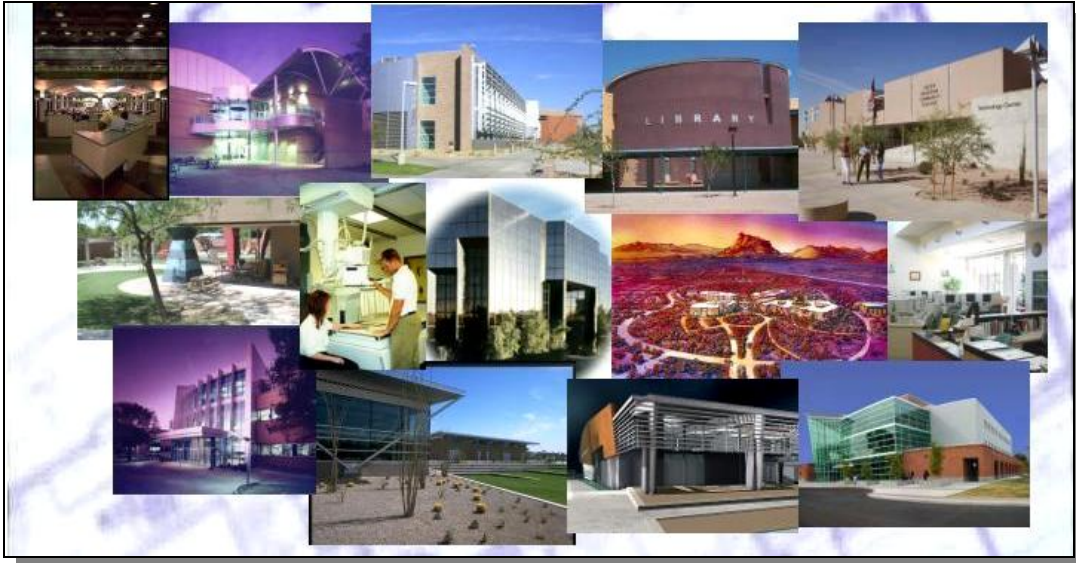




**MARICOPA
COMMUNITY
COLLEGES®**



CAPITAL DEVELOPMENT PROJECTS MANUAL

THE CAPITAL DEVELOPMENT ADVISORY COUNCIL

Revisions:

- 1/06: Construction definitions added
- 3/07: Signature Limits in Appendix A adjusted
- 7/07: Added definitions for Remodeling
- 4/11: Force Labor Guidelines – Section 15 – and related definition added
- 8/11: Change to requirement for college funding of original maintenance/replacement on new property purchases

CAPITAL DEVELOPMENT PROJECTS MANUAL

A GUIDE TO THE POLICIES AND PROCEDURES FOR CONSTRUCTION
AND RENOVATION PROJECTS

Note: Words or phrases shown with a double underline in their first use are defined in Appendix B, Definitions.

AUTHORITY

The Capital Development Advisory Council (CDAC) is designated by the Governing Board to review and approve capital development projects and to approve guidelines for the administration and management of capital development projects. The Administrative Regulation titled Capital Development Projects, (1.14); under the Fiscal Management section is the basis and support for this document and its contents.

LEADERSHIP OF THE CAPITAL DEVELOPMENT ADVISORY COUNCIL

The Capital Development Advisory Council (CDAC) is chaired by the Associate Vice Chancellor, Capital Planning or the Director of Facilities Planning and Development (FP&D). The Governing Board determines council membership. The Facilities Planning and Development Department staffs and supports the activities of CDAC.

RESPONSIBILITY FOR CAPITAL DEVELOPMENT PROJECTS

The Facilities Planning and Development Department is responsible for all major capital development projects in the district. In this role, the department oversees:

1. The processes for conceptual approval, design, construction, and occupancy,
2. Administrative and budgetary controls of the projects, and
3. Departmental project accounting and reconciliation with Business Services.

At FP&D's discretion, college funded projects may not be required to be submitted to CDAC for initiation approval. However, college-funded Job Order Contract (JOC) projects must still be processed through CDAC and the Governing Board. Regardless of the funding or process used, CDAC and the Board must still approve all contracts, purchases and changes where required by Appendix A.

SECTION 1 - CAPITAL DEVELOPMENT PROJECT PROCESSES

There are multiple phases to most major remodel and new construction projects managed by FP&D and overseen by CDAC. These are:

- Pre-Conceptual Phase
- Project Initiation and Conceptual Phase
- Selection of Consultants, Contractor, Construction Manager at Risk (CMAR), or Design/Builder (D/B)
- Design Development Phase
- Construction Documents Phase
- Construction Bid Phase or Guaranteed Maximum Price (GMP) establishment
- Construction Phase
- Furnishing/equipping, set up and move-in
- Project Close-out

Smaller new construction, remodeling or maintenance projects may have an abbreviated or compressed process. College Force Labor projects are discussed in Section 15.

1. PRE-CONCEPTUAL PHASE

If a college requests highly specialized or dedicated facilities for a new program of study, the Governing Board must approve that program at least six months prior to the facilities request. Examples might be performing arts, laboratory science or dedicated occupational/vocational spaces. These are spaces that are designed and constructed for a narrow range of uses, require significant investment in specialized finishes, facilities, space configuration or equipment, and could not be reused easily for other purposes if enrollment for that program or use is not achieved. Adequate enrollment and operating support for the specialized use or program must be demonstrated and approved by the Financial Advisory Council (FAC) and the Governing Board in order for the Project Initiation to be approved.

2. PROJECT INITIATION AND CONCEPTUAL PHASE

The College President (College) is responsible for the development of the Educational Specification, which shall include the following:

a. A written statement of the nature or function of the project with an explanation of the need and how the project complements the strategic goals of the College.

b. The size and type(s) of facilities that are proposed for the project shown in a specific location on a College map and tied to the College Facilities Master Plan.

c. A summary written in non-technical terms or language listing the functional areas and their interactive relationships; the estimated number of rooms and the suggested square footage; a general description of equipment, including that for information technology and any special furnishings; and other pertinent information related to the spaces or their uses

- d. The date on which the College would like the project operational.
- e. An estimate of total capital costs for the project and the budgeted source of funds.
- f. A description of the impact on the College's operational budget including a detailed estimate of incremental staffing and operational costs, if any, and the funding source for these incremental costs. The Budget Office and FAC will be involved in this process.

The estimate of total capital costs for the project shall include all of the following: consultant fees; reimbursable expenses; construction costs; furniture, fixtures, and both fixed and specialized equipment (FF&E); computing and telecommunications equipment; utilities infrastructure; public art; other miscellaneous project costs or fees; and funds to cover design and construction contingencies. The College will assist FP&D to identify, price and, as necessary, contribute additional budget (from Occupational Education and Information Technology funding or elsewhere) for highly specialized or vocational equipment related directly to the project's use. If additional funding is required, that funding will be added to the total initial funding request for the project. See "Furniture, Fixtures And Moveable And Fixed Equipment". If the estimated total cost of the project based upon the Educational Specifications exceeds the allocated funding, the college must adjust or modify the Educational Specifications to stay within the project budget.

The College shall submit the Educational Specifications to CDAC and FAC for approval before the project can proceed to the next phase. Approval from the Governing Board is required for new construction and remodeling projects having a total project budget in excess of \$500,000. Funding sources for operating costs must be identified and committed when the Education Specifications are approved.

If the College requests that part of the project be built as shell space, the shell space request must be included in the project initiation and approval. This request shall be included in the Conceptual Approval form attached to the CDAC item, as well as being a specific separate approval item within the CDAC action request. The College shall include the proposed area of the shell space and the reason for its construction, along with the probable funding and schedule for the build out of the space.

The College may use its bond funds (for a project funded by bond program) or operational funds to hire an outside consultant to assist with the Educational Specifications. Prior to Project Initiation approval by CDAC, up to 1% of the estimated construction cost, or \$25,000, whichever is less, may be spent for consulting services necessary to develop information to be provided in the Educational Specifications, and to complete an estimate of their costs. Working with and guided by FP&D, the College generally has the information necessary and is fully capable to produce the necessary Educational Specifications. Should the college still desire to retain an outside consultant to assist in this effort, the cost for this consultant may be advanced from the College's bond share for bond projects and then be included in the project budget approved by CDAC at the time of Project Initiation. Should the project not be approved for any reason, the College's bond share will be reduced by the amount of the consultant's services.

