

OAA Admission Course - 2015

Contract Administration & General Review

May 07, 2015

Presented by:
Tim Gorley & Allen Humphries

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1 Course Objectives

- To know the participants and to understand their roles
- To know the rules of the game and where they are defined
- To understand the paperwork required to administer the contract
- To know how to bring it all to an end

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2 Course Topics

- 2.1 Introduction
- 2.2 Participants
- 2.3 "Rules of the Game"
- 2.4 Meetings and Deliverables
- Questions & Break
- 2.5 Administrative Paperwork
- 2.6 Contract Close-out Procedures
- Questions
- Attendance

2.1 Introduction

The Construction Phase

- The Thrill is Gone
- Character Change
- Owner's New Confidant
- Competing Objectives
- Architect is The Independent and Impartial Administrator of Their Contract

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MAN THE HARPOONS

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Contract Administrator (You)



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2.2 Participants

- 1. The roles and responsibilities of the key parties during construction
 - 1 The Construction Phase
 - 2 Owner's Role
 - 3 Contractor's Role
 - 4 Architect's Role
 - 4.1 Requirements for general review
 - 5 Authorities Having Jurisdictions' Roles

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Owner's Role

- Decisions
(his department may have conflicting requirements)
- Payments
- Insurances
- Legal (i.e. lien checks)
- Information about existing conditions
 - Subsurface conditions
 - Designated substances
 - Legal survey

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Contractor's Role

- Performance Of The Work
- Methods And Means
- Schedule
- Coordination
- Construction Safety
- Seek Clarification

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Construction Safety

- Responsibilities
- Training
- MSDS
- Ministry of Labour Notice of Project
- MoL Registration of Employers

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Architect's Role

- Represent the client
- General review of the work
- Certify payments
- Interpret the contract requirements
- Evaluate work, identify deficiencies, reject work
- Review submittals
- Prepare change documents
- Prepare supplemental instructions
- Determine the date of substantial performance of the work
- Warranty inspection

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Construction Phase

- Services
- Responsibilities
- Fees

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Role of Authorities Having Jurisdiction

- Building Permit
- Trade Permits
- Orders To Comply
- Construction Safety
- Stop Work Orders
- Inspections
(Municipal Building, HVAC, Plumbing and Fire, ESA, TSSA, MoL, Etc.)
- Occupancy Permits

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Multiple Contracts

1. Client-Architect Contract
 - OAA Document 600
2. Architect-Consultants
 - RAIC Document Nine
 - OAA Document 900-2014
3. Client-Specialty Consultants
 - Designated Substances, Geotechnical
4. Client-Contractor
 - CCDC-2, 3, 5A & 5B, 17, P.O., Custom

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Construction Phase:

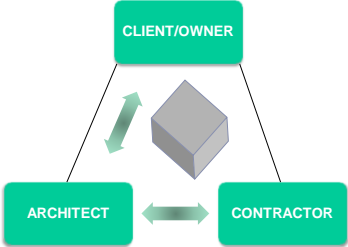
1. Make sure that there are contracts
 - Signed, preferably CCDC
2. Ensure that the contracts are compatible and consistent
 - Ensure the scope of your contract matches what the construction contract says you will do
3. Read the contracts
 - Yours + Sub-consultants' + Contractors'

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Construction Phase:

- 1. Contractual relationships
- 2. Lines of communication

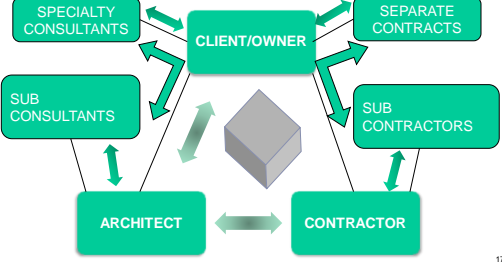


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Construction Phase:

- 1. Contractual relationships
- 2. Lines of communication

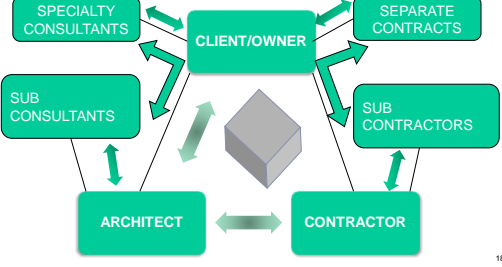


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Construction Phase:

