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“Making Education Work for All Georgians”

Guideline for Receiving State Capital Outlay Funds

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**Educational Facility Site, Construction, and
Reimbursement**

**Georgia Department of Education
Facilities Services Unit**

Effective Date: 5-30-12

Guideline for Receiving State Capital Outlay Funds

A. Preliminary Planning

- 1. Schedule of Events.** The local school system should use the Schedule of Events furnished by the Facilities Services Unit as a guide to project administration. Space has been provided to show the dates of completion for each action required, thus furnishing a ready reference to keep track of project progress. Check points enable the school system and the design professional* to readily determine when and how to proceed from one step to the next.

(*) Note: All references to the term “design professional” in this guideline should be read: "design professional, construction manager, program manager, etc.” as appropriate for the construction delivery method selected for a project.

- 2. Design Professional Agreement and Services.** The agreement for architectural services should specify a flat fee based on a percentage not to exceed six percent of a stated cost limitation, plus other costs such as surveys, engineering tests, and soil investigation. The form of agreement used will be determined by the local board of education. However, a copy of the architectural agreement and the fully executed “Mandatory Addendum to the Owner/Design Professional Agreement” must be filed with the Facilities Services Unit, Georgia Department of Education (GaDOE) for all state-funded projects. Any payment to the design professional of an amount greater than above will not be chargeable to state capital outlay funds.
- 3. Preliminary Design and Plans.** It shall be the design professional's responsibility to design a functional educational facility. This can best be attained by locally developed educational specifications and consultation with the GaDOE Facilities Services Unit staff.

Before the design professional begins any drawings, it is in the best interest of the school system to schedule a joint planning conference with the school system representatives, design professional*, and the Facilities Services Unit staff to ensure mutual understanding. During this conference, the following topics should be discussed:

- Educational Specifications.* Educational specifications prepared by the system shall be presented to the design professional.
- The Curriculum.* (NOTE: Decisions should be made prior to this conference regarding the specific course offerings to be housed in the facility.)
- Basic Designs and Functions.* A clear understanding should be agreed upon between all parties regarding number, size, location, and nature of spaces to be

- included, power requirements, equipment replacement, and any special requirements, as well as space relationships for the facility.
- d. *Phase work.* The logistics of construction work on a facility in which the facility may be occupied or unoccupied in part to keep the facility open during the construction process. The design professional shall submit a phasing plan with all required submittal packages to the GaDOE Facilities Section.
 - e. *Construction Phasing.* Work that is performed in stages where the completion dates for each phase are shown in the master plan. The design professional shall submit a construction phasing plan with all required submittal packages to the GaDOE Facilities Section.
 - f. *Water/Sewerage.* Adequate water and sewerage facilities are critical in obtaining approval of plans and a building permit. Any doubts as to the adequacy of an existing system should be eliminated before plans are drawn. If a system is inadequate, plans for correction must be a part of the construction plans.
 - g. *Project Budget.* Every effort should be made to get full value for the dollar invested in construction and to prevent over-designing the project. All parties concerned should be made fully aware of the project budget. The amount of funds available for construction, architectural fees, resident engineer, surveys, soil investigation, cost of loose equipment, contingencies, etc., shall be made perfectly clear.
 - h. *Project Scheduling.* The schedule for completion of capital outlay projects is usually critical and extremely rigid since completion of the project must take into consideration the system's school calendar. If the work is to be completed under more than one construction contract, then the school system shall inform the GaDOE Facilities Section of the multiple contracts and the time frame of the work. The owner and the design professional must understand their respective responsibilities for developing realistic schedules and for adhering to the schedules developed for completion of the planning phase, as well as the construction phase, of the project. The design professional* shall be responsible for submitting plans and specifications to the Facilities Services Unit for review and approval on a timely basis to ensure that sufficient time is available to advertise for bids (as required) prior to the scheduled opening of bids or proposals and contract award. The design professional, as the local board of education's representative, shall also be responsible for oversight of construction during the construction phase and shall have the responsibility of imposing the sanctions specified in the architectural contract and the construction contract, as deemed necessary, if the contractor fails to adhere to the construction progress schedule.
 - i. *Coordination and Approval of Plans.* Coordination between all parties is a necessary and continuing process in the planning and design of a school facility. Preliminary plans should not be started until all concerned parties are in agreement on the floor plan sketches and the construction delivery method to be used. Preliminary plans, including large-scale drawings, should be approved by the local