**3. SELECTION OF DESIGN CONSULTANTS, CONTRACTOR (INCLUDING CMAR),
DESIGN/BUILDER (D/B) OR CONSTRUCTION/ PROGRAM MANAGER**

The Department of Facilities Planning and Development (FP&D) shall be responsible for managing the consultant and contractor selection process with the active participation of the College and the Purchasing Department (Purchasing).

FP&D shall use the Educational Specifications and the architectural programming, if available, to write an outline of:

- a. The specific needs of the College, FP&D and ITS, and
- b. The scope of services that will be required of a design consultant (Consultant) and construction/program manager (CM), Construction Manager at Risk (CMAR), or Design/Builder (D/B) as appropriate.

The Consultant is usually a team including architects, engineers, and other sub-consultants for specialized fields such as telecommunications, computing, food service, etc., used to develop the design and construction documents and then oversee the construction for the project.

The College and FP&D may add an Interior Design Consultant (IDC) to the project team, or ask that an IDC be included in the Consultant team. The IDC may be responsible for any of the following: assisting FP&D and the College in the design and selection of FF&E; coordination of color, finish, bid specifications, selection, cost estimates of FF&E elements; coordination of bid/award schedules for FF&E; researching FF&E market conditions; and coordination of the FF&E installation.

The College and FP&D shall follow the District's Request for Proposal (RFP) or Invitation for Bid (IFB) process to select and hire the Consultant, CM, Contractor, CMAR, D/B or IDC. The Selection Committee, formed with representatives from the college, Purchasing and FP&D shall select the top Consultant, CM, CMAR or D/B. If the project is using D/B, the total cost of the project, including design and engineering services, also may be a part of the selection criteria. For D/B, the total cost amount that is submitted at the time of selection shall be within the design plus construction budget. For projects having a construction estimate of \$500,000 or more, the selection process may include a presentation to the selection committee, CDAC or Governing Board members. (reference: *Purchasing Procedures Manual at <http://www.dist.maricopa.edu/purchasing/pmanual/pmindex.html>*)

FP&D and Purchasing, in consultation with the College, shall begin fee negotiations with the top-ranked firm, which shall then submit a detailed fee proposal. If the proposal is incomplete or unacceptable, Purchasing and FP&D will negotiate with the selected firm to resolve questions or differences. If negotiations are unsuccessful, and after consultation with the College, Purchasing and FP&D will begin negotiations with the second ranked firm.

The College and FP&D shall submit the name of the firm that was recommended for contract award, along with the list of other finalist firms, the recommended firm's scope of services and their estimated fee or total cost (for D/B) amount to CDAC. Where required by the limits in the Administrative Regulation, the contract award also shall be submitted to the Governing Board for final approval. (reference: *Maricopa County Community College District Administrative Regulations at <http://www.dist.maricopa.edu/gvpolicy/adminregs/adminregs.htm>*)

4. DESIGN PHASE

FP&D shall be responsible for managing the design process with the active participation of the College and Information Technology Services (ITS). This phase is composed of Schematic Design and Design Development work.

A Building Committee shall be established for the project with representatives from the College (including the Director of Buildings & Grounds or college Facilities Manager), FP&D, ITS, the Consultant, and CMAR or D/B (if one is used on the project). This Committee shall meet regularly,

throughout the entire design and construction process to provide reviews, to communicate needs, and to resolve problems.

The Consultant shall develop the facilities design with the assistance of the College, FP&D, and ITS. The facilities design shall include the necessary coordination of FF&E, which is the responsibility of the College, unless FF&E selection has been made part of the consultant's contract. FF&E shall include selection of equipment installed by the contractor or College, furnishings that are installed or built-in, and freestanding furniture. Purchasing will provide assistance in source selection, vendor contacts and budget estimating as well as listings of FF&E, which are on procurement contracts.

Facilities design shall also coordinate telecommunications and computing systems that are specified by the College, ITS and the Consultant. If provided by the Consultant, the design of these systems shall meet ITS standards and guidelines. Telecommunications and computing systems shall include any voice, data or video equipment, or systems, and the supporting infrastructure.

Any changes during the design phase that cause the project to exceed the original construction budget within the approved project budget must be funded from the design contingency, as discussed in the "Design And Construction Contingencies" section.

At the completion of the design phase, the design Consultant (or D/B), and CMAR (if used) shall jointly prepare an estimate of the total construction cost that reflects the design. This estimate shall be reviewed by the College, FP&D and ITS.

The College and FP&D shall maintain the total estimated costs for the completed design within the total construction budget. If the estimate indicates that the facilities as designed will cost more than the construction budget plus remaining design contingency, then the facility must be redesigned before the project can proceed to the next phase. Construction contingency, FF&E or balances from other parts of the approved project budget shall not be used to supplement the construction budget unless those specific items will be provided and installed as part of the general construction contract.

Prior to beginning the Construction Documents, FAC must reconfirm the availability of operating funds needed for the project. If the college cannot be assured of adequate operating funds, then the design process stops and does not proceed to the next phase until a source of operating funds is identified.

Also prior to beginning the construction documents phase, the Building Committee may increase the square footage area of any use(s) up to ten percent (10%) without CDAC or Board approval provided the revised project remains within the approved budget. Any increases of square footage area which exceed ten percent, and all significant changes in program or use, shall be approved by CDAC and FAC to assure that there will be adequate operating funds for the increased building area. Any additional consultant fees, which may result from these changes, shall be funded from the project's Design Contingency.

5. CONSTRUCTION DOCUMENTS PHASE

FP&D shall be responsible for managing the construction documents phase with the active participation of the College and ITS. The construction documents phase is the period during which details of the building design are completed and drawings and written specifications necessary to construct the project are produced. No new design should occur once the construction documents phase is started, unless required by subsequent cost estimates to meet the approved budget.

FP&D, ITS and the design consultant (or D/B), along with the (if used on the project), shall meet with the College representatives for project review at approximately the 50% and 90% completion marks of the Construction Documents phase. These two reviews shall be held for the purposes of verifying that design elements and that all College requirements have been included. The construction pricing documents shall be designed to include up to five percent (5%) of the construction budget as bid add alternates. No more than three to four bid alternates are suggested. The project must be fully functional and usable without needing to accept any additive bid alternate.

At the 95% point of the Construction Documents phase, FP&D, ITS and the consultants (or D/B), along with the CMAR (if used), will update the total estimated cost. On projects with a construction cost exceeding \$5 million using both a design Consultant and CMAR, each must produce an independent estimate. If only a design Consultant (or D/B) is being used, a second, corroborating estimate may be prepared by an independent outside cost or design consultant. The total estimated costs, which are based on the construction documents, shall be within the total construction budget including any remaining design contingency, or the consultant (or D/B) must redesign the facilities to stay within budget.

6. CONSTRUCTION PRICING PHASE

Purchasing shall coordinate the entire competitive procurement process with FP&D and the participating college. Prior to receiving bids or final GMP under CMAR, the College and FP&D shall create a written, ordered preference of awards of bid alternates. This list need not be published, but should remain part of the project file. Alternates should be selected in this order until remaining budget is depleted; however, at the College's option, the entire budget need not be used.

For CMAR, the GMP shall be established at least 30 days prior to beginning any construction. If the low bid for competitively bid construction or the GMP for CMAR exceeds the budget, then the Consultant must redesign the project at their own expense until the low construction re-bid or GMP amount is within the construction budget. The status of the design and construction contingencies shall be examined at this time.

The College, Purchasing, FP&D, and the Consultant shall make a recommendation for award to the firm whose proposal meets the requirements and evaluation criteria for work that is bid. For CMAR, FP&D and Purchasing will review the GMP and Amendment to the Agreement and make a recommendation for approval. The recommendation shall be taken to CDAC for approval and to the Governing Board as required in Appendix A.

7. CONSTRUCTION PHASE

Purchasing shall provide the following to the successful bidder/proposer: the Notice of Award, copies of the contract, a request for performance and payment bonds, and other information as needed.

Capital Asset Accounting shall verify available funding as noted on the requisition completed by FP&D.

Purchasing or the Legal Department, as appropriate, shall review and sign the contract. In their absence, the Vice Chancellor for Business Services shall review and sign the contract.

FP&D will track and receive all the required documents, create and approve the requisition, from which Purchasing will generate a purchase order, distribute copies, sign and issue the Notice to Proceed. For CMAR, FP&D will prepare the GMP and schedule amendment to the contract and submit it for CDAC and Board approval as required.

8. CHANGES AND CHANGE ORDERS

Significant changes or expansions to the originally approved project should not be made during the design phase. The costs for all design changes, including the consultant's fee, shall be funded from the project design contingency. Total costs shall remain within the approved project budget.

