and counter-productive.

If only six qualified firms respond to the initial proposal request, the Building Committee should omit the short list screening process described in 601-12 and 13, and proceed directly with the presentation/interview procedures described in 601-15, 16, and 17.

10. Unsolicited Proposals

Because professional consultants have alternative sources of information regarding pending building projects (e.g., Dodge Reports, local news items, friends and business acquaintances, etc.) the Building Committee should expect to receive inquiries and unsolicited proposals from architects other than those responding in accordance with the advertisement or letters. Depending on the number of "official" responses to the advertisement or letters, the quality of those responses, and other factors, the Building Committee may elect to consider some of the unsolicited responses. In this case, requests must be made to these firms to obtain any missing data in their responses so that the unsolicited proposals will supply all of the information required by the advertisement or letter request for proposals.

11. Request for Proposals Format

The Request for Proposal in either the advertisement or letter format will contain essentially the same information. This information is divided into two basic parts:

- a) a brief description of the proposed project. This description is based on the "conceptual understanding" of the project as described in paragraph 601-5. The Building Committee will have to decide if it wishes to include any budget data in the project description. A budget figure

will help the architects in their general understanding of the scope and quality of the proposed project. However, any budget figures developed at this very early stage risk being inaccurate and misleading.

- b) a request for a brief description of the architect's firm. The amount of information requested at this point should be only as much as is required to establish that the architect is qualified to be considered as a candidate firm in the Building Committee's final evaluation and selection process. More detailed information regarding the architect's capabilities will be obtained for this final selection process, as described in paragraph 601-15.

Typical examples of Requests for Proposals are shown in Example EX-2 (advertisement) and Example EX-3 (letter).

12. Proposal Screening

If the request for proposals produces more than six qualified candidate firms, the Building Committee must develop a "Short List" of the six most qualified firms who will then be subject to a final in-depth evaluation (the Presentation/Interview). The development of the Short List is accomplished by a "screening" process. The evaluation and screening uses only the information contained in the proposal responses, and, except to obtain any missing data, there should be no need for the Building Committee to communicate with any of the candidate firms. Normally, a response which does not conform to the advertisement requirements should be discarded without further consideration by the Building Committee. Interviews or meetings with representatives of candidate firms should also not be undertaken at this screening stage. The objective of the screening activity is to cull through the responses and select the six most outstanding candidate firms (in the judgment of the Building Committee) for the final evaluation.

The screening process is necessarily rapid and should normally be accomplished at a single meeting session. The Building Committee must maintain a firm determination to produce the required Short List without prolonged discussion or endless indecision. The final Short List may exclude fully qualified firms. Once the Short List is identified, the Building Committee must be prepared to support its difficult decision without any reservations.

The screening technique to be utilized by the Building Committee in its bare, essential form is, quite simply, to find reasons to include only six out of a list of what are all

probably well qualified firms for the more detailed second phase evaluation, to the exclusion of all these other qualified firms.

13. Screening Subcommittee

If desirable, the Building Committee may designate a subcommittee to perform the screening and evaluation and present its recommendations to the full Committee for the final Short List selection.

14. Contract Preparation

Simultaneously with other activities in the Architect selection process, the Building Committee must begin planning the contract to be signed with the selected Architect.

While the use of a standard contract form may help simplify the final contract format, the planning and legal considerations necessary to produce a contract that is equitable, provides for all of the services required for the project, and protects the interests of the Town, will require considerable effort and forethought by the Building Committee. It is therefore necessary for contract preparation, particularly in discussions with the Director of Purchasing and the Town Attorney, to take place early in the selection process. These discussions will familiarize the Building Committee with the important provisions of the contract and prepare the Committee for contract negotiations with the Architect or other consultant.

Details of consultant contracts are discussed in Section 601.

15. Notification/Questionnaire Package

With a "short list" of six qualified candidate firms in hand (either through limiting the number of Requests for Proposals sent out or through screening), the Building Committee must next inform these candidate firms of their selection for final evaluation and advise them of the next steps in the selection process.

The Notification/Questionnaire package normally includes the following:

- o a transmittal letter identifying the Building Committee and the project, describing the selection process, requesting a response to the Questionnaire, noting a due date, and

requesting an acceptance acknowledgment. (See Example EX-5.)

- o a project description, which summarizes basic building requirements, provides site and schedule information, outlines the consulting services being requested, and describes the Owner/Architect Agreement format. (See Example EX-6.)
- o format of required Questionnaire information regarding the candidate firms:

- relevant experience
- proposed staffing (including outside consultants, if any)
- resumes of key personnel
- current workload
- plan of work and schedule for the proposed project
- fee proposal (total fee and fee basis, direct payroll multiplier, estimate of reimbursables, etc.)
- general information about firm (ownership, size, strengths, etc.)
- financial references
- client references
- schedule and budget controls for project
- insurance data (errors and omissions, public liability, etc.)
- specializations of firm (distinctive capabilities)

(See Example EX-7.)

16. Presentation/Interview Schedule

The Building Committee should arrange the Presentation/Interview schedule to ensure receiving Questionnaire responses from the short-listed candidate firms well in advance of the date(s) set for presentations and interviews with the various firms. This provides an opportunity for the Building Committee to review each of the Questionnaire responses to determine if all data has been provided and to become familiar with each firm's data prior to the actual interview.

17. Presentation/Interview

Following acceptance by the Building Committee of the Questionnaire responses from the candidate firms, the Building Committee sends a letter to each firm, specifying the time and place for the interview and presentation. (See Example EX-8.)

A typical agenda for a presentation and interview might include:

Introductions	5 min.	Building Committee
Presentation	30 min.	Candidate Firm
Interview	30 min.	Committee/Firm
Wrap Up	10 min.	Building Committee

Each candidate firm should make its presentation with no other candidate firms present.

The meeting place should provide required audio/visual equipment and display space for material included in the presentation. Seating accommodations should be provided for the participants and the general public as anticipated by the Building Committee.

Members of the Building Committee should plan to take copious notes during each firm's presentation and interview. These notes will be extremely useful later in the evaluation process helping to recall aspects of the presentation and distinguishing one firm's presentation from another. Reliance on memory alone will produce only a blurred and incomplete recollection of the presentations. Using the Evaluation Matrix form (EX-9) during the presentations and interviews may also be helpful in making "on the spot" evaluations.

18. Construction Management Decision

One of the more important questions to be explored during the Architect selection process is the matter of using a General Contractor (GC) or Construction Manager (CM). As noted in Section 701-4, it is necessary for the Building Committee to make the GC/CM decision very early in the project. That is why, for example, the RFP letter sent out by the Building Committee to initiate the selection procedures requests the candidate architectural firms to express their opinion regarding the preferred type of construction contract. However, Building Committees should not expect to receive definitive responses to this question, nor to get solid recommendations for either CM or GC during the interviews from any of the candidate firms. Obviously, not knowing at that stage which form of construction contract will be ultimately chosen, and wishing to maintain flexibility to enhance their chances of being selected, the candidate firms will be loathe to express a preference and will therefore most likely state that they have and can work under either arrangement.

Meaningful discussion with an architect regarding the GC/CM choice should be left until after the Architect has been selected. The selected firm will then feel more at ease in expressing an opinion and will have a better understanding of the project as a basis for that opinion.

19. Presentation/Interview Evaluation

The evaluation process and the selection decision for the Architect involves the full participation of the Building Committee. The process is based on the presumption that all of the candidate firms are equally qualified to perform the required services. A detailed discussion of the information provided by each candidate firm and the data covered in the presentations will be required to ensure that the strengths and weaknesses of each firm have been identified and comparatively evaluated.

Although it is difficult to avoid subjective evaluations based on personal impressions formed during the presentation/interview, each Building Committee member should endeavor to make judgments on the basis of objective factors related to each firm's demonstrated qualifications.

The overall evaluation process should address these general categories of factors:

- 1) Which firm has the best resources and stability?
- 2) Which firm can best staff and manage the project?
- 3) Which firm has the best experience on similar projects?
- 4) Which firm exhibits the best cost and schedule control?
- 5) Which firm received the best evaluation from clients?
- 6) Which firm has the most reasonable fee, commensurate with services to be provided?
- 7) Which firm exhibits the most understanding and empathy for the objectives of the project program?