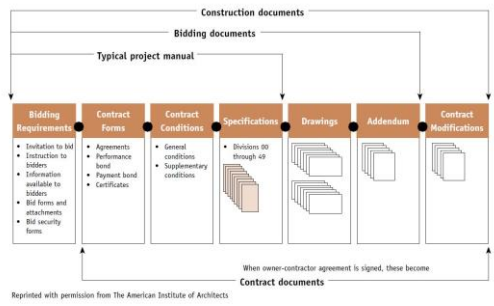
- 1. Contractual relationships
- 2. Lines of communication



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Composition of Contract



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2.3 Rules of the Game

1. Methods of Project Delivery
 - 1 Conventional Owner/Contractor
 - 2 Design-Build
 - 3 Public Private Partnership
 - 4 Integrated Project Design
2. The types of contacts between these parties
3. The impact on contract administration

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2.3 Rules of the Game cont'd

3. Bonds
 - Bid bonds
 - Labour & Material Payment bonds
 - Performance bonds
4. Insurance
 - If you are not named you're not covered
5. Agreements

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2.4 Meetings & Deliverables

- 1. Preconstruction Meeting
- 2. Project Meetings
- 3. Construction Schedules
 - 1. Schedule of Values/Contract Breakdown
 - 2. Cash Flow
 - 3. Submittals

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Pre-construction Meeting

Purpose:

- Introduce Project Team
- Establish Lines of Communications
- Review Administrative Procedures
- Submittals Before Construction
- Status of Permits, Insurance, Bonds, Contract
- Quality Control

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Project Meetings

Types:

- Scheduled Project Review
- Pre-installation
- Special Situation
- Pre-occupancy
- Post Construction

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Project Meetings

Strategies:

- Preparation
- Chairing
- Location
- Seating
- Time
- Duration
- Attendees
- Decisions, objectives
- Agenda

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Project Meetings

Minutes:

- Action Required
- Permanent Numbering
- Distribution
- Attachments:
 - Shop Drawing Log
 - Submittals Log
 - RFI Log Changes Log
 - 2 Week Look Ahead Schedule
- Revisions/Corrections

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Construction Schedules

Types of Schedules:

- Schedule of Values/Contract Breakdown
- Progress
- Cash flow
- Submittal
- 2 Week Look Ahead Schedule

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Construction Schedules

Format of Schedules:

- Bar Charts
- Logic Diagrams
- Lists, Graphs, Tables
- Plans and Elevations

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Construction Schedules

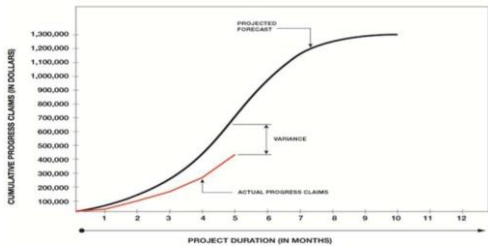
**Schedule of Values/
Contract Breakdown**

- Not the same thing
- Prepared by Contractor to Architect's approval
- To assist in evaluating applications for payment
- Cost of close-out documents

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Construction Schedules

Cash Flow Projection



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Construction Progress Schedules

Contractor's Responsibilities:

- Plan and Prepare Monitor
- Expedite and Take Action
- Report and Update
- Identify Impact of Changes in the Work

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Construction Progress Schedules

Owner's Responsibilities:

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Construction Progress Schedules

Consultant's Responsibilities:

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QUESTIONS?

Break



2.5 Admin. Paperwork

1. The purpose of submittals
2. Submittals
3. Procedures for making changes to the construction contract
4. Instructions
5. Changes
 1. Proposed Changes
 2. Change Directives
 3. Change Orders

2.5 Admin. Paperwork cont'd

6. Substitutions
7. Procedures for Certifying Payment
8. Progress Payments
9. Substantial Performance
10. Release of Statutory Holdback

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Submittals

- 1. The purpose of submittals
- 2. Typical examples:
 - Schedule of Values
 - Shop Drawings
 - Product Data
 - Samples
 - Mock Ups
 - Test Reports
 - Certificates

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Submittals

- The purpose of submittals:**
- To confirm that the design intent has been properly understood
 - Part of the Quality Assurance process
 - To confirm that the products and materials being provided comply with the drawings and specifications
 - To establish acceptable quality of workmanship and assembly

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Submittals

- Inspection and Testing:**
- By Contractor

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Shop Drawings

Purposes:

- Shop Fabrication
- Erection Procedures
- Coordination with Other Trades
- Design Intent
- Detailed Engineering – stairs, cranes, elevators

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Shop Drawings

Contractor's Responsibilities:

- Prepare shop drawings
- Review shop drawings and samples
- Coordinate subcontractor's shop drawings
- Interference drawings

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Shop Drawings

Consultants' Responsibilities:

- Review shop drawings for compliance with design intent
- Review and return shop drawings in a timely manner

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Shop Drawing Review

The Contract defines obligations for the Architect and Consultants to review and comment upon submittals from the Contractor.