FP&D and the Consultant, with the consultation of the Building Committee or representative of the College, will review proposed change order costs for reasonableness and budget impact. If it is a change to the construction contract (traditional bid or CMAR), the consultant also will participate in the review. If the cost is not reasonable, then it can be negotiated or rejected. If the cost of the proposal request (PR) exceeds the project's design or construction contingency available, then the PR goes no further; the contractor does not perform or make the change. The cost of all changes, including the consultant's fee, shall be funded from the project's design or construction contingency, as is appropriate to the phase of work. Total costs shall remain with the approved project budget.

The College and FP&D shall obtain the requisite District approvals and reviews for change orders. Depending on the cost of the change order, the District approvals may also include CDAC and the Governing Board. Refer to Appendix A of this document for approval authorization levels.

9. DESIGN AND CONSTRUCTION CONTINGENCY

FP&D shall manage the use of the design and construction contingencies with the participation of the College and with Purchasing oversight. Remaining construction phase contingency balances shall not be transferred to other designated uses (such as additional FF&E purchases) or projects until this Project reaches Substantial Completion and FP&D is sure that no additional contractor claims may be brought forth. If significant remaining balances of construction contingency are available, CDAC may approve the transfer of some of this balance to other projects, providing that an adequate contingency balance will remain in the original project. Capital development projects must stay within the total, approved capital project budget.

Contingency funds may be used for projects needs (not just limited to changes in the consultant or construction contracts) but shall not be spent on project additions, additional program scope, or upgrades to finishes or equipment without CDAC approval. Contingencies cannot be used to increase the scope or upgrade quality of finishes, equipment, etc., of the project that were not reasonably inferable or required to meet the intent of the approved Education Specifications and architectural program. Contingency or other funds remaining at the completion of the project remain with the College for use on other bond or capital projects approved by CDAC. Any unused construction contract allowance funds shall be transferred to the project contingency amount, which is then available to fund other construction changes.

Contingency funds for all new projects should be calculated as a maximum ten percent (10%) of the project construction budget. Of the total ten percent, a maximum of four percent (4%) should be allocated for use during the design phase and a maximum of six percent (6%) should be allocated for use during the construction phase. On remodeling projects, the contingency may exceed ten percent (10%), but the maximum shall be fifteen percent (15%).

Any project contingency funds remaining at the completion of a project shall remain with the College. Remaining funds are not considered to be specifically designated or assigned to the original project and may be reused for other college capital projects or needs at the college President's discretion and with CDAC approval where necessary.

10. FURNITURE, FIXTURES AND MOVEABLE AND FIXED EQUIPMENT (FF&E)

As part of its overall project responsibility, FP&D and the Consultants, where it is part of their contract, shall work closely with the College and Purchasing in order to specify all furniture, fixtures, fixed equipment, and moveable equipment required for the project. This shall include developing budgets for scopes of work, designs, specifications, approvals and purchase of these items. Fixed equipment should be included in the construction budget.

The College shall be responsible for assisting in developing the technical specifications and budgets for specialized fixtures or equipment, scientific or technical equipment, telecommunications or data networks, equipment or infrastructure. The College shall work jointly with FP&D to develop specifications for furniture. FP&D shall be responsible for ensuring that basic programmatic requirements for both moveable equipment and furniture are met within the approved FF&E budget, and that all parties involved in the design and specifications for FF&E work in coordination to meet the project schedule. At the time that construction is beginning, the FF&E, separately budgeted owner supplied special equipment, and ITS (if any) portions of the Project budget will be transferred to the College as well as management responsibility for those funds. The College also will be responsible for originating and entering all requisitions, receiving, etc., for those items and systems.

All areas of the project, which will be initially occupied or used, shall be completely furnished and equipped such that every area is fully capable of functioning at the time of occupancy.

CDAC approval shall be required for all transfers that exceed five percent (5%) of the FF&E budget to or from the construction budget, except for the movement of all or part of the FF&E budget to the construction budget for contractor purchase of FF&E.

No transfer of funds between construction, technology funds and FF&E budgets shall occur without the approval of FP&D, ITS and the College.

If a College wants to use its own College capital or occupational education funds to purchase FF&E or technology, the College shall coordinate these purchases with FP&D and ITS. The College will not be reimbursed from the capital development project funds if the College uses its own capital funds for FF&E prior to the completion of a project. If the College decides to use its own capital funds for FF&E, this will constitute a project budget increase and will require CDAC approval.

11. COMPLETION, OCCUPANCY AND POST-OCCUPANCY ACTIVITIES

When the Contractor has completed the project in accordance with the contract drawings and specifications, FP&D will approve the Consultant issuing a Certificate of Substantial Completion. For D/B, FP&D will approve the D/B issuing the Certificate. As part of this milestone, the Contractor submits copies of all permits, as-constructed drawings, manuals for operation and maintenance of the facility, and other documentation pertaining to the building and its systems. At this point, the District has assumed ownership and the College assumes operation and maintenance responsibility for the project. Although the Contractor still must finish minor incomplete or incorrect work, the College now has the responsibility to contact and coordinate with the Contractor for all warranty issues.

At about the same time as the Contractor achieves Substantial Completion, the College is ready to receive and install, or have vendor(s) install, the remaining furniture, fixtures, equipment telecommunications, data and audio/visual systems. This installation work is most often managed by the College, FP&D and/or ITS, and is not included in the Contractor's or Consultant's scope of work. The College typically occupies or moves into the project only after these items and systems are installed.

12. PROPERTY PURCHASES

Real estate decision-making and acquisition is an integral part of the continuing growth of the Maricopa Community College District. It is a complex process, which is dependent upon a number of individuals and functional areas. The responsibility for the actual acquisition of real estate has been delegated to the Director of Strategic Business Support Services (DSBSS).

Opportunities for real estate acquisition are brought to the College President or District by outside business interests directly or by the DSBSS, who maintains contacts with the real estate community. If the College President has a need for specific real estate research, the DSBSS can provide information from a variety of sources. The following steps are outlined in the most common and efficient sequence to acquire real estate. These include decision-making and acquisition processes.

- A property is identified as being of interest to the College. If the College identifies the property, the College should inform the DSBSS of the property, including the name of the seller and the seller's broker, if one is involved.
- The College works with the DSBSS and FP&D to assess initial viability of the property. The DSBSS is responsible for an initial assessment of the value of the property being considered. Together this group will review the estimated total costs of acquisition of the property as well as issues relating to use including possible restrictions and matters such as any tenants currently on the property and their length of lease. This review may also extend to the use of any bond issue to ensure that the property and its uses will fall under the covenants of that bond issue.
- If this group agrees with the acquisition, the College orders and funds a Summary Appraisal of the property. The DSBSS can provide names of appraisers to request quotes. Upon receipt of the Summary Appraisal by the College, two copies are given to the DSBSS, with the College retaining one.
- The College provides a statement of need for the property and identifies the probable funding sources for the purchase and closing costs. If the funds are not available from college sources, the college must confirm that funding is available from District sources before proceeding any farther in the process. The College works with the Vice Chancellor for Business Services with the assistance of the Director of Finance and Director of Budget for funding sources and availability, either internally funded by the College or with other sources of funds
- If funding is available and appropriate for the intended uses and the College wishes to proceed, the College President meets informally with the Chancellor to discuss the possible acquisition. If the Chancellor agrees with the concept and the funding sources, the College President presents a brief overview to the Chancellor's Executive Council (CEC).
- College President and College support staff then schedule a presentation at a Board Executive Session to provide an analysis and report supporting the need for the purchase. This report should include an explanation of need for the purchase, an initial estimate of cost and proposed

funding as well as any other salient issues. The DSBO may attend to assist and answer questions from the Board.