One of the most productive methods for objective evaluation of candidate firms is to utilize an "Evaluation Matrix," as suggested in Example EX-9. This matrix form considers each of the seven evaluation categories noted above, and lists a number of related factors to be weighed in arriving at a point/score total for each candidate firm. The Evaluation Matrix method will assist in guiding and reviewing the qualifications of each firm in an orderly, objective manner. It also helps ensure that all important evaluation points are covered, and it provides a documented summary record of the comparative evaluations.

The completed Matrix form is a useful tool in arriving at the selection decision. However, it is not a substitute for logic, common sense, and intuitive perception. Thus, it may be that the selected firm is not the highest scoring firm as shown on the form. In this case, the Building Committee should be prepared to demonstrate the factors leading to its alternative choice.

20. Negotiating the Fee

The Town Charter specifically exempts the purchase of professional services from competitive bidding requirements, the intent of this provision being to permit a Building Committee to select an architect on the basis of best qualifications and capabilities for a proposed project (see Section 403). Nonetheless, the cost of the architect's services, i.e., the total fee, must be an important factor in the Building Committee's evaluation process.

The selected Architect will obviously be a key member of the project team, and the Building Committee must establish and maintain an effective working relationship with the Architect. However, in negotiating the Architect's fee, the Building Committee, as guardian of tax dollars, must have a hard-nosed, aggressive stance in obtaining the lowest fee commensurate with the scope and quality of the required services. The Architect's fee is not a "sacred cow." "Comparison shopping" is just as valid in reviewing the Architect's fee as it is in purchasing a new automobile or television set, where costs are weighed against features on a comparative basis.

o Higher/Lower Fees

The Building Committee must ascertain, for example, that the significantly higher fees quoted by one of the candidate firms are fully justified by the superior quality of services to be provided. Similarly, the Building Committee must determine that a firm which proposed markedly lower fees is not omitting required services or otherwise "cutting corners" as compared to the other candidate firms.

o Base Fee

The Architect's total fee is typically divided into three categories. Usually, the largest part of the fee is the "base fee," which represents the Architect's charges for the basic professional services required for the project. The base fee can be quoted as a lump sum, an hourly charge, a percentage of

estimated construction cost, etc. Additionally, the type of construction contract may affect the fee.

- o Direct Payroll

A second component of the total fee is the direct payroll rate and a markup or "multiplier" to cover overhead and profit on staff hours charged to the project. This category is usually applied to services provided over and above the services covered in the base fee. For example, extra design time to make drafting changes after designs have been approved would probably be covered by this category of charges. The definition of when these "extra" charges would be incurred must be clearly understood.

- o Reimbursables

A third part of the total fee is "reimbursables," which covers various expenses incurred by the architect in performing his work and not included under the base fee. Travel, telephone, special outside consultants, printing, etc., might be examples of reimbursable expenses. The fee information in the presentation package should list all reimbursable expenses and indicate if these expenses are billed at cost or if an administrative markup is included.

- o Fee Evaluation

Instances may arrive where the candidate firm apparently the most highly qualified has, unfortunately, quoted the highest total fee. There are a number of areas which the Building Committee should explore in this case in an effort to reduce the fee. If the base fee is a lump sum, the percentage of estimated construction cost can be easily calculated and compared with other candidate firms, and with percentages experienced on other comparable projects and with "industry standards." (Prior to problems with antitrust laws, the Connecticut Society of Architects published representative "standard" fees for various categories of projects but fee schedules are no longer available.) In addition, the multiplier proposed for direct payroll expenses should be similarly compared to ensure that the multiplier is reasonable and fair. If a large amount of extra design work is required, as often happens, the multiplier can be a significant total fee factor. Also, the items listed in the reimbursables category should be reviewed and compared to avoid charges for items which are covered in the other candidate firms' base fee.

o Fixed Fee

A base fee that is expressed as a fixed lump sum in the Owner/Architect agreement is often the preferred result of fee negotiations. Fixing the dollar amount of the fee at the initial stage removes any later suspicion that the Architect is designing an "expensive" building just to increase his fee. It also eliminates the perceived penalty to the architect of a reduced fee if the final cost of construction is less than initially anticipated. In effect, this encourages the Architect to seek ways to reduce construction costs to satisfy the project budget.

21. Contract Award

As described in Section 602, the Building Committee should have obtained the concurrence from the Town Attorney regarding the contract document itself. The Committee should also ensure that funds are available to cover the cash flow commitments designated in the contract, as described in Section 104. In addition, the Building Committee should also determine that the designated representatives of the Town and the selected Architect have the proper legal authority to sign the contract.

After the contract has been executed, the Building Committee should send a brief letter to each of the other candidate firms interviewed announcing the final decision. (See Example EX-10.)

22. Notification and Letter of Intent

For various reasons, it may not always be possible to have a contract prepared and ready to execute immediately following completion of the selection process and designation of the successful firm. To fill this gap, the Building Committee can consider two interim communications. This becomes of special importance if there is a schedule need for the Architect to commence some early phase of design activity as soon as possible.

The first of these two communications is a short "Notification Letter," which is sent by the Building Committee (with concurrence from the Director of Purchasing) to inform the Architect in writing of his selection. In many cases, the Architect will already be aware of his selection, but the Notification Letter is the official confirmation. Often, based on this notification, the Architect may be willing to begin some of the project activities which do not involve a large

financial exposure but which are essential to launch the project.

The second document is a "Letter of Intent." This communication is somewhat more formal and carries more legal significance, because it commits the Town in terms of the Town's intent to enter into a contract with the Architect. The Letter of Intent would be utilized if the Architect were to require a more binding commitment on the part of the Town than is contained in a simple Notification Letter, or if the Building Committee were to foresee a significant delay before the actual contract could be executed. The Town Attorney and the Director of Purchasing should be consulted for assistance in preparing Letters of Intent.

602. CONSULTANT CONTRACTS

1. General

Building Committees are normally involved in two general types of project-related contracts--those utilized for employing professional consultants and those used to purchase construction. Construction contracts are discussed in Section 700.

Normally, consultant contracts (the actual document is called the "Agreement") are in the form of standard documents usually published by the professional consultant society organizations. Architect, engineer, and interior design contracts are among the more common examples. Using these standard documents has advantages, chiefly that the terms and conditions are usually well understood by the parties involved, and the legal implications of these terms and conditions have been well tested in the courts. Among the disadvantages are that, being standard documents, they are sometimes difficult to apply to special situations of a given project, and, because they are published by the professions themselves, the provisions of the documents tend to favor the consultant, for example, in terms of limiting liabilities and responsibilities of the consultant.

2. Contract Forms

The consultant contract forms normally used for employing an architect are published by the American Institute of Architects, as follows:

- AIA B141 Owner/Architect Agreement
 (used if there is no Construction Manager)
- AIA B141/CM Owner/Architect Agreement (CM Edition)
 (used if the Building Committee plans to hire a
 Construction Manager. See Section 700 for
 discussion of Construction Management.)

Copies of these and other standard contract forms are contained in Reference Document REF-4.

Building Committees may consult with the Town Director of Purchasing for counsel in determining the appropriate contract form to be utilized.

3. Contract Review

Building Committees must review proposed contracts with the Town Attorney, with particular emphasis on any change which is contemplated in the wording of the standard document. (This review can be a somewhat lengthy process, so that arrangements must be made well in advance with the Town Attorney to avoid delays in finalizing the contract.) In this review, the Building Committee must be aware that the consultant contract interlocks legally very closely with other contract documents, specifically the construction contract and the "General Conditions" (See Section 700). Any change in the consultant contract must be carefully coordinated with these other contract documents.

Building Committees must also be certain that the proposed standard contract forms are the latest editions of the forms. Using forms of different "vintages" can create legal problems. Information on the latest editions of AIA forms can be obtained from the Connecticut Society of Architects.