For example, CCDC2 (3.11.3) states that:

"The Consultant will review and return shop drawings in accordance with the schedule agreed upon, or otherwise with reasonable promptness so as to cause no delay."

This document would be completed and the "reviewed" shop drawings attached with any additional commentary added to them electronically by the Architect.



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Causes of Contract Changes

- Owner's Scope Change or Change In Requirements
- Consultant's Clarifications of Documents?
- Contractor's Problems Encountered (Site Conditions, Strikes, Weather)
- Authorities Having Jurisdiction
- Shop Drawing Submittals
- RFIs
- Substitutions

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Procedures for Making Changes

- Informal
 - Verbal
 - Silence
- Formal
 - Owner, Contractor or Consultant initiated
 - Documented
 - Resulting in a Change Order

Procedures for Making Changes

- Owner’s Right
- Consultant’s Responsibility
- Contractor’s Obligation

- Notification of Surety
- Notification of Building Department

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Requests for Information

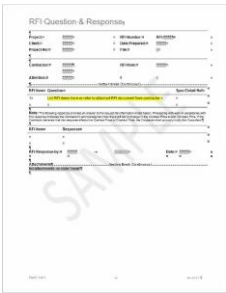
- Purpose
- Strategies
- Internet Based Systems For Monitoring and Reporting

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Responses to Requests for Information

The sample provided here includes a blurb saying that:

“The following response provides an answer to the request for information noted herein. Proceeding with work in accordance with this response indicates the Contractor’s acknowledgment that there will be no change in the Contract Price and/or Contract Time. If the Contractor believes that this response affects the Contract Price or Contract Time, the Contractor shall promptly notify the Consultant.”



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Instructions

- Supplemental Instructions
 - Provide clarification – not truly a change
 - Do not affect cost or duration
- Allowances Authorizations
 - E.g. Inspection and testing

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Architectural Site Instructions

Any contract change requires:

- Written instructions, and
- Frequently revised or additional drawings or specifications.

These may be produced by any of the consultants for their discipline but this particular document only relates to Architectural issues.

LOGO **SAMPLE PROJECT**
Project Description
100-1000000-000000

Architectural Site Instruction **001**
Project No. 0000 Date: January 1, 2014

1.1 SUBJECT: ARCHITECTURAL SITE INSTRUCTION

1.2 INFORMATION: Description of change and/or other documents included in this instruction (including drawings and details)

1.3 DESCRIPTION: Description of the proposed revision in detail.

1.4 REASON: THE INSTRUCTION REQUESTED BY THE REQUESTOR

J. L. Gault
Requestor

WSP Architects Inc. 5000 Street Court, Toronto, Ontario M9W 6M6 Telephone: 905-550-2222

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Supplemental Instructions (SI)

CCDC definition:

"an instruction not involving adjustment in the Contract Price or Contract Time, in the form of specifications, drawings, schedules, samples, models or written instructions, consistent with the intent of the Contract Documents. It is to be issued by the Consultant to supplement the Contract Documents as required for the performance of the Work."

LOGO **SAMPLE PROJECT**
Project Description
100-1000000-000000

Supplemental Instruction **001**
Project No. 0000 Date: January 1, 2014

1.1 SUBJECT: SUPPLEMENTAL INSTRUCTION

1.2 INFORMATION: Description of change and/or other documents included in this instruction (including drawings and details)

1.3 DESCRIPTION: Description of the proposed revision in detail.

1.4 REASON: THE INSTRUCTION REQUESTED BY THE REQUESTOR

John Doe
Requestor

WSP Architects Inc. 5000 Street Court, Toronto, Ontario M9W 6M6 Telephone: 905-550-2222

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Change Documentation

- Proposed Change
 - Formerly Change Notice (CN) or Contemplated Change Notice (CCN) or Contemplated Change Order
- Change Directive
- Change Order

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Proposed Change (PC)

The PC is similar to the SI in that it "covers" consultants' instructions. However, it is issued with the assumption that cost is involved and that typically no work is to be done until the change is approved and a Change Order is issued.

LOGO **SAMPLE PROJECT**
Project Description
ABC Development Incorporated

Proposed Change Order 001

Rev Order: 001
001 Consulting Limited
100 Street Street
US, SC 7

Date: January 1, 2014
Project No: 0000000111
Page No: 0000

SUBJECT: SAMPLE PROPOSED CHANGE ORDER
Make to add related instruction that are to be followed. This may be from any consultants and to be followed.