- If the Board supports the proposal, an offer is made to the property owner and preliminary agreement on price and terms is created. The agreement to purchase is made subject to receiving acceptable appraisals, surveys and test results. The College orders and funds an ALTA Survey and rewriting of the overall college site legal description (as necessary if the property is an addition or modification to the current site), and a Phase I Environmental Survey. FP&D can provide names of contract holders for the college to contact. *Note: the ALTA survey cannot be started until an up to date legal description is provided by the seller or a title report is received by the consultant from the escrow agent.*
- The DSBO provide standard purchase contract and escrow instructions (Purchase Contract) to seller or seller's agent for initial review. Seller or seller's agent or seller's attorney may request changes to the standard Contract. Any changes will be reviewed and approved by the DSBO and the Assistant General Counsel for Business. Both parties agree upon an Escrow Agent. Both parties also agree on the future status of any tenants on the property; whether their lease shall be terminated prior to or upon sale of the property or if the College will allow the tenant to occupy the property for a set period. Based upon the results of the Summary Appraisal, the DSBO will negotiate the final sales price and other terms with seller or seller's broker. These amounts are advised to be contingent upon Board approval.
- The college, along with FPD, will develop any additional right of way, easement or other legal encumbrances associated with the property. These must be completed before the purchase can be taken to CDAC and the Board and will be shared with the escrow agent for inclusion in the purchase documents and for legal filing.
- In conjunction with the DSBO and FP&D staff, the College drafts a property acquisition item for CDAC and the Board. The Board item can be worded such that approval is contingent upon receipt of an acceptable Title Report, ALTA Survey and Phase I Environmental Survey, if those documents have not yet been received. If the Governing Board approves the Action Item, the DSBO works with the seller or seller's broker to continue the escrow and purchase process.
- The DSBO provides copies of the Purchase Contract that have been agreed to by the seller and seller's agent, to the escrow agent who provides them to the seller for signatures.
- The College generates a requisition to cover the entire amount of the purchase and routes it through FP&D and CAA. *(note: Use a line type of 'Blanket' so that a portion of the funds can be used to pay the earnest money deposit to start the process and so that 'Receiving' does not need to be performed before the funds can paid).* The Accounts Payable Supervisor will transfer funds electronically to the escrow agent to formally begin escrow.
- The College receives copies of the ALTA survey and the Phase I Environmental survey. A copy each will be provided to FP&D for their review and approval and to the DSBS for the master file. Based upon favorable reviews by FP&D, the DSBS will advise the escrow agent that the ALTA and Phase I Environmental Surveys are acceptable to the District and that the purchase and escrow processes can continue.
- The escrow agent proceeds to forward the three copies of the purchase contract with the seller's signatures to the DSBS who will obtain signatures from the Governing Board President. The DSBS sends the copies of the contract back to the escrow agent for their signatures and final processing that includes collection and filing of any paperwork relating to cancellation of tenant

leases by the seller or new leases with the tenants by the District. The escrow agent generates final payout information and the amount to be paid by the District is provided to the DSBSS. This amount is provided by the DSBSS to the Accounts Payable Supervisor who will wire transfer the remaining funds to the Escrow Agent for completion of the transaction.

- The Escrow Agent distributes the final Purchase Contract with all signatures including escrow agent to each of the parties. Shortly thereafter, the title insurance policy and final papers including the final escrow settlement statement and the records relating to the recording of all the appropriate documents on the purchase will be provided to the DSBO for the master file. Copies of the final escrow settlement statement are provided to both FP&D and Property Accounting.

Adequate funds must be provided in the initial funding to complete the purchase of the property, including all studies, taxes, surveys, escrow, real estate and legal fees; and to complete all remodeling or renovation required to occupy the facility. The college also must fund provide repairs or replacements to the facility, it finishes and its systems to allow operations to continue for at least one-third of the typical useful life of the asset, or three years at a minimum, without requiring additional major maintenance funding from District sources.

13. MAJOR MAINTENANCE

The college president (and the appropriate Vice Chancellor for District Office) is obligated to assure that all improvements at the college are properly maintained to provide proper maintenance to allow the improvements to reach their expected useful life, prevent unnecessary damage to improvements and interruptions of operations. This maintenance work will be a combination of major maintenance, routine maintenance and preventive maintenance. FP&D will assist the college with emergency maintenance requests. Maintenance work will be funded from a variety of sources based upon the intended purpose of those sources in conjunction with the project scope of work.

14. EASEMENTS and LICENSES RELATED TO REAL PROPERTY

Easements need to be reviewed and processed through the District's Facilities Planning and Development group. Licenses may be approved and signed by the General Council's Office. Easements and other alterations to the legal rights in real property must be approved by CDAC and the Board.

15. GUIDELINES FOR FORCE ACCOUNT CONSTRUCTION WORK PERFORMED BY DISTRICT CRAFTS, TRADES, AND MAINTENANCE & OPERATIONS PERSONNEL

1. A construction or remodeling Project shall have no more than \$40,000 in Force Account cost, as defined below. There is no annual cumulative cap on Force Account work, nor any limit on the total cost of a Project containing Force Account work.
2. The total Force Account Cost is the total cost of the following used or consumed in the Project:
 - a. **Direct labor cost**, calculated as the average wage of the full range of salary steps for the particular trade or craft category. Benefits and other indirect costs are not included as part of the direct labor cost.

- b. **All materials and supplies** incorporated into the Project, except for small off the shelf materials. All materials and supplies should be purchased through separate PO's, college credit card or LPO's in order to accurately track costs and assign them to the project. Existing Blanket PO's or Petty Cash are not to be used for acquiring materials or supplies for these projects.
- c. **Equipment** directly purchased by the college and installed in the Project by college personnel
- d. **Equipment rental** required in the performance of the work

All regular Purchasing Procedures apply to obtaining materials, supplies, services, equipment and outside contractors.

3. The following costs are **NOT** considered part of Force Account costs:
 - a. Purchase orders or contracts for outside contractors who supply AND install materials or equipment on the Project
 - b. Permit costs or similar fees
 - c. Outside consultant costs including architects, engineers or building code consultants
 - d. College and their Facilities Department administrative time or cost required to manage and coordinate Force Account work and subcontracted work by outside vendors including the time and cost to obtain competitive quotes, write PO's and contracts, administer payments and subcontracts throughout the construction period of the Project. This time should be tracked voluntarily in order to compile the actual impact to college resources.

4. Projects shall not be artificially split or divided to remain under the \$40,000 limit. A Project is defined as work done in a single or continuous effort, related to a single need or use, within the same/adjacent physical location, in a single or continuous time period. Work done in a single building in a single phase or done in separate buildings in consecutive phases-for example, an initial remodel of building A allowing a group to move from Building B and then remodeling the vacated space in Building B- all would be considered as a single "project" for the purposes of this Guideline. Similar work done in adjacent areas with less than six months between projects likely should be considered a single project.

5. Skilled labor work shall be done only within the job description, by individuals who are experienced in the type of work to be provided, AND who have received formal training, apprenticeship or work experience providing the proposed type of work. Skilled labor work shall NOT be performed by trades outside of their job description, personal expertise or experience.
 - a. The college Director of Facilities is responsible for assuring that an individual has the proper experience and safety training for the assigned work, as well as use of proper personal safety equipment.
 - b. Common labor (general labor not requiring a particular skill or training) may be provided by any craft or trades person under the supervision of a properly trained or experienced crafts or trades person.

- c. All personnel injuries on college projects shall be reported promptly to the District's Occupational Health and Safety Manager.
6. Each project shall each be accounted for as a separately managed and controlled project, with a unique project number or accounting code assigned for tracking, audit and review purposes. The college Director of Facilities shall provide the final total cost and Force Account cost to the college's Vice President of Administration at the completion of the Project.
7. Early in the planning stage, the college's Director of Facilities shall submit any Projects over \$3,000 total cost (Force Account plus outside contractor/purchase orders) to Facilities Planning & Development for a quick building code review. The only exception is if the work is reviewed/permitted/under the jurisdiction of a municipal or Tribal authority, or if one of the District's code consultants will be used for reviews. Any changes to the structure or modifications/additions to mechanical, electrical or plumbing work that substantially alters those systems must be designed by a registered engineer. The College is responsible for all code compliance, including required permits, outside code consultant, public agency or Fire Marshal review and inspections.
8. Work performed by college personnel may be for a Project completed entirely by the college or may be part of a Project primarily provided by an outside contractor.
9. Force Account labor and equipment rental must be paid from Fund 1 or Fund 2 budgets and cannot be paid for by college or district capital funds, or bond funds. Material and equipment installed by college crafts may be funded by college's bond funds, Fund 1, 2 or 7 resources as appropriate.
10. Force Account work provided for new construction or remodeling should not detract from or prevent normal college maintenance and operations performed by college crafts and trades.
11. The college assumes the responsibility, liability and cost for warranties, coordination, and corrections of improper work performed in Force Account projects, including additional cost arising from work provided by outside contractors.

SECTION 2 - ADMINISTRATIVE AND BUDGETARY CONTROLS

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APPENDIX A - AUTHORIZATION LEVELS FOR PURCHASE ORDERS, CONTRACTS AND CHANGE ORDER APPROVALS

FP&D, the College, Purchasing, and Capital Asset Accounting, as appropriate, shall review all approved contracts, purchase orders and change orders periodically for compliance with established procedures. Funding sources for all purchase orders and contracts shall be submitted to and approved by Business Services and FP&D prior to any bids being issued or pricing being obtained. CDAC approval to issue bids or obtain pricing is not required.