Although the contract forms are not easy to read and comprehend (for non-lawyers), Building Committee members should be familiar with the important contract provisions, especially those relating to fees and to the Architect's very limited responsibilities for his cost estimates, construction schedule, construction methods and safety, and for the construction work results and warranties.

The Building Committee should recognize that the Architect will also be reviewing the proposed contract provisions with his attorney. This review will most certainly include any revisions to the language of the standard AIA contract format as proposed by the Building Committee, or as required by the Town. The Building Committee, with counsel from the Town Attorney, must be prepared to negotiate these revisions and counter-revisions in the best interests of the Town.

4. As-Built Drawings

Town procedures require that the Architect provide "as-built" drawings to the Town at the completion of a project. (See paragraph 507-4 for details of as-built drawing procedures.)

Providing as-built drawings is not normally included as part of the Architect's basic services. Instead, as-built drawing preparation is listed as an "Optional Additional Service" in AIA Document B141, Owner-Architect Agreement, paragraph 3.4.16. Therefore, the Building Committee must ensure that this service is included in the Architect's contract.

603. DESIGN REVIEW

1. General

During the Design stage of the project, the Architect is the principal player, as he and his staff work to produce the drawings and specifications which will be used for construction. However, during this period, the Building Committee's activities, although more limited in terms of man-hours, are undoubtedly its most important responsibility from the standpoint of the final completed project. The Building Committee's function during this critical period is to conduct periodic design reviews with the Architect. It is during these reviews that the discussions and decisions will determine in large part the final results of the project. The Procedural Diagram on page 603-2 shows the activity flow for a typical project.

2. Review Schedule

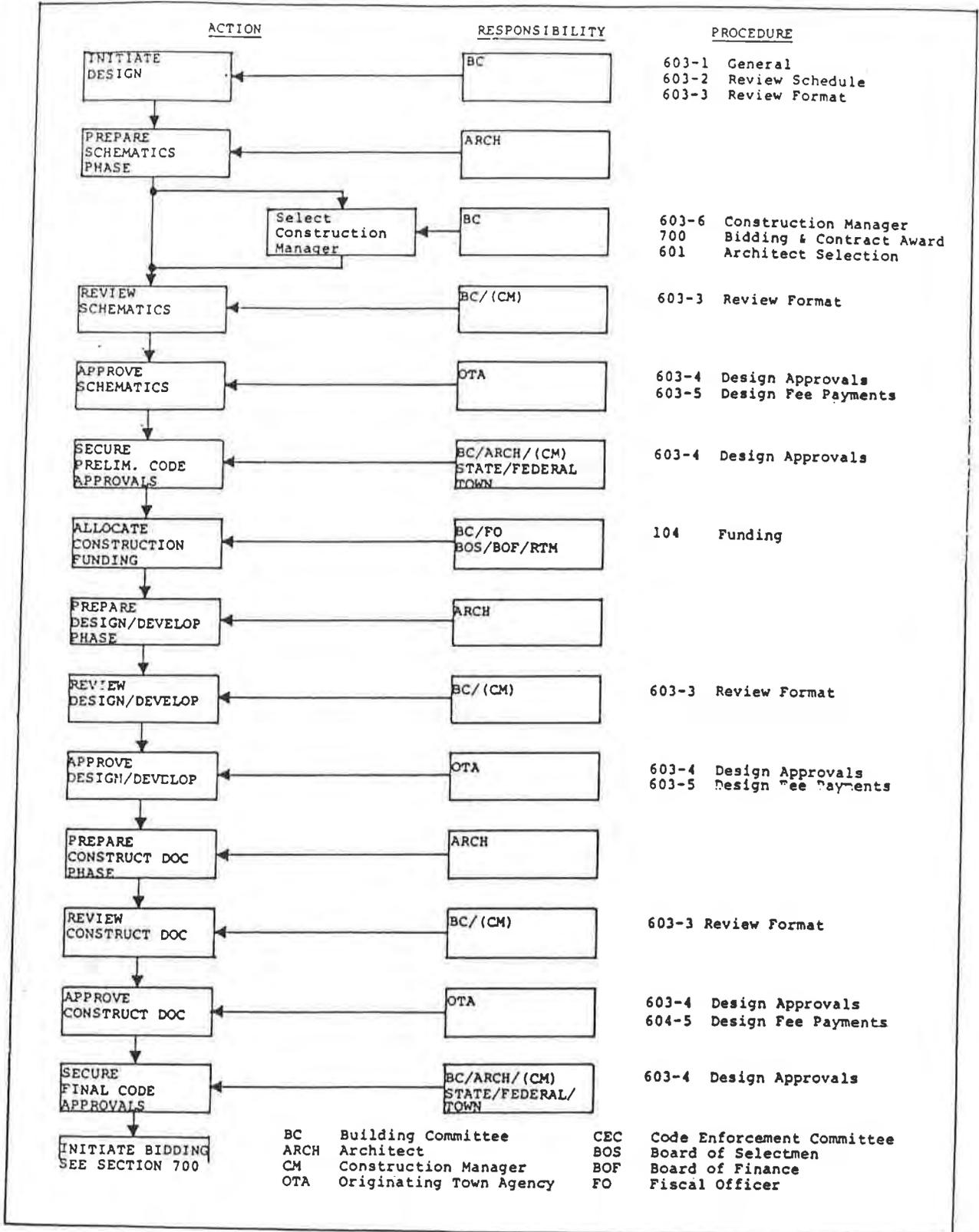
Design review dates for all design phases should be established with the Architect at the inception of the Design stage. This assures that the Building Committee will review design at key points in the process. Also by setting the dates in advance, the Building Committee has an automatic way to determine that the Architect's work is progressing satisfactorily. In other words, a missed review date raises a caution flag for the Building Committee.

Review sessions should be scheduled to examine the completion of each design phase--schematics, design development, and construction documents. Intermediate reviews may also be advisable at appropriate points in any design phase, but especially during the pre-design and schematics phases when far-reaching conceptual decisions are being made. Similarly, there may be a need for more frequent reviews during the more prolonged construction documents phase to ensure that decisions made during earlier phases are appearing in the final drawings and specifications.

Special circumstances may require that either the Architect or the Building Committee call an unscheduled meeting to discuss specific questions. The Building Committee should make every effort to assemble a quorum for these important meetings so that design can progress expeditiously.

Review meeting intervals should not exceed a month as a general rule. With longer intervals, the Building Committee may find itself losing control of the design process.

SECTION 603 - DESIGN REVIEW



3. Review Format

The review format at the points where the Architect presents completed phases of design should always cover three major areas:

- a) a thorough review of the designs and specifications.

The architect should "walk" the Building Committee through the design, pointing out new features and any changes from previous reviews. This is the opportunity for the Building Committee to ask probing "why" and "how" questions, and to assure themselves that they understand what the Architect is doing. The technical content of the specifications is more difficult for a Building Committee to review, but the "specs" are to a large extent simply a reflection of the design. The Building Committee should at least satisfy itself that the specifications production is generally keeping proper pace with the design. The Building Committee should also guard against any proprietary, single-source specifications, unless they can be justified by the Architect.

- b) a detailed review of the Project Budget. (See 506.)

In this review, the Building Committee should not only look at the budget totals, but should also make sure that the Architect can satisfactorily explain and account for all line item cost figures. The Budget review includes not only the Architect's construction cost estimate, but also the cost of the Architect's work, and all other costs which make up the total Project Budget. By making this detailed budget review, the Building Committee keeps periodic track of its total budget responsibility.

- c) an updating of the Project Schedule. (See 507.)

The ultimate "target date" of schedule projections is, of course, the construction completion and occupancy date. The Building Committee must assure itself that no changes in dates for individual line item actions in the schedule adversely affect the target completion date. Also, the schedule review should show evidence that, at the date of the review, all activities underway or completed are, in fact, on schedule. The review then proceeds to look at the key dates for design, bidding, construction, and occupancy to ensure that these dates remain valid.