superintendent and his staff, and officially approved by the local board of education, before submission to the Facilities Services Unit of the Georgia Department of Education for approval. Preparation of "Check Set" plans and specifications shall be completed and submitted to the Facilities Services Unit of the Georgia Department of Education for review and comments. Final plans and specification shall be submitted to the Facilities Services Unit and approved prior to advertising for bids. Plans and specifications shall have approval of the State Fire Marshal, the Department of Human Resources, and the Department of Natural Resources, and any other state agency, when applicable, prior to the start of construction.

- j. *Specifications.* Specifications shall either identify a minimum of three manufacturers of a product or provide a detailed performance specification that can be bid by a minimum of three manufacturers without prior approval. NOTE: Requests for approval to use proprietary specifications (i.e., specifications containing less than three manufacturers) will be considered on a case-by-case basis. The request shall be in the form of a letter stating the reasons and recognizing the risks that has been signed by the board chairperson and system superintendent. The request must also include a description of the item(s) and justification for the request. All requests shall be submitted to, and approved in writing by, the Facilities Services Unit prior to advertising the project for bids.
- k. *Resident Engineer.* A resident engineer may (with prior approval of the Facilities Services Unit) be budgeted for and employed by the local board of education for large or complicated projects.
- l. *Construction Delivery Methods.* In accordance with O.C.G.A. §36-91-20(c), school systems may utilize any construction delivery method. Local boards of education shall be responsible for compliance with all requirements stated in O.C.G.A. §36-91-20, O.C.G.A. §36-91-21, and in the State Board of Education Rules.
- m. *System Requirements.* The school system shall be responsible for providing the following information to the Facilities Services Unit:
 - (1) Attach or include a written description of the construction delivery method to be used for each project to the preliminary plans (drawings) submitted to the Facilities Services Unit for review. At a minimum, this written description must include the following information:
 - (a) Identification of the construction delivery method to be used
 - (b) A detailed description of the roles and responsibilities of the parties to be involved
 - (c) Identification of all parties to be involved in the project

- i. Name and Address of each Company or Firm
 - ii. Contact Person and Phone Number for each Company or Firm
- (d) The proposed schedule for all activities including bidding dates.

B. Design and Pre-Construction

- 1. Project Cost Estimates.** The sum approved in a state-funded application shall be the controlling budget for the project. It is the responsibility of all parties concerned to keep costs within the approved budget. The design professional* shall immediately and without hesitation inform the owner and the Facilities Services Unit, Georgia Department of Education, when estimated costs exceed the project budget.
- 2. Final Drawings and Project Manual** --See State Board of Education Rule 160-5-4-.15: Processing Plans and Specifications for Public School Construction
- 3. Contract Documents.** The contract documents shall include a project manual that contains (but is not limited to) all the items shown in the following list, as well as the final drawings.
 - a. Index
 - b. Advertisement for Bids/Proposals complete with the description of the construction delivery method
 - c. Instructions to Bidders/Offerors
 - d. Bid/Proposal Forms with provisions for alternates if alternates are included or criteria for selection of the proposals submitted
 - e. Bid Bond or equivalent as enumerated in O.C.G.A. §36-91-42 (5% of bid amount)
 - f. Proposed Form of Agreement between Owner and Contractor
 - g. Performance and Payment Bond Forms (100% of contract amount)
 - h. Wage Rates and Federal Requirements, if required
 - i. General Conditions
 - j. Supplemental General Conditions
 - k. Special Conditions

l. Technical Specifications

All of the documents in the paragraph above shall be included in every set of bidding/proposal documents to be issued to prospective bidders/offerors.

m. If federal funds are combined with state funds, wage determinations shall be submitted to the Facilities Services Unit before advertising for bids/proposals. A project containing federal funds shall not be advertised without a current wage determination as part of the construction documents.

n. If alternates are to be included, they shall be used as follows:

(1) Deductive alternates may be used to reduce the base bid; however, they shall be prioritized and exercised in numerical sequence as used in the bid documents. Hence, the most important work must be omitted last.