The authority for approving contracts, purchase orders, design and construction Change Orders shall be in accordance with the schedule listed below. The normal process for these items shall always include approvals by FP&D, Capital Asset Accounting (for funding approval), and Purchasing. Once the change order has been approved per the following schedule, the Director, Facilities Planning and Development, is authorized to sign the change order on behalf of the District. The authorized amounts are determined by the most expensive single item in the purchase order or change order, regardless of the number of any individual items purchased or the total of the purchase or change order.

Item and Amount	Authorized Approval
Requisitions and change orders up to \$4,999.	Facility Project Managers, FPD
Requisitions and change orders up to \$9,999, or change order time extensions for individual items up to 7 calendar days.	Architectural Project Managers, FPD
Requisitions and change orders up to and including \$24,999, or cumulative change orders up to 80% of project construction contingency, or change order time extensions for individual items up to 14 calendar days.	Assistant Director, FP&D
Individual change order items less than or equal to \$50,000, or cumulative change orders up to 90%, contingency of project construction, or change order time extensions for individual items up to 30 calendar days	Director, FP&D Associate Vice Chancellor, Capital Planning & Special Projects
Individual change order items greater than \$50,000 up to and including \$100,000, or cumulative change orders that would exceed 90% of project construction contingency, or change order extensions for individual items up to 60 days.	CDAC
Individual change order items greater than \$100,000 or change order extensions for individual items over 60 days	CDAC and Governing Board

If the District must undertake an urgent Change Order (field conditions requiring an immediate decision) in excess of \$50,000, prior to a scheduled meeting of CDAC, or in excess of \$100,000 prior to a scheduled meeting of the Governing Board, the Change Order may be approved by the Vice-Chancellor responsible for FP&D or the Chancellor. The Change Order shall be prepared and referenced for information and submitted for ratification at the next CDAC and Board meetings.

APPENDIX B - DEFINITIONS

*Note: Words marked with an * are general terminology used in design and construction projects. These terms may not necessarily be found within this policy manual.*

A/E or ARCHITECT*: A term used loosely to represent the architect, engineer and/or all of his other design and technical consultants, rather than naming a particular consultant for an issue or answer. The entire team often includes not only the architect, but special engineers in civil, structural, mechanical, electrical areas; interior design, furniture selection; specialists in lab or kitchen design; acousticians; data and audio visual systems; and construction managers.

ALTERNATES: A variation in project scope from the base work requested from the contractor, CMAR or D/B in order to obtain pricing information. The contractor, CMAR or D/B provides a cost to be added [Add Alternate] or deducted [Deduct Alternate] from the amount of the base bid, if the corresponding change in the project scope, alternate materials or methods of construction is accepted. Alternates are proposed and developed by the District, College, or Consultant prior to issuing the bid. The CMAR or D/B also may suggest alternates. Projects must be complete and fully functional without the requirement to accept the alternate. Add alternate work is not to be added to the contract after bid by change order even if contingency funds are available.

ALLOWANCE: A form of contingency funding, is a sum of money included in the contract to be used to pay for unexpected conditions, or work that can be identified in general, but not precisely priced or specified, prior to the bid. Allowances are funded from construction budgets or contingencies and are not considered an additional category of contingency.

ARCHITECTURAL SUPPLEMENTAL INSTRUCTION (ASI)*: A written direction or response to the contractor which results in some change to the information on the drawings or specifications, but which does NOT result in a change of cost or time to the project. If the response creates either a cost or time issue, the contractor may respond with a COR, Change Order Request.

BASE BID: The bid proposed by a contractor on the basic scope of work proposed in the bid documents. The base bid is intended to meet all programmatic needs for the project as intended and defined in the Educational Specifications.

BID OR CONSTRUCTION DOCUMENTS (CD's)*: The documents that make up the construction contract, consisting of the CONTRACT, ADDENDA (clarifications or changes to the drawings or specifications made after they were issued but before bids were received), DRAWINGS (which describe the HOW and WHERE and HOW MANY of the construction) and SPECIFICATIONS, often heard as "specs" (which prescribe the DESCRIPTION and QUALITY and PROCESS of the things in the construction). This whole group may be referred to in shorthand as the "bid doc's" or "doc's".

BOND: An agreement by a third party surety guaranteeing contract formation, contractual performance or payment of sub-contractors or suppliers by the Contractor. In the event of a default, the surety will assume the contractor's obligations assure completion the project. The Bid Bond guarantees that if a bidder is offered a contract based upon its bid and then fails or refuses to enter into the contract, the District would be paid the damages suffered up to the amount of the bond (generally 10% of the bid amount). The damages would be the difference in the cost of this low bid and an award to the next lowest responsible and responsive bidder. The Performance Bond is a guarantee by the surety that the contractor will perform and complete the project in accordance with

the terms of the contract and Contract Documents. The Payment Bond, sometimes called a Labor and Materials Bond, guarantees that the contractor and/or the surety will pay all labor and material bills incurred with connection with the contract. Bid Bonds, Performance and Payment Bonds will be provided for construction contracts as recommended by Purchasing.

BUILDING COMMITTEE: A steering committee active for the entire length of the project, composed of representatives from the College/user group, the Buildings and Grounds Director, FP&D, ITS, the consultant and the construction manager, if one is used. The Committee meets regularly to provide reviews, guidance, communicate needs, resolve problems and review all budget and schedule issues.

CAPITAL BUDGET/CAPITAL COST: The budget established to fund, or the actual cost, for all of the capital non-operating costs associated with the project, including all professional fees, construction, FF&E, inflation and contingencies, testing, ITS and vocational equipment, infrastructure, etc., necessary to provide a fully operational project upon completion.

CAPITAL FUNDS: Any combination of College, State or Bond Capital, or external funds used to pay for project development, construction, and furnishings and equipment that have a life of greater than one year. Examples may include unrestricted and restricted funds, including Fund 2, Fund 3, and Fund 7. Fund 1 monies may be used for *renewals and replacements*, but not for purchased, self constructed or leased capital assets.

CD's*: See **BID** or **CONSTRUCTION DOCUMENTS**

CHANGE ORDER: A document that alters either the cost or completion time of a contract. These are the end result of approved change order requests or proposal requests. It must be signed by the contractor, architect and owner, and represents the final agreed settlement regarding the cost or time impact of a change.

CHANGE ORDER REQUEST (COR): A document issued by the contractor providing the price and/or time impact from a change in the work. It may be generated by a PR (proposal request) issued by the architect or be based upon a change requested by a contractor or subcontractor, for what they feel is work beyond the scope of the Construction Documents.

CDAC: Capital Development Advisory Council, consisting of two Governing Board members, the Chancellor, four college presidents, the Vice Chancellors for Student Development and Community Affairs, Information Technologies, Business Services, Academic Affairs, and Human Resources and the Executive Director of the Maricopa Skill Center.

COLLEGE: The College President or his/her designee(s) or designated staff. Use of the word "College" includes the main campus location as well as all education centers and other locations owned and operated by the College.

COMPETITIVE BID or PROPOSAL PROCESS: A bid process administered and operated in accordance with District and applicable District Purchasing Department policies and procedures. See http://www.maricopa.edu/facilitiesplanning/docs/delivery_methods.pdf for a full description of different construction delivery approaches available to the District.

CONCEPTUAL PHASE: The initial phase of the project's development, including developing, submitting and approving the Education Specifications, and receiving CDAC's, FAC's and the Board's approval for Project Initiation.

CONSTRUCTION CHANGE DIRECTIVE (CCD)*: A written direction given to the contractor to proceed with a certain piece of additional work prior to submitting and receiving approval on the price or time impact. Used rarely when either (a) the time and/or cost cannot be agreed upon after it's submitted, but when the work must proceed, or (b) due to the time element involved or the nature of the work, the work must proceed immediately in order not to delay the rest of the project. Work or time impact in either of these circumstances would be determined by keeping track of the actual time and materials used or further negotiation of a submitted cost. The CCD is eventually included in a change order.

CONSTRUCTION [PHASE] BUDGET: Budget initially proposed for the construction contract for the project at time of contract award. This figure is composed of all items proposed to be included in the construction contract and is made up of the initial construction or remodel budget, fixed equipment, site and utility development, and adjustments for inflation and design contingency. When D/B is used, the budgets for the consultant, all or part of the design contingency, a portion of the construction contingency, and the construction may be combined into a single contract.