When schedule adjustments are required to hold the target completion date, the Building Committee must insist that adjustments are made in a judicious manner. If the Architect's schedule originally showed an activity taking three weeks, and later he (apparently arbitrarily) takes one week off this time because of slippage in some other schedule activity, the Building Committee needs to understand that such a revision is truly feasible, not just convenient.

4. Design Approvals

The Building Committee should ensure that representatives of the Originating Town Agency participate as required in the design review process to make sure that the design is producing the type of facility required by the Originating Town Agency.

A second approval responsibility of the Building Committee is to ensure that various outside governmental agencies have timely opportunities to review and approve designs as required by Town, State, and Federal regulations. By contract, the Architect (and the Construction Manager, if any) has the obligation to "assist the Owner" in various aspects of governmental approvals, but these consultants are not the responsible party. However, the Building Committee should expect the Architect to be knowledgeable in the types of governmental approvals required for the project and at what point in the project process the approval requests should be initiated.

A key part of the governmental agency approval process is to secure the required approvals from various Town departments. The Town has established a Code Enforcement Committee which coordinates the departmental approvals. The Code Enforcement Committee in turn has developed procedures for obtaining these approvals. The Code Enforcement Committee procedures are described in Reference Document REF-5.

The Building Committee should note that the Code Enforcement Committee is available for preliminary reviews prior to completion of drawings and specifications. Early consultations and a close working relationship with the Code Enforcement Committee will avoid design mistakes which might be costly to correct later. The Building Committee should also make sure that the Architect is familiar with Code Enforcement Committee procedures and knows that he is expected to be present at the reviews. The Building Committee must ensure that sufficient time is allocated in the design schedule for the Code

Enforcement Committee review process and the final formal approvals of the completed drawings and specifications.

5. Design Fee Payments

The contract with the Architect normally states the amount of money due to the Architect at the completion of each design phase, as well as any periodic progress payments during design phases. The Building Committee must make sure that the final payment for any phase of design is not approved for payment until that particular design phase is totally completed and accepted by the Building Committee. Where governmental agency approvals are part of a particular design phase, payment should not be made until the required approvals are in hand as well.

6. Construction Management

The procedural diagram on page 603-2 shows a procedural step entitled "Select Construction Manager" immediately following completion of Schematic Design by the Architect.

Construction Management is one of several alternative methods for accomplishing the construction phase of the project. However, unlike the other methods, the decision to use or not use the construction management method must be made early in the project. To derive the most benefit from construction management, this decision must be made and the Construction Manager selected and functioning no later in the project implementation than the completion of Schematics as shown on the procedural diagram.

Construction Management and the other methods for accomplishing the construction phase of the project are discussed in Section 700.

SECTION 700

BIDDING AND CONTRACT AWARD

SECTION 700. BIDDING AND CONTRACT AWARD

701. CONSTRUCTION CONTRACT STRATEGY

1. General

The Town Charter requires that all major purchases, such as construction, be made by Town agencies through competitive bidding. (See Section 403.) Competitive bidding is a traditional, well-defined process in both the private and the public sectors, with certain special aspects in bidding on public projects. Over the years, many different types of construction contracts have been developed to suit the differing circumstances of various projects. Some of the contract types lend themselves to the competitive bidding process, while others are used more frequently on a "negotiations" basis, and are thus not applicable to Town projects.

2. Legal Considerations

A construction contract consists of a number of documents which collectively are called the "Contract Documents." The Contract Documents normally include, but are not limited to:

- the Agreement
- the Drawings
- the Specifications
- the General Conditions
- the Special Conditions
- the Bid Documents
- the Change Orders
- the Shop Drawings
- and, in some cases, the Cost Estimate and/or Project Schedule.

The Agreement is the key document in that it is the legal instrument which, when executed, consolidates all of the other Contract Documents into a total expression of the intent of the parties. The Agreement is also the variable element which establishes the type of construction contract approach to be used.

Most of the normal construction contract types are described in standard Agreement contract forms published by various professional and industry organizations. The most common, and the ones normally utilized by the Town, are those published by the American Institute of Architects (AIA). Copies of relevant

AIA standard documents are included in Reference Document REF-4.

3. Contract Strategy Considerations

In selecting the construction contract type, the Building Committee measures the advantages and disadvantages of each type of contract with respect to the variables of the project. For example, one contract type might be more appropriate if the details of the project design are well-defined at bidding time, while another type might be better if project design (for whatever reason) is not fully complete when bids are taken. Similarly, the time available for construction or the complexity of the project might suggest the type of contract best suited to the situation.

Building Committees should note also that the type of contract selected can have a direct impact on the final project cost. For example, selecting a type of contract which relies on complete drawings and detailed specifications to define the construction work in a situation where drawings and specifications are actually somewhat vague can lead to misunderstandings and extra costs.

Another strategy factor, often overlooked, is the consideration of risk cost and risk assignment. Risk is usually measured in financial terms and is the cost associated with the degree of uncertainty that exists in a contract negotiation. For example, if drawings are not fully detailed, a bidder will be obliged to guess at some of the required construction. The less sure he is about the required work, the more he adds to his bid to protect himself against the unknown.

If, at project completion, the worst risk has not occurred, the builder pockets excessive profits. On the other hand, the builder may not have sufficient funds to cover the worst risk case and could be in financial difficulty by the end of the project and the project will suffer.

4. Selection Process

Each of the contract types (as included in REF-4) offers significant advantages and disadvantages with respect to a particular project. The Building Committee must select the contract type which is most appropriate for the assigned project. Contract law is a complex specialty of the legal profession, and Building Committee members should not expect to become overnight experts in this field. However, they should acquire a general understanding of the various contract formats

and provisions so that the selected contract type will serve the best interests of the Town.

It is also important for the Building Committee to begin consideration of the construction contract early in the project implementation. For example, Section 601 (Architect Selection Process) suggests that the architectural firms being contacted for presentations and interviews be given an indication of the possible construction contract choice in the RFP letter. Similarly, Section 603 (Construction Management) points out to the Building Committee the need to reach a decision regarding a Construction Manager (one of the construction contract types) at an early design stage.

The various construction contract types are summarized in following paragraphs. In reviewing the contracts, the Building Committee should examine the documents themselves in REF-4, and should also make use of the expertise and experience of the Architect and consult with the Director of Purchasing. Guidance from the Town Attorney may also be appropriate.

702. STIPULATED SUM CONTRACT (See B141, A101, and A201.)

1. General

The "Stipulated Sum" (General Contractor) construction contract is the basic form for construction, probably the most common, and the format from which other types of construction contracts were developed to meet special circumstances on various projects over time.

The Stipulated Sum contract preserves the traditional Owner/Architect/General Contractor relationships. The Owner has separate contracts with the Architect and with the General Contractor. The Architect, because of his assumed knowledge of construction, acts in the Owner's behalf during construction in dealing with the General Contractor, as well as having the design responsibility. The General Contractor in turn contracts directly (subcontracts) with each of the trades and suppliers required for the project.

Based on the Construction Documents provided to the General Contractor by the Owner at the time of bidding, the General Contractor agrees to perform the construction work for a fixed lump sum, i.e., the stipulated sum. In addition to the cost of the construction, the General Contractor is also responsible for the performance of all subcontractors and the quality of their work. He can also be made responsible for meeting the project schedule. Changes in the project cost and schedule are controlled and authorized only by approved change orders.

2. Advantages/Disadvantages

Among the advantages claimed for the Stipulated Sum Contract are:

- o traditional format - all parties familiar with roles and responsibilities.
- o legal aspects well-tested in the courts.
- o General Contractor uniquely responsible for quality, cost and schedule.
- o facilitates competitive bidding.
- o cost of construction fixed and controllable.
- o all subcontractor administration by General Contractor.

- o General Contractor uniquely responsible for post-completion warranties and guarantee.
- o can easily include incentives to achieve schedule target dates. (See 705-8.)
- o subcontractor negotiations and bidding not restricted by public sector legal requirements.