(2) Additive alternates shall not be used to determine the low bid. Low bid shall be determined on the base bid less any deductive alternates. Additive alternates may be exercised in any priority order and are to be considered only after the low bidder has been declared unless the plans and specifications state that the project will be awarded by base bid plus additive alternates. Then all bids will be recalculated adding the additive alternates to be taken. The low bid shall then be determined on the base bid plus the selected additive alternates.

4. Advertising. The advertisement for bids shall be in accordance with all applicable state laws and State Board of Education rules.

Advertisement for bids/proposals shall comply with the requirements of O.C.G.A. §36-91-20. A wide circulation of bid/proposal invitations is encouraged to obtain the coverage necessary to secure competitive prices.

5. Bidding/Proposals. The selection of a contractor shall be made through an open, competitive process. A minimum of three bids should be received on all building packages. Any action that impedes or restricts an open, competitive process shall not be permitted on projects utilizing state capital outlay funds.

a. Bidders or Offerors (if applicable) shall be issued complete sets of plans and specifications.

b. Bidders/Offerors shall not be restricted on the basis of race, sex, religion, handicap, age or national origin.

c. Project advertisement and submission of all bids/proposals shall be in accordance with O.C.G.A. §36-91-20.

- d. A signed, certified tabulation of all bids/proposals received shall be filed by the design professional with the Facilities Services Unit, Georgia Department of Education.
- 6. Overruns.** If the low bid or proposal submitted exceeds the cost estimate less alternates, the owner shall:
- a. Furnish the additional funds required, or
 - b. Negotiate with the apparent low bidder/offeror to get within budget limitation, or
 - c. Have the design professional redesign the project to reduce cost to the approved project budget and readvertise. Additional architectural fees for redesign are not chargeable to the project budget.
- 7. Underruns.** If the total amount of contract award is less than the approved budget, the excess funds may be used for reasonable desirable changes or additions which were in the original needs and omitted from the application. Proposals for the use of excess funds shall be approved by the local board of education and submitted to the Facilities Services Unit for approval.

Unused funds shall be carried forward for the next project application.

Transfer of funds from a project with underruns to a project with an overrun shall require approval from the Facilities Services Unit.

- 8. Contract Awards.** The contract award shall be made to the qualified, responsible, responsive bidder/offeror submitting the low bid/proposal within the project budget. The bidder/offeror must meet all project contract document requirements.

After the award has been made, the owner shall submit to the Facilities Services Unit, Georgia Department of Education, the following documents:

- a. All documents furnished the bidder/offeror, less drawings and project manual, prior to receipt of bids/proposals upon which base bids or proposals were submitted.
- b. A signed copy of the executed contract(s) between the owner and the contractor, construction or program management firm, or other parties involved in the construction project as may be appropriate, including all addenda.
- c. A copy of executed performance and payment bonds supported by a power-of-attorney.
- d. A copy of the original policies or certificate of insurance covering policies required in the general conditions.

9. Pre-construction Conference. Before the start of construction, it is recommended that the school system should schedule a meeting with the system's design professional* and the contractor(s)/offerors to discuss such matters as project supervision, on-site inspection, payments, change-orders, reports, and other items pertinent to the project. At this conference, all parties should be prepared to discuss any anticipated problems.

10. Notice to Proceed. Following the execution of the contract(s), receipt of all required bonds and insurance requirements, the owner should issue a "Notice to Proceed" letter to the contractor(s) authorizing the start of construction.

11. Reimbursement. Periodic reimbursement payments authorized by the Facilities Services Unit of the Georgia Department of Education, shall be made upon submission of all required documents and a properly executed request for payment submitted by the Owner.

C. Construction

1. Inspection of Construction. The school system and its design professional* are responsible for inspections of the project to ascertain that construction is proceeding in accordance with approved drawings and project manual. Visits by the Georgia Department of Education staff are not in any way a substitute for the owner's responsibilities.

2. Contractor's Payrolls. The school system, each contractor and subcontractor shall retain the weekly payroll records for a period of three years after project completion.