REVISION: THIS INSTRUCTION DERIVED BY THE ARCHITECT

John Doe
Signature
Date: 01/01/2014
Name: John Doe, ABC Development Incorporated
A.S. No. 001, USA 000000

1000 Archville 3422 Street Court San Antonio, Texas 78209-9900 Telephone: 650-555-0222

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Change Directive (CD)

CCDC definition: "a written instruction prepared by the Consultant and signed by the Owner directing a change in the Work within the general scope of the Contract Documents."

LOGO **SAMPLE PROJECT**
Project Description
ABC Development Incorporated

Change Directive 001

Rev Order: 001
001 Consulting Limited
100 Street Street
US, SC 7

Date: January 1, 2014
Project No: 0000000111
Page No: 0000

SUBJECT: SAMPLE CHANGE DIRECTIVE
Make to related instruction or instructions that are to be followed.

REVISION: THIS INSTRUCTION DERIVED BY THE ARCHITECT

J.L. Doyle
Signature
Date: 01/01/2014
Name: J.L. Doyle, ABC Development Incorporated
A.S. No. 001, USA 000000

1000 Archville 3422 Street Court San Antonio, Texas 78209-9900 Telephone: 650-555-0222

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Substitutions

- **Substitutions may be requested:**
 - During The Bid Period
 - During Bid Negotiations
 - During Construction

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Substitutions

- **Assessing Substitutions:**
 - Design Compliance
 - Material Compatibility
 - Code Compliance, AHJs
 - Sustainability And Durability
 - Cost: Capital, Life Cycle, Cost Benefit
 - Availability/Delivery
 - Installation Time
 - Seasonal Considerations
 - Labour And Trade Impact
 - Tolerances
 - Aesthetics

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Applications for Payment

- **AKA**
 - Progress Draw, Progress Application
- **Procedures:**
 - Draft Progress Draw
 - Site Review
 - WSIB
 - Statutory Declaration
 - Deficiencies
 - Materials off site
 - Changes

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Materials Not On Site



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Certificate for Payment

(with Architectural Progress Payment Review)
 The Certificate for Payment is an essential part of the Construction Contract where certification is required of a Certifier.

The Architect most commonly fills this role. However, it is possible for others such as Quantity Surveyors to perform the function. Procedure is typically spelled out in detail in the Contract indicating requirement of the contractor to provide details and backup and of the Certifier with respect to information and timing.

LOGO

Certificate for Payment

Job No. 0000
 000 Client/Contract Incorporated
 000 Contract Number
 000 Date

SAMPLE PROJECT

Project Description
 ABC Developments Incorporated

Page 2 of 2

Contract No. 0000

Issue Date 00/00/00

Contract Amount to Date 2,000,000.00

Original Contract Amount	1,000,000.00	
Additional Variations to Date	1,000,000.00	
Contract Amount to Date	2,000,000.00	2,000,000.00
Amount Certified to Date	1,000,000.00	
Retention (10.00%)	100,000.00	
Retention (10.00%) - Payment	100,000.00	
Retention (10.00%) - Payment	100,000.00	
Amount Certified to Date	1,000,000.00	1,000,000.00
Amount Certified for Retention	100,000.00	
Retention (10.00%) - Payment	100,000.00	
Amount Due by this Certificate	800,000.00	
Balance Due on Contract (to date)	0	800,000.00

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2.6 Contract Close-out Procedures

1. Field Reviews
2. Deficiencies
3. Disputes
4. Commissioning and Training
5. Close-out Documents
6. Warranty Review

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Field Reviews

Purpose:

- Part of Quality Assurance processes
- Assessment of construction progress
- Identification of code compliance issues
- Assessment of unexpected site condition impacts
- Determination of substantial performance

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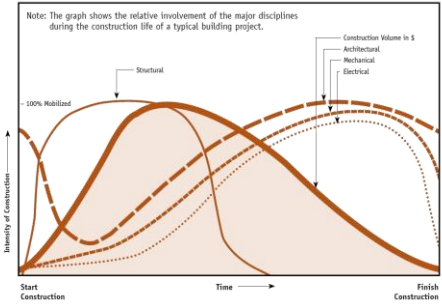
Field Reviews

Types of Field Review

- Periodic field reviews at regular intervals
- Resident field reviews – Full time at the site
- In-plant fabrication reviews
- Additional field reviews – by Specialists
- Inspection by Sub-consultants

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Field Reviews

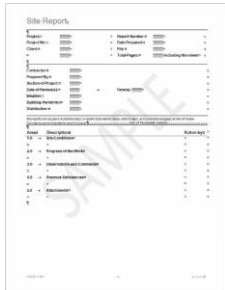


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Field Review Reports

The Architect is required both in the Contract and the Ontario Building Code to review "in person" the progress and performance of the work and to report on it in writing.