Among the disadvantages are:

- o depends on complete and accurate drawings and specifications to avoid possible delays and extra cost claims.
- o Owner has only the Architect to rely on for advice concerning construction matters.
- o "adversary" relationship with General Contractor.
- o Owner must assume direct responsibility for any "fast track" contracts or "long lead" item purchases until a General Contractor is under contract and responsibility transferred.
- o Building Committee will normally have to hire an Owner Representative (Clerk of the Works) for the construction phase. (See 801-6.)

703. CONSTRUCTION MANAGEMENT

1. General

One of the various types of construction contracts which the Building Committee may wish to consider using is "Construction Management." This system of purchasing construction is a relatively new phenomenon, having reached widespread utilization only within the past decade or so. Traditionally, a construction project is undertaken by a triumvirate type of project team, consisting of the Owner, the Architect, and the General Contractor, all bound together for the implementation of the project by legal agreement. Over the passage of time, roles and responsibilities of this triangular relationship have become well-defined and understood, and have been thoroughly tested in the courts. The Construction Management approach adds a fourth member to the project team, the "Construction Manager," and changes the single General Contractor entity to a number of separate "Prime Contractors."

In its basic form, the Construction Manager acts as an agent of the Owner to manage the construction process for a fee. In doing this, he replaces the General Contractor, who works on a profit basis rather than a fee, and who has an "adversary" relationship with the Owner rather than an agency role. Usually, the Construction Manager also participates in an "expert" role in the design process, where his special knowledge of the construction process may aid the Owner and the Architect in making better design decisions.

2. Decision Timing

There are two preferred points in the project implementation process where the Building Committee can make most effectively the decision to hire or not to hire a Construction Manager. These two points are: a) at the very inception of the project, when the Architect is being selected; and b) during completion of Schematic design by the Architect. In any event, before making the Construction Manager decision, the Building Committee must have a thorough understanding of the Construction Management process as compared to the traditional method, and must weigh the advantages and disadvantages in terms of project circumstances.

The earlier decision point (at Architect selection) has several advantages. Because the Construction Manager will be involved in the design process and will manage construction, the Architect's project responsibilities (and hence his contract with the Owner) will be significantly different than if the

Construction Manager function were to be omitted. Thus, from the outset, the Architect's adjusted role (recognizing the Construction Manager function) can be clearly defined in his contract with the Owner.

Secondly, early involvement of the Construction Manager permits him to participate in design decisions during the early, formative stages of the design process, i.e., the Schematic phase, when many important decisions take place.

An argument can also be made for delaying the Construction Management decision until the Architect is into the Schematics phase design work. Much of the Architect's early efforts during Schematics are related to broad project concepts where the construction detail expertise of the Construction Manager does not have a major impact. This delayed approach also gives the Building Committee an opportunity to understand the Project better and to consult with the Architect regarding Construction Management. It also enables the Building Committee to take on the Architect and Construction Manager selection procedures sequentially rather than simultaneously. Thus the Building Committee may be better able to determine the advisability of hiring a Construction Manager. However, it should also be recognized that delaying the Construction Manager decision complicates some provisions of the Architect's Contract (see paragraph 703-4).

3. Advantages/Disadvantages

The definition and details of the Construction Management method are still evolving, and there is no universal agreement, for example, as to what Construction Management is and what the responsibilities of the Construction Manager should be. However, there are a number of important factors which the Building Committee can consider in its decision to hire or not to hire a Construction Manager. Above all, the Building Committee should not simply assume that a Construction Manager will solve all problems and make life easy for the Building Committee.

Among the advantages claimed for Construction Management are:

- o participation by a knowledgeable construction expert in the design process, resulting in better quality and lower costs.
- o more reliable cost estimates and schedule planning.
- o usually avoids the need for an Owner's Representative (Clerk of the Works).

- o an "agency" relationship with the Owner rather than "adversarial" (as with a General Contractor) during construction, which gives the Owner a more direct role in controlling costs.
- o possible lower Architect fees because the Construction Manager assumes some of the traditional Architect roles and responsibilities.
- o facilitates the ability to expedite construction by "fast-tracking," e.g., to bid and start foundation work before all design is completed, and to prepurchase "long lead" items.

Other possible advantages of Construction Management are the coordinating role that the Construction Manager plays in organizing and managing subcontractors and the construction work directly for the Owner, the "open book" cost management of the project which supposedly gives the Owner better cost control, and Construction Manager administration of the bidding process resulting in lower overall costs to the Owner.

Among the disadvantages of Construction Management are:

- o lack of contractual responsibility on the part of the Construction Manager to meet project cost, schedule, or quality targets. These risks fall on the Owner.
- o absence of single-source overall post-completion guarantee/warranty responsibility for the project.
- o can place an additional burden on the Town Purchasing Department to administer the bidding process.
- o requires the Building Committee to go through an additional professional consultant selection process.
- o absence of the protection afforded by state licensing or certification requirements, which means that almost anyone can claim to be a Construction Manager.
- o because of the more recent emergence of Contract Management, there is less courtroom experience regarding contractual relationships.
- o difficulty in applying monetary incentives to meet critical schedule completion dates.

In summary, the Construction Management method may sometimes offer the Building Committee a "neater" way to package the

required services and coordination under a single, more friendly "agency" management contract, but there is no reason to assume that project costs or schedule results will automatically be improved.

4. Contract Considerations

If the Building Committee decides to employ a Construction Manager at the project inception stage, the negotiation and contractual discussions with both the Architect and the Construction Manager are simplified. Standard A.I.A. contract forms are available and should be utilized (with advice from the Town Attorney and the Town Director of Purchasing):

B141/CM	Owner/Architect Agreement CM Edition
B801	Owner/Construction Manager Agreement
A201CM	General Conditions of the Contract (CM Edition)

Fees can be negotiated on the basis of these documents, since the responsibilities of both the Architect and the Construction Manager are carefully coordinated and clearly defined in the various contract clauses.

If the Building Committee chooses to defer the Construction Management hiring until the completion of Schematics, both fee negotiations and contract documents become somewhat more complex. In this case, fee negotiations with the Architect will include a separate fee to complete Schematics plus a fee for the remainder of his services without a Construction Manager, and an alternate fee for the remainder of his services if a Construction Manager is hired by the end of the Schematics phase. The Town Attorney and the Director of Purchasing can assist in making the necessary contract revisions to accomplish this.

The Building Committee must be aware that there is a conflict of responsibilities between a standard (non-Construction Manager) Owner/Architect agreement and the standard Owner/Construction Manager agreement which would lead to the Town paying both entities (the Architect and the Construction Manager) for certain identical services.

It should also be noted that, in the State of Connecticut, Public Act No. 89-255 requires that an architect must be retained and be responsible for providing contract administration duties, including the review of shop drawings and the observation of construction, even if a construction manager is managing the construction of the project. In the

light of this requirement, contracts for both parties must be carefully written to define responsibilities and avoid overlap.

The Building Committee should also be aware of a potential danger of construction management contracts in which the construction manager, at some point in the project, proposes to undertake the completion of the project for a fixed price, which includes having the various prime contracts assigned to him. In effect, this converts the CM arrangement to the traditional "stipulated sum" (General Contractor) contract. Building Committees are often attracted to this change because it suddenly "guarantees" a final building cost figure, something which is not as certain under CM.

The difficulty in this conversion is that the Town Charter specifically requires that all construction contracts be competitively bid. Conversion of a CM contract to GC may violate this Charter requirement. The Town Attorney and the Director of Purchasing should be consulted before any serious consideration is given to a CM contract conversion.

5. Selection of the Construction Manager

In general, the Construction Manager selection process follows the Architect Selection Procedures as described in Section 601. However, some of the Architect evaluation factors will have to be changed to suit the special considerations that should be weighed in making the Construction Manager selection.

Areas which should be evaluated include:

- o General qualifications of the firm size, location, financial status, etc.
- o Proposed project staffing workload, available staff, etc.
- o Experience on similar projects
- o Previous client evaluations
- o Cost control methods
- o Schedule control methods
- o Construction management techniques
- o Fees, reimbursables, etc.

The Evaluation Matrix form shown in Example EX-9 may lend itself for adaptation in selecting a Construction Manager.

