

**CONTRACT / CONSTRUCTION REQUIREMENTS
FOR PUBLIC SCHOOLS PROJECTS**

August 2005

Projects Requiring Licensed Architect / Engineer:

***Project Cost
Threshold**

New Construction or Additions	\$135,000 +
Major Repairs w/ Structural Changes	\$135,000 +
Non-Structural Repairs	\$300,000 +
Repairs / Renovation Work Affecting “ Life Safety Systems”	\$100,000 +
Buildings Classified by Building Code as “Business” (Concession / Toilet / Field House, etc.)	Over 2,500 sf

Selection of Design Professional (Architect / Engineer / Construction Manager):

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| <ul style="list-style-type: none"> - Announcement of professional services needed - Qualifications-based selection without regard for fees - Exemptions : - Projects w/ estimated professional fees < \$30,000 <ul style="list-style-type: none"> - Specific projects at sole discretion of LEA
(Documented in meeting of Board of Education) - Show good faith efforts to notify minority firms |
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* Project costs are market value / replacement costs if competitively bid (not reduced by any donated labor, material or cash)

Construction Delivery Methods:

Separate / Multi-Prime Contracting:

- Separate drawings / specifications for each work subdivision (G,P,H,E, etc.)
- Separate contract for each work subdivision
- Subdivision < \$25,000 can be included in another subdivision regardless of total project cost

Single-Prime Contracting:

- Separate drawings / specifications for each work subdivision (G,P,H,E, etc.)
- Bidders must identify on their bids the selected sub-contractors

Dual Bidding:

- Bids received under both single & separate prime methods
- Separate-prime bids received (but not opened) 1 hour before single-prime bids
- Separate-prime bidders may not underbid their bids to single-prime GC's
- Award to either separate-prime or single-prime at discretion of Board of Education

Construction Management-at-Risk:

- Construction Management-at-risk selected by owner based on qualifications (not lowest fee)
- Guarantees total construction price
- Construction Management-at-Risk must be licensed contractor
- Design services are separately contracted
- Sub-contractors pre-qualified, competitively bid

Alternative Contracting Method:

- State Building Commission approval by majority vote
- Authorization for a specific project
- Project must be competitively bid
- Burden of justification is on applicant
- Or: obtain authorization by local act of NC Legislature

Force Account (Qualified labor on LEA's permanent payroll):

- Maximum project cost = \$125,000
- Maximum labor cost = \$50,000
- Bidding of materials is required

Bidding:**Estimated
Project Cost**

<p>Formal Bids:</p> <ul style="list-style-type: none"> - 7-day advertisement in newspaper of general circulation in area of project - Electronic ads if authorized by Board of Education - Time & place where plans & specs are available - Time & place for opening bids - 5% bid bond - Sealed bids - Bids opened in public - Bids recorded in minutes of Board of Education - Bidders provide performance & labor and materials payment bonds - Comply with minority participation requirements 	<p>\$300,000 +</p>
<p>Informal Bids:</p> <ul style="list-style-type: none"> - No advertisement required - No particular number of bids required - Bids may be obtained verbally, by electronic or written submission - Bid deposit not mandated but, at owner's option, may be required - Performance and payment bonds not mandated, but may be required by owner - Comply with minority participation requirements 	<p>\$5,000 to < \$300,000</p>

Performance & Payment Bonds:

<ul style="list-style-type: none"> - Required for projects costing \$300,000 or more - Required for each contract of \$50,000 or more (if total project cost \$300,000) - Note: School Planning recommends them for <u>all</u> school projects

Minority Business Participation:

- Solicitation of minority business participation is required: Project Cost \$5,000 +
- A verifiable goal is required
 - State goal of 10% used for projects \$100,000 + if state funds used unless pre-existing local goal is justified
- Good faith efforts to encourage minority business participation is required
- Reporting requirements by NC Department of Administration must be complied with
- Good faith efforts made & participation achieved must be documented
- Historically Underutilized Business (HUB): Tel. (919) 807-2330

Dispute Resolution:

- Must be provided for all school building projects, regardless of cost
- Procedures may establish a minimum amount in controversy of up to \$15,000 before parties are required to participate
- LEA's may adopt State Building Commission's procedures or establish their own
 - Option of using mediation must be included
- Must be available to all project participants including Architect, Contractors & Sub-contractors at all levels
- Exceptions:
- Pre-Fab or relocatable buildings or portions thereof (except that portion which must be performed on the construction site)

Specifications to Carry Competitive Items:

- Performance & design characteristics should be specified for materials required
- If possible, brand name specifications, listing three or more of equivalent design can be used
 - Equivalent designs are used to denote standards but are not restrictive
 - If three are not available, list as many as are available
- Substitution of materials of equivalent design must be submitted to the design professional, and either approved or disapproved, prior to bid opening

Alternate Bid for Preferred Brand/s:

- Specifications may list one or more preferred brands as an alternate bid
 - Must identify performance standards that support the preference
 - Performance standards for the preference must be approved by the Board of Education in an open meeting

Project Review by NC Department of Public Instruction, School Planning Section:

- All school projects must be reviewed (General Statutes mandate)
- Not just new schools, additions, or major renovations, but small projects as well

Small projects, including:

- concession stands
- athletic/shop facilities
- field houses
- permanent greenhouses
- baseball dugouts
- bleachers
- toilet buildings
- press boxes
- weight rooms
- storage facilities
- modular buildings
- pre-engineered metal buildings
- mobile classrooms

Minimum drawings required for small projects:

- site plan
- floor plan/s
- foundation plan
- wall sections
- elevations
- details
- finishes
- HVAC (if any)
- plumbing (if any)
- electrical (if any)
- site utilities

Note: Even though some of these projects will not require being designed by a registered architect/engineer, the designer's name & address must be on the drawings

N.C. Department of Insurance Review of School Projects:

- Projects greater than 10,000 square feet in area per floor
- Projects greater than two stories
- The local building inspector reviews projects not reviewed by NCDOI