The OBC implies that this is required on a monthly basis as a minimum although Client contracts and the complexity of a project may dictate that more reviews be undertaken.



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General Review

Prerequisites

- Mandated safety training
 - Fall Prevention
 - MSDS
- Site specific – by Contractor
- Project specific – by Owner/Landlord
- Ministry of Labour Notice of Project
- MoL Registration of Employers

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General Review

Methodology

- Overview of site
- With Contractor and Client
- Focus on key trade
- Code compliance issues
- Assess each line item in the Schedule of Values

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General Review

Reports

- Weather
- Activities on Site
- Progress
- Work Force
- Major Deliveries
- Code Compliance Issues
- Non-compliant Work

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General Review

Qualifications for General Review

- Ability to Anticipate
- Ability to Mediate
- Act Quickly and Correctly
- Efficient
- Flexible
- Impartial
- Leader
- Reliable
- Proficient
- Good Record Keeper

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General Review

Philosophy for General Review

- Be approachable
- Exercise fairness and impartiality
- Develop a positive project spirit
- Be Accountable, Professional, Predictable, and Ethical
- Motivate Owner, Constructors and own team to better performance
- Resist opportunities to hammer or prove a point
- Being right may not produce a successful project
- Avoid embarrassing anyone in public

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General Review

Tools for General Review

- Safety shoes
- Hard hat
- Safety goggles
- Safety vest
- Measuring tape
- Pencil, pen, markers
- Binoculars
- Cameras
- Durable clothing
- Magnifying glass
- Mirror
- Flashlight
- Breathing mask
- Smoke pencil
- Moisture meter
- Notebook
- Pocket knife
- Pocket level
- Instrument to measure the thickness of metal
- Instrument to measure the gauge of wiring

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Field Review by Specialists

MATERIALS TESTING:

- Soils
- Steel
- Concrete

QUALITY ASSURANCE:

- Building Envelope
- Waterproofing
- Roofing
- Sealants

PERFORMANCE CHECK:

- Air Balancing
- Fire Alarm
- Sprinkler
- Magnetic Locks

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Inspection and Testing

By Contractor

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Substantial Performance

- Building Code vs. Construction Lien Act
- | | |
|---|---|
| Building Code <ul style="list-style-type: none"> • Substantial Completion • Suitability for use • Full or Partial Occupancy Permits • GRCC letter of compliance • Approvals, Testing, Certificates from Authorities Having Jurisdiction | Construction Lien Act <ul style="list-style-type: none"> • Substantial Performance • Suitability for use for the purposes intended • Declining % • Date of Publication • Release of Statutory Holdback <ul style="list-style-type: none"> • Basic Holdback • Finishing Holdback • Deemed Completion |
|---|---|

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Deficiency Review

- First by Contractor at substantial performance of the contract
- By Consultant accompanied by Contractor
- Deficiency List (Punch List – U.S. term)
 - Prepare Reporting Format And Procedures
 - Establish Timing Schedule
- Impact on Application for Payment

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Disputes

Methodology

- Attempt to resolve with Contractor and Owner
- Issue notices set out in CCDC contract
- Advise bonding company
- Arbitration or alternate dispute resolution process

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Commissioning & Training

Methodology

- OAA/OGCA Document 100
 - Contractor's Role
 - Procedures
 - Reviews

Extent

- Refer to specifications

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Close-out Documents

- Requirements originate in specifications
 - Types, formats, organization, number of copies
- Product & material data sheets
- Sustainability verification forms
- As-built records
- Certificates
- Balancing reports
- Warranties
- Spare parts, Spare materials
- Copies of change documents
- Maintenance instructions

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Warrantee Review

Methodology

- ??????

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Texts

1. Official OAA Documents
2. RAIC Canadian Handbook of Practice for Architects (CHOP)
3. Disputes
4. OAA Practice Advisory Service
5. OAA Construction Contract Administration Committee (CCAC)
6. Canadian Construction Documents Committee (CCDC)

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QUESTIONS?

Attendance



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QUALITY ASSURANCE:

- Mock-ups
- Sample Installation
- Pre-installation Meeting
- Manufacturer Inspections
- Operation and Maintenance Training



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