In selecting candidate firms for evaluation for the Construction Manager function, the Building Committee should, in general, not consider firms which come from the architectural or engineering environment (i.e., architectural or engineering firms offering construction management services). One of the chief values of the Construction Management approach is to interject the experience of a firm from the construction side to act as a "check and balance" in the architectural design and cost control areas. Further, principal functions of the Construction Manager are management of bidding and project construction, both areas which require the special experience of a construction-oriented firm.

704. OTHER TYPES OF CONSTRUCTION CONTRACTS

1. General

In addition to the two most common construction contract types discussed in preceding paragraphs (lump sum and construction management), there are a number of other approaches to construction contracting developed over the years to meet special situations where neither the lump sum nor the construction management contracts would be fully appropriate. Some of the more important of these specialized contract types are described in following paragraphs. However, it should be noted that, in general, these contracts are more difficult to apply and to administer in terms of public works, especially in complying with the letter and spirit of the Town Charter requirement for competitive bidding. Therefore, any of these contract types should be considered only when a particular project presents very unusual circumstances. In this regard, the Building Committee should seek the advice of the Director of Purchasing and the Architect before giving serious thought to employing any of the specialized contract types.

2. Design/Build Contract

The "design/build" construction contract approach, which utilizes a single firm for both the design and construction phases of a project, is most often used when a very tight schedule situation exists. Combining the design and construction responsibilities facilitates construction start before designs are completed. For example, site work and foundations can start as soon as those particular designs are finished, while the superstructure and advanced parts of the projects are still in design, thus reducing the total project schedule by weeks or months.

In terms of public works, where competitive bidding is required, it is extremely difficult to obtain meaningful competitive bids for the project under the design/build approach. Bids must be put together by the various design/build bidders when almost no reliable cost information is available. Thus, there is no way for a Building Committee to be sure the bid analysis is truly comparing "apples and apples." In the heat of competition and the absence of any detailed definition of project requirements, there is a natural tendency for bidders to be overly optimistic in their estimates of project costs. Later, when drawings and specifications are complete, the Building Committee may find itself faced with major cost increases as the design/build contractor presents claims as "extras" to cover the cost of items which were not

included in the bid and contract--in the contractor's opinion. Design/build is therefore not recommended as a construction contract approach for Town projects.

3. Cost-Plus Contracts

There are several versions of "cost-plus" construction contracts, all of which use the final cost of project construction as a base to which something is added as payment (i.e., overhead and profit) to the contractor. Generally, cost-plus contracts fall into two categories--cost plus a percentage of the cost, and cost plus a fixed fee. Here again, there can be significant difficulties in securing meaningful competitive bids. Usually, but not always, the bidding takes place before drawings and specifications are complete (as with design/build, the object being to reduce project schedule time). Therefore, the "cost" on which the percentage or fixed fee is to be based will be very unreliable, and this uncertainty will be reflected in the percentages or fees submitted by the bidders. In addition, not only is the project final cost very uncertain in terms of project budgeting and cost control by a Building Committee, but the Building Committee also has total cost control responsibility. The contractor has no real incentive to attempt to reduce project costs. In fact, in a cost plus a percentage arrangement, the higher the project cost, the greater the financial reward to the contractor.

Cost-plus contracts are not recommended for Town projects.

4. Multiple Contracts

The "multiple contracts" approach is a system where major portions of the work (i.e., structural, mechanical, electrical, civil, etc.) are bid separately by the Owner, normally with bids based on completed drawings and specifications. The principal objectives of this approach are to give the Owner more direct involvement in the bidding on the project, to minimize "bid shopping," and to attempt to reduce project costs by eliminating some of the General Contractor markups incurred under the Lump Sum contract. Obviously, these major portions, when successfully bid, will have to be assigned to the General Contractor by contract or to the Construction Manager for coordination.

The multiple contracts approach is recommended as an alternative to the General Contractor or Construction Manager format only when special circumstances of a particular project suggest to the Building Committee that there may be advantages

in receiving separate bids for certain portions of the project which outweigh the added administrative effort and contractual complexities of this approach.

5. Guaranteed Maximum Price

The "guaranteed maximum price" (GMP) contract is an outgrowth of the various construction contract types discussed in preceding paragraphs where, for whatever reason, a fixed construction cost cannot be established at the time of bidding or before construction contract execution. The objective of the GMP approach is to attempt (in the absence of a fixed cost figure) to identify a top cost limit which will not be exceeded by the Contractor--in other words, to shift some of the project financial risk from the Owner to the Contractor.

The GMP amount is usually arrived at through pre-contract negotiations between the Owner and the Contractor, outside the competitive environment. Obviously, the Contractor's goal in this negotiation is to set the GMP amount as high as possible to minimize his risk that the actual project cost might exceed the agreed upon amount. The Owner is severely handicapped in this negotiation. He lacks the Contractor's knowledge of construction and familiarity with costs. In addition, the Owner has lost the benefit of competitive bidding as a weapon to keep the GMP amount at a reasonable level, especially in the absence of completed drawings and specifications. On the other hand, it must be understood by the Building Committee that the Contractor can justify almost any GMP figure that he selects.

As a means of interjecting a project construction cost reduction incentive into the GMP arrangement, a "shared savings" clause is often included in the GMP contract. This clause provides that any difference between the agreed upon GMP amount and a lower final total construction cost will be shared between the Owner and the Contractor, with the Contractor receiving, for example, 25% and the Owner 75% of the savings. While the shared savings clause does in fact provide cost control incentive to the Contractor, it also creates an extra incentive to the Contractor during GMP negotiations to push the GMP amount as high as possible so that he is guaranteed a savings "bonus" at project completion.

The GMP approach is usually applied to construction contract types which are not recommended for Town projects. The exception to this is that, in the case of Construction Management contracts, a GMP clause might be inserted to give the Building Committee more certainty regarding final project cost. Unfortunately, this arrangement is usually not possible

until most of the bidding of subcontracts is completed and project costs well defined. Thus, as a risk shifting action, a GMP amount at this point is relatively meaningless, except possibly as a comfort factor to the Building Committee.

A key negotiation aspect of GMP contracts is that the Building Committee should avoid disclosing its interest in GMP until after the Construction Manager has developed his final construction cost estimate. This final figure could then be used as the GMP amount.

The Building Committee should consult with the Director of Purchasing regarding the desirability of a GMP contract and a shared savings arrangement for a particular project.

6. Unit Prices

In some instances, in the absence of any reliable project definition, competitive bids are taken on the basis of unit prices for the various elements of labor and materials that will be required to construct the project. For example, competitive bid figures are requested for a cubic yard of earth excavation, a carpenter's hourly wage, a linear foot of pipe, etc. This approach has the advantage of producing project prices in a competitive environment even though drawings and specifications are not complete. However, it does not provide a fixed total construction cost until the project is completed. A major problem with the unit price approach is the enormous accounting and auditing burden placed on the Owner, who must be assured by his independent verification that every unit billed by the Contractor (both labor and materials) has actually been provided.

The unit price contract is not recommended for Town projects.

It should be noted, however, that unit prices are frequently requested from bidders in lump sum contract bids. The purpose of this is to provide a fixed cost calculating basis for labor and materials required to implement Change Orders. By including these unit prices in the bidding process, a degree of competitiveness is maintained which may result in lower costs on Change Orders.

705. BIDDING PROCEDURES

1. General

Responsibility for implementing the competitive bidding process falls primarily on the Town Director of Purchasing. The role of the Building Committee in this process is to review and approve various steps in the process and to ensure that all steps are proceeding in conformance with the Project Schedule. In addition, the Building Committee must also ensure that bids recommended for acceptance fall within the Project Budget. And, finally, to complete the process, the Building Committee is responsible for contract preparation, negotiations, and submission to the Town Purchasing Department for final presentation to the Town Purchasing Authority for execution. Building Committee activities associated with the construction phase of the Project are covered in Section 800, Construction.

The following paragraphs summarize the bidding procedures followed by the Director of Purchasing. Responsibilities and required Building Committee actions are highlighted. See Procedural Diagram, page 705-2.