3. Contract Change-Orders. After execution of the contract, it may be necessary to alter the contract. This requires a contract change-order issued by the school system and accepted by the contractor. All change orders for state-funded projects must be sent to the Georgia Department of Education Facilities Services Unit for review and incorporation into the documents retained for reimbursement.

Proposed contract change-orders shall be prepared by the design professional* with an original and four copies (one copy of the approved change order will be needed for the design professional, contractor, the system, and Facilities Services Unit). Necessary supporting statements, estimates, specifications and drawings must be attached. Before submission of the change order to the Georgia Department of Education for review, the change-order shall be signed by the design professional*, contractor, and the system superintendent. One copy shall be sent to the Facilities Services Unit. The school system will be notified of if the change-order is acceptable as it relates to compliance with construction regulations.

Change orders that significantly change the scope of the project or delete classrooms from the final GaDOE approved plans and specifications are not acceptable. Changes

to the scope of work that was not a part of the initial offering to the bidders or offerors must be re-bid or offered as required by O.C.G.A. 36-91et seq.

- 4. Accounting Records.** Records shall be maintained in a manner consistent with Generally Accepted Accounting Practices. Records shall be preserved for three years after completion of the project contract, and be readily available for inspection and audit by state auditors, and by federal auditors if federal funds are involved.
- 5. Periodic Payments.** Reimbursement of construction costs shall be made only at the school system's request.

Request for reimbursement shall be made on a letter of request by the system superintendent with one copy of the Reimbursement Request form, and Schedule of Change-Orders form, and Summary of Material Stored form, (if needed) along with one copy of other supporting documents (design professional, soil investigation, engineering tests, etc.) as attachments to the letter. All required forms may be obtained from the Georgia Department of Education.

The Contractor's Certificate of Payment shall be approved by the design professional* and contain a summary of work progress and materials stored using the Reimbursement Request form and if needed the Schedule of Change-Orders, and Summary of Material Stored forms. Except for those invoices submitted by the design professional, all invoices must be reviewed and approved by the design professional*. Architectural invoices shall be approved by the school system. Travel approved by the design professional for reimbursement for survey, test and investigations shall comply with state travel regulations.

The local board of education should use care and advice of the design professional* and attorney in determining the retainage in payments to the contractor. The state shall pay one hundred (100) percent of the eligible portion of the local requests until such time that ninety (90) percent of the state funds or contracted work (whichever is less) has been reimbursed to the local board of education. Final inspection and acceptance by the local board of education and design professional as stated in the design professional's certification of the costs and the board of education's resolution will allow, final reimbursement.

- 6. Occupancy Prior to Completion.** Occupancy by the school system prior to completion can jeopardize the school system's and contractor's contractual rights. In the event partial occupancy is necessary, the school system shall obtain written consent from the contractor, endorsement from the insurance carrier, and consent from the Surety permitting occupancy during the remaining period of construction. In addition, there must be compliance with Public Safety Code, Section 92A-712.
- 7. Final Inspection.** The final inspection shall be scheduled by the school system as soon as possible after the design professional has cleared up all items on the punch

lists. It is important that the project be complete and functional before final inspection.

The amount of retainage to be released shall be determined after the final inspection. If incomplete work is noted at the final inspection, the design professional* shall determine what portion, if any, of the retainage shall be released.

8. Design Professional's Certification Regarding Asbestos Containing Building Materials (ACBM). A copy of the design professional's certification that no asbestos containing building materials were specified for use or incorporated in the work performed at this school, or the design professional's statement identifying and describing the asbestos containing materials that have been incorporated into the work done at this school.

9. Final Payment. The final payment shall be authorized when the following documents have been received:

- a. The design professional* approves the contractor's final certificate for payment and submits a certificate of the final costs of the project to the local board of education.
- b. The local board of education adopts a resolution stating that all accounts for labor, material, and services have been paid in full and that there are no claims of any nature outstanding, either liquidated or disputed.
- c. The local board of education provides a copy of the final certificate of the design professional, the resolution adopted by local board, and a request for final payment.

10. Warranty Inspection. Prior to the expiration of the contractor's warranty, the school system shall have cause to make an inspection of the complete project to determine deficiencies to be corrected by the contractor under the terms of the general guaranty provisions of the contract.