CONSTRUCTION DOCUMENTS: Agreements, pricing instructions, drawings and specifications prepared by the Consultant and District (and D/B as appropriate) that describe all the essentials of the project in sufficient detail to permit its pricing and to direct the work of the contractor. An updated opinion of probable cost, if relevant, and suggested pricing alternates should be included.

CONSTRUCTION MANAGER (CM): A firm or individual advising or providing assistance to the District for a single project, but not directly providing either design or construction services. The CM often is a sub-consultant to the architect who specializes in construction scheduling, cost estimating, and construction site administration. The CM often undertakes the burden of daily construction site field management effort, except for inspections by the architect and engineers, on behalf of the architect's team. The Program Manager also may provide project management manpower for individual projects. Also, see Program Manager.

CONSTRUCTION MANAGER at RISK (CMAR): An alternative project delivery method in which a construction firm is hired prior to the Construction Phase and will act as the general contractor at the contracted for price, while also providing consultation to the institution and Consultant regarding construction related issues and pricing during and after the design of the facility. Design and construction of the project may be in sequential phases or concurrent phases. There is a separate contract for design services and a separate contract for construction. By Statute, financing, maintenance, operations, and other related services may be included. See http://www.maricopa.edu/facilitiesplanning/docs/delivery_methods.pdf for a full description of different construction delivery approaches available to the District.

CONSULTANT: A professional such as an architect, engineer, landscape architect or interior designer, or a specialized consultant in areas such as acoustics, lab design, kitchen design, energy management or specialized technology. The consultant holding the major services contract, with other consultants acting as sub-consultants, is considered the prime (as in "primary") consultant. The Consultant still performs most of the same duties and services, and divided into the same phases, as part of a D/B team.

CONTINGENCY: A sum provided to cover the cost of changes due to unpredictable or unforeseen items of work, or adjustments, all of which are within the original approved scope and

program. Contingencies are available to all project areas and budget lines, and are not limited to the construction portions of the contract. The Project Contingency is the total of the Design, Construction and any other contingencies, along with any adjustments for inflation included in the budget.

DESIGN CONTINGENCY: A sum in the budget allowed for programmatic and design changes which occur over the course of developing the complete design. The design contingency should diminish as the design process goes from concept stage to contract document stage and revert to \$0 at the time of bid.

CONSTRUCTION CONTINGENCY: A sum in the budget allowed for unforeseeable conditions encountered in the project following construction bids and contracts, including change orders, hidden conditions, errors or omissions by the Consultants when not part of a D/B, additional services or any other purchases not foreseen during the design phase.

CONTRACTOR: A firm or individual providing the actual construction of the project. Used interchangeably within these Procedures to represent a contractor selected in a traditional design-bid-build process, Construction Manager at Risk (CMAR) or Design/Build (D/B) firm.

CONSTRUCTION DOCUMENTS PHASE: The fifth phase of the project's design process, in which the consultant prepares the final bid documents from the approved design.

COST: The full value of the item or contract, including all labor, materials, tools, services, transportation and equipment required to complete the work, along with the appropriate freight, insurance, bonds, sales tax or other mark-ups.

CRITICAL PATH SCHEDULE*: A type of schedule for a project showing all of the individual major steps or activities needed to complete the work within a given period of time, linked logically by required precedent activities to each other. With this schedule, we can determine what the order of the work has to be and what activities will come first, to be followed by what other activities. The CRITICAL PATH on the schedule is the shortest period of time through a path of activities which the project can be completed. Activities that occur on the least time path are called "critical"; all others are called "non-critical". The critical path time must correspond to be no longer than the time allowed in the Contract. If an activity is delayed or takes longer than it was scheduled to, the critical path may shift a number of times throughout the project, to include different activities, or drop some that were on the earlier critical path and add new ones. A project time extension is granted only when added work or non-contractor based delays impact the critical path time. Very careful analysis is required when granting an extension to the contractor based upon impacts to the critical path activities due to the possible subtle manipulation to their advantage in the analysis. Activities that are not critical and have extra time at the end of their proposed time, before the next activity must begin, contain "float", or extra time. As changes occur in the project, work is added, or activities lag, look at the critical path time and activities to evaluate whether the project will complete on time, and if not, what activities must be accelerated, have manpower added, etc., to make the project completion date.

DESIGN-BID-BUILD: The traditional project delivery method in which there is a sequential award of two separate contracts, the first of which is for design services, and the second of which is for construction. Design and construction of the project are in sequential phases. Financing, maintenance and operation cannot be included in the construction contract.

DESIGN-BUILD (D/B): An alternative project delivery method in which there is a single contract for design services and construction services. Design and construction of the project may be in sequential phases or concurrent phases. Financing, maintenance, operations, and other related

services may be included by Statute. Design-Builder is the entity providing the design build services. See http://www.maricopa.edu/facilitiesplanning/docs/delivery_methods.pdf for a full description of different construction delivery approaches available to the District.

DESIGN DEVELOPMENT PHASE: The fourth phase in the project's design process, in which the consultant refines the schematic design and produces detailed drawings, specification and other documents as needed to fix and describe the size and characteristics of the entire project, including civil, architectural, landscape, structural, mechanical and electrical systems and materials. FF&E also is developed to a similar level of detail during this phase.

DISTRICT: The Maricopa County Community College District, also referred to as “Owner”.

EASEMENT: An agreement that gives an individual, company or municipality permission to use a landowner’s property in some way. An easement usually describes a particular portion of property, and although not visible on the ground, provides a “right” (such as to park, access, cross, provide maintenance, etc.) to the holder of the easement. Easements usually are legally recorded, automatically transfer from one owner to another as the land is sold, and lasts in perpetuity or until the holder of the easement discharges their rights. While an easement grants rights, it also has the effect of partially restricting an owner’s use of those portions of land affected by the easement. An easement does not allow the holder of the easement the right to improve or modify the subservient land. A ‘right-of-way’ is a type of easement that is particularly related to utility or municipal improvements such as power lines, streets, sewer or water lines, etc. Also, see LICENSE.

ENCUMBERED: Funds that are identified and set aside for expenditures associated with a signed contract or purchase order, thus reducing available budgeted funds. (Note: Encumbered funds uses and balances usually differ from cash flow or cash expended balances typically seen in District Business Services reports.)

EDUCATIONAL SPECIFICATIONS: A document produced by the College in non-technical, layperson’s language, which establishes the initial justification, nature and purpose of the proposed project or program. The Educational Specifications address the relationship of the project to the College's strategic goals, relationship to the campus master plan, a general description of the spaces, equipment, estimated operational budget and proposed operational date required to accommodate the proposed project or program.

EQUIPMENT [all types]: See FF&E.

FACILITIES DESIGN: Includes the design, selection and provision of all elements necessary to produce a fully operating facility at completion. This includes building and site development design, utilities infrastructure and central plant modifications necessary to support the project, FF&E, telecommunications and computing systems, including voice, data, video and support infrastructure.

FAC: Financial Advisory Council composed of representatives of the Board, District and college executives, and all employee groups, the Financial Advisory Council is responsible for the supervision and coordination of all District budgeting processes. Additionally, the Council makes recommendations to the Chancellor and the Chancellor’s Executive Committee (CEC) to take to the Governing Board regarding budget. Business Services Division personnel provide staff support.

FF&E: Furniture, fixtures and equipment not initially included in the building construction budget. At the Building Committee's option, any of the following may be moved into the construction budget and be purchased by the construction contractor. The FF&E budget may be increased by their proportional shares of inflation and design contingencies during its design phase.

Furniture: Moveable furnishings that occupy floor space but require no permanent connection to utilities or structure. They may require utility outlets, but are plug-in types. Examples are desks, bookcases, moveable partitions, refrigerators, computer stands. Also included is modular or systems furniture that may be partially or permanently attached to the walls or may require hard wired electrical and data connections.

Fixtures: Minor items, other than equipment, permanently affixed or installed with and function as part of the building. Examples are blinds, drapes, shades, etc. Fixtures typically are included in the Contractor's scope of work.

Equipment: Moveable items of equipment not requiring floor space because they sit on or in other equipment or furnishings. They may or may not require utility connections. This also includes scientific, technical or vocational equipment, often requiring special utility connections. Examples are computers, kilns, audio-visual equipment, microscopes, small centrifuges, specialized equipment related to specific vocational or occupational instruction, etc.

Fixed Equipment: Permanently affixed, installed or built-in furniture or equipment which function as part of the building or structure and would cause appreciable damage if removed. Examples are chalk or whiteboards, bulletin boards, built-in cabinets, elevators, etc.