It should be noted that under the Lump Sum General Contractor construction contract, the bidding process as described will normally be implemented only one time, while under the Construction Management approach, multiple contracts will be bid and awarded. In both cases, there may be separate contracts for furnishings, equipment, etc.

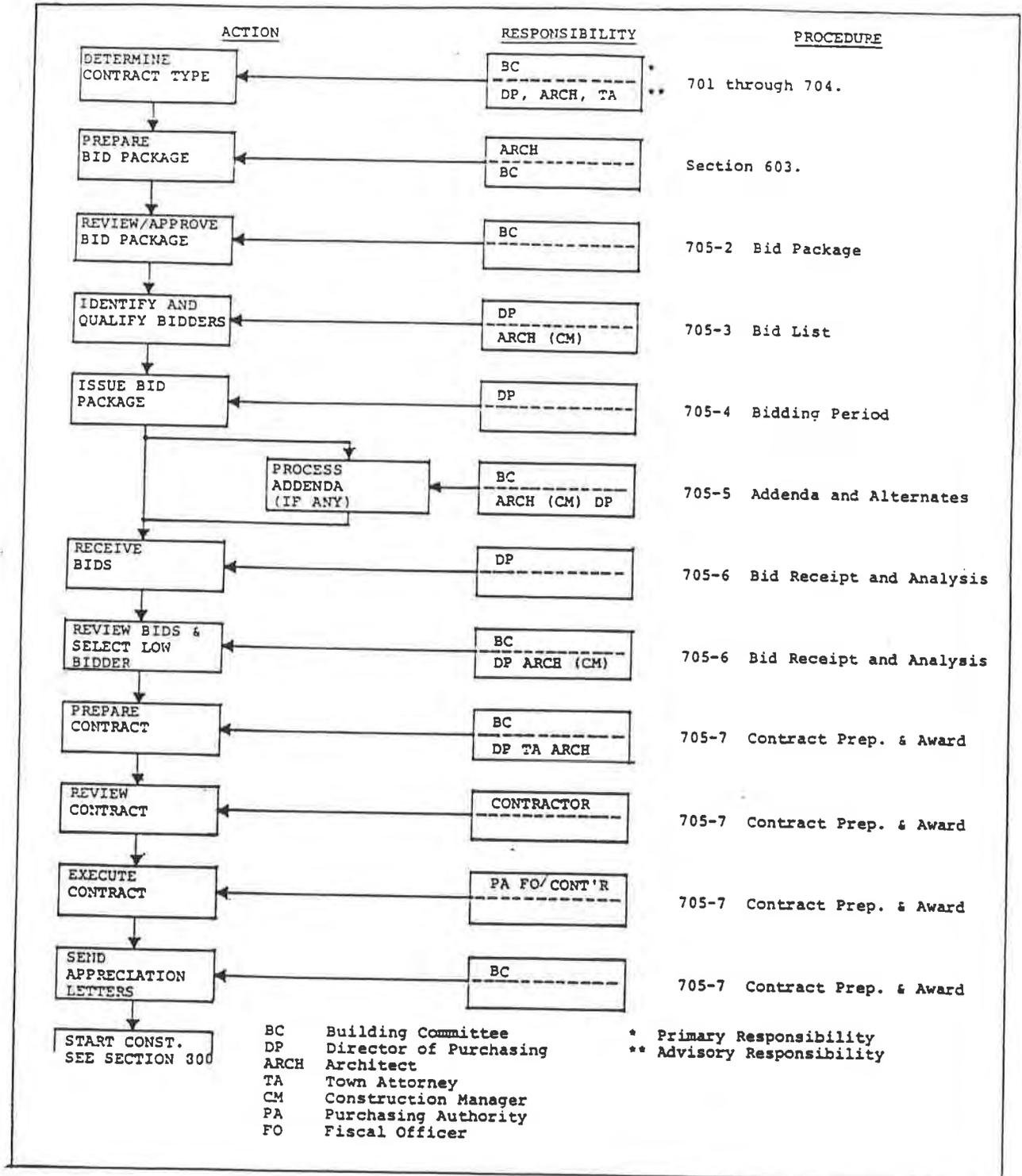
2. Bid Package

Preparation of the set of documents commonly referred to as the "Bid Package" or "Bid Documents" is normally the responsibility of the Architect. The Bid Package usually consists of:

- o Drawings
- o Specifications
- o Instructions to Bidders (which includes various special requirements which will be furnished by the Town Purchasing Department for bidding on Town projects)
- o General Conditions (and Supplementary Conditions, if any)

The drawings and specifications are developed by the Architect and reviewed and approved by the Building Committee at various stages of completion as described in Section 603. The "Instructions to Bidders" document follows the format of AIA Document A701. (See Reference Document REF-4.)

SECTION 705 - BIDDING PROCEDURES



After final approval by the Building Committee, the Bid Package is released to the Town Director of Purchasing for distribution to the selected bidders.

3. Bid List

The Director of Purchasing is responsible for identifying the qualified firms which make up the official list of bidders, or "Bid List." Names of interested firms are obtained from various sources:

- Advertisements for bids in local newspapers.
- Recommendations from the Architect and Construction Manager (if present).
- Dodge Reports and Brown's Letter. (These are construction information services to which contractors subscribe to obtain information on projects being bid.)
- Bidder File maintained by the Town Purchasing Department.
- Volunteers (unsolicited inquiries).

The Town Charter specifies that at least three bids be received for contracts involving less than \$4,000, but is silent with respect to the number of bids required for contracts over \$4,000. On projects where state funding is involved, a minimum of three qualified bidders is required. (See Section 403.)

Bidder "qualification" (i.e., a firm's capability to perform the required work) is a procedure to attempt to eliminate undesirable bidders, and can be difficult on public works projects. The Director of Purchasing discusses the proposed Bid List with the Architect (and the Construction Manager) to weed out any obviously unsuitable firms. As a further protection to the Town, the Bid Documents require each bidder to provide a certified check in the amount of 10% of his bid or to obtain a Bid Bond (which ensures that a firm, if the successful bidder, will enter into a contract with the Town), to obtain a Performance Bond, which assures that the Town will be able to complete the project in the event of Contractor default. By requiring this bonding, the Town is at least assured that the bonding company views the bidder as being capable, thus giving an additional sense of comfort that bids will be received from responsible bidders.

4. Bidding Period

The scheduling of the Bid opening date should be coordinated by the Building Committee with the Architect and the Director of Purchasing to ensure that the date is compatible with the Project Schedule, particularly with respect to restrictions in

the timing of the advertisement for bids process. At least two days' notice is required to run the advertisement and a period of at least ten working days is required from advertisement publication to the bid opening date for less complicated bids, while a thirty day bidding period is typical for bids related to a general construction contract or major portions of construction.

Due to special circumstances, it sometimes may be necessary to consider changing the bid opening date or to rebid the work. In these instances, the Director of Purchasing will consult with the Building Committee to establish a new bid opening date most appropriate to the Project Schedule.

During the bidding period, the bidders are reviewing the Bid Documents, visiting the site to familiarize themselves with conditions, and contacting subcontractors and suppliers. This activity culminates near the end of the bidding period with intense negotiations with the subs and suppliers to obtain the lowest acceptable prices for each component of the bid. Finally, the bidder totals all of these prices, analyzes factors such as the bidding climate, his competitors, and how badly he wants the work, and then assembles his final bid response--usually just hours before the opening date.

At some point early in the bid period, it is advisable for the Architect to hold a "pre-bid meeting" (which may include an on-site visit) with all bidders present, at which time the Architect reviews the proposed project and the Bid Documents to highlight any unusual features and to help ensure that the bidders have a full understanding of the required work. It is important that all bidders be given equal access to all information covered in this pre-bid meeting, and that any new or revised information be documented in writing to each bidder. It is equally important that the Building Committee be represented at pre-bid meetings.

