

# Oklahoma Housing Finance Agency

## National Housing Trust Fund

### Chapter 17 / Construction Management

#### I. INTRODUCTION

The construction phase of a project is divided roughly into two major components:

1. The pre-construction conference and start of construction; and
2. Monitoring construction progress, including labor compliance.

Each of these phases is subject to various State and federal requirements, which will be discussed at greater length in this Requirement.

#### II. THE PRE-CONSTRUCTION CONFERENCE

A. OHFA requires that every contractual relationship between the awardee and the construction contractor be initiated by a meeting to define the terms, conditions, deliverables and performance schedules that will govern the contract. This approach represents good management practice and reduces the likelihood of later conflicts caused by assumptions and misunderstandings between the contractor and the awardee.

B. After contract award but before any obligation is created or work performed, the awardee, the architect or engineer and any technical advisors to the awardee must hold a pre-construction conference with the contractor to explain contract requirements.

C. The contractor should be notified in writing of the time and place for the conference. The invitation may also require the attendance of subcontractors expected to undertake major portions of the work. Documentation required from the contractor at the time of the meeting should be identified. Satisfaction of all bonding provisions may be required at this time.

D. Prepare an agenda. Plan to utilize and distribute a Preconstruction Checklist [**Attachment 1**] as a guide to assure that all areas are properly addressed. A tape recorder may be used to record the meeting and/or a stenographer may be asked to prepare notes. It is the awardee's responsibility to clearly present the federal statutory compliance requirements as well as performance expectations. A copy of the minutes should be signed by the parties to the contract and placed in the files.

E. OHFA recommends the following procedures as the minimum coverage of topics at the pre-construction conference:

1. Review the technical aspects of the project;

2. Identify the laws applicable to the contract and establish the documentation, reporting and performance that will constitute compliance;
3. Establish the awardee's obligations to monitor labor standards and the procedures that will be employed;
4. Establish specific contractor-to-awardee reporting requirements;
5. Accept bonds and securities for performance and payment of labor and materials;
6. Review the contract provisions, including all attachments regarding labor standards, civil rights, job safety standards and environmental protection;
7. Explain the objectives of Executive Order 11246 and require a copy of the contractor's Affirmative Action Plan and the specific affirmative action strategy to be employed on this contract.
8. Provide the contractor with forms, job-site posters and other materials
9. Return the contractor's bid bonds;
10. Provide for a written record of the pre-construction conference to be prepared and subsequently signed by the parties to the agreement;
11. Issue a written Notice to Proceed to the contractor, a copy of which is to be sent to OHFA.

### **III. CHANGE ORDERS**

A. It is not uncommon for circumstances to require modifications to various construction contracts. Written change orders are permitted provided the cumulative impact of all such change orders does not increase the original contract amount by more than 15%.

B. The awardee must formally approve any change order and maintain written documentation as to the reasons for the change. All change orders must contain a unit price and total for each of the following items:

1. All materials with cost per item;
2. Itemization of all labor with number of hours per operation and cost per hour;
3. Itemization of insurance cost, bond cost, social security, taxes, Workers' Compensation, employee fringe benefits and overhead costs; and
4. Profit for the contractor.

C. The awardee needs to monitor the relationship between any change order and its contract with OHFA. If the change order would cause any change in a budget line item, scope of project or change in beneficiaries, the awardee must request a contract modification from OHFA. The awardee may not approve such a change order until and unless OHFA approves a contract modification.

#### **IV. ATTACHMENTS**

1. Pre-Construction Checklist
2. Notice to Proceed
3. Construction Management Files

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## PRE-CONSTRUCTION CHECKLIST

Project Name:	Project Number:			
Location:				
Description of Work to be Performed:				
Contractor:	Contract Amount: \$			
Conference Date:	Location:			
<table style="width: 100%; border: none;"> <tr> <td style="width: 15%;">Participants:</td> <td style="width: 40%;">Names:</td> <td style="width: 45%;">Titles:</td> </tr> </table>		Participants:	Names:	Titles:
Participants:	Names:	Titles:		

Items Covered:

- \_\_\_\_\_ Awardee's Role and Responsibilities
- \_\_\_\_\_ Section 3 Contracting, Training and Employment Opportunities
- \_\_\_\_\_ Contractor's Role and Responsibilities
- \_\_\_\_\_ Equal Opportunity
- \_\_\_\_\_ Reporting Requirements and Sanctions
- \_\_\_\_\_ Other

**NOTICE TO PROCEED**

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Project Name: \_\_\_\_\_ Project Location: \_\_\_\_\_

Contract Number: \_\_\_\_\_ Construction Contract Number: \_\_\_\_\_

Type of Contract: \_\_\_\_\_ Amount of Contract: \_\_\_\_\_

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You are hereby notified to commence work on the referenced contract on or before \_\_\_\_\_, 20\_\_\_\_, and fully complete all work of said contract within \_\_\_\_\_ consecutive calendar days thereafter. Your completion date is therefore \_\_\_\_\_, 20\_\_\_\_.

The contract provides for an assessment of the sum of \$ \_\_\_\_\_ as liquidated damages for each consecutive calendar day after the above-established contract completion date the work remains incomplete.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By \_\_\_\_\_  
Title \_\_\_\_\_

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Acceptance of Notice

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Receipt of the foregoing Notice to Proceed is hereby acknowledged this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By \_\_\_\_\_  
Title \_\_\_\_\_

### Construction Management Files

Bid Documents	Architect/Engineer Specifications Bid Document Copy of Bid Advertisement Copies of any direct solicitations to women-owned and/or minority businesses Minutes of Bid Opening/Bid Tabulation Verification of Contractor Eligibility Notice of Contract Award Documentation of Contractor Procurement
Contract Documents	Contract Specifications Bonding/Insurance Preconstruction Conference Notification Preconstruction Conference Checklist Preconstruction Conference Minutes Contractor's Certifications: Labor Standards and Prevailing Wage Requirements, Civil Rights, etc. Project Schedule Notice to Proceed
Construction/Compliance	Change Orders (with documentation) Monitoring Letter/Findings Resolution of Findings Final Inspection and Acceptance Release of Claimants

Debarred or Suspended Contractors' <https://sam.gov/portal/SAM/#1>