Specialized fixed equipment: Varies widely in quantity and scope and budget by project and often is budgeted separately from the original construction budget. These items often are included in the final construction contract. Examples are auditorium or fixed lecture room seating, bleachers and kitchen equipment, and may or may not be part of the Contractor's scope of work.

FIELD ORDER*: A written instruction issued in the field by the architect or an on-site construction manager instructing the contractor to clarify or do something. Every clarification or directive should be in writing to avoid misinterpretations, forgetfulness, etc. A field order should not have a time or cost impact to the project.

FP&D: The District's central Department of Facilities Planning and Development.

FORCE ACCOUNT OR FORCE LABOR: Force account work occurs when employees are involved in the construction of a building, structure, or addition, or in the remodeling or renovation of a District facility. The District Purchasing procedures manual, section 507: Construction by District Employees, currently limits force account work to a maximum of \$40,000 per project.

GUARANTEED MAXIMUM PRICE (GMP): The guaranteed maximum price the Owner will pay for the scope of work defined in the Owner/Construction Manager Agreement based upon an agreed upon set of documents. The Owner typically will pay the actual costs incurred by the Construction Manager, plus a fee, construction site management/overhead costs and contractor contingency, which in total has as its upper limit the GMP. Changes in the scope of work by the Owner, hidden conditions discovered during the construction, consultant errors, municipal authority requirements and similar situations may result in a modification to the GMP.

HIDDEN CONDITIONS*: Existing conditions that are concealed and not uncovered until the work begins, AND which could not have been foreseen or reasonably inferred from the bid documents or visual observation of the project site during bid period. The contractor is not required to make exhaustive inspections of a site, dig holes, etc. to determine what may be underground, for example, but is required to visit the site and make logical judgment based upon his experience, typical

local conditions, etc. Lifting a ceiling tile to look into an existing ceiling condition is a reasonable, expected activity; cutting open a wall to see if there is a pipe present is not. If hidden conditions result in extra cost or time to the contractor, a change order for the work is appropriate. The contractor must request an inspection of the condition by the architect or college personnel once uncovered, but prior to disturbing it, in order to document the difference between what could have been expected and what actually is there. Underground pipes and utilities, and differing soil conditions, are the most common hidden conditions while working on existing campuses.

IDC: Interior design consultant.

INFLATION ADJUSTMENT: An amount contained within the project budget used to account for cost increases in contract, goods, materials or services due to inflation from the time of project initiation to actual purchase. All inflation adjustments are made prior to award of contract or purchase.

INFRASTRUCTURE: The underlying support network of utilities or systems tying individual buildings to the central plant, a central utility distribution point, off-site utilities points of presence, and the campus telecommunications and data systems.

"INTENT*": You'll hear a lot of discussion about the "intent" of the drawings and specifications as you hear disputes about whether a change order and additional cost requested by the contractor are legitimate or not. The argument generally hinges on the grey areas between the architect's position that his documents show or imply just about everything that the contractor needs to completely build the project, and the contractor's view that the bid documents are incomplete, full of holes, and that he is due a change order for each and everything that wasn't perfectly explained on the drawings or specifications ("I can't bid intent..."). The legal standard is that the architect is not required to produce a perfect set of documents, but yet the owner guarantees to the contractor that the set of documents is adequate and complete enough to fully build the project. The final decision often rests with the Owner to evaluate what the contractor **COULD REASONABLY EXPECT AND READ INTO** the documents provided for the work. "Intent" is the cause for some of the loudest and meanest arguments in a job meeting. Listen for fireworks and fine language following the word "intent" being used.

ITS: Information Technology Services at either the District office or the college.

JOB ORDER CONTRACTING (JOC): An alternative project delivery method in which the contract is a requirements contract for indefinite quantities of construction. The construction to be performed is specified by individual purchase orders issued during the contract. The contractor or contractors are selected for a multiple year purchasing agreement for construction services which can be based upon a pre-determined set of unit costs or a discount factor to a published set of costs (such as Means Cost Guide) or other method approved by Purchasing. Financing, maintenance, operations, preconstruction services, design services and other related services also may be included by Statute. See http://www.maricopa.edu/facilitiesplanning/docs/delivery_methods.pdf for a full description of different construction delivery approaches available to the District.

LICENSE: Permission to go upon or use the land of another, the permission being a personal privilege and not constituting an interest in the land. A license is less formal than an EASEMENT, generally is not legally recorded and can be revoked at any time.

LIQUIDATED DAMAGES (LD's)*: Monetary damages assessed against the contractor for failure to complete the project on time. These are set in the contract before the construction begins

and are calculated from the contractual date of Substantial Completion to the actual date of Substantial Completion. Liquidated damages are established in place of actual damages under the theory that actual damages would be too difficult to determine. Liquidated damages should be an accurate representation of what actual damages might be but cannot be so high as to be considered punitive.

MAINTENANCE: Maintenance funds may come from State Aid, general obligation bonds, college State Aid capital, or other capital resources. Use of maintenance funds is limited to any activity, including tests, replacements, adjustments and repairs, intended to restore or retain buildings, systems and site improvements in a state in which they can perform its required functions or to restore it to serviceability. Project descriptions that include “expansion of”, “improvements to” or “new” generally will be a capital expenditure that cannot be funded by maintenance funds. If a college wishes to expand or improve something that is eligible for maintenance/repair funding, the equivalent repair/replacement cost may be added to the college’s capital funding to fully fund the larger/new work.

Major Maintenance: Scheduled work exceeding \$1,000 that is designated to renew, restore, or extend the life and use of site or building improvements, including installed equipment, building systems or finishes. The new finish, system or equipment provides essentially the same type and performance as the replaced component or item. Examples include building repair or replacement or air conditioning equipment, re-roofing, repaving, etc. Lack of such maintenance may result in further deterioration or breakage that becomes critical, threatening to cause even greater damage and eventual expense if not remedied in a timely manner. Major Maintenance maintains items that are no longer in serviceable condition or working order, and does not apply to problems that require new construction to resolve.

In general, major maintenance funding from general obligation bonds should be used for larger or more expensive projects and district-wide programs, significant replacements of building finishes or systems, roofing, replacements of major pieces of equipment or utility systems, any of which will have useful lives of more than eight years, or increase the useful life of the asset more than eight years to more closely match the repayment schedule for the bonds. With prior permission of CDAC, up to 20% total of the college’s bond maintenance funding also may be used for upgrades or expansion of campus utility and infrastructure systems. Large expenditures of State Aid major maintenance on a single project for an individual college creates a burden on limited State Aid maintenance resources that must be shared by all colleges throughout the year.

Routine Maintenance: The day-to-day cleaning, repair or replacement of obsolete, worn, broken or inoperative facility components or improvements in order to keep the facility at a predetermined level of comfort and operation, including repairs, cleaning, service work and/or service contracts. This work may be a scheduled repetitive work or may be a request of a non-emergency nature initiated by a user. Examples include localized interior painting, minor carpentry or repairs to glazing or masonry, minor repair of mechanical, electrical or plumbing equipment, change out of air filters, etc. Labor and materials for this are usually included entirely within the college's maintenance and operations budget.

Preventive Maintenance: Planned and controlled program of periodic inspection, adjustment, lubrication, replacement of components, etc., as well as testing and analysis intended to extend the useful life, thereby precluding the inconvenience, down-time, and/or catastrophic consequences of premature failure of such components, or degradation of building systems, finishes or equipment. This work may be performed by college maintenance staff or outside vendors. It includes things like overhauls of major equipment, checking, cleaning and lubrication of major equipment, etc., all intended to maintain items in working order.

Deferred maintenance: Planned or unplanned maintenance work that has been delayed or cancelled due to a lack of funds, personnel or available time, usually in the hope of accommodating the work in the next maintenance cycle, retiring the asset or getting authorization to do a major project that will include the deferred items. It often results in...

Emergency Maintenance: Unexpected, unscheduled repair or replacement work requiring immediate response to restore services or remove problems that result in some level of danger, reduced safety or reliability, damage, impaired or interrupted of operations.

MASTER PLAN: A campus-wide physical plan, including guidelines and standards, made to guide future development of the campus. The master plan contains buildings, and the site, utility and infrastructure development necessary to support them.

NOTICE OF AWARD: A notification sent by Purchasing to the successful proposer/bidder following approval of the award by CDAC, and the Board as required.. This Notice requests contract signing, submittal of all bonds, certificates of insurance, etc., prior to Notice to Proceed.

NOTICE TO PROCEED: A notification sent by Purchasing to the successful proposer/bidder authorizing the start of work on the project. This Notice establishes the legal start of the contract period.

OPERATIONAL COSTS: Non-capital costs required to operate the project once it becomes operational, including staffing, supplies, equipment, utilities, janitorial.

PROGRAM MANAGER: Services provided by one or more firms for overall management and coordination of a broader or entire program, such as the Capital Improvement Program. The Program Manager also may provide project management manpower for individual projects.

PROGRAM [Architectural or Project]: A document created by the Consultant based upon in-depth interviews and discussion with all identified users of the project. The program is a detailed analysis of user needs, space size and occupancy, relationship between spaces, utility and telecommunications services, environmental conditions, traffic and circulation, code analysis, site analysis and program cost estimate.

PROJECT: Any combination of land purchase, land development, site and/or infrastructure development or modification, building construction or modification, complete furnishing and equipping of the facility.

PROJECT CLOSE-OUT: The final phase of the project that includes completion of the construction deficiencies ("Punch") list; contactor certification of completion of work and proper operation of all systems; receipt of warranties, operations and maintenance manuals, spare parts and extra materials, and staff training; removal of contractor facilities and repairs to damage to the site or adjacent facilities; receipt of as-constructed documents; receipt of contractor and surety affidavits, certificates or other documentation required for final payment, lien releases, and release of claims; settlement of all remaining claims or damages; release of retention or other instruments held in lieu of retention; final payment to the contractor; and final internal project accounting.

PROJECT INITIATION: A submittal by a College to CDAC and the Governing Board for the project's initial approval and funding. This process requires the College to submit Education Specifications and justification for the Project, indicating its necessity in the attainment of a College

goal as outlined in the College's strategic plan in order to accomplish its mission. If approved, authorization is granted to the College to begin Consultant, CMAR or D/B selection.

PROJECT (CAPITAL) BUDGET: See Capital Budget.

PROPOSAL REQUEST (PR): A written request from the Owner or Consultant requesting the contractor to make a change in the work, or a change from the drawings or specifications, which results in a change of cost or time to the project. If accepted, a Change Order is written to modify the contract for the project. This request can originate with the owner, architect, contractor or any other party associated with the project. All District and College requests must be made through the District project manager. The contractor will forward this request to the appropriate subcontractors and suppliers, who respond with proposed costs that are issued back to the architect as a COR. The owner or architect may disagree with the price and will look at a detailed analysis of what the price includes (only new work not in the original bid documents), whether proper credit has been given for work deleted, whether quantities of materials, units of labor, or unit costs for both appear to be correct, etc. Many people outside the process, like Board members, feel that the contractor tries to add costs to "get rich" off proposal requests or make up for errors or "low balled" bids. The architect's and project manager's job is to make sure that only legitimate additional work is allowed (nothing that was in the original bid documents- see "intent") to be priced and added, and that the cost to do the extra work is fair. The contractor is limited by the contract in what he is allowed to mark up his costs for overhead and profit, and is not making excessive profit based upon the mark-ups allowed.

PUNCH LIST: A listing of deficiencies or corrections made through an inspection of the work by the FP&D, the college, other District personnel, the Consultant and the Contractor. This list typically is done at the nearly completion point of the work in order to determine the Date of Substantial Completion. For the District, our user groups and facilities trades are asked to do their own review of the facilities and provide a list to the District project manager AHEAD of the regular punch list inspection so that their requests and observations can be reviewed and where appropriate, added to the architect's official punch list. Both our users and trades are encouraged to tour the project regularly during construction (remember to wear proper clothes and hard shoes, and a hard hat) and to send any questions or items of concern to the District Project manager.

REAL PROPERTY: Land and anything permanently affixed to the land, such as buildings, fences, and those things attached to the buildings, such as plumbing and heating fixtures, or other such items that would be classified as personal property if not attached.

REIMBURSABLE EXPENSES ("REIMBURSABLES"): Secondary amounts expended by the consultant or District for or on account of the project, or which are not contained within the basic professional services amount for the consultant. Reimbursables often are included as an allowance in the overall contract or purchase order amount. These items typically cannot be quantified at the time of the contract. Examples are required out-of-town travel, renderings requested by the District, printing of bid documents, miscellaneous District incurred long distance phone calls, copying, postage, shipping or handling of project related materials. These expenses are reimbursed from the Consultant fees within the Project's capital budget.

REMODEL, RENOVATION, REFURBISH: These words are frequently used interchangeably and the line between them often is indistinct. All fall generally into the concept of remodeling, with the word reflecting different degrees and intensity of changes. For the purposes of our Capital Development plan and for consistency, they will be defined as follows:

Remodel: This type of remodeling implies a significant transformation or improvement, often including extensive changes to walls and major upgrades or replacement of mechanical, plumbing or electrical systems, up to a total "gutting" and rebuilding of the project area. This work is done to accommodate new functional programs within and existing space or substantial reorganization of the space for the original function. Work provided in this remodeling includes significant changes to walls, ceilings and floor finishes and as needed, new equipment, whiteboards, etc. It also will include changes to, replacement and upgrade of air conditioning and electrical systems serving the remodeled area (with the main equipment or air handlers remaining), and compliance with handicap and other building codes.

Renovation: This type of remodeling implies restoration and perhaps limited improvements of changes to an area or features that are damaged, worn, or out of date. Primarily the work restores something to its previous condition or usefulness. This type of remodeling reuses existing space and nearly all of the original configuration, but often changes the architectural finishes, such as flooring, wall finishes, ceilings, doors or hardware. The basic mechanical, plumbing and electrical systems may receive minor upgrades or additions, but are not a total replacement.

Refurbish: This type of remodeling typically implies changes in architectural finishes only. The space remains configured as it was originally, with a very limited number of changes such as new or relocated doors or interior windows, etc. Old light fixtures or chalk boards may be replaced or upgraded, carpet can be replaced, etc. Within this work, a very, very limited change to a wall or two would be acceptable. This is predominantly "clean-up, paint-up" work to freshen older spaces.

REQUEST FOR INFORMATION (RFI)*: A question from the contractor, often deriving from missing information, conflicts in the construction documents, a field condition in question, etc. These are to be answered as quickly as possible by the architect or his sub consultants.

SCHEDULE OF VALUES*: A complete listing of all subdivisions of the work, by trades, and by portion of work, with the dollar value of that work shown. Used on the monthly payment application ("pay app") to determine how much work has been completed and how much payment is due the contractor.

SCHEMATIC DESIGN: The second phase of the design process, in which the Consultant prepares a very basic design based upon the Education Specifications, architectural program and further District consultations. The design may consist of simple, often single line, drawings illustrating the scale and relationship of project components; an outline specification; a basic code analysis; and a statement of probable cost for the project.

SHELL SPACE: Newly constructed space that includes the building's exterior envelope and major equipment and main elements of mechanical, plumbing and electrical systems, but is otherwise unfinished and incomplete inside. This space is intended to be completed at a later date, pending additional funding or need.

SHOP DRAWINGS/SAMPLES/SUBMITTALS*: Drawings, materials samples, colors, etc. requested by the architect in the specifications and submitted by the contractor to allow final selection of colors, to completely detail certain materials (like steel) or fabrications (like cabinetry) that are shown in less detail in the construction documents. The architect, and where appropriate or requested, the owner, reviews these items and makes any changes, then returns them to the contractor to allow the items to be fabricated. 85% to 95% of everything that goes into a project must be approved through a submittal process.

SUBSTANTIAL COMPLETION: The point at which a project is complete enough that the District can occupy and use the space for the purpose of the project without excessive interruption, impact to operation or function, or conflicts that may result from the punch list work that the Contractor still must complete. The traditional broad definition was that the work "is complete enough to allow the owner to occupy it for the use intended". The District's contract defines multiple conditions that must be met to achieve Substantial Completion. Typically, starting with the Date of Substantial Completion, the contractor then has a short period to complete his punch list items and provide other close out materials, manuals, training and other extra material, then achieving "Final Completion", prior to the owner taking occupancy of the facility. In a crunch, we can move in and begin teaching on the date of Substantial Completion. In extreme cases where a project is running very late, we have moved in furniture, and even began to use the facility, ahead of Substantial Completion. The Date of Substantial Completion of the project then sets the starting date for the project's warranty period.

The contract's Date of Substantial Completion typically is set from a count of calendar days (versus work days) from the date the work officially begins ("Notice to Proceed"), but also can be tied to a specific calendar date. Since monetary damages are assessed against the contractor for each day that he is late in delivering the project, this date and definition makes for some nasty arguments, claims for delays and time extensions, and law suits.

USEFUL LIFE: The theoretical length of time that an improvement to the site or building, including building systems, finishes, or equipment, would be expected to function or be useable when operated and maintained properly.