5. Addenda and Alternates

The complicated and lengthy process of constructing a building necessarily involves many variables that cannot be completely anticipated at the time the Bid Documents are prepared. Consequently, Bid Documents and the construction contract provide defined ways to accommodate these variables. Chief among these defined procedures are "addenda," "alternates," and "change orders." Change orders are used to cover variables during the construction phase and are described in Section 800.

An "addendum" (plural - "addenda") covers changes which the Architect or the Owner wishes to make in the Bidding Documents during the bidding period. A written notice (the addendum) describing the change is sent to each bidder, with a receipt acknowledgment required to ensure that all bids will include the specified change. Obviously, it is not practical to make changes late in the bidding period, so it is normal to stop issuing addenda seven days before the bid opening date. Major changes discovered late in the bidding period may require a change in the bid opening date.

An "alternate" is a requirement in the Bid Documents for the bidder to list separately the price for alternative materials, systems, or other work substituted for or in addition to the work specified in the Bid Documents. For example, the Base Bid (i.e., the bid for work as specified in the drawings and specifications) might include vinyl flooring. The Owner, however, might also wish to consider substituting carpeting. An alternate describing the desired carpet would give the Owner cost information regarding this substitution so that he could make a decision. The use of alternates is an excellent means for an Owner to explore the cost of substitutions and additional work in the competitive environment of the bidding process. It gives the Owner the opportunity to adjust the project cost to help meet budget constraints.

Alternates can be requested which raise ("Add" alternates) or lower ("Deduct" alternates) the project cost. It is usually better to specify on the Base Bid the lower quality or lesser amount and include better quality or greater amount in an Add Alternate. Bidders often omit deducting overhead and profit on a Deduct Alternate.

The number of alternates requested should be held to a reasonable amount.

6. Package Bids

In the case of Construction Management projects, it is normal for the Town Purchasing Department to combine individual separate bidding documents for various items and/or services to secure the best overall value for the Town. The procedures to be followed by the bidders in bidding on these combined "bid packages" have been developed by the Town Purchasing Department and must be included in Bid Documents where appropriate.

7. Unit Prices

Bid Documents often include a request for bidders to state unit prices for elements of labor and/or materials which are included in the project, as part of their bids. As explained in paragraph 704-6, these unit prices provide a basis for calculating the costs associated with changes which might occur during construction, i.e., Change Orders. The advantages of requesting these unit prices are that the prices are bid in the competitive environment of the project bidding, and they also provide a fixed basis for estimating and substantiating the cost of changes.

8. Incentives Provisions

As noted in paragraph 10 below, special circumstances with respect to a particular project may require modification of certain provisions of the standard contract forms. One of the more common of these special situations occurs when a Building Committee is faced with a very tight project schedule and/or a fixed and inflexible completion date. A new facility might be required by a certain date, for example, to meet legal commitments or operational requirements. Other cases might involve state-mandated deadlines, or the start of the school year. In any of these examples, the Building Committee may wish to include contract provisions which will help induce the Contractor to complete the project by the required date.

Contract provisions which are used to expedite construction toward a fixed date usually take the form of financial incentives offered to the Contractor. In general, these incentives are known as "bonus" clauses if the project is completed on or ahead of schedule, and as "penalty" clauses if the project is delivered late. These bonus and penalty provisions can be very effective in helping to achieve target dates. However, it is exceedingly difficult to arrive at incentives provisions which will be fair, reasonable, and enforceable, and which will achieve the desired objectives. Building Committees should work closely with the Architect, the Town Attorney, and the Director of Purchasing in considering the appropriateness of bonus/penalty provisions.

A key element in providing financial incentives is to size the dollar amount of the incentives properly. Bonus incentives should be related to the perceived difficulty of achieving the desired completion date, and might, for example, be based on the anticipated costs of overtime, expediting deliveries, and other extraordinary efforts which the Contractor might be expected to employ. These costs are not easy to estimate early

in a project. The Building Committee may wish to forego bonus incentives in the Bid Documents, and instead, wait until the project is well into construction, when any schedule problems can be more easily identified and appropriate action (including costs) determined. This situation would be covered by Change Orders (see Section 803). It is also conceivable that the Contractor would have achieved the target date regardless of the bonus, in which case the bonus expenditure would have purchased nothing for the Town.

Penalty incentives, to be enforceable, must be based on extra costs which will be incurred by the Owner if the desired completion date is not met. In other words, a penalty cannot be an arbitrary amount, but must be justified as the liquidated damages which will be suffered by the Owner in the event of schedule default. These costs are relatively easy to calculate, and liquidated damages clauses, to be effective, are most often included as part of the Bid Documents.

Another aspect of the liquidated damages concept is "consequential damages," which bases an additional monetary penalty on the indirect extra costs (as contrasted to the direct extra costs represented by the liquidated damages amount) which would be experienced by the Owner if project completion is delayed. However, the indirect nature of this type of penalty makes it more difficult to define and justify, and it should therefore be considered only in extreme cases. In addition, the Building Committee should recognize that unusually high penalty amounts in Bid Documents can have an adverse effect on bidding.

It should be noted that contractual incentive provisions are generally applied only to Lump Sum General Construction contracts, where a single General Contractor is responsible for the total construction effort. In a Construction Management arrangement, the division of construction responsibility among several prime contractors makes incentive provision difficult to apply and enforce.

9. Bid Receipt and Analysis

Bids for public work must be received and opened in public. The Director of Purchasing is responsible for specifying the time and place of the bid opening, for making reservations for the location (usually in the Town Hall) and for the formal opening and recording of the bids. The Building Committee should be represented at important bid openings.

The Town Charter (and state regulations) requires that the contract be awarded to the "lowest responsible bidder." However, the Town always reserves the right to reject bids not in the best interests of the Town and to reject all bids. This gives the Town flexibility, for example, to rebid if all bids are over the Project Budget amount, or if no "qualified" bidders respond.

The successful bidder is usually not announced at the bid opening. The Town normally has thirty days from the bid opening to award the contract, to permit review and analysis of the bids.

Normally, following bid opening and initial review by the Director of Purchasing, the apparent three lowest bids are turned over to the Architect for review and analysis. The Architect's review ensures that these bidders have conformed to all requirements, including bonding and incorporation of all addenda. He also analyzes the various alternates to determine project cost impact, and recommends alternates to be accepted and rejected. Under the Construction Management approach, the Construction Manager will also participate in bid review.

The Architect's findings are reviewed by the Director of Purchasing and the Building Committee. It should be noted that the acceptance and rejection of alternates can often significantly affect the final low bid outcome and the ranking of the bidders. Participation in the bid review meeting with the Architect is therefore an important responsibility of the Building Committee, to ensure that the quality and functional goals of the Project are being met and costs controlled.

Following the bid review and consideration of the recommendations of the Director of Purchasing and the Architect, the Building Committee determines the identity of the lowest responsible bidder and the contract amount.

10. Contract Preparation and Award

Typically, standard "Agreement" forms prepared by the American Institute of Architects are utilized for Town construction projects. (See AIA Forms, Reference Document REF-4.) These forms are modified as required to suit the special conditions of the Project, following the recommendations of the Architect, the Director of Purchasing, and the Town Attorney. Note that Section 801 describes a number of special considerations regarding the construction phase for Town projects which may require modifications and additions to the standard contract document forms. Also, if the incentive clauses described in

paragraph 8 above are to be utilized, appropriate changes must be made to the standard documents. It is important that the complete set of appropriate AIA forms be used, and that all modifications be consistent with the provisions of these standard forms.

A copy of the proposed standard construction Agreement form is normally included in the Bid Package for the information of the bidders. In addition, prior to execution of the final contract document, the successful bidder will expect to review the document with his attorney. The Building Committee should expect to engage in negotiations with the successful bidder to achieve a contract that is mutually acceptable.

Execution of the Agreement on the part of the Town is by the Purchasing Authority (i.e., the Director of Purchasing and the First Selectman), following funding verification by the Fiscal Officer. It is also important that the individual executing the Agreement for the Contractor has the proper legal authority.

Following execution of the Agreement, the Building Committee may send letters to the unsuccessful bidders notifying them of the Building Committee's decision. A format similar to Example EX-10 can be adapted